

American Recovery and Reinvestment Act of 2009

Agency Name: U.S. Department of Housing and Urban Development

Broad Recovery Goals

The Recovery Act includes \$13.61 billion for projects and programs administered by the Department of Housing and Urban Development (HUD). HUD's funds are distributed across nine programs within three themes that align with the broader goals of the Recovery Act. HUD's overriding goal is the creation and preservation of jobs.

1. **Promoting energy efficiency and creating green jobs:** HUD's funds are aimed at "greening" the public and assisted housing stock, while contributing to the creation of a new industry for increasing residential energy efficiency.

The four programs supporting this goal are:

(1) Public Housing Capital Fund (\$4.00BN): \$3BN has been awarded through a formula to develop, finance and modernize public housing. \$1BN to be awarded through competition to retrofit public housing and support other priority investments, including the transformation of distressed public housing.

(2) Native American Housing Block Grants (\$0.51BN): \$255M has been allocated using an existing formula, \$243M to be awarded through a competition with priority given to projects that employ low-income members of the community and that can start within 180 days, and \$10M has been awarded through the Native American Hawaiian Housing Block Grant.

(3) Assisted Housing Energy & Green Retrofit Program (\$0.25BN): Grants and loans to be awarded through a competition to assisted housing property owners for energy and green retrofits.

(4) Lead Hazard Reduction/Healthy Homes (\$0.10BN): Grants will be awarded to applicants that met the threshold requirements of a competition held in FY08. Funds will support reduction and remediation activities in low and moderate income households and stimulate private sector investment in lead hazard control.

Benefits/Outcomes: (1) reduce greenhouse gas emissions, (2) decrease consumer energy costs, (3) increase quality & longevity of public and Native American housing stock.

2. **Unlocking the credit markets and supporting shovel-ready projects:** HUD's funds are aimed at addressing the sharp decline in the market for tax credits by providing "gap financing" to existing tax credit projects that have stalled or been delayed. Project-based rental assistance is expected to support the maintenance of properties that may have otherwise been neglected.

The two programs supporting this goal are:

(1) Tax Credit Assistance Program (\$2.25B): Funds to be allocated to State Housing Finance Agencies, who will distribute the funds competitively, giving priority to projects that can begin immediately.

(2) Project Based Rental Assistance (\$2.00BN): Funds have been applied against existing contracts. Funds will enable owners to undertake improvements to their properties.

Benefits/Outcomes: (1) produce tens of thousands of affordable housing units and (2) unlock private lending.

3. **Mitigating the effects of the economic crisis and preventing community decline:** HUD's funds are targeted at stabilizing households at risk of homelessness and communities that have been impacted by the current economic and foreclosure crisis.



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The three programs supporting this goal are:

(1) Neighborhood Stabilization Program (\$2.00BN): Funds have been awarded through two separate competitions among state and local governments, not-for-profits, and consortiums with for-profit entities. Funds for the smaller \$50 million competition focused on capacity building for NSP grantees. Funds for the larger \$1.93 billion competition will focus on interventions in areas of greatest need, with priority to applicants with the greatest capacity and innovation in acquisition, rehabilitation and affordable re-sale of foreclosed or abandoned properties.

(2) Homelessness Prevention Fund (\$1.50BN): Funds to be allocated to state and local governments using an existing formula. Funds will support the rapid re-housing of homeless persons and families who enter shelters, as well as expand efforts to prevent homelessness.

(3) Community Development Block Grants (\$1.00BN): Funds to be allocated to approximately 1,200 grantees using existing CDBG formula. Funds will target state and local community development projects, with a particular emphasis on infrastructure activities, in order to stabilize communities, generate jobs and support future economic growth.

Benefits/Outcomes: (1) stabilize property values, (2) prevent homelessness, and (3) prevent neighborhood blight.

List of Recovery Programs within Agency and Funding Amounts

Public Housing Capital Fund Formula Grant Program	\$3,000,000,000
Public Housing Capital Fund Competitive Grant Program	\$1,000,000,000
Native American Housing Block Grants (NAHASDA) Formula Grant Program	\$ 255,000,000
Native American Housing Block Grants (NAHASDA) Competitive Grant Program	\$ 255,000,000
Community Development Fund (CDBG) Formula Grant Program	\$1,000,000,000
Indian Community Development Block Grants (ICDBG) Formula Grant Program	\$ 10,000,000
Neighborhood Stabilization Competitive Grant Program	\$2,000,000,000
HOME Low-Income Housing Tax Credit Program	\$2,250,000,000
Homeless Prevention Fund Formula Grant Program	\$1,500,000,000
Project-Based Rental Assistance Grant Program	\$2,000,000,000
Project-Based Energy and Green Retrofit Grant Program	\$ 250,000,000
Lead Hazard Control and Health Homes Competitive Grant Programs	\$ 100,000,000

Competition on Contracts (excludes contracts under grants)

In accordance with Recovery Act provisions, HUD has set-aside a total of \$63M or 0.46 percent of its total Recovery funding of \$13.625B for administrative expense related to the design, implementation and oversight of Recovery activity in nine HUD programs. \$37.5M of the administrative set-asides is budgeted for contracted services to support a variety of needs, including technical assistance and training for HUD staff and recipients of Recovery funding, and IT systems development, enhancement and maintenance to support the data collection and reporting requirements of the Recovery Act. Given the stringent statutory deadlines for implementing the Recovery Act and the fact that Recovery funding is largely supplemental to existing HUD programs, HUD's procurement strategy is to use existing contract vehicles to the maximum extent possible. Most of HUD's contracting is competitive, or through the use of preferential sourcing programs such as the SBA 8(a) Program promoting the use of small and disadvantaged businesses. HUD's Recovery procurement plan anticipated a total of 28 contract actions, of which 13 modify or execute task orders to existing contracts that were previously competed, and 15 involve a new competition. Over 90 percent of HUD's estimated \$37.5M in contract dollars are on competitive awards or modifications to existing contracts that were previously competed for the same types of service or systems support.



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Contract Type (excludes contracts under grants)

Fixed-price contracting is best used when requirements are well defined and known, in advance of award. Historically, 50.1 percent of HUD's annual contracting dollars involve the use of fixed-price contracts. As of June 2010, 100% of HUD's ARRA contract actions have utilized Firm Fixed Price as the pricing vehicle for implementing Recovery activities. Additionally, 100% of these actions have been successfully reported into www.federalreporting.gov.

Description of Agency accountability mechanisms.

Given the Recovery Act's unprecedented cross-cutting scope and aggressive timeframe, the Secretary is viewing the Recovery Act as an opportunity to lay the groundwork for future transformation at HUD. The agency has already begun to put in place several groundbreaking accountability measures and initiatives.

Oversight Structure

HUD has established a Recovery Act program management structure that both supports program staff and holds them accountable for the activities outlined in this plan. The Secretary has designated the Chief Operating Officer as the senior official accountable for Recovery implementation. Reporting to the Chief Operating Officer is the Director of the Office of Strategic Planning and Management (OSPM), who provides broad oversight and advice on Recovery Act implementation to the Senior Program Manager on Economic Recovery. The Senior Program Manager and a seven-person program management team are housed in OSPM; they work full time on coordinating all recovery efforts at HUD across programs and supporting cross-cutting efforts. The team is located in OSPM in order to maximize the use of Recovery Act initiatives to meet the Secretary's goals of agency transformation, as well as to integrate lessons from Recovery implementation into the strategic planning and performance management mission of the agency.

At the program level, each of the nine Recovery programs has a designated program lead and supporting team. These leads and their teams are responsible for reporting on progress against the established milestones and performance targets outlined in this document, as well as raising and helping to resolve issues affecting progress. In addition to the program-specific teams, there is a large implementation team with participation from the following expertise areas: energy policy, legal/policy, budget, risk management, systems and IT infrastructure, research and evaluation, procurement and field engagement. Given its cross-cutting nature, this team supports the nine program areas and reports to the smaller Recovery Act program management team. Please see organizational chart at the end of this plan.

From an internal reporting perspective, the HUD Recovery Act program management team works with the leads of the program and cross-cutting teams to prepare a monthly program snapshot report for the Senior Program Manager to review with the Secretary and Deputy Secretary. The dashboard reports include quantitative financial and programmatic performance measures and targets, key milestones, and issues or risks. Performance measure targets and milestones that are missed, or that are in jeopardy of being missed, will be accompanied by an explanation of the reasons why, including any issues affecting progress and the specific plan for their resolution or mitigation. The report will also identify specific grantees with performance issues, and summarize the actions being taken to address them. On a quarterly basis, these monthly meetings include the grant recipient data described below.

Supported by the Senior Program Manager, the Recovery program management team and the agency's Field Policy and Management operation, the Deputy Secretary will continue to convene place-based reporting meetings with HUD Regional and Field Office leadership and program staff to examine Recovery disbursement rates from a regional



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perspective. Senior headquarters leadership and Regional and Field Office leadership also receive weekly grant-level spending reports from the Recovery program management team.

Identification of Measures

The Department has identified a rigorous set of output, outcome and efficiency measures that will quantify progress of each of the Recovery Act programs. These measures both capture the agency-level goals and the program-specific goals. The measurements are aligned to HUD's three themes: (1) promoting energy efficiency and creating green jobs, (2) unlocking the credit markets and supporting shovel-ready projects, (3) mitigating the effects of the economic crisis and preventing community decline.

Recipient Reporting

With respect to reporting, OMB has issued detailed guidance on the requirements for recipients of the Recovery Act funds. The detailed requirements can be found on HUD's website at <http://www.hud.gov/recovery/transparency-accountability.cfm>. Each prime and first tier recipient is required to report specified information to FederalReporting.gov within 10 days after the end of each calendar quarter. This includes, but is not limited to a detailed list of all projects and activities for which recovery funds were obligated or expended, an evaluation of the completion status of the project or activity, and an estimate of the number of jobs created or retained. In addition to making quarterly reports into FederalReporting.gov, HUD Recovery recipients are also required to submit reports directly to the agency on core activities funded by the Recovery Act.

Risk Assessment

Each program has submitted a preliminary front end risk assessment (FERA). The Program Management put into place a regular system of reporting on risk areas. These risk metrics are included in all reports and communications with the Secretary.

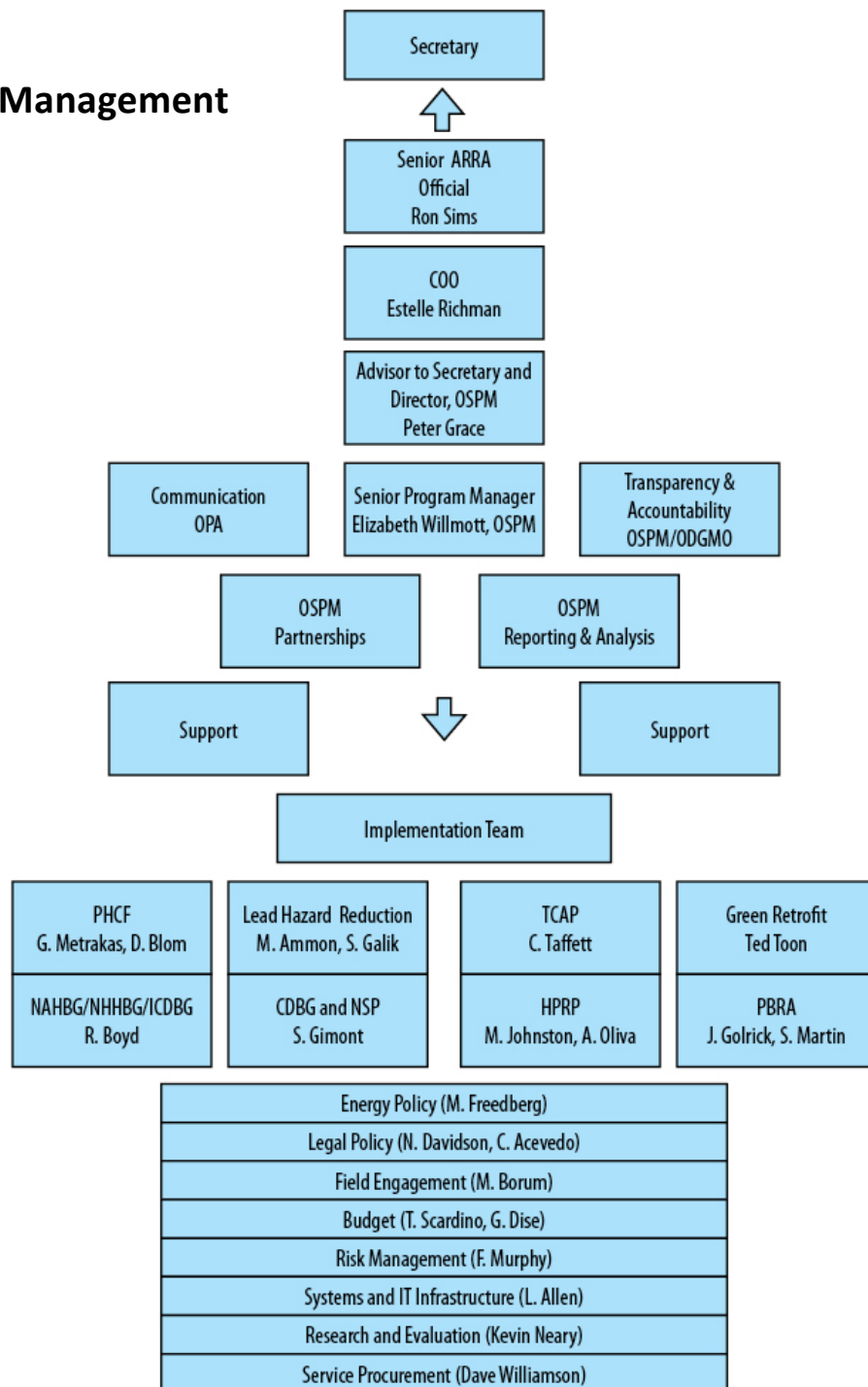
Transparency

Consistent with OMB reporting requirements, HUD has posted weekly financial reports on www.hud.gov/recovery since March 1, 2009. Furthermore, HUD is currently revamping its Recovery Web site to create a more interactive experience for grantees and citizens.



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Program Management



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Assisted Housing Green Retrofit Program

a. TABLE:

ACTIVITY	ESTIMATED FUNDING LEVEL
Grants for energy and green retrofits of eligible, accepted properties	\$155,000,000.00
Loans for energy and green retrofits of eligible, accepted properties	\$80,000,000.00
Deliver training, technical assistance, monitoring, enforcement, research and evaluation activities	\$15,000,000.00
TOTAL	\$250,000,000.00

b. OBJECTIVES:

HUD's Recovery Act funds support three themes that align with the broader goals of the Recovery Act: (1) promoting energy efficiency and creating green jobs, (2) unlocking the credit markets and supporting shovel-ready projects, and (3) mitigating the effects of the economic crisis and preventing community decline. HUD's overriding objective in support of these goals is the creation and preservation of jobs.

The Recovery Act includes a \$250 million appropriation for the Assisted Housing Energy & Green Retrofit. Green Building is an approach to property development, rehabilitation, maintenance and operation that results in reduced energy demand, reduced water consumption, lower operating costs, improved resident quality of life, and reduced overall impact on the environment, i.e., Green Building is a more environmentally responsible and sustainable approach to building and operating our housing. The objective of this new Green Retrofit Program is to make loans, make grants, and take a variety of other actions to facilitate utility-saving and other green building retrofits, in certain existing HUD-assisted multifamily housing, subject to agreement between HUD and the Owner. These activities further the objectives of the Recovery Act, namely, to provide a necessary boost to our economy and to create jobs, restore economic growth, and strengthen America's middle class. It is HUD's objective to implement the program quickly and effectively, and HUD will implement the Green Retrofit Program through the Office of Affordable Housing Preservation, drawing on policy and program approaches developed for HUD's Mark-to-Market Green Initiative, including using existing infrastructure for program management, due diligence, underwriting, closing, and rehabilitation escrow administration.

By retrofitting accepted properties for reduced energy demand, reduced water consumption, lower operating costs, improved resident quality of life (including comfort, and indoor air quality), and reduced overall impact on the environment, the Green Retrofit Program will have several public benefits. Reduced utility consumption through greater systems efficiency, training of residents, owners and property management, and operations consistent with green building principles and best practices, will decrease consumer energy costs, and generate future savings benefits to HUD and its budget, property owners and residents. By consuming fewer resources, property operations will result in reduced greenhouse gas emissions when compared to pre-retrofit consumption, and when compared to average property consumption patterns. Reduction in utility consumption in retrofitted properties, and generation of energy through alternative sources such as solar, wind and geothermal, moves our communities and the United States toward greater energy independence. The energy and green retrofits will create jobs, generally green jobs for the new, green economy, in several industries,



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including: green-collar professionals in the building analysis trades (property inspectors, energy auditors, integrated pest management professionals, financial analysts, architects, engineers, and asset managers), building construction trades (electricians, plumbers, window installers, siding contractors, recycling/salvage contractors, flooring contractors, pest management professionals, landscapers, painters, HVAC contractors, insulation contractors and installers, cabinet makers and installers), green product manufacturers (Energy Star appliances, efficient HVAC systems, environmentally sensitive flooring manufacturers, and manufacturers of paint, cabinet, lighting, insulation, siding, electronic systems controls, low-flow toilets, faucets and other water features), and indirect beneficiaries from the activities generated in the above-listed categories. Through these retrofits, focused on long-term feasibility and sustainability, this program will increase the overall quality and longevity of housing serving low-income individuals and families around the country, improving the neighborhoods and cities in which the properties are located; the improved properties will serve as examples to the communities in which the beneficiary properties are located of how to rehabilitate, maintain and operate a multifamily property in a green, sustainable way. The retrofit and consequent green operations and maintenance of the properties assisted through the Green Retrofit Program will benefit the residents, neighborhoods and communities by creating opportunities for training and education of residents and community members on conservation, green building principles and practices, and the benefits of a green approach to building and operating housing.

c. ACTIVITIES:

Kinds and scope of projects and activities to be performed: The primary use of funds will be grants and loans for energy and green retrofits of eligible, accepted properties. HUD will commission due diligence and underwriting for each project accepted for processing. A detailed energy and green retrofit plan will be developed with the property owner, and will be the basis for funding. Grants and loans are available up to \$15,000 per eligible unit based upon the needs and opportunities identified, and the agreed-upon retrofit plan. Funding obligations will be placed in escrow, overseen by HUD, for completion of the specific scope of retrofits.

Project/Activity: Grants for energy and green retrofits of eligible, accepted properties.

Description: After application review and acceptance of properties, HUD will solicit third-party due diligence analyses and reports to assess individual property needs and opportunities, will propose to the property owners a scope of retrofit, and upon acceptance by the owner, will close the transaction. Funds will be transferred into a rehabilitation escrow account to fund the planned retrofits, as well as certain owner incentives allowed under the Recovery Act. The owner will be responsible for completion of retrofits, and for the ongoing green operations and maintenance of the properties.

Estimated Funding: \$155,000,000.00

Project/Activity: Loans for energy and green retrofits of eligible, accepted properties.

Description: After application review and acceptance of properties, HUD will solicit third-party due diligence analyses and reports to assess individual property needs and opportunities, will propose to the property owners a scope of retrofit, and upon acceptance by the owner, will close the transaction. Funds will be transferred into a rehabilitation escrow account to fund the planned retrofits, as well as a grant for certain owner incentives allowed under the Recovery Act. The owner will be responsible for completion of retrofits, and for the ongoing green operations and maintenance of the properties.

Estimated Funding: \$80,000,000.00



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Project/Activity: Deliver training, technical assistance, monitoring, enforcement, research and evaluation activities.

Description: HUD will hire staff, build systems and capacity and work with grantees to ensure effective and efficient implementation.

Estimated Funding: \$15,000,000.00

d. CHARACTERISTICS:

Type of Financial Award: B - Project Grants

Estimated Funding Amount: \$155,000,000.00

Methodology for Award Selection: First come, first served, with threshold entry requirements, and subject to limitations by project type, geography, and owner entity. Grant amount will be up to \$15,000 per unit, based upon HUD review of and owner acceptance of an assessment of property needs and opportunities for energy and green retrofits.

Type(s) of Recipients: Government - Sponsored Organization, Government - Public Nonprofit Institution/Organization, Non-Government - Private Nonprofit Institution/Organization, Non-Government - Profit Organization, Non-Government - Quasi-Public Nonprofit Institution/Organization

Type(s) of Beneficiaries: Local – County, Local - City or Township, Sponsored Organization, Public nonprofit institution/organization, Other public institution/organization, Individual/Family, Small business (as defined in 13 CFR part 121), Nonprofit with 501C3 IRS Status (Other than Institution of Higher Education), Nonprofit without 501C3 IRS Status (Other than Institution of Higher Education), Individual, For-Profit Organization (Other than Small Business), Profit organization, Private nonprofit institution/organization, Quasi-public nonprofit organization, Other private institution/organization, Small Business Person (an owner or employee as defined in 13 CFR Part 121), Land/Property Owner Engineer/Architect, Builder/Contractor/Developer Senior Citizen (60+), Low Income, Major Metropolis (over 250,000), Other Urban, Suburban, Rural, Persons with Disabilities

Type of Financial Award: E - Direct Loans

Estimated Funding Amount: \$80,000,000.00

Methodology for Award Selection: First come, first served, with threshold entry requirements, and subject to limitations by project type, geography, and owner entity. Loan amount will be up to \$15,000 per unit, based upon HUD review of and owner acceptance of an assessment of property needs and opportunities for energy and green retrofits.

Type(s) of Recipients: Government - Local-County, Government - Local-City or Township, Government - Sponsored Organization, Government - Public Nonprofit Institution/Organization, Government - Other Public Institutions/Organizations, Non-Government - Individual/Family, Non-Government - Profit Organization, Non-Government - Private Nonprofit Institution/Organization, Non-Government - Quasi-Public Nonprofit Institution/Organization

Type(s) of Beneficiaries: Local – County, Local - City or Township, Sponsored Organization, Public nonprofit institution/organization, Other public institution/organization, Small business (as defined in 13 CFR part 121), Nonprofit with 501C3 IRS Status (Other than Institution of Higher Education), Nonprofit without 501C3 IRS Status (Other than Institution of Higher Education), Individual, For-Profit Organization (Other than Small Business), Engineer/Architect, Builder/Contractor/Developer, Small Business Person (an owner or employee as defined in 13 CFR Part 121), Land/Property Owner, Persons with Disabilities, Senior Citizen (60+), Low Income, Major Metropolis (over 250,000), Other Urban, Suburban, Rural



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Estimated dollar amount of Federal in-house activity: \$15,000,000.00

The program includes a 1% set-aside (\$2.5 million) for internal administrative functions, including technology changes, contracts, and program evaluation. The program also includes a set-aside of up to 5% (\$12.5 million) for due diligence and underwriting services.

e. DELIVERY SCHEDULE:

Milestone Description: The major milestones in implementation of the Green Retrofit Program include: the publication of a Notice to inform the interested and eligible parties of the program outline, requirements, and application process; the opening for acceptance of applications for participation from eligible participants; the obligation of 100% of the funds; and the completion of retrofits for 100% of the accepted portfolio.

Milestone: Begin accepting applications for participation from eligible participants

Completion Date: 6/15/2009

Milestone: Grantees obligate 100% of the funds

Expected Completion Date: 9/30/2011

Milestone: Completion of retrofits for 100% of the accepted portfolio

Expected Completion Date: 9/30/2012

f. ENVIRONMENTAL REVIEW COMPLIANCE:

AREA OF COMPLIANCE	GRANTS	LOANS
Compliance with National Environmental Policy Act (NEPA)	For each project funded, prior to funding obligation HUD will require completion of a standard form environmental screen to assist in completing its environmental review in accordance with 24 CFR Part 50. Funding is conditioned upon HUD approval of the review.	For each project funded, prior to funding obligation HUD will require completion of a standard form environmental screen to assist in completing its environmental review in accordance with 24 CFR Part 50. Funding is conditioned upon HUD approval of the review.
Compliance with National Historic Preservation Act and related statutes	The above review requires historic review and state historic preservation office opportunity for comment for covered projects.	The above review requires historic review and state historic preservation office opportunity for comment for covered projects.
Milestones dependent on environmental review process	Final approval of a retrofit plan, and obligation and transfer of funds are dependent upon the environmental review process completion to HUD's satisfaction.	Final approval of a retrofit plan, and obligation and transfer of funds are dependent upon the environmental review process completion to HUD's satisfaction.



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Potential impact of environmental reviews on project implementation	Grant proceeds cannot be used to remediate environmental issues except if the costs are incidental to the approved Green Retrofit (such as removing lead-based paint on window frames when windows are being replaced as a Green Retrofit). Environmental issues required to be mitigated by the owner must be done as condition of the grant, at the owner's expense.	Loan proceeds cannot be used to remediate environmental issues except if the costs are incidental to the approved Green Retrofit (such as removing lead-based paint on window frames when windows are being replaced as a Green Retrofit). Environmental issues required to be mitigated by the owner must be done as condition of the grant, at the owner's expense.
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g. MEASURES:

Targets do not take into consideration the fact that additional funds may be leveraged; HUD is continuing to identify and evaluate the impact of leveraged funds on its targets.

Per OMB guidance, recipients report on jobs information quarterly into FederalReporting.gov. This data can be found at Recovery.gov.

Measure: Funds obligated by HUD

Measure Type: Efficiency

Measure Frequency: Quarterly

Direction of Measure: Increasing

Unit of Measure: Dollars

Explanation of Measure: Quantifies efficiency and timeliness by measuring the dollar amount of funds obligated on a quarterly basis.

Goal Lead: Theodore Toon

Measurement Methodology: HUD will collect Quarterly Recipient Reports from grantees.

How result will be readily accessible to the public: This data will be made available on HUD.gov/Recovery.

	ARRA Projection	Actual ARRA Performance
2010	\$250,000,000	\$45,432,884 (as of April, 30, 2010)



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Measure: Funds expended by grantees

Measure Type: Efficiency

Measure Frequency: Quarterly

Direction of Measure: Increasing

Unit of Measure: Dollars

Explanation of Measure: Quantifies efficiency and timeliness by measuring the dollar amount of funds expended by grantees on a quarterly basis.

Goal Lead: Theodore Toon

Measurement Methodology: HUD will collect Quarterly Recipient Reports from grantees.

How result will be readily accessible to the public: This data will be made available on HUD.gov/Recovery.

	ARRA Projection	Actual ARRA Performance
2010	\$45,000,000	\$9,430,847 (as of April 30, 2010)
2011	\$142,500,000	

Measure: Number of Affordable Housing Units Rehabilitated

Measure Type: Output

Measure Frequency: Quarterly

Direction of Measure: Increasing

Unit of Measure: Housing Units

Explanation of Measure: Measures Program success in contributing to HUD's goals of supporting shovel-ready projects and increasing the quality of housing stock by tracking the number of affordable housing units rehabilitated each quarter.

Goal Lead: Theodore Toon

Measurement Methodology: HUD will collect Quarterly Recipient Reports from grantees.

How result will be readily accessible to the public: This data will be made available on HUD.gov/Recovery.

	ARRA Projection	Actual ARRA Performance
2010	2,500	TBD



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Measure: Number of units receiving energy conservation/green improvements (This program contributes towards HUD High Priority Performance Goal 4: Energy and Green Retrofits.)

Measure Type: Output

Measure Frequency: Annual

Direction of Measure: Increasing

Unit of Measure: Housing Units

Explanation of Measure: Measures Program success in contributing to HUD's goals of increasing the quality of housing stock and increasing energy efficiency by tracking the number of rehabilitated units receiving energy conservation and/or other green improvements each quarter.

Goal Lead: Theodore Toon

Measurement Methodology: HUD will collect Quarterly Recipient Reports from grantees.

How result will be readily accessible to the public: This data will be made available on HUD.gov/Recovery.

	ARRA Projection	Actual ARRA Performance
2010	4,000	TBD

h. MONITORING AND EVALUATION:

For the past ten years, the Office of Affordable Housing Preservation has administered the Mark-to-Market program, a property retrofit and refinance program. The new Green Retrofit Program involves a similar scope of work to Mark-to-Market (with some notable differences); the systems in place to accept, assign, track, monitor, and evaluate the program, its participants, timeliness, quality, fiduciary responsibility, quality control, and overall program monitoring and evaluation will be utilized for the new Green Retrofit Program. It is notable that in ten years, with over 3,000 properties completed through the Mark-to-Market process (compared to 300-400 properties that might be completed under the new program), the monitoring and evaluation processes, procedures, systems, and personnel in place have satisfied every audit and internal and external review conducted of the program, its funding, and its oversight.

(1) Data Collection and Reporting

- Spend Plans:** HUD will commission due diligence and underwriting for each project accepted for processing. A detailed energy and green retrofit plan will be developed with the property owner, and will be the basis for funding. As funds for the executed plans are obligated, grantee spending will be posted on HUD.gov/Recovery.
- Financial Reports:** HUD has two financial reports that will be generated and analyzed on a weekly basis. These include a Summary Financial Report that indicates the amount of funds for each program, and a Funding Notification Report, which shows the amount of funding by program for every jurisdiction, including local governments and some states.
- Quarterly Recipient Reports:** The cornerstone of HUD's monitoring and evaluation system is the project and contract data collected from grantees. The Recovery Act specifically requires data collection fields for grantees and contractors. In addition to these data, HUD will also collect program-specific measures from grantees (outlined in Section 6 of this plan).



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- (2) **Ongoing Grantee Management:** HUD categorizes grantees by risk, then monitors and allocates interventions, including training, technical assistance and if warranted, disciplinary action, accordingly. High Risk grantees will generally be screened out as part of the selection process; financially infeasible projects, projects with current health and safety violations, serious management findings, enforcement actions, fair housing violations, or prior participation violations that would prevent the property owner from participating in new business with HUD, will not be eligible to participate in the program. Prior to obligating funds, HUD will conduct a final feasibility study to ensure a property is viable, and will require the grantee to execute binding legal documents outlining responsibilities and remedies for violations of the terms of the grants or loans. All funding will be placed in an escrow account, overseen by HUD, for the express purpose of completing the specific scope of retrofits. Independent property inspections and verification are required as conditions of release of funds from escrow. A financial incentive has been created for grantees that complete the scope of work timely and on budget. Owners whose project retrofits are materially behind schedule or over budget will not receive this incentive. Serious time delays may result in HUD rescinding the funding and sweeping the escrowed funds. Any misuse of funds may result in a range of HUD enforcement actions.
- (3) **Longer Term Evaluation and Research:** Evaluation of property performance after program retrofits will measure utility consumption before and after retrofits to calculate, on a per unit, per property, and portfolio basis, dollars and units of energy saved, translated into carbon/greenhouse gas emissions and equivalent “cars taken off the road” measures. Research will include studies of long-term utility savings, beneficiaries of those savings. Evaluation will include multiple regression analyses to analyze savings by retrofit scope, type, dollars invested, geography, building type, resident make-up, etc., in order to understand where the best future opportunities exist. Research will include indoor air quality analyses and the impact on residents (together with Centers for Disease Control and Prevention). HUD will evaluate the long term financial and physical stability of the participating properties to measure effectiveness of the program as a preservation tool. Research will identify best practices for involvement and incentivizing tenants to fully participate in efficiency measures; and best practices for training and employing low income and very low income residents in green building construction and rehab, and building weatherization.

i. and j. TRANSPARENCY AND ACCOUNTABILITY:

With respect to reporting, OMB has issued detailed guidance on the requirements for recipients of the Recovery Act funds. Specifically, each prime and first tier recipient is required to report specified information to HUD 10 days after the end of each calendar quarter. This includes but is not limited to a detailed list of all projects and activities for which Recovery Act funds were obligated or expended, an evaluation of the completion status of the project or activity, and an estimate of the number of jobs created or retained. In addition to the overarching requirements of the Recovery Act, HUD has also identified a number of program-specific measures that will be collected through this reporting process.

HUD expects that the transparency requirements of the Recovery Act, specifically the requirement to publish both spending and recipient performance reports, will create accountability amongst its managers and grantees. HUD has established additional internal management controls to create a greater level of accountability for performance. The HUD Recovery Act program management team works with the leads of the program and cross-cutting teams to prepare weekly place-based financial reports to the Assistant Secretaries and Regional Directors. In addition, a monthly report to the Secretary and Deputy Secretary highlights issues related to program implementation. Drawing from the program and risk management plans, the reports include summary-level quantitative financial and



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programmatic performance measures and targets, key milestones, and issues or risks. Interim spending and performance targets ensure that annual objectives from the program plans are met. Performance data is summarized by grantee risk category, as defined in the agency's risk management plan. Performance measure targets and milestones that are missed, or that are in jeopardy of being missed, are accompanied by an explanation of the reasons why, including any issues affecting progress and the specific plan for their resolution or mitigation. The reports also identify specific grantees with performance issues, and summarize the actions being taken to address them. Each program team meets with the Secretary, Deputy Secretary and Steering Committee on a monthly basis to review a more detailed set of Recovery Act performance measures. On a quarterly basis, these monthly meetings include updated grant recipient data described above.

k. BARRIERS TO EFFECTIVE IMPLEMENTATION:

Phase	Barrier/Concern	Proposed Solution	Targeted Resolution Date
Post-Implementation	Monitoring	Enhancing OAHP's reporting and tracking systems (including automated alerts in reporting systems to warn of missed milestones) to include Green Retrofit Program activity for separate review. Securing additional funding to engage in third party audits.	Completed: June 2009
	Systems Capability	This risk is mitigated by modifying or creating systems (including HUD's new Recipient reporting System) to track and provide management with reports on activities and on compliance with all program requirements including reporting on Recovery.gov.	Completed: June 2009

No known implementation barriers remain.

I. FEDERAL INFRASTRUCTURE INVESTMENTS:

This program does not invest in Federal infrastructure. However, for HUD's programs that include construction or rehabilitation or are Federal investments in privately owned housing: New buildings and major renovations financed through formula grants are required to meet local energy codes. New construction and major renovations financed through some competitive grant programs will, in the case of single family homes, be built to the standard for Energy Star for New Homes (15 percent more efficient than the 2004 International Residential Code); or in the case of multifamily buildings to exceed ASHRAE (American Society of Heating, Refrigeration, and Air-conditioning Engineers) Code 90.1 2007, Appendix G, by 20 percent. HUD's competitive program requirements also ensure that new construction and major renovations follow sustainable design and green construction principles to (1) optimize energy efficiency and performance; (2) employ integrated design principles (and controls); (3)



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protect and conserve water; (4) enhance indoor air quality; and (5) reduce environmental impact of materials used.



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Community Development Block Grant (CDBG) Entitlement Grants

a. FUNDING TABLE:

ACTIVITY	FUNDING LEVEL
CDBG projects. Projects will range from small scale, single family rehabilitation activities to major infrastructure and economic development activities	\$980,000,000.00
TA Activities. HUD will provide training, technical assistance, monitoring, enforcement, research and evaluation activities	\$10,000,000.00
TOTAL	\$990,000,000.00

b. OBJECTIVES:

HUD's Recovery Act funds support three themes that align with the broader goals of the Recovery Act: (1) promoting energy efficiency and creating green jobs, (2) unlocking the credit markets and supporting shovel-ready projects, and (3) mitigating the effects of the economic crisis and preventing community decline. HUD's overriding objective in support of these goals is the creation and preservation of jobs.

The Recovery Act includes a \$1 billion appropriation for Community Development Block Grants (CDBG) to be used to assist states, local governments and the Insular Areas in funding a wide range of community development activities eligible under section 105 of the Housing and Community Development Act of 1974. \$10 million of this amount has been provided to the Indian CDBG program administered by the Office of Public and Indian Housing and is not covered by this plan.

The expected benefits of CDBG are to stabilize property values and prevent neighborhood blight. In addition, we will meet HUD's overriding goal of creating and preserving jobs. CDBG funds will provide financing for infrastructure activities, housing activities, economic development activities, public service activities, real property acquisition, and administrative costs. All activities, other than administrative costs, must meet one of the CDBG three national objectives: provide benefits to low- and moderate income persons; eliminate slums and blighting conditions; or address urgent needs and/or imminent threats within the community.

c. ACTIVITIES:

Kinds and scope of projects and activities: Grantees will identify projects and activities to be assisted with CDBG funds in action plan amendments that all grantees will be required to submit in order to receive their funding. HUD estimates that grantees will assist between 6,000 and 8,000 discrete activities with CDBG funds. Projects will range from small scale, single family rehabilitation activities to major infrastructure and economic development activities. Grantees have the discretion to choose activities for funding, subject to the limitations of the Recovery Act which prohibits assistance to aquariums, casinos (and other gambling establishments), golf courses, swimming pools, and zoos, as well as the guidelines for responsible spending outlined in a Presidential memorandum dated March 20, 2009.

Project/Activity: CDBG projects are described in the grantee action plan amendments. HUD posts these projects and activities on its website (www.HUD.gov/Recovery) as grantees submit them for approval.

Description: Projects will range from small scale, single-family rehabilitation activities to major infrastructure and economic development activities.

Funding: \$980,000,000.00



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Project/Activity : HUD will provide training, technical assistance, monitoring, enforcement, and research and evaluation activities.

Description: HUD will hire staff, build IT systems and work with grantees to ensure effective and efficient implementation.

Funding: \$10,000,000.00

d. CHARACTERISTICS:

Type of Financial Award: A - Formula Grants

Funding Amount: \$980,000,000.00

Methodology for Award Selection: The Recovery Act directed HUD to distribute CDBG-R funds to jurisdictions that received CDBG funds in FY 2008 and to use the existing CDBG formulas at codified in statute at 42 USC 5306. This meant that \$973 million would be distributed by formula to states and local governments, and \$7 million to the Insular Areas.

Type(s) of Recipients: Government - Local-City or Township, Government - Local-County, Government - states

Type(s) of Beneficiaries: States, Local – County, Local - City or Township, Public nonprofit institution/organization, Individual/Family, Small business (as defined in 13 CFR part 121), Individual, For-Profit Organization (Other than Small Business), Anyone/general public, Other private institution/organization, Moderate Income, Low Income, Major Metropolis (over 250,000), Other Urban, Suburban, Rural, Unemployed, Welfare Recipient, Pension Recipient, Senior Citizen (60+), Youth (16-21), Child (6-15), School Preschool Infant (0-5), Juvenile Delinquent, Alcoholic Drug Addict, Mentally Disabled, Physically Afflicted (e.g., TB, Arthritis, Heart Disease), Persons with Disabilities, Women, Public/Indian Housing Authority, Nonprofit with 501C3 IRS Status (Other than Institution of Higher Education), Nonprofit without 501C3 IRS Status (Other than Institution of Higher Education), Profit organization, Private nonprofit institution/organization, Quasi-public nonprofit organization, Small Business Person (an owner or employee as defined in 13 CFR Part 121), Consumer, Homeowner, Land/Property Owner, African American, American Indian, Spanish Origin, Asian, Other Non-White, Migrant, US Citizen, Refugee/Alien, Veteran/Service person/Reservist (including dependents), Industrialist/Business person, Farmer/Rancher/Agriculture, Producer, Builder/Contractor/Developer, Engineer/Architect, Artist/Humanist Scientist/Researchers, Graduate, Student, Student/Trainee, Education Professional, Health Professional, Native American Organizations, Alaska Native and Native Hawaiian Serving Institutions, Historically Black Colleges and Universities (HBCUs), Hispanic-serving Institution, Private Institution of Higher Education, Indian/Native American Tribal Designated Organization, Indian/Native American Tribal Government (Other than Federally Recognized), Indian/Native American Tribal Government (Federally Recognized), Specialized group (e.g., health professionals, students, veterans), Minority group, Federally Recognized Indian Tribal Governments, Other public institution/organization, Sponsored Organization, Independent School District, Regional Organization, Special District Government

Estimated dollar amount of Federal in-house activity: \$10,000,000.00

e. DELIVERY SCHEDULE:

Milestone Description: The key milestones for the CDBG formula grants include the processing and approval of action plan amendments, the obligation of funds by grantees and the expenditure of funds by grantees.



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Milestone: HUD provides 100% of grantees with approved “action plan amendments” (e.g. plans for use of funds) with access to CDBG funds not later than September 30, 2009

Expected Completion Date: 9/30/2009

Actual Performance: 99.14 percent of all grantees with approved action plans had access to funds not later than September 30, 2009. All grantees, including the sole case of reallocated funds, have access to CDBG-R funds.

Milestone: HUD ensures that CDBG grantees obligate at 100% by the end of FY 2011

Expected Completion Date: 9/30/2011

Actual Performance: As of May 21, 2010, CDBG-R grantees have already obligated 84.8 percent of funds to specific activities.

Milestone: HUD ensures that 100% of CDBG funds are expended not later than September 30, 2012

Expected Completion Date: 9/30/2012

Actual Performance: As of May 21, 2010, CDBG-R grantees have already expended \$232 million.

f. ENVIRONMENTAL REVIEW COMPLIANCE:

AREA OF COMPLIANCE	CDBG PROJECTS
Compliance with National Environmental Policy Act (NEPA)	All CDBG assisted activities are subject to NEPA and HUD Departmental environmental requirements unless they are statutorily exempt. Exempt activities include administrative and management activities, environmental and other studies, and technical assistance and training.
Compliance with National Historic Preservation Act and related statutes	Under the environmental review process, CDBG grantees must certify that they have complied with other environmental laws and authorities that apply to HUD and its programs.
Milestones dependent on environmental review process	CDBG-assisted activities that are not exempt are subject to an environmental review prior to the release of funds. Grantees may not take choice limiting actions prior to the release of funds.
Potential impact of environmental reviews on project implementation	Unless exempt, failure to undertake required environmental reviews makes the activity ineligible for CDBG assistance.

g. MEASURES:

Given programmatic differences between annual CDBG and CDBG-R funds, more specifically the intent to use Recovery Act funds to support projects that generate jobs in the near-term and create a foundation for future economic growth, HUD does not anticipate that the historical percentages for uses of CDBG will apply. HUD is projecting the following distribution of uses of CDBG-R funds: Public Facilities and Improvements - 66% (20% water and sewer; 22% streets and roads; 24% other public facilities), Housing - 12%, Public Services - 5%, Economic Development - 8%, Administration - 7% (capped at 10%), other - 2%.

Per OMB guidance, recipients report on jobs information quarterly into FederalReporting.gov. This data can be found at Recovery.gov.



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Measure: Funds obligated by HUD

Measure Type: Efficiency

Measure Frequency: Quarterly

Direction of Measure: Increasing

Unit of Measure: Dollars

Explanation of Measure: Quantifies efficiency and timeliness by measuring the dollar amount of funds obligated by grantees on a quarterly basis.

Actual: \$979,999,881 as of May 21, 2010. This represents the total amount of CDBG-R funds to be obligated.

Goal Lead: Stan Gimont

Measurement Methodology: HUD will collect Quarterly Recipient Reports from grantees.

How result will be readily accessible to the public: This data will be made available on HUD.gov/Recovery.

	ARRA Projection	Actual ARRA Performance
2009	\$100,000,000	N/A
2010	\$780,000,000	\$979,999,881 (as of May 21, 2010)

Measure: Funds expended by grantees

Measure Type: Efficiency

Measure Frequency: Quarterly

Direction of Measure: Increasing

Unit of Measure: Dollars

Explanation of Measure: Quantifies efficiency and timeliness by measuring the dollar amount of funds expended by grantees on a quarterly basis.

Actual: \$231,983,820 as of May 21, 2010

Goal Lead: Stan Gimont

Measurement Methodology: HUD will run reports on funds drawn down by grantees using the Integrated Disbursement and Information System (IDIS).

How result will be readily accessible to the public: This data will be made available on HUD.gov/Recovery.

	ARRA Projection	Actual ARRA Performance
2009	\$20,000,000	N/A
2010	\$320,000,000	\$231,983,820 (as of May 21, 2010)
2011	\$550,620,319	TBD



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Measure: Number of Persons served by Public Facilities and Improvements

Measure Type: Output

Measure Frequency: Quarterly

Direction of Measure: Increasing

Unit of Measure: Number of Persons

Explanation of Measure: Measures Program success in contributing to HUD's goals of supporting shovel-ready projects by tracking the number of persons benefitting from CDBG-R assisted public facilities and improvements each quarter.

Actual: 0 persons reported as served as of April 29, 2010. Grantees typically do not report accomplishments until public improvement projects are fully completed.

Goal Lead: Stan Gimont

Measurement Methodology: Grantees will self-report monthly on the use of CDBG-R funds through the existing Integrated Disbursement and Information System (IDIS). HUD will do remote monitoring through IDIS data downloads of project level data.

How result will be readily accessible to the public: This data will be made available on HUD.gov/Recovery.

	ARRA Projection	Actual ARRA Performance
2010	1,250,000	0 (as of April 29, 2010)
2011	6,250,000	TBD

Measure: Number of Affordable Housing Units Rehabilitated

Measure Type: Output

Measure Frequency: Quarterly

Direction of Measure: Increasing

Unit of Measure: Housing Units

Explanation of Measure: Measures Program success in contributing to HUD's goals of supporting shovel-ready projects and increasing the quality of housing stock by tracking the number units rehabilitated each quarter.

Actual: 1,427 units as of May 21, 2010.

Goal Lead: Stan Gimont

Measurement Methodology: Grantees will self-report monthly on the use of CDBG-R funds through the existing Integrated Disbursement and Information System (IDIS). HUD will do remote monitoring through IDIS data downloads of project level data.

How result will be readily accessible to the public: This data will be made available on HUD.gov/Recovery.

	ARRA Projection	Actual ARRA Performance
2010	2,000	1,427 (as of May 21, 2010)
2011	5,000	TBD



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h. MONITORING AND EVALUATION:

(1) Data Collection and Reporting

- a. Spend Plans: This list includes the amount of funds allocated to the proposed activities. HUD displays these lists on the HUD Recovery Act website, www.hud.gov/recovery. HUD field staff review grantee plans for compliance with both CDBG and Recovery Act requirements, including the President's March 20, 2009 memorandum on responsible spending of Recovery Act funds.
- b. Financial Reports: HUD generates two financial reports that are analyzed weekly. These include a Summary Financial Report that indicates the amount of funds for each program, and a Funding Notification Report, which shows the amount of funding by program for every jurisdiction, including local governments and states.
- c. Quarterly Recipient Reports: The cornerstone of HUD's monitoring and evaluation system is the project data collected from grantees. The Recovery Act specifically requires data collection fields for grantees and contractors. A list of data requirements can be found on www.hud.gov/recovery. In addition, CDBG grantees are required to provide data for all fields within the Integrated Disbursement and Information System (IDIS) that are applicable to the CDBG eligible activities being funded by the grantee. The link to IDIS is: www.hud.gov/offices/cpd/systems/idis/idis.cfm.

- (2) Ongoing Grantee Management: HUD categorizes grantees by risk, then monitors and allocates interventions, including training, technical assistance and if warranted, disciplinary action. High Risk grantees will be identified through application of Community Planning and Development's (CPD) established risk analysis process which encompasses the CDBG program. Risk analysis provides the information needed for CPD to effectively target its resources to grantees that pose the greatest risk to the integrity of CPD programs, including identification of the grantees to be monitored on-site and remotely, the program areas to be covered, and the depth of the review. The selection process should result in identifying those grantees and activities that represent the greatest vulnerability to fraud, waste, and mismanagement. CPD will monitor grantee disbursement patterns via reports available through IDIS and other HUD systems. CPD will also evaluate substantial action plan amendments and proposed activities prior to approval of amendment and will monitor CDBG grantee implementation actions for consistency with approved plans. To ensure budget/cost compliance, CPD will monitor grantees consistent with established CDBG monitoring guidelines as identified in the CPD Monitoring Handbook (Handbook 6509.2, Rev. 6). Sanctions relating to improper use of funds will be based upon sanctions available to CDBG program under the HCD Act of 1974 and 24 CFR 570, Subpart O. CPD will use Recovery Act set aside funds as well as regular CDBG technical assistance funds to provide guidance to grantees or special requirements associated with the use of funds.

i. and j. TRANSPARENCY AND ACCOUNTABILITY:

With respect to reporting, OMB has issued detailed guidance on the requirements for recipients of the Recovery Act funds. Specifically, each prime and first tier recipient is required to report specified information to HUD 10 days after the end of each calendar quarter. This includes financial information, an evaluation of the completion status of the project or activity, information on the number of jobs created or retained per quarter, information on sub-recipients and vendors, and information on infrastructure investments. In addition to the overarching requirements of the Recovery Act, HUD collects a number of program-specific measures through existing grantee reporting systems.



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HUD expects that the transparency requirements of the Recovery Act, specifically the requirement to publish both spending and recipient performance reports, will create accountability amongst its managers and grantees. In addition, HUD established internal management controls to create a greater level of accountability for performance. The HUD Recovery Act program management team works with the leads of the program and cross-cutting teams to prepare weekly place-based financial reports to the Assistant Secretaries and Regional Directors. In addition, a monthly report to the Secretary and Deputy Secretary highlights issues related to program implementation. Drawing from the program and risk management plans, the reports include summary-level quantitative financial and programmatic performance measures and targets, key milestones, and issues or risks. Interim spending and performance targets ensure that annual objectives from the program plans are met. Performance data is summarized by grantee risk category, as defined in the agency's risk management plan. Performance measure targets and milestones that are missed, or that are in jeopardy of being missed, are accompanied by an explanation of the reasons why, including any issues affecting progress and the specific plan for their resolution or mitigation. The reports also identify specific grantees with performance issues, and summarize the actions being taken to address them. The program team meets with the Secretary, Deputy Secretary and Steering Committee on a monthly basis to review a more detailed set of Recovery Act performance measures. On a quarterly basis, these monthly meetings include updated grant recipient data described above.

HUD requires CDBG-R grantees to submit a list of proposed activities along with their substantial action plan amendment. HUD posts all grantee spreadsheets of proposed activities to its Recovery Act website for public review and comment. The purpose of this exercise is to ensure the highest possible level of transparency and accountability in the use of CDBG-R funds. Once the activities are approved, HUD will post these activities on the HUD Recovery website as well.

k. BARRIERS TO EFFECTIVE IMPLEMENTATION:

Phase	Barrier/Concern	Proposed Solution	Targeted Resolution Date
Pre-Implementation	<u>Staffing Resources</u> : CDBG management has identified the need to hire additional staff. The current staffing is insufficient to monitor use of the additional funds.	Identified additional staff to be hired for technical assistance and monitoring for NSP 2 and CDBG-R	Completed: September 2009
Post-Implementation	<u>Systems Capability</u> : Modifications to IDIS, such as to track CDBG-R funds apart from regular CDBG funds, collection of contractor information, verification of sub-awardee data, and the addition of energy conservation measures.	Upgrade IDIS	March – May 2010



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I. FEDERAL INFRASTRUCTURE INVESTMENTS:

New buildings and major renovations financed through formula grants are required to meet local energy codes.

Healthy Homes Program

a. FUNDING TABLE:

ACTIVITY	FUNDING LEVEL
Funds will be provided to develop, demonstrate and promote cost effective, preventive measures to correct multiple safety and health hazards in the home environment that produce serious diseases and injuries in children. Through this grant program housing units are remediated of significant health and safety hazards.	\$17,167,142.00
Funds will be provided to conduct research on the potential indoor environmental and occupant health benefits of new green- built public housing and low income housing that has received weatherization upgrades.	\$1,766,552.00
Administrative set-aside for personnel expenses related to administering funding	\$95,000.00
TOTAL	\$19,028,694.00

b. OBJECTIVES:

HUD's Recovery Act funds support three themes that align with the broader goals of the Recovery Act: (1) promoting energy efficiency and creating green jobs, (2) unlocking the credit markets and supporting shovel-ready projects, and (3) mitigating the effects of the economic crisis and preventing community decline. HUD's overriding objective in support of these goals is the creation and preservation of jobs.

HUD's Office of Healthy Homes and Lead Hazard Control (OHHLHC) received approximately \$100 million in Recovery Act appropriated funds. Of this amount, \$17 million were announced as awards to be made under the Healthy Homes Demonstration grant program. This program assists not-for-profit institutions and for-profit firms (provided no fees are charged for services), state and local governments, housing authorities, federally-recognized Indian Tribes, and colleges and universities located in the US develop, demonstrate, and evaluate cost-effective, preventive measures to correct multiple residential safety and health hazards that produce diseases and injuries in children and other sensitive subgroups such as the elderly, with a particular focus on low income households.

In addition, \$1.8 million will be used for Healthy Homes Technical Studies Grants. The grants will assist academic institutions, non-profit and for-profit organizations, states, Native American Tribes and local governments to conduct research to gain knowledge on improving the efficacy and cost-effectiveness of methods for evaluation and control of residential lead-based paint hazards.

The expected benefit of this particular program is an increase in quality and longevity of housing stock through the creation of healthy housing through key research (reduction of significant health and safety hazards in the home). In addition, we will meet HUD's overriding goal of creating and preserving jobs.

c. ACTIVITIES:



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Kinds and scope of projects and activities to be performed: The primary activity includes the remediation of housing units with significant health and safety hazards. The technical studies grantees will conduct research on the potential indoor environmental and occupant health benefits of new green-built public housing and low income housing that has received weatherization upgrades.

Project/Activity: Grantees will develop, demonstrate and promote cost effective, preventive measures to correct multiple safety and health hazards in the home environment that produce serious diseases and injuries in children. Through this grant program housing units are remediated of significant health and safety hazards.

Description: The major objectives of the Healthy Homes Demonstration Program include the following: (1) Identify and remediate priority health hazards in high risk target housing where environmental conditions may contribute to a child's illness or risk of injury; (2) Support public education and outreach that furthers the goal of protecting children and other vulnerable populations from environmentally induced illnesses; (3) Develop a professional workforce that is trained in healthy homes principles; (4) Evaluate the efficacy of healthy homes program activities and facilitate the dissemination of findings, with a focus on evidence-based best practices; (5) Increase public awareness of housing related environmental health and safety hazards that threaten the health of children and other vulnerable populations; (6) Further the principles of environmental justice and fair housing by increasing the availability of safe, low income housing.

Funding: \$17,167,142.00

Project/Activity: The grantees will conduct research on the potential indoor environmental and occupant health benefits of new green- built public housing and low income housing that has received weatherization upgrades.

Description: In the first study, researchers will recruit households from 300 new Chicago public housing units that were built using green practices and assess indoor environmental quality and health status of residents compared to residents in 100 new public housing units built using conventional methods. In the second study, researchers will assess the health status of low income residents living in 400 units of low income multifamily housing in Chicago and 150 units in Boston before and after the units receive weatherization upgrades. A subset of these units will also be assessed for indoor environmental quality.

Funding: \$1,766,552.00

Project/Activity : HUD will provide training, technical assistance, monitoring, enforcement, and research and evaluation activities.

Description: HUD will hire staff, build IT systems and work with grantees to ensure effective and efficient implementation.

Funding: \$95,000.00

d. CHARACTERISTICS:

Type of Financial Award: B - Project Grants

Funding Amount: \$17,167,142.00

Methodology for Award Selection: Under the Recovery Act of 2009, HUD's Office of Healthy Homes and Lead Hazard Control (OHHLHC) received approximately \$100 million in appropriated funds to award first applicants which had applied under the Lead Hazard Reduction Program Notices of Funding Availability for fiscal year 2008, and were found in the application review to be qualified for award, but were not awarded because of funding limitations, and that any funds which remain after reservation of funds for such grants shall be added to the amount of funds to be awarded under the Lead Hazard Reduction Program Notices of Funding Availability for fiscal year 2009.



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Type(s) of Recipients: Government – State, Government - Local-County, Government - Local-City or Township, Non-Government - Private Nonprofit Institution/Organization, Non-Government - Profit Organization, Non-Government - Quasi-Public Nonprofit Institution/Organization, Government - Federal Recognized Indian Tribal Governments

Type(s) of Beneficiaries: Individual/Family, Minority group, Indian/Native American Tribal Government (Federally Recognized)

Type of Financial Award: B - Project Grants

Funding Amount: \$1,766,552.00

Methodology for Award Selection: Under the Recovery Act of 2009, HUD's Office of Healthy Homes and Lead Hazard Control (OHHLHC) received approximately \$100 million in appropriated funds to award first applicants which had applied under the Lead Hazard Reduction Program Notices of Funding Availability for fiscal year 2008, and were found in the application review to be qualified for award, but were not awarded because of funding limitations, and that any funds which remain after reservation of funds for such grants shall be added to the amount of funds to be awarded under the Lead Hazard Reduction Program Notices of Funding Availability for fiscal year 2009.

Type(s) of Recipients: Government – State, Government - Local-County, Government - Local-City or Township, Government - Federal Recognized Indian Tribal Governments, Government - US Territories and Possessions, Non-Government - Profit Organization

Type(s) of Beneficiaries: Non-Government - Private Nonprofit Institution/Organization, State, Local – County, Local - City or Township, Federally Recognized Indian Tribal Governments, US Territories, Indian/Native American Tribal Government (Federally Recognized), Health Professional, Scientist/Researchers, Land/Property Owner, Public/Indian Housing Authority

Estimated dollar amount of Federal in-house activity: \$95,000.00

e. DELIVERY SCHEDULE:

Milestone Description: The key milestones for the competitive grants include the funding awards, the obligation of funds by grantees and the expenditure of funds by grantees.

Milestone: HUD announces funding awards

Expected Completion Date: 5/1/2009

Completion Date: 2/25/2009

Milestone: Grantees obligate 100% of funds

Expected Completion Date: 8/1/2009

Completion Date: 5/7/2009

Milestone: Grantees expend 100% of funds

Expected Completion Date: 5/1/2012



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f. ENVIRONMENTAL REVIEW COMPLIANCE:

AREA OF COMPLIANCE	IDENTIFY AND REMEDIATE PRIORITY HEALTH HAZARDS	RESEARCH
Compliance with National Environmental Policy Act (NEPA)	Grantees will be required to complete a Tier 1 Environmental Review and receive a "Release of Environmental Conditions" prior to expending any HUD or Non-HUD funds on projects or activities that have a physical impact on a property or an impact on the human environment. Furthermore, grantees are responsible for performing the Tier 2 or Site-Specific Environmental Review on each housing unit in which they perform a physical intervention and maintain the relevant documents in their Environmental Review Record. OHHLHC monitors grantees routinely for compliance with these Environmental Review requirements.	N/A
Compliance with National Historic Preservation Act and related statutes	Grantees will be required to comply with the National Historic Preservation Act of 1966 (16 U.S.C. 470) and the regulations at 36 CFR part 800 which apply to the lead-hazard control or rehabilitation activities that may be undertaken by the Healthy Homes Demonstration grant program.	N/A
Milestones dependent on environmental review process	Approval of Release of Funds to grantees is dependent on environmental reviews outlined above.	N/A
Potential impact of environmental reviews on project implementation	If grantees are slow to get this approval from HUD, this will directly affect whether they meet program milestones set for this program.	N/A

g. MEASURES:

Targets do not take into consideration the following variables: that additional funds may be leveraged, that there are increased administrative costs associated with implementing Recovery Act requirements beyond regular program requirements, and the impact resulting from complying with Davis-Bacon Act prevailing wage requirements. These factors may alter our projections over time. HUD is continuing to identify and evaluate the impact of leveraged funds and Recovery Act requirements on its targets.

Per OMB guidance, recipients report on jobs information quarterly into FederalReporting.gov. This data can be found at Recovery.gov.

This program also contributes towards HUD High Priority Performance Goal 4: Energy and Green Retrofits.



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Measure: Funds obligated by grantees

Measure Type: Efficiency

Measure Frequency: Quarterly

Direction of Measure: Increasing

Unit of Measure: Dollars

Explanation of Measure: Quantifies efficiency and timeliness by measuring the dollar amount of funds obligated by grantees on a quarterly basis.

Goal Lead: Matthew Ammon

Measurement Methodology: HUD will collect Quarterly Recipient Reports from grantees.

How result will be readily accessible to the public: This data will be made available on HUD.gov/Recovery.

	ARRA Projection	Actual ARRA Performance
2009	\$18,933,694	\$18,933,694 (as of May 7, 2009)

Measure: Funds expended by grantees

Measure Type: Efficiency

Measure Frequency: Quarterly

Direction of Measure: Increasing

Unit of Measure: Dollars

Explanation of Measure: Quantifies efficiency and timeliness by measuring the dollar amount of funds expended by grantees on a quarterly basis.

Goal Lead: Matthew Ammon

Measurement Methodology: HUD will collect Quarterly Recipient Reports from grantees.

How result will be readily accessible to the public: This data will be made available on HUD.gov/Recovery.

	ARRA Projection	Actual ARRA Performance
2009	\$378,674	\$1,052,365
2010	\$3,408,065	\$3,618,362 (as of April 30, 2010)
2011	\$10,602,868	TBD



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Measure: Number of Units Remediated for Health and Safety Hazards

Measure Type: Output

Measure Frequency: Quarterly

Direction of Measure: Increasing

Unit of Measure: Housing Units

Explanation of Measure: Measures Program success in increasing quality of the housing stock by tracking the total number of housing units remediated for health and safety hazards.

Goal Lead: Matthew Ammon

Measurement Methodology: HUD will collect Quarterly Recipient Reports from grantees and conduct on-site and remote compliance monitoring.

How result will be readily accessible to the public: This data will be made available on HUD.gov/Recovery.

	ARRA Projection	Actual ARRA Performance as of March 31, 2010
2009	74	112
2010	705	381 (as of March 31, 2010)
2011	1,213	TBD

h. MONITORING AND EVALUATION:

(1) Data Collection and Reporting

- Work Plan Submissions: These identify the plan for the use of funds for each grantee. During grant negotiations, a final budget is established and issued within the grant award form (SF-1044). After award, the grantee must submit a work plan that describes the work they will complete with the use of grant funds.
- Financial Reports: HUD has two financial reports that will be generated and analyzed on a weekly basis. These include a Summary Financial Report that indicates the amount of funds for each program, and a Funding Notification Report, which shows the amount of funding by program for every jurisdiction, including local governments and some states.
- Quarterly Recipient Reports: The cornerstone of HUD's monitoring and evaluation system is the project and contract data collected from grantees. The Recovery Act specifically requires data collection fields for grantees and contractors. In addition, grantees will report lead safe units completed, outreach/training events, funds draw downs and other progress indicators by using Quarterly Performance Reporting System (QPRS) a system developed by the Office of Healthy Homes and Lead Hazard Control (OHHLHC).

- Ongoing Grantee Management : Government Technical Representatives (GTRs) are responsible for monitoring grantee performance, program implementation, and the processes by which OHHLHC management use to assess grantee risk. The OHHLHC Grants "Desk Guide" (available on our website) establishes standards and provides guidance for monitoring OHHLHC Programs. OHHLHC staff view monitoring not as a once a year or periodic exercise, but as an ongoing process involving continuous communication and evaluation, including frequent telephone/email contacts, written communications, analysis of reports and audits, and periodic meetings. It is also an OHHLHC policy



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that all grantees receive an on-site monitoring visit during the first year of the grant. There are several processes used to identifying program risks and to set monitoring priorities, including conducting an annual risk analysis and reviewing quarterly submissions. The GTRs use a core set of risk criteria in their analyses, including the status of performance indicators as set forth in the grantee work plans (e.g., the LHC program uses five factors: Number of inspections proposed / completed; Number of units proposed / completed; Expenditures proposed / completed; Number of trainings proposed / completed; Number of outreach actions proposed / completed). Additional information about the OHHLHC's Risk Analysis process, including the development of a Monitoring Plan, is discussed in the OHHLHC's Desk Guide.

- (3) Longer Term Evaluation and Research: The data from these programs will be used to achieve the Healthy Homes Initiative's Departmental Strategic Goal objective of reducing allergen levels in 5,000 units by 2011, and correspondingly, reducing asthmatic episodes for 3,000 children living in those units. In addition, grantees must collect, maintain, and provide to HUD the data necessary to document the various approaches used to evaluate and control housing-related environmental health and safety hazards, including assessment and remediation methods, building conditions, medical and familial information (with confidentiality of individually-identifiable information ensured) in order to determine the long-term effectiveness and relative cost of these methods.

i. and j. TRANSPARENCY AND ACCOUNTABILITY:

With respect to reporting, OMB has issued detailed guidance on the requirements for recipients of the Recovery Act funds. Specifically, each prime and first tier recipient is required to report specified information to FederalReporting.gov and HUD within 10 days after the end of each calendar quarter. This includes but is not limited to a detailed list of all projects and activities for which Recovery Act funds were obligated or expended, an evaluation of the completion status of the project or activity, and an estimate of the number of jobs created or retained. In addition to the overarching requirements of the Recovery Act, HUD has also identified a number of program-specific measures that will be collected through this reporting process.

HUD expects that the transparency requirements of the Recovery Act, specifically the requirement to publish both spending and recipient performance reports, will create accountability amongst its managers and grantees. HUD has established additional internal management controls to create a greater level of accountability for performance. The HUD Recovery Act program management team works with the leads of the program and cross-cutting teams to prepare weekly place-based financial reports to the Assistant Secretaries and Regional Directors. In addition, a monthly report to the Secretary and Deputy Secretary highlights issues related to program implementation. Drawing from the program and risk management plans, the reports include summary-level quantitative financial and programmatic performance measures and targets, key milestones, and issues or risks. Interim spending and performance targets ensure that annual objectives from the program plans are met. Performance data is summarized by grantee risk category, as defined in the agency's risk management plan. Performance measure targets and milestones that are missed, or that are in jeopardy of being missed, are accompanied by an explanation of the reasons why, including any issues affecting progress and the specific plan for their resolution or mitigation. The reports also identify specific grantees with performance issues, and summarize the actions being taken to address them. Each program team meets with the Secretary, Deputy Secretary and Steering Committee on a monthly basis to review a more detailed set of Recovery Act performance measures. On a quarterly basis, these monthly meetings include updated grant recipient data described above.



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k. BARRIERS TO EFFECTIVE IMPLEMENTATION:

Phase	Barrier/Concern	Proposed Solution	Targeted Resolution Date
Post-Implementation	LHC has no high risk Front End Risk Assessment (FERA) elements. They have compensating controls for medium risk elements.	Redeployment of staff resources and manual collection of data if new hires and system upgrades are not done in time.	Ongoing

I. FEDERAL INFRASTRUCTURE INVESTMENTS:

This program does not invest in Federal infrastructure. However, for HUD's programs that include construction or rehabilitation or are Federal investments in privately owned housing: New buildings and major renovations financed through formula grants are required to meet local energy codes. New construction and major renovations financed through some competitive grant programs will, in the case of single family homes, be built to the standard for Energy Star for New Homes (15 percent more efficient than the 2004 International Residential Code); or in the case of multifamily buildings to exceed ASHRAE (American Society of Heating, Refrigeration, and Air-conditioning Engineers) Code 90.1 2007, Appendix G, by 20 percent. HUD's competitive program requirements also ensure that new construction and major renovations follow sustainable design and green construction principles to (1) optimize energy efficiency and performance; (2) employ integrated design principles (and controls); (3) protect and conserve water; (4) enhance indoor air quality; and (5) reduce environmental impact of materials used.



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Homeless Prevention and Rapid Re-Housing

a. FUNDING TABLE:

ACTIVITY	FUNDING LEVEL
Direct financial assistance, such as rental assistance, utility payments, etc	\$820,875,000.00
Housing relocation and stabilization services	\$447,750,000.00
Data collection and evaluation by grantees	\$149,250,000.00
Grantee administrative costs	\$74,625,000.00
HUD will provide training, technical assistance, monitoring, enforcement, research and evaluation activities	\$7,500,000.00
TOTAL	\$1,500,000,000.00

b. OBJECTIVES:

HUD's Recovery Act funds support three themes that align with the broader goals of the Recovery Act: (1) promoting energy efficiency and creating green jobs, (2) unlocking the credit markets and supporting shovel-ready projects, and (3) mitigating the effects of the economic crisis and preventing community decline. HUD's overriding objective in support of these goals is the creation and preservation of jobs. The Recovery Act includes a \$1.5 billion appropriation for the Homelessness Prevention and Rapid Re-Housing Program (HPRP). The purpose of the Homelessness Prevention and Rapid Re-Housing Program (HPRP) is to provide homelessness prevention assistance for households who would otherwise become homeless and rapid re-housing assistance for persons who are homeless. Grantees may design programs to meet local needs, but HUD expects that resources will be targeted to serve households that are most in need and that are most likely to achieve stable housing. The overall goal of HPRP is for participants to achieve housing stability. The funds under this program are intended to target two populations of persons facing housing instability: (1) individuals and families who are currently in housing but are at risk of becoming homeless and need temporary assistance to maintain housing (prevention); and (2) individuals and families who are experiencing homelessness (as defined by the McKinney-Vento Homeless Assistance Act) and need temporary assistance in order to obtain, remain and maintain housing (rapid re-housing). Considering these two eligible HPRP populations is a framework to help grantees determine the most effective use of funds, all of which may be used to assist both the prevention and rapid re-housing populations.

HUD intends that HPRP programs will rapidly transition assisted persons to housing stability. Outcomes may include affordable market rate housing or subsidized housing, as appropriate. HUD has stressed to its grantees that HPRP is not a mortgage assistance program. HPRP assistance is not intended to provide long-term support for program participants, nor will it be able to address all of the financial and supportive service needs of households that affect housing stability. Rather, assistance will be focused on housing stabilization, linking program participants to community resources and mainstream benefits, and helping them develop a plan for preventing future housing instability. Grantees are expected to ensure that there is a clear process for determining the appropriate type, level, and duration of assistance for each program participant. Grantees are also expected to coordinate with other community planning efforts, including HUD Continuum(s) of Care, FEMA Boards, local agencies



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responsible for administering and implementing plans to end homelessness, and agencies that administer mainstream resources such as Temporary Assistance for Needy Families (TANF). In addition, HUD is strongly encouraging grantees to carefully assess how HPRP funds can be used in conjunction with other funds from the Recovery Act to prevent homelessness and rapidly re-house persons, and to plan a coordinated approach to serve similar target populations. By emphasizing (1) the importance of using HPRP funds in coordination with other federal dollars, and (2) the importance of targeting HPRP funds to serve households that are most in need and those most likely to achieve stable housing outside of HPRP, HUD is ensuring that HPRP funds will be used effectively and in a cost efficient manner. The expected benefit of HPRP is to prevent homelessness and to facilitate the rapid re-housing of individuals and families. In addition, we will meet HUD's overriding goal of creating and preserving jobs. HPRP is focused on housing and will provide temporary financial assistance and housing relocation and stabilization services to individuals and families who are homeless or would be homeless but for this assistance. Many individuals and families who benefit from this program will be able to concentrate efforts on re-entering the workforce and attaining self-sufficiency, thereby producing economic activity and enhancing the number of jobs created/saved.

c. ACTIVITIES:

Kinds and scope of projects and activities to be performed: The eligible activities allowed under HPRP are clear and intentionally focused on housing—either direct financial assistance to help pay for housing, or services designed to help participants obtain, maintain and remain in housing. Funds are also available to track assistance through HMIS for local program or policy use and reporting to HUD. Grantees and sub-grantees may use HPRP funds to administer the following categories of eligible activities: (1) financial assistance; (2) housing relocation and stabilization services; (3) data collection and evaluation; and (4) administrative costs.

The HPRP Notice (FR-5307-N-01), which outlines the eligible activities, also includes a section that clearly states activities that are ineligible, including services that are eligible under other Recovery Act programs, mortgage costs, and credit card bills. In an effort to further avoid mismanagement of grant funds, the Notice stipulates that HPRP funds must not be used to make payments directly to program participants, but only to third parties, such as landlords or utility companies. The Notice can be found at http://www.hudhre.info/documents/HPRP_NoticeRedline_6_08_09.pdf.

Project/Activity: Financial assistance

Description: Financial assistance is limited to the following activities: short-term rental assistance (3 months), medium-term rental assistance (4 to 18 months), security deposits, utility deposits, utility payments, moving cost assistance, and motel and hotel vouchers.

Funding: \$820,875,000.00 (estimate)



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Project/Activity: Housing relocation and stabilization services

Description: Housing relocation and stabilization services are limited to the following activities: case management, outreach and engagement, housing search and placement, legal services, and credit repair.

Funding: \$447,750,000.00 (estimate)

Project/Activity: Data collection and evaluation by grantees.

Description: Reasonable and appropriate costs associated with operating a Homeless Management Information System (HMIS) or comparable client-level database for the purposes of collecting and reporting data required under HPRP are eligible.

Funding: \$149,250,000.00

Project/Activity: Grantee Administrative costs

Description: Administrative costs are limited to the following activities: pre-award administrative costs (as specified in the HPRP Notice), accounting for the use of grant funds, preparing reports for submission to HUD, obtaining program audits, similar costs related to administering the grant after the award, grantee or sub-grantee staff salaries associated with these administrative costs, and related training for staff who will administer the program.

Funding: \$74,625,000.00

Project/Activity: HUD will provide training, technical assistance, monitoring, enforcement, research and evaluation activities.

Description: HUD will hire staff, build systems and work with grantees to ensure effective and efficient implementation

Funding: \$7,500,000.00

d. CHARACTERISTICS:

Type of Financial Award: A - Formula Grants

Funding Amount: \$1,492,500,000

Methodology for Award Selection: The Recovery Act directs HUD to allocate funds to grantees that are eligible under the Emergency Shelter Grants (ESG) program pursuant to the ESG formula. U.S. territories received 0.2 percent of the total amount of the funding allocation, or \$3,000,000. HUD then used the ESG formula to allocate the remaining amount, or \$1,489,500,000, to metropolitan cities, urban counties, and states with a grant minimum of \$500,000. Funds for urban counties and metropolitan cities that fell under this threshold were reallocated to the state in which the jurisdiction was located. A total of 540 grantees are eligible to receive HPRP funds.

Type(s) of Recipients: Government – State_Government - Local-County_Government - US Territories and Possessions_Government - Local-City or Township

Type(s) of Beneficiaries: Individual/Family, Low Income, Persons with Disabilities



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Type of Financial Award: L - Dissemination of Technical Information

Funding Amount: \$2,000,000

Methodology for Award Selection: Technical assistance awards for HPRP are made through two mechanisms: adding funding, as appropriate, to existing cooperative agreements or contracts for HPRP activities that fall in line with defined scopes of work, and a national competition for technical assistance funds through the 2009 Community Development-Technical Assistance Notice of Funding Availability. Both mechanisms utilize providers selected as part of a competitive process and skilled in the delivery of homeless technical assistance to develop and deliver national technical assistance for HPRP grantees and subgrantees.

Type(s) of Recipients: Non-Government - Private Nonprofit Institution/Organization, Non-Government - Profit Organization

Type(s) of Beneficiaries: Local – County, Local - City or Township, State, US Territories, Nonprofit with 501C3 IRS Status (Other than Institution of Higher Education)

Estimated dollar amount of Federal in-house activity: \$5,500,000.00

e. DELIVERY SCHEDULE:

Milestone Description: The key milestones for the HPRP grants include the funding formula awards, the obligation of funds by grantees and the expenditure of funds by grantees.

Milestone: HUD announces formula allocations to grantees: Using the Emergency Shelter Grants (ESG) program formula, HUD determined HPRP formula allocations for its grantees. The Department published these allocations online at www.hud.gov/recovery on 3/19/2009, along with a [Notice](#) outlining formal program guidance for HPRP.

Actual Completion Date: 2/25/2009

Milestone: HUD obligates 100% of funds to grantees: HUD expects to fully obligate HPRP funds to grantees by 9/1/2009, after reviewing eligible grantees' application packages and approving their plans for using HPRP allocations. Eligible grantees must submit their application packages to HUD by 5/18/2009, and HUD will offer approval or disapproval of all complete applications by 7/2/2009. Funds will be obligated by the Department once HPRP grant agreements are signed by both the Department and the grantee, thereby executing the grant.

Actual Completion Date: 9/30/2009

Milestone: 100% expenditure of funds by grantees: The Recovery Act also specifies that HPRP grantees must expend 100 percent of their allocations within three years of the date that funds became available to them for obligation. The Department expects that all grantees will have had funding for three years by 9/1/2012. Some grantees will reach their three year expenditure deadline before 9/1/2012, if they receive their obligation prior to 9/1/2009. As with the two year statutory expenditure deadline, HUD will closely track grantee expenditures and offer technical assistance to help ensure that grantees expend 100 percent of their allocations within the allotted three years.

Expected Completion Date: 9/30/2012



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f. ENVIRONMENTAL REVIEW COMPLIANCE:

AREA OF COMPLIANCE	Direct financial assistance	Housing relocation and stabilization services	Data collection and evaluation & administrative costs
Compliance with National Environmental Policy Act (NEPA)	N/A	N/A	N/A
Compliance with National Historic Preservation Act and related statutes	N/A	N/A	N/A
Milestones dependent on environmental review process	N/A	N/A	N/A
Potential impact of environmental reviews on project implementation	N/A	N/A	N/A

g. MEASURES:

Targets do not take into consideration the fact that additional funds may be leveraged, which may alter our projections. HUD is continuing to identify and evaluate the impact of leveraged funds on its targets.

Per OMB guidance, recipients report on jobs information quarterly into FederalReporting.gov. This data can be found at Recovery.gov.



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Measure: Funds obligated by HUD

Measure Type: Efficiency

Measure Frequency: Quarterly

Direction of Measure: Increasing

Unit of Measure: Dollars

Explanation of Measure: Quantifies efficiency and timeliness by measuring the dollar amount of funds obligated by HUD on a quarterly basis.

Actual: \$1,492,500,000 as of 9/30/2009

Goal Lead: Ann Oliva

Measurement Methodology: This information comes from the date that the grant agreements were signed, and is stored in HUD's LOCCS system.

How result will be readily accessible to the public: This data will be made available on HUD.gov/Recovery.

	ARRA Projection	Actual ARRA Performance
2009	\$1,492,500,000	\$1,492,500,000 (as of September 30, 2009)

Measure: Funds expended by grantees

Measure Type: Efficiency

Measure Frequency: Quarterly

Direction of Measure: Increasing

Unit of Measure: Dollars

Explanation of Measure: Quantifies efficiency and timeliness by measuring the dollar amount of funds expended by grantees on a quarterly basis.

Actual: \$196,046,771 disbursed as of April 30, 2010

Goal Lead: Ann Oliva

Measurement Methodology: Grantees will self-report on the HPRP funds drawn down through the existing Integrated Disbursement and Information System (IDIS). HUD will do remote monitoring through IDIS data downloads of project level data. HUD will collect Quarterly Performance Reports from grantees.

How result will be readily accessible to the public: This data will be made available on HUD.gov/Recovery.

	ARRA Projection	Actual ARRA Performance
2009	\$29,850,000	N/A
2010	\$404,809,708	\$196,046,771 (as of April 30, 2010)
2011	\$924,809,708	TBD



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Measure: Number of Participants receiving Prevention Services

Measure Type: Output

Measure Frequency: Quarterly

Direction of Measure: Increasing

Unit of Measure: Persons Served

Explanation of Measure: Measures Program success in contributing to HUD's goal of preventing homelessness by tracking the number of people receiving preventative housing relocation and stabilization services each quarter.

Actual: 273,329 persons as of March 31, 2010

Goal Lead: Ann Oliva

Measurement Methodology: HPRP grantees and sub-grantees will collect client-level data through Homeless Management Information Systems (HMIS). HUD will collect Quarterly Performance Reports from grantees.

How result will be readily accessible to the public: This data will be made available on HUD.gov/Recovery.

	ARRA Projection	Actual ARRA Performance
2009	4,500	113,914
2010	458,904	273,329 as of March 31, 2010
2011	132,000	TBD



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Measure: Number of Participants receiving rapid re-housing assistance

Measure Type: Output

Measure Frequency: Quarterly

Direction of Measure: Increasing

Unit of Measure: Persons Served

Explanation of Measure: Measures Program success in contributing to HUD's goal of preventing homelessness by tracking the number of people receiving rapid re-housing assistance each quarter.

Actual: 87,179 as of March 31, 2010

Goal Lead: Ann Oliva

Measurement Methodology: HPRP grantees and sub-grantees will also collect client-level data through Homeless Management Information Systems (HMIS). HUD will collect Quarterly Performance Reports from grantees.

How result will be readily accessible to the public: This data will be made available on HUD.gov/Recovery.

	ARRA Projection	Actual ARRA Performance
2009	1,500	39,061
2010	145,798	87,179 (as of March 31, 2010)
2011	48,000	TBD



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Measure: Percentage of program participants stably housed at exit after receiving prevention assistance

Measure Type: Outcome

Measure Frequency: Quarterly

Direction of Measure: Increasing

Unit of Measure: Percentage

Explanation of Measure: Measures success of Program's relocation and stabilization services quarterly by tracking the percentage of program participants stably housed at exit after receiving prevention assistance each quarter.

Actual: TBD

Goal Lead: Ann Oliva

Measurement Methodology: HPRP grantees and sub-grantees will collect client-level data through Homeless Management Information Systems (HMIS). HUD will collect Quarterly Performance Reports from grantees.

How result will be readily accessible to the public: This data will be made available on HUD.gov/Recovery.

	ARRA Projection	Actual ARRA Performance
2010	70%	TBD

Measure: Percentage of program participants stably housed at exit after receiving rapid re-housing assistance

Measure Type: Outcome

Measure Frequency: Quarterly

Direction of Measure: Increasing

Unit of Measure: Percentage

Explanation of Measure: Measures success of Program's rapid re-housing assistance services by tracking the percentage of program participants stably housed at exit after receiving rapid re-housing assistance.

Actual: TBD

Goal Lead: Ann Oliva

Measurement Methodology: HPRP grantees and sub-grantees will collect client-level data through Homeless Management Information Systems (HMIS). HUD will collect Quarterly Performance Reports from grantees.

How result will be readily accessible to the public: This data will be made available on HUD.gov/Recovery.

	ARRA Projection	Actual ARRA Performance
2010	70%	TBD



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h. MONITORING AND EVALUATION:

Description of Agency Periodic Review of Partners' progress:

(1) Data Collection and Reporting

- a. Substantial Amendments: To receive their grant allocations, grantees must submit to HUD substantial amendments to their Consolidated Plans, which require grantees to address the citizen participation plan and public comments; plan for distribution, administration and oversight of funds; plan for collaboration; and an estimated budget for HPRP funds. HUD staff will review the plan to ensure it meets HPRP requirements and will obligate all funds to grantees by 9/1/2009.
- b. Financial Reports: HUD has two financial reports that will be generated and analyzed on a weekly basis. These include a Summary Financial Report that indicates the amount of funds for each program, and a Funding Notification Report, which shows the amount of funding by program for every jurisdiction, including local governments and some states.
- c. Quarterly Recipient Reports: The cornerstone of HUD's monitoring and evaluation system is the project and contract data collected from grantees. The Recovery Act specifically requires data collection fields for grantees and contractors. HUD has also issued HPRP-specific data elements that grantees must report on, including the following: contact information; authorizing information; project information; persons and households served; housing outcomes of persons who exited the program; and HPRP expenditures by eligible activity.
- d. Sample Survey of Outcomes: HUD has allocated a portion of the program funds for research, including sampling a subset of grantees to measure outcomes. The Office of Policy Development and Research (PD&R) will lead the "Homeless Families Intervention" and "Homeless Prevention" studies, which entail collecting the following data: administrative, homeless management information system and survey data on socio-economic characteristics; income and employment; housing history; personal and family well-being; and housing stability. For the Homeless Families Intervention Study for which Rapid Re-Housing might constitute one of four or five interventions, HUD will use a random assignment of homeless families in up to 12 sites into one of four to five housing/services interventions. For the Homeless Prevention Study, HUD will use administrative, homeless management information system and survey data to track over-time outcomes for a sample of very poor families determined to be at risk of homelessness.

- (2) Ongoing Grantee Management: HUD categorizes grantees by risk, then monitors and allocates interventions, including training, technical assistance and if warranted, disciplinary action, accordingly. High Risk grantees are those with a history of unsatisfactory performance, financial instability, inadequate management system, mismanaged previous awards, or otherwise demonstrated irresponsibility. To ensure timely expenditure of funds and budget/cost compliance, the Department utilizes IDIS or LOCCS to assess grantees' spending. If there are significant changes among line items, grantees must consult with their field offices. To ensure quality expenditure of funds, HUD will perform on-site monitoring for high-risk grantees. This type of monitoring allows HUD to assess and document grantee compliance with program requirements based upon file reviews, using both automated and manual data and reports submitted to HUD; interviews with grantee staff to determine the accuracy of the information; and interviews with clients to assess level of satisfaction with services. Following a grantee monitoring or other review of performance, to ensure legal compliance and prevent fraud HUD may use the following interventions: issue a



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warning letter; direct the grantee to cease incurring costs; or require that some or all of the grant amounts be remitted to HUD. Subgrantees are also subject to the same compliance rules. Grantees that are high-risk will receive technical assistance and support from field offices. HUD and technical assistance providers will design an approach that meets the specific needs of each grantee, which could include direct assistance with implementing oversight, documentation, and financial management procedures. The process described above will be applied to all grantees, including those that are not high risk.

- (3) Long-term Evaluation: PD&R is considering restructuring its existing Homeless Families Study to include a rapid re- housing intervention. PD&R is also proposing to track a sample of very poor families by using data to determine which families: (a) access homeless services and which do not; (b) which ones become homeless and which ones do not; (c) which ones receive prevention services/assistance and which ones do not; (d) which ones enter the homeless shelter/housing system and which ones do not; and (e) which ones follow particular patterns of homelessness and which ones do not.

i. and j. TRANSPARENCY AND ACCOUNTABILITY:

With respect to reporting, OMB has issued detailed guidance on the requirements for recipients of the Recovery Act funds. Specifically, each prime and first tier recipient is required to report specified information to HUD within 10 days after the end of each calendar quarter. This includes but is not limited to a detailed list of all projects and activities for which Recovery Act funds were obligated or expended, an evaluation of the completion status of the project or activity, and an estimate of the number of jobs created or retained. In addition to the overarching requirements of the Recovery Act, HUD has also identified a number of program-specific measures that will be collected through this reporting process.

HUD expects that the transparency requirements of the Recovery Act, specifically the requirement to publish both spending and recipient performance reports, will create accountability amongst its managers and grantees. HUD has established additional internal management controls to create a greater level of accountability for performance. The HUD Recovery Act program management team works with the leads of the program and cross-cutting teams to prepare weekly place-based financial reports to the Assistant Secretaries and Regional Directors. In addition, a monthly report to the Secretary and Deputy Secretary highlights issues related to program implementation. Drawing from the program and risk management plans, the reports include summary-level quantitative financial and programmatic performance measures and targets, key milestones, and issues or risks. Interim spending and performance targets ensure that annual objectives from the program plans are met. Performance data is summarized by grantee risk category, as defined in the agency's risk management plan. Performance measure targets and milestones that are missed, or that are in jeopardy of being missed, are accompanied by an explanation of the reasons why, including any issues affecting progress and the specific plan for their resolution or mitigation. The reports also identify specific grantees with performance issues, and summarize the actions being taken to address them. The program team meets with the Secretary, Deputy Secretary and Steering Committee on a monthly basis to review a more detailed set of Recovery Act performance measures. On a quarterly basis, these monthly meetings include updated grant recipient data described above.



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k. BARRIERS TO EFFECTIVE IMPLEMENTATION:

Phase	Barrier/Concern	Proposed Solution	Targeted Resolution Date
Post-Implementation	<u>Limited Funds:</u> Grantees have indicated that based on the need in their community the amount of funds will not be able to adequately address the number of person requesting assistance. Funds likely to be depleted prior to program end date in 2012.	Continued technical assistance to ensure that grantees are using funds efficiently.	Ongoing

I. FEDERAL INFRASTRUCTURE INVESTMENTS:

This program does not invest in Federal Infrastructure.



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Indian Community Development Block Grant

a. FUNDING TABLE:

ACTIVITY	FUNDING LEVEL
Improve or add to housing stock, provide community facilities, improve infrastructure, and expand job opportunities by supporting economic development of the communities, especially by tribes and nonprofit tribal organizations or local development corporations	\$10,000,000

b. OBJECTIVES:

HUD's Recovery Act funds support three themes that align with the broader goals of the Recovery Act: (1) promoting energy efficiency and creating green jobs, (2) unlocking the credit markets and supporting shovel-ready projects, and (3) mitigating the effects of the economic crisis and preventing community decline. HUD's overriding objective in support of these goals is the creation and preservation of jobs.

The Recovery Act includes a \$10 million appropriation for the Indian Community Development Block Grant Program (ICDBG). The primary purpose of the ICDBG program is the development of viable Indian and Alaska Native communities, including decent housing, a suitable living environment and economic opportunities, principally for low- and moderate-income persons.

The expected benefits of ICDBG are to reduce greenhouse gas emission, decrease consumer energy costs, increase the quality and longevity of Native American housing stock, unlock private lending, and create or preserve jobs.

c. ACTIVITIES:

Kinds and scope of projects and activities to be performed: Indian tribes and Alaska Native villages may use block grants to improve housing stock, provide community facilities, make infrastructure improvements, and expand job opportunities by supporting the economic development of their communities. Activities eligible for funding include housing construction, rehabilitation, acquisition of land for housing, direct assistance to facilitate homeownership among low- and moderate-income persons, construction of tribal and other facilities for single- or multi-use, streets and other public facilities, and economic development projects.

Project/Activity: Improve or add to housing stock, provide community facilities, improve infrastructure, and expand job opportunities by supporting economic development of the communities.

Description: Activities support new housing construction (if carried out by a community-based development organization), rehabilitation of existing housing, land acquisition to support new housing and public facilities, assistance to households to become homeowners, community buildings and other public facilities (including energy conservation activities), economic development activities, microenterprise development and neighborhood revitalization

Funding: \$10,000,000



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d. CHARACTERISTICS:

Type of Financial Award: B - Project Grants

Funding Amount: \$10,000,000

Methodology for Award Selection: In accordance with the Recovery Act, those entities that received Indian Community Development Block Grant funds from Fiscal Year 2008 were eligible to compete for Recovery Act ICDBG funds.

Type(s) of Recipients: Government - Federally Recognized Indian Tribal Governments Non-Government - Native American Organization

Type(s) of Beneficiaries: Federally Recognized Indian Tribal Governments, Minority group, Individual/Family, Indian/Native American Tribal Government (Federally Recognized), Indian/Native American Tribal Government (Other than Federally Recognized), tribal organization, Quasi-public nonprofit organization Native American Organizations American Indian, Unemployed, Senior Citizen, Moderate Income, Low Income, Rural

e. DELIVERY SCHEDULE:

Milestone Description: The key milestones for the competitive grants include issuing the Notice of Funding Availability (NOFA), the application deadline, the funding awards, the obligation of funds by HUD, and the expenditure of funds by grantees.

Milestone: HUD obligates 100% of funds to grantees

Expected Completion Date: 9/30/2009

Actual Completion Date: 8/28/2009

Milestone: Grantees spend 100% of funds

Expected Completion Date: 9/30/2012

f. ENVIRONMENTAL REVIEW COMPLIANCE:

AREA OF COMPLIANCE	ACTIVITY
Compliance with National Environmental Policy Act (NEPA)	Grantees will comply with NEPA if required. Activities will depend on the type of project.
Compliance with National Historic Preservation Act and related statutes	Grantees will comply with NHPA if required. Activities will depend on the type of project.
Milestones dependent on environmental review process	Grantees spend 100% of funds
Potential impact of environmental reviews on project implementation	The need for environmental reviews may require additional time to implement projects.



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g. MEASURES:

All targets do not take into consideration the fact that additional funds may be leveraged, which may understate HUD's projections. HUD is continuing to identify and evaluate the impact of leveraged funds on its targets.

Per OMB guidance, recipients report on jobs information quarterly into FederalReporting.gov. This data can be found at Recovery.gov.

Measure: Funds obligated by HUD

Measure Type: Efficiency

Measure Frequency: Quarterly

Direction of Measure: Increasing

Unit of Measure: Dollars

Explanation of Measure: Quantifies efficiency and timeliness by measuring the dollar amount of funds obligated by HUD on a quarterly basis.

Actual: \$10,000,000 as of August 28, 2009.

Goal Lead: Ed Fagan

Measurement Methodology: HUD will collect Quarterly Recipient Reports from grantees, using the HUD Recovery Accountability and Management System (RAMPS).

How result will be readily accessible to the public: This data will be made available on HUD.gov/Recovery.

	ARRA Projection	Actual ARRA Performance
2009	\$10 million	\$10 million (as of August 28, 2009)



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Measure: Funds expended by grantees

Measure Type: Efficiency

Measure Frequency: Quarterly

Direction of Measure: Increasing

Unit of Measure: Dollars

Explanation of Measure: Quantifies efficiency and timeliness by measuring the dollar amount of funds expended by grantees on a quarterly basis.

Actual: \$2,253,822 as of May 30, 2010

Goal Lead: Ed Fagan

Measurement Methodology: HUD will collect Quarterly Recipient Reports from grantees, using FederalReporting.gov.

How result will be readily accessible to the public: This data will be made available on HUD.gov/Recovery.

	ARRA Projection	Actual ARRA Performance
2009	\$0	N/A
2010	\$1,837,950	\$2,253,822 (as of May 30, 2010)
2011	\$4,650,173	TBD
2012	\$3,511,877	TBD

Measure: Number of Affordable Housing Units Rehabilitated

Measure Type: Output

Measure Frequency: Quarterly

Direction of Measure: Increasing

Unit of Measure: Affordable Housing Units

Explanation of Measure: Measures Program success in contributing to HUD's goals of supporting shovel-ready projects and increasing the quality of housing stock by tracking the number of affordable housing units rehabilitated each quarter.

Actual: 47 as of March 31, 2010

Goal Lead: Ed Fagan

Measurement Methodology: HUD will collect Quarterly Recipient Reports from grantees, using RAMPS.

How result will be readily accessible to the public: This data will be made available on HUD.gov/Recovery.

	ARRA Projection	Actual ARRA Performance
2009	0	N/A
2010	47	47 (as of March 31, 2010)
2011	20	TBD
2012	20	TBD



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Measure: Number of Affordable Units Receiving Energy Conservation/Green Improvements

Measure Type: Output

Measure Frequency: Quarterly

Direction of Measure: Increasing

Unit of Measure: Housing Units

Explanation of Measure: Measures Program success in contributing to HUD's goals of supporting shovel-ready projects and increasing the quality of housing stock by tracking the number of units receiving energy conservation/green improvements each quarter.

Actual: TBD

Goal Lead: Ed Fagan

Measurement Methodology: HUD will collect Quarterly Recipient Reports from grantees, using RAMPS.

How result will be readily accessible to the public: This data will be made available on HUD.gov/Recovery.

	ARRA Projection	Actual ARRA Performance
2009	0	N/A
2010	0	TBD
2011	10	TBD
2012	10	TBD



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Measure: Number of Buildings Built

Measure Type: Output

Measure Frequency: Quarterly

Direction of Measure: Increasing

Unit of Measure: Structures

Explanation of Measure: Measures Program success in contributing to HUD's goals of supporting shovel-ready projects and preventing neighborhood blight by tracking the number of public facility buildings constructed each quarter using CDBG funds.

Actual: TBD

Goal Lead: Ed Fagan

Measurement Methodology: HUD will collect Quarterly Recipient Reports from grantees, using RAMPS.

How result will be readily accessible to the public: This data will be made available on HUD.gov/Recovery.

	ARRA Projection	Actual ARRA Performance
2009	0	N/A
2010	0	TBD
2011	3	TBD
2012	4	TBD

h. MONITORING AND EVALUATION:

(1) Data Collection and Reporting

- Spend Plans:** An eligible applicant must submit an application in response to a Notice of Funds Availability (NOFA). The applications contain information on their proposed project including timeframes for project implementation. The Area Office of Native American Programs (ONAP) will rate and rank the application. If funded, but before gaining access to funds, the grantees must execute a grant agreement with special conditions related to the Recovery Act.
- Financial Reports:** HUD has two financial reports that will be generated and analyzed on a weekly basis. These include a Summary Financial Report that indicates the amount of funds for each program, and a Funding Notification Report, which shows the amount of funding by program for every jurisdiction, including local governments and some states.
- Quarterly Recipient Reports:** The cornerstone of HUD's monitoring and evaluation system is the project and contract data collected from grantees. The Recovery Act specifically requires data collection fields for grantees and contractors. In addition to these data, HUD will also collect program-specific measures from grantees (e.g., number of units rehabilitated, etc.).
- Sample Survey of Outcomes:** There is no planned survey of outcomes for this program.

(2) Ongoing Grantee Management:

HUD categorizes grantees by risk, then monitors and works with grantees to resolve performance issues, including providing training, technical assistance, and, if warranted, enforcement actions. Findings of non-compliance will trigger the remedial process. High-risk grantees are those that are



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in the process of having remedies imposed. Both remote and on-site monitoring are available options, pursuant to regulations. To ensure timely expenditure of funds, ONAP tracks disbursements through its systems. To ensure quality expenditure of funds, ONAP regularly monitors activities at the project level through the review of data and information submitted. Follow-up will occur on issues or matters of concern that are discovered. To ensure budget and cost compliance grantees submit to regular audits. Quarterly reports will be reviewed to verify expenditure and obligation rates. To ensure legal compliance and prevent fraud, all activities under this grant will be tracked for compliance with statutory, regulatory, and administrative requirements by the ONAP Headquarters Grants Evaluation staff through the use of regular risk assessment tools, such as the use of the Annual Status and Evaluation Report, Form SF-425-Federal Financial Report, and OMB Circular A-133 audits. If necessary, enforcement actions will occur and categorical training and technical assistance will be offered to resolve specific problems. Enforcement actions for non-compliance include shutting down access to funds, letters of warning, notices of intent to impose remedies, and imposition of sanctions pursuant to 24 CFR §§ 1003.701, 1003.702, 1003.703. Remedies can be triggered if HUD determines that the grantee has not complied with the statute or regulations, has not carried out the activities as described in its applications, has not made substantial progress on the funded project, or has not shown the continuing capacity to carry out its approved activities. Grants will not be awarded to tribes with remedies currently imposed.

(3) Longer Term Evaluation and Research: There is no planned long-term evaluation of this program.

i. and j. TRANSPARENCY AND ACCOUNTABILITY:

With respect to reporting, OMB has issued detailed guidance on the requirements for recipients of the Recovery Act funds. Specifically, each prime and first tier recipient is required to report specified information to HUD within 10 days after the end of each calendar quarter. This includes but is not limited to a detailed list of all projects and activities for which Recovery Act funds were obligated or expended, an evaluation of the completion status of the project or activity, and an estimate of the number of jobs created or retained. In addition to the overarching requirements of the Recovery Act, HUD has also identified a number of program-specific measures that will be collected through this reporting process.

HUD expects that the transparency requirements of the Recovery Act, specifically the requirement to publish both spending and recipient performance reports, will create accountability among its managers and grantees. HUD has established additional internal management controls to create a greater level of accountability for performance. The HUD Recovery Act program management team works with the leads of the program and cross-cutting teams to prepare weekly place-based financial reports to the Assistant Secretaries and Regional Directors. In addition, a monthly report to the Secretary and Deputy Secretary highlights issues related to program implementation. Drawing from the program and risk management plans, the reports include summary-level quantitative financial and programmatic performance measures and targets, key milestones, and issues or risks. Interim spending and performance targets ensure that annual objectives from the program plans are met. Performance data is summarized by grantee risk category, as defined in the agency's risk management plan. Performance measure targets and milestones that are missed, or that are in jeopardy of being missed, are accompanied by an explanation of the reasons why, including any issues affecting progress and the specific plan for their resolution or mitigation. The reports also identify specific grantees with performance issues, and summarize the actions being taken to address them. Each program team meets with the Secretary, Deputy Secretary and Steering Committee on a monthly basis to review a more detailed set of Recovery Act performance measures. On a quarterly basis, these monthly meetings include updated grant recipient data described above.



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k. BARRIERS TO EFFECTIVE IMPLEMENTATION:

Phase	Barrier/Concern	Proposed Solution	Targeted Resolution Date
Pre-Implementation	<u>Time Constraints:</u> Remote locations of many tribal and Alaska Native communities increase the time and expense of obtaining materials. There is also a small window of opportunity to complete the projects (due to extreme weather and geographic location) impeding the ability to expend funds timely.	Grant recipients are experienced in addressing these issues, and have developed systems and processes unique to rural Alaska in order to get the jobs done. HUD program officials will work with the Grant recipients to ensure ARRA funding and the time constraints for expenditures are fully complied with and understood.	On-going
Post-Implementation	<u>Systems Capability:</u> Performance Tracking Database (PTD) is being modified to address the implementation scheduling of funds.	Modifications to PTD will include provisions to address the implementation scheduling for one, two, and three years obligation, expenditure of funds, and reporting as required under the Act.	Completed: July 2009

I. FEDERAL INFRASTRUCTURE INVESTMENTS:

This program does not invest in Federal infrastructure. However, for HUD's programs that include construction or rehabilitation or are Federal investments in privately owned housing: New buildings and major renovations financed through formula grants are required to meet local energy codes. New construction and major renovations financed through some competitive grant programs will, in the case of single family homes, be built to the standard for Energy Star for New Homes (15 percent more efficient than the 2004 International Residential Code); or in the case of multifamily buildings to exceed ASHRAE (American Society of Heating, Refrigeration, and Air-conditioning Engineers) Code 90.1 2007, Appendix G, by 20 percent. HUD's competitive program requirements also ensure that new construction and major renovations follow sustainable design and green construction principles to (1) optimize energy efficiency and performance; (2) employ integrated design principles (and controls); (3) protect and conserve water; (4) enhance indoor air quality; and (5) reduce environmental impact of materials used.



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Lead Hazard Reduction Programs

a. FUNDING TABLE:

ACTIVITY	FUNDING LEVEL
The Lead-Based Paint Hazard Control Grant Program assists States, Indian Tribes and local governments in undertaking comprehensive programs to identify and control lead-based paint hazards in eligible privately owned housing for rental or owner-occupants.	\$77,949,463.00
The Lead Hazard Reduction Demonstration Grant Program assists areas with the highest lead paint abatement needs in undertaking programs for abatement, inspections, risk assessments, temporary relocations, and interim control of lead-based paint hazards in eligible privately owned, single family housing units, and multifamily buildings that are occupied by low-income families.	\$2,616,843.00
Administrative set-aside for HUD personnel expenses related to administering funding	\$405,000.00
TOTAL	\$80,971,306.00

b. OBJECTIVES:

HUD's Recovery Act funds support three themes that align with the broader goals of the Recovery Act: (1) promoting energy efficiency and creating green jobs, (2) unlocking the credit markets and supporting shovel-ready projects, and (3) mitigating the effects of the economic crisis and preventing community decline. HUD's overriding objective in support of these goals is the creation and preservation of jobs.

HUD's Office of Healthy Homes and Lead Hazard Control (OHHLHC) received approximately \$100 million in Recovery Act appropriated funds. Of this amount, \$78 million were announced as awards to be made under the Lead-Based Paint Hazard Control grant program. In addition \$2.6 million will be used for Demonstration Grant Program. Both programs assist jurisdictions in undertaking programs for the identification and control of lead-based paint hazards in eligible privately owned rental and owner-occupied housing units. The Lead Hazard Reduction Demonstration Grant Program focuses on providing funding to urban jurisdictions with the greatest lead-based paint hazard control needs. Additional core activities include outreach and training.

The expected benefit of this particular program is a reduction / prevention of the number of children under the age of six who have elevated blood lead levels (i.e. lead poisonings). In addition, through lead remediation we will meet HUD's overriding goal of creating and preserving jobs.

c. ACTIVITIES:

Kinds and scope of projects and activities to be performed: Funds will be used to identify and control lead-based paint hazards in eligible privately owned rental or owner-occupied housing.

Project/Activity: Funds will be used to perform lead dust, soil and paint-chip testing, lead-based paint inspections, risk assessments, clearance examination, and engineering and architectural activities that are required for, and in direct support of, interim control and lead hazard abatement work. This work will be done on eligible housing units constructed prior to 1978 to determine the presence of lead-based paint and/or lead hazards from paint, dust, or soil through the use of acceptable testing procedures.



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Description: The Lead-Based Paint Hazard Control Grant Program assists States, Indian Tribes and local governments in undertaking comprehensive programs to identify and control lead-based paint hazards in eligible privately owned housing for rental or owner-occupants.

Funding: \$77,949,463.00

Project/Activity: Funds will be used to perform lead dust, soil and paint-chip testing, lead-based paint inspections, risk assessments, clearance examination, and engineering and architectural activities that are required for, and in direct support of, interim control and lead hazard abatement work. This work will be done on eligible housing units constructed prior to 1978 to determine the presence of lead-based paint and/or lead hazards from paint, dust, or soil through the use of acceptable testing procedures.

Description: The Lead Hazard Reduction Demonstration Grant Program assists areas with the highest lead paint abatement needs in undertaking programs for abatement, inspections, risk assessments, temporary relocations, and interim control of lead-based paint hazards in eligible privately owned, single family housing units, and multifamily buildings that are occupied by low-income families.

Funding: \$2,616,843.00

Project/Activity : HUD will provide training, technical assistance, monitoring, enforcement, and research and evaluation activities.

Description: HUD will hire staff, build IT systems and work with grantees to ensure effective and efficient implementation.

Funding: \$405,000.00

d. CHARACTERISTICS:

Type of Financial Award: B - Project Grants

Funding Amount: \$77,949,463.00

Methodology for Award Selection: Under the Recovery Act of 2009, HUD's Office of Healthy Homes and Lead Hazard Control (OHHLHC) received approximately \$100 million in appropriated funds to award first applicants which had applied under the Lead Hazard Reduction Program Notices of Funding Availability for fiscal year 2008, and were found in the application review to be qualified for award, but were not awarded because of funding limitations, and that any funds which remain after reservation of funds for such grants shall be added to the amount of funds to be awarded under the Lead Hazard Reduction Program Notices of Funding Availability for fiscal year 2009.

Type(s) of Recipients: Government – Federal, Government – State, Government - Local-County, Government - Local-City or Township, Government - Federal Recognized Indian Tribal Governments

Type(s) of Beneficiaries: Individual/Family, Minority group

Type of Financial Award: B - Project Grants

Funding Amount: \$2,616,843.00

Methodology for Award Selection: Under the Recovery Act of 2009, HUD's Office of Healthy Homes and Lead Hazard Control (OHHLHC) received approximately \$100 million in appropriated funds to award first applicants which had applied under the Lead Hazard Reduction Program Notices of Funding Availability for fiscal year 2008, and were found in the application review to be qualified for award, but were not awarded because of funding limitations, and that any funds which remain after reservation of funds for such grants shall be added to the amount of funds to be awarded under the Lead Hazard Reduction Program Notices of Funding Availability for fiscal year 2009.

Type(s) of Recipients: Government – Federal, Government – State, Government - Local-County, Government - Local-City or Township, Government - Federal Recognized Indian Tribal Governments

Type(s) of Beneficiaries: Individual/Family, Minority group



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Estimated dollar amount of Federal in-house activity: \$405,000.00

e. DELIVERY SCHEDULE:

Milestone Description: Quarterly benchmarks have been established for units made lead safe.

Milestone: HUD announces funding awards

Expected Completion Date: 5/1/2009

Completion Date: 2/25/2009

Milestone: Grantees obligate 100% of funds

Expected Completion Date: 8/1/2009

Completion Date: 5/11/2009

Milestone: Grantees expend 100% of funds

Expected Completion Date: 5/1/2012

f. ENVIRONMENTAL REVIEW COMPLIANCE:

AREA OF COMPLIANCE	Identify and control lead-based paint hazards
Compliance with National Environmental Policy Act (NEPA)	Grantees will be required to complete a Tier 1 Environmental Review and receive a "Release of Environmental Conditions" prior to expending any HUD or Non-HUD funds on projects or activities that have a physical impact on a property or an impact on the human environment. Furthermore, grantees are responsible for performing the Tier 2 or Site-Specific Environmental Review on each housing unit in which they perform a physical intervention and maintain the relevant documents in their Environmental Review Record. OHHLHC monitors grantees routinely for compliance with these Environmental Review requirements.
Compliance with National Historic Preservation Act and related statutes	Grantees will be required to comply with the National Historic Preservation Act of 1966 (16 U.S.C. 470) and the regulations at 36 CFR part 800 which apply to the lead-hazard control or rehabilitation activities that are undertaken by HUD's Lead Hazard Reduction grant programs.
Milestones dependent on environmental review process	Approval of Release of Funds to grantees is dependent on environmental reviews outlined above.
Potential impact of environmental reviews on project implementation	If grantees are slow to get this approval from HUD, this will directly affect whether they meet program milestones set for this program.

g. MEASURES:

Targets do not take into consideration the following variables: that additional funds may be leveraged, that there are increased administrative costs associated with implementing Recovery Act requirements beyond regular program requirements, and the impact resulting from complying with Davis-Bacon Act



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prevailing wage requirements. These factors may alter our projections over time. HUD is continuing to identify and evaluate the impact of leveraged funds and Recovery Act requirements on its targets.

Per OMB guidance, recipients report on jobs information quarterly into FederalReporting.gov. This data can be found at Recovery.gov.

This program also contributes towards HUD High Priority Performance Goal 4: Energy and Green Retrofits.

Measure: Funds obligated by grantees

Measure Type: Efficiency

Measure Frequency: Quarterly

Direction of Measure: Increasing

Unit of Measure: Dollars

Explanation of Measure: Quantifies efficiency and timeliness by measuring the dollar amount of funds obligated by grantees on a quarterly basis.

Goal Lead: Matthew Ammon

Measurement Methodology: HUD will collect Quarterly Recipient Reports from grantees.

How result will be readily accessible to the public: This data will be made available on HUD.gov/Recovery.

	ARRA Projection	Actual ARRA Performance
2009	\$80,566,306	\$80,566,306 (as of May 11, 2009)

Measure: Funds expended by grantees

Measure Type: Efficiency

Measure Frequency: Quarterly

Direction of Measure: Increasing

Unit of Measure: Dollars

Explanation of Measure: Quantifies efficiency and timeliness by measuring the dollar amount of funds expended by grantees on a quarterly basis.

Goal Lead: Matthew Ammon

Measurement Methodology: HUD will collect Quarterly Recipient Reports from grantees.

How result will be readily accessible to the public: This data will be made available on HUD.gov/Recovery.

	ARRA Projection	Actual ARRA Performance
2009	\$1,611,326	\$2,567,744
2010	\$14,501,935	\$11,768,611 (as of April 30, 2010)
2011	\$45,117,132	TBD



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Measure: Number of Units Made Lead-Safe

Measure Type: Output

Measure Frequency: Quarterly

Direction of Measure: Increasing

Unit of Measure: Housing Units

Explanation of Measure: Measures Program success in increasing quality of the housing stock by tracking the total number of housing units made Lead-Safe quarterly.

Goal Lead: Matthew Ammon

Measurement Methodology: HUD will collect Quarterly Recipient Reports from grantees.

How result will be readily accessible to the public: This data will be made available on HUD.gov/Recovery.

	ARRA Projection	Actual ARRA Performance
2009	112	110
2010	1,167	304 (as of March 31, 2010)
2011	2,008	TBD

h. MONITORING AND EVALUATION:

(1) Data Collection and Reporting

- Work Plan Submissions:** These identify the plan for the use of funds for each grantee. During grant negotiations, a final budget is established and issued within the grant award form (SF-1044). After award, the grantee must submit a work plan that describes the work they will complete with the use of grant funds.
 - Financial Reports:** HUD has two financial reports that will be generated and analyzed on a weekly basis. These include a Summary Financial Report that indicates the amount of funds for each program, and a Funding Notification Report, which shows the amount of funding by program for every jurisdiction, including local governments and some states.
 - Quarterly Recipient Reports:** The cornerstone of HUD's monitoring and evaluation system is the project and contract data collected from grantees. The Recovery Act specifically requires data collection fields for grantees and contractors. In addition, grantees will report lead safe units completed, outreach/training events, funds draw downs and other progress indicators by using Quarterly Performance Reporting System (QPRS) a system developed by the Office of Healthy Homes and Lead Hazard Control (OHHLHC).
- (2) **Ongoing Grantee Management :** Government Technical Representatives (GTRs) are responsible for monitoring grantee performance, program implementation, and the processes by which OHHLHC management use to assess grantee risk. The OHHLHC Grants "Desk Guide" (available on our website) establishes standards and provides guidance for monitoring OHHLHC Programs. OHHLHC staff view monitoring not as a once a year or periodic exercise, but as an ongoing process involving continuous communication and evaluation, including frequent telephone/email contacts, written communications, analysis of reports and audits, and periodic meetings. It is also an OHHLHC policy that all grantees receive an on-site monitoring visit during the first year of the grant. There are several processes used to identifying program risks and to set monitoring priorities, including



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conducting an annual risk analysis and reviewing quarterly submissions. The GTRs use a core set of risk criteria in their analyses, including the status of performance indicators as set forth in the grantee work plans (e.g., the LHC program uses five factors: Number of inspections proposed / completed; Number of units proposed / completed; Expenditures proposed / completed; Number of trainings proposed / completed; Number of outreach actions proposed / completed). Additional information about the OHHLHC's Risk Analysis process, including the development of a Monitoring Plan, is discussed in the OHHLHC's Desk Guide.

i. and j. TRANSPARENCY AND ACCOUNTABILITY:

With respect to reporting, OMB has issued detailed guidance on the requirements for recipients of the Recovery Act funds. Specifically, each prime and first tier recipient is required to report specified information to FederalReporting.gov and HUD within 10 days after the end of each calendar quarter. This includes but is not limited to a detailed list of all projects and activities for which Recovery Act funds were obligated or expended, an evaluation of the completion status of the project or activity, and an estimate of the number of jobs created or retained. In addition to the overarching requirements of the Recovery Act, HUD has also identified a number of program-specific measures that will be collected through this reporting process.

HUD expects that the transparency requirements of the Recovery Act, specifically the requirement to publish both spending and recipient performance reports, will create accountability amongst its managers and grantees. HUD has established additional internal management controls to create a greater level of accountability for performance. The HUD Recovery Act program management team works with the leads of the program and cross-cutting teams to prepare weekly place-based financial reports to the Assistant Secretaries and Regional Directors. In addition, a monthly report to the Secretary and Deputy Secretary highlights issues related to program implementation. Drawing from the program and risk management plans, the reports include summary-level quantitative financial and programmatic performance measures and targets, key milestones, and issues or risks. Interim spending and performance targets ensure that annual objectives from the program plans are met. Performance data is summarized by grantee risk category, as defined in the agency's risk management plan. Performance measure targets and milestones that are missed, or that are in jeopardy of being missed, are accompanied by an explanation of the reasons why, including any issues affecting progress and the specific plan for their resolution or mitigation. The reports also identify specific grantees with performance issues, and summarize the actions being taken to address them. Each program team meets with the Secretary, Deputy Secretary and Steering Committee on a monthly basis to review a more detailed set of Recovery Act performance measures. On a quarterly basis, these monthly meetings include updated grant recipient data described above.

k. BARRIERS TO EFFECTIVE IMPLEMENTATION:

Phase	Barrier/Concern	Proposed Solution	Targeted Resolution Date
Post-Implementation	LHC has no high risk Front End Risk Assessment (FERA) elements. They have compensating controls for medium risk elements.	Redeployment of staff resources and manual collection of data if new hires and system upgrades are not done in time.	Ongoing



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I. FEDERAL INFRASTRUCTURE INVESTMENTS:

This program does not invest in Federal infrastructure. However, for HUD's programs that include construction or rehabilitation or are Federal investments in privately owned housing: New buildings and major renovations financed through formula grants are required to meet local energy codes. New construction and major renovations financed through some competitive grant programs will, in the case of single family homes, be built to the standard for Energy Star for New Homes (15 percent more efficient than the 2004 International Residential Code); or in the case of multifamily buildings to exceed ASHRAE (American Society of Heating, Refrigeration, and Air-conditioning Engineers) Code 90.1 2007, Appendix G, by 20 percent. HUD's competitive program requirements also ensure that new construction and major renovations follow sustainable design and green construction principles to (1) optimize energy efficiency and performance; (2) employ integrated design principles (and controls); (3) protect and conserve water; (4) enhance indoor air quality; and (5) reduce environmental impact of materials used.



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Native American Housing Block Grant – Competitive

a. FUNDING TABLE:

ACTIVITY	FUNDING LEVEL
Tribes will develop, acquire or rehabilitate (including energy efficient retrofits) affordable housing units, or develop and improve the infrastructure on reservations to support affordable housing	\$242,250,000
Deliver training, technical assistance, monitoring, enforcement, research and evaluation activities	\$940,400

b. OBJECTIVES:

HUD's Recovery Act funds support three themes that align with the broader goals of the Recovery Act: (1) promoting energy efficiency and creating green jobs, (2) unlocking the credit markets and supporting shovel-ready projects, and (3) mitigating the effects of the economic crisis and preventing community decline. HUD's overriding objective in support of these goals is the creation and preservation of jobs.

The Recovery Act includes a \$510 million appropriation for the Native American Housing Block grants (or "NAHBG," also known as the Indian Housing Block Grant, or "IHBG"). Of that amount, \$255,000,000 was disbursed based on a formula, and \$242,250,000 was allocated competitively. For the Native Hawaiian Housing Block Grant, \$10.2 million was set aside.

The purpose of this program is to (1) assist and promote affordable housing activities to develop, maintain, and operate affordable housing in safe and healthy environments on Indian reservations and in other Indian areas for occupancy by low-income Indian families; (2) ensure better access to private mortgage markets for Indian tribes and their members and to promote self-sufficiency of Indian tribes and their members; (3) coordinate activities to provide housing for Indian tribes and their members with Federal, State, and local activities to further economic and community development for Indian tribes and their members; (4) plan for and integrate infrastructure resources for Indian tribes with housing development for tribes; and (5) promote the development of private capital markets in Indian country and to allow such markets to operate and grow, thereby benefiting Indian communities.

The expected benefits of NAHBG are to increase the quality and longevity of Native American housing stock, produce affordable housing units, unlock private lending, prevent homelessness, and create or preserve jobs.

c. ACTIVITIES:

Kinds and scope of projects and activities to be performed: The NAHBG program, authorized by the Native American Housing Assistance and Self-Determination Act of 1996 ("NAHASDA"), assists tribes in developing, operating, maintaining, and supporting affordable rental and homeownership housing. NAHBG Recovery Act funds can be used for new construction, acquisition, rehabilitation (including energy efficiency and conservation), and infrastructure development activities. Funds can also be used to leverage private sector financing for new construction, renovation and energy retrofit investments. Priority will be given to projects that will spur construction and rehabilitation and will create employment opportunities for low-income and unemployed persons.



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Project/Activity: Tribes will develop, acquire or rehabilitate (including energy efficient retrofits) affordable housing units, or develop and improve the infrastructure on reservations to support affordable housing.

Description: Specific activities are those eligible under the NAHASDA, which includes the new construction of affordable housing units, the acquisition of affordable housing units, the rehabilitation of existing affordable housing units, the incorporation of energy efficient systems and components in new or existing affordable housing units and the development or improvement of infrastructure on reservations to support affordable housing.

Funding: \$242,250,000

Project/Activity: Deliver training, technical assistance, monitoring, enforcement, research and evaluation activities.

Description: HUD will hire staff, build systems and capacity and work with grantees to ensure effective and efficient implementation.

Funding: \$940,400

d. CHARACTERISTICS:

Type of Financial Award: B - Project Grants

Funding Amount: \$242,250,000

Methodology for Award Selection: In accordance with the Recovery Act, NAHBG competitive grants were awarded to those entities that applied for funds authorized under the Native American Housing Assistance and Self-Determination Act of 1996 ("NAHASDA") (25 U.S.C. 411 et seq).

Type(s) of Recipients: Government - Federally Recognized Indian Tribal Governments

Type(s) of Beneficiaries: Federally Recognized Indian Tribal Governments, Individual/Family, Minority group, Indian/Native American Tribal Government (Federally Recognized), Indian/Native American Tribal Government (Other than Federally Recognized), Indian/Native American Tribally Designated Organization, Public/Indian Housing Authority, Homeowner, American Indian, Rural, Low Income, Unemployed

Estimated dollar amount of Federal in-house activity: \$940,400

e. DELIVERY SCHEDULE:

Milestone Description: The key milestones for the competitive grants include issuing the Notice of Funding Availability (NOFA), the application deadline, the funding awards, the obligation of funds by grantees and the expenditure of funds by grantees. Recipients are required to expend 50% of their funds within 2 years from the date the funds were made available. If a recipient fails to comply with the 2-year expenditure requirement, funds will be recaptured and reallocated under the formula to tribes that comply with this requirement. Recipients are required to expend 100% of the NAHBG Competitive funds within 3 years from the date the funds were made available. If a recipient fails to comply with the 3-year expenditure requirement, the balance of the funds originally awarded to the recipient will be recaptured.

Milestone: HUD announces awards to grantees and obligates 100% of funds to grantees

Expected Completion Date: 9/30/2009

Actual Completion Date: 8/28/2009

Milestone: Grantees spend 100% of funds

Expected Completion Date: 9/30/2012



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f. ENVIRONMENTAL REVIEW COMPLIANCE:

AREA OF COMPLIANCE	ACTIVITY
Compliance with National Environmental Policy Act (NEPA)	Grantees will comply with NEPA, if required. Activities will depend on the type of project.
Compliance with National Historic Preservation Act and related statutes	Grantees will comply with NHPA, if required. Activities will depend on the type of project.
Milestones dependent on environmental review process	Grantees spend 100% of funds
Potential impact of environmental reviews on project implementation	The need for environmental reviews may required additional time to implement projects.

g. MEASURES:

All targets do not take into consideration the fact that additional funds may be leveraged, which may understate our projections. HUD is continuing to identify and evaluate the impact of leveraged funds on its targets.

Per OMB guidance, recipients report on jobs information quarterly into FederalReporting.gov. This data can be found at Recovery.gov.

Measure: Funds obligated by HUD

Measure Type: Efficiency

Measure Frequency: Quarterly

Direction of Measure: Increasing

Unit of Measure: Dollars

Explanation of Measure: Quantifies efficiency and timeliness by measuring the dollar amount of funds obligated on a quarterly basis.

Actual: \$242,250,000, as of August 28, 2009

Goal Lead: Ed Fagan

Measurement Methodology: HUD will collect Quarterly Recipient Reports from grantees, using the HUD Recovery Accountability and Management System (RAMPS).

How result will be readily accessible to the public: This data will be made available on HUD.gov/Recovery.

	ARRA Projection	Actual ARRA Performance
2009	\$242,250,000	\$242,250,000 (as of August 28, 2009)



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Measure: Funds expended by grantees

Measure Type: Efficiency

Measure Frequency: Quarterly

Direction of Measure: Increasing

Unit of Measure: Dollars

Explanation of Measure: Quantifies efficiency and timeliness by measuring the dollar amount of funds expended by grantees on a quarterly basis.

Actual: \$79,463,212, as of May 30, 2010

Goal Lead: Ed Fagan

Measurement Methodology: HUD will collect Quarterly Recipient Reports from grantees, using FederalReporting.gov.

How result will be readily accessible to the public: This data will be made available on HUD.gov/Recovery.

	ARRA Projection	Actual ARRA Performance
2009	\$0	N/A
2010	\$74,559,493	\$79,463,212.32 (as of May 30, 2010)
2011	\$84,637,477	TBD
2012	\$83,053,030	TBD



American Recovery and Reinvestment Act of 2009

Measure: Number of Affordable Housing Units Developed

Measure Type: Output

Measure Frequency: Quarterly

Direction of Measure: Increasing

Unit of Measure: Affordable Housing Units

Explanation of Measure: Measures Program success in contributing to HUD's goals of supporting shovel-ready projects and increasing the quality of housing stock by tracking the number of new affordable housing units developed each quarter.

Actual: 13 as of March 31, 2010

Goal Lead: Ed Fagan

Measurement Methodology: HUD will collect Quarterly Recipient Reports from grantees, using RAMPS.

How result will be readily accessible to the public: This data will be made available on HUD.gov/Recovery.

	ARRA Projection	Actual ARRA Performance
2009	0	
2010	13	13 (as of March 31, 2010)
2011	13	TBD
2012	709	TBD



American Recovery and Reinvestment Act of 2009

Measure: Number of Affordable Housing Units Rehabilitated

Measure Type: Output

Measure Frequency: Quarterly

Direction of Measure: Increasing

Unit of Measure: Housing Units

Explanation of Measure: Measures Program success in contributing to HUD's goals of supporting shovel-ready projects and increasing the quality of housing stock by tracking the number of affordable housing units rehabilitated each quarter.

Actual: 71 as of March 31, 2010

Goal Lead: Ed Fagan

Measurement Methodology: HUD will collect Quarterly Recipient Reports from grantees, using RAMPS.

How result will be readily accessible to the public: This data will be made available on HUD.gov/Recovery.

	ARRA Projection	Actual ARRA Performance
2009	0	
2010	71	71 (as of March 31, 2010)
2011	71	TBD
2012	1,273	TBD



American Recovery and Reinvestment Act of 2009

Measure: Number of units receiving energy conservation/green improvements (This measure supports HUD High Priority Performance Goal 4: Energy and Green Retrofits.)

Measure Type: Output

Measure Frequency: Quarterly

Direction of Measure: Increasing

Unit of Measure: Housing Units

Explanation of Measure: Measures Program success in contributing to HUD's goals of increasing the quality of housing stock and increasing energy efficiency by tracking the number of units receiving energy conservation and/or other green improvements each quarter.

Actual: TBD

Goal Lead: Ed Fagan

Measurement Methodology: HUD will collect Quarterly Recipient Reports from grantees, using RAMPS.

How result will be readily accessible to the public: This data will be made available on HUD.gov/Recovery.

	ARRA Projection	Actual ARRA Performance
2009	0	
2010	375	TBD
2011	625	TBD
2012	375	TBD

h. MONITORING AND EVALUATION:

(1) Data Collection and Reporting

- Spend Plans:** An eligible applicant must submit an application in response to a Notice of Funding Available. The applications contain information on their proposed project including timeframes for project implementation. Office of Native American programs (ONAP) will rate and rank the application. If funded, but before gaining access to funds, the grantees must execute a grant agreement with special conditions related to the Recovery Act
 - Financial Reports:** HUD has two financial reports that will be generated and analyzed on a weekly basis. These include a Summary Financial Report that indicates the amount of funds for each program, and a Funding Notification Report, which shows the amount of funding by program for every jurisdiction, including local governments and some states.
 - Quarterly Recipient Reports:** The cornerstone of HUD's monitoring and evaluation system is the project and contract data collected from grantees. The Recovery Act specifically requires data collection fields for grantees and contractors. In addition to these data, HUD will also collect program-specific measures from grantees (e.g., number of units rehabilitated, etc.).
 - Sample Survey of Outcomes:** There is no planned survey of outcomes for this program.
- (2) **Ongoing Grantee Management:** HUD categorizes grantees by risk, then monitors and works with grantees to resolve performance issues, including providing training, technical assistance, and, if warranted, enforcement action. Both remote and on-site monitoring are available options,



American Recovery and Reinvestment Act of 2009

pursuant to NAHASDA and its implementing regulations. To ensure timely expenditure of funds, ONAP tracks disbursements through its systems. To ensure quality expenditure of funds, ONAP regularly monitors activities at the project level through the review of data and information submitted. Follow-up will occur on issues or matters of concern that are discovered. To ensure budget and cost compliance, the grantee will be monitored through its Annual Performance Report, comparing it against the Indian Housing Plan's proposed affordable housing activities. Quarterly reports will be reviewed to verify expenditure and obligation rates. To ensure legal compliance and prevent fraud, all activities under this grant will be tracked for compliance with statutory, regulatory, and administrative requirements by the ONAP Headquarters Grants Evaluation staff through the use of on-site monitoring and regular risk assessment tools, as well as the use of the Annual Performance Report, Form SF-425-Federal Financial Report, and OMB Circular A-133 audits, which are audits required annually of all grantees that expend more than \$500,000 in federal funds each year. If necessary, interventions will occur and categorical training and technical assistance will be offered to resolve specific problems. Actions for non-compliance include shutting down access to funds, letters of warning, notices of intent to impose remedies, and imposition of sanctions pursuant to 24 CFR §§ 1000.532 and 1000.538. Remedies can be triggered by substantial noncompliance with NAHASDA or its regulations, as defined at 24 CFR §1000.534. Grants will not be awarded to tribes with remedies currently imposed.

i. and j. TRANSPARENCY AND ACCOUNTABILITY:

With respect to reporting, OMB has issued detailed guidance on the requirements for recipients of the Recovery Act funds. Specifically, each prime and first tier recipient is required to report specified information to HUD within 10 days after the end of each calendar quarter. This includes but is not limited to a detailed list of all projects and activities for which Recovery Act funds were obligated or expended, an evaluation of the completion status of the project or activity, and an estimate of the number of jobs created or retained. In addition to the overarching requirements of the Recovery Act, HUD has also identified a number of program-specific measures that will be collected through this reporting process.

HUD expects that the transparency requirements of the Recovery Act, specifically the requirement to publish both spending and recipient performance reports, will create accountability amongst its managers and grantees. HUD has established additional internal management controls to create a greater level of accountability for performance. The HUD Recovery Act program management team works with the leads of the program and cross-cutting teams to prepare weekly place-based financial reports to the Assistant Secretaries and Regional Directors. In addition, a monthly report to the Secretary and Deputy Secretary highlights issues related to program implementation. Drawing from the program and risk management plans, the reports include summary-level quantitative financial and programmatic performance measures and targets, key milestones, and issues or risks. Interim spending and performance targets ensure that annual objectives from the program plans are met. Performance data is summarized by grantee risk category, as defined in the agency's risk management plan. Performance measure targets and milestones that are missed, or that are in jeopardy of being missed, are accompanied by an explanation of the reasons why, including any issues affecting progress and the specific plan for their resolution or mitigation. The reports also identify specific grantees with performance issues, and summarize the actions being taken to address them. Each program team meets with the Secretary, Deputy Secretary and Steering Committee on a monthly basis to review a more detailed set of Recovery Act performance measures. On a quarterly basis, these monthly meetings include updated grant recipient data described above.



American Recovery and Reinvestment Act of 2009

k. BARRIERS TO EFFECTIVE IMPLEMENTATION:

Phase	Barrier/Concern	Proposed Solution	Targeted Resolution Date
Pre-Implementation	<u>Time Constraints:</u> Remote locations of many tribal and Alaska Native communities increase the time and expense of obtaining materials. There is also a small window of opportunity to complete the projects (due to extreme weather and geographic location) impeding the ability to expend funds timely.	Grant recipients are experienced in addressing these issues, and have developed systems and processes unique to rural Alaska in order to get the jobs done. HUD program officials will work with the Grant recipients to ensure ARRA funding and the time constraints for expenditures are fully complied with and understood.	On-going
Post-Implementation	<u>Systems Capability:</u> Performance Tracking Database (PTD) is being modified to address the implementation scheduling of funds.	Modifications to PTD will include provisions to address the implementation scheduling for one, two, and three years obligation, expenditure of funds, and reporting as required under the Act.	Completed: July 2009

I. FEDERAL INFRASTRUCTURE INVESTMENTS:

This program does not invest in Federal infrastructure. However, for HUD's programs that include construction or rehabilitation or are Federal investments in privately owned housing: New buildings and major renovations financed through formula grants are required to meet local energy codes. New construction and major renovations financed through some competitive grant programs will, in the case of single family homes, be built to the standard for Energy Star for New Homes (15 percent more efficient than the 2004 International Residential Code); or in the case of multifamily buildings to exceed ASHRAE (American Society of Heating, Refrigeration, and Air-conditioning Engineers) Code 90.1 2007, Appendix G, by 20 percent. HUD's competitive program requirements also ensure that new construction and major renovations follow sustainable design and green construction principles to (1) optimize energy efficiency and performance; (2) employ integrated design principles (and controls); (3) protect and conserve water; (4) enhance indoor air quality; and (5) reduce environmental impact of materials used.



American Recovery and Reinvestment Act of 2009

Native American Housing Block Grant – Formula

a. FUNDING TABLE:

ACTIVITY	FUNDING LEVEL
Tribes will develop, acquire or rehabilitate (including energy efficient retrofits) affordable housing units, or develop and improve the infrastructure on reservations to support affordable housing	\$255,000,000
Deliver training, technical assistance, monitoring, enforcement, research and evaluation activities	\$1,114,800

b. OBJECTIVES:

HUD's Recovery Act funds support three themes that align with the broader goals of the Recovery Act: (1) promoting energy efficiency and creating green jobs, (2) unlocking the credit markets and supporting shovel-ready projects, and (3) mitigating the effects of the economic crisis and preventing community decline. HUD's overriding objective in support of these goals is the creation and preservation of jobs.

The Recovery Act includes a \$510 million appropriation for the Native American Housing Block grants (or "NAHBG," also known as the Indian Housing Block Grant, or "IHBG"). Of that amount, \$255,000,000 was allocated based on a pro-rated share of the fiscal year 2008 IHBG formula, and \$242,250,000 was allocated competitively. For the Native Hawaiian Housing Block Grant, \$10.2 million was set aside.

The purpose of this program is to (1) assist and promote affordable housing activities to develop, maintain, and operate affordable housing in safe and healthy environments on Indian reservations and in other Indian areas for occupancy by low-income Indian families; (2) ensure better access to private mortgage markets for Indian tribes and their members and to promote self-sufficiency of Indian tribes and their members; (3) coordinate activities to provide housing for Indian tribes and their members with Federal, State, and local activities to further economic and community development for Indian tribes and their members; (4) plan for and integrate infrastructure resources for Indian tribes with housing development for tribes; and (5) promote the development of private capital markets in Indian country and to allow such markets to operate and grow, thereby benefiting Indian communities.

The expected benefits of NAHBG are to increase the quality and longevity of Native American housing stock, produce affordable housing units, unlock private lending, prevent homelessness, and create or preserve jobs.

c. ACTIVITIES:

Kinds and scope of projects and activities to be performed: The NAHBG program, authorized by the Native American Housing Assistance and Self-Determination Act of 1996 ("NAHASDA"), assists tribes in developing, operating, maintaining, and supporting affordable rental and homeownership housing. NAHBG Recovery Act funds can be used for new construction, acquisition, rehabilitation (including energy efficiency and conservation), and infrastructure development activities. Funds can also be used to leverage private sector financing for new construction, renovation and energy retrofit investments. In selecting projects to be funded with Recovery Act funds, recipients shall give priority to projects for



American Recovery and Reinvestment Act of 2009

which contracts can be awarded within 180 days from the date that such funds are available to the recipient.

Project/Activity: Tribes will develop, acquire or rehabilitate (including energy efficient retrofits) affordable housing units, or develop and improve the infrastructure on reservations to support affordable housing

Description: Specific activities are those eligible under the NAHASDA, which includes the new construction of affordable housing units, the acquisition of affordable housing units, the rehabilitation of existing affordable housing units, the incorporation of energy efficient systems and components in new or existing affordable housing units and the development or improvement of infrastructure on reservations to support affordable housing.

Funding: \$255,000,000

Project/Activity: Deliver training, technical assistance, monitoring, enforcement, research and evaluation activities.

Description: HUD will hire staff, build systems and capacity and work with grantees to ensure effective and efficient implementation. As of 4/23/2010, the Office of Native American Programs had hired two headquarters ARRA staff and seven Area ARRA staff.

Funding: \$1,114,800

d. CHARACTERISTICS:

Type of Financial Award: A - Formula Grants

Funding Amount: \$255,000,000

Methodology for Award Selection: In accordance with the Recovery Act, NAHBG formula grants are distributed according to the same funding formula used in FY 2008 to allocate the Indian Housing Block Grant funds.

Type(s) of Recipients: Government - Federally Recognized Indian Tribal Governments

Type(s) of Beneficiaries: Federally Recognized Indian Tribal Governments, Individual/Family, Minority group, Indian/Native American Tribal Government (Federally Recognized), Indian/Native American Tribal Government (Other than Federally Recognized), Indian/Native American Tribally Designated Organization, Public/Indian Housing Authority, Individual, American Indian

Estimated dollar amount of Federal in-house activity: \$1,114,800

e. DELIVERY SCHEDULE:

Milestone Description: The key milestones for the formula grants include the allocation of formula awards by HUD, the obligation of funds by HUD to grantees, the obligation of funds by grantees and the expenditure of funds by grantees. Recipients are required to expend 50% of their funds within 2 years from the date the funds were made available. If a recipient fails to comply with the 2-year expenditure requirement, funds will be recaptured and reallocated under the formula to tribes that comply with this requirement. Recipients are required to expend 100% of the NAHBG formula funds within 3 years from the date the funds were made available. If a recipient fails to comply with the 3-year expenditure requirement, the balance of the funds originally awarded to the recipient will be recaptured.

Milestone: Funds obligated by HUD

Actual Completion Date: by 3/19/2009

Milestone: Grantees expend 100% of funds

Expected Completion Date: 6/30/2012



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f. ENVIRONMENTAL REVIEW COMPLIANCE:

AREA OF COMPLIANCE	ACTIVITY
Compliance with National Environmental Policy Act (NEPA)	Grantees will comply with NEPA, if required. Activities are dependent on the type of project.
Compliance with National Historic Preservation Act and related statutes	Grantees will comply with NHPA and related statutes, if required. Activities are dependent on the type of project.
Milestones dependent on environmental review process	Grantees expend 100% of funds
Potential impact of environmental reviews on project implementation	The need for environmental reviews may require additional time to implement projects.

g. MEASURES:

All targets for job creation and retention and units developed and rehabilitated do not take into consideration the fact that additional funds may be leveraged, which may understate our projections. HUD is continuing to identify and evaluate the impact of leveraged funds on its targets.

Per OMB guidance, recipients report on jobs information quarterly into FederalReporting.gov. This data can be found at Recovery.gov.

Measure: Funds obligated by HUD

Measure Type: Efficiency

Measure Frequency: Quarterly

Direction of Measure: Increasing

Unit of Measure: Dollars

Explanation of Measure: Quantifies efficiency and timeliness by measuring the dollar amount of funds obligated by grantees on a quarterly basis.

Actual: \$252,308,946 as of April 30, 2010. Eligible recipients refused or returned \$2,691,054, which will be re-allocated in FY 2010.

Goal Lead: Ed Fagan

Measurement Methodology: HUD will collect Quarterly Recipient Reports from grantees, using the HUD Recovery Accountability and Management System (RAMPS).

How result will be readily accessible to the public: This data will be made available on HUD.gov/Recovery.

	ARRA Projection	Actual ARRA Performance
2009	\$252,308,946	\$252,308,946
2010	\$0	\$252,308,946 (as of April 30, 2010)



American Recovery and Reinvestment Act of 2009

Measure: Funds expended by grantees

Measure Type: Efficiency

Measure Frequency: Quarterly

Direction of Measure: Increasing

Unit of Measure: Dollars

Explanation of Measure: Quantifies efficiency and timeliness by measuring the dollar amount of funds expended by grantees on a quarterly basis.

Actual: \$127,088,904 as of May 30, 2010

Goal Lead: Ed Fagan

Measurement Methodology: HUD will collect Quarterly Recipient Reports from grantees, using FederalReporting.gov.

How result will be readily accessible to the public: This data will be made available on HUD.gov/Recovery.

	ARRA Projection	Actual ARRA Performance
2009	\$12,750,000	N/A
2010	\$114,750,000	\$127,088,903.64 (as of May 30, 2010)
2011	\$80,129,396	TBD
2012	\$44,679,550	TBD



American Recovery and Reinvestment Act of 2009

Measure: Number of Affordable Housing Units Developed

Measure Type: Output

Measure Frequency: Quarterly

Direction of Measure: Increasing

Unit of Measure: Affordable Housing Units

Explanation of Measure: Measures Program success in contributing to HUD's goals of supporting shovel-ready projects and increasing the quality of housing stock by tracking the number of new affordable housing units developed each quarter.

Actual: 352 as of March 31, 2010

Goal Lead: Ed Fagan

Measurement Methodology: HUD will collect Quarterly Recipient Reports from grantees, using RAMPS.

How result will be readily accessible to the public: This data will be made available on HUD.gov/Recovery.

	ARRA Projection	Actual ARRA Performance
2009	0	N/A
2010	352	352 (as of March 31, 2010)
2011	352	TBD
2012	107	TBD



American Recovery and Reinvestment Act of 2009

Measure: Number of Affordable Housing Units Rehabilitated

Measure Type: Output

Measure Frequency: Quarterly

Direction of Measure: Increasing

Unit of Measure: Housing Units

Explanation of Measure: Measures Program success in contributing to HUD's goals of supporting shovel-ready projects and increasing the quality of housing stock by tracking the number of affordable housing units rehabilitated each quarter.

Actual: 3,522 as of April 30, 2010

Goal Lead: Ed Fagan

Measurement Methodology: HUD will collect Quarterly Recipient Reports from grantees, using RAMPs.

How result will be readily accessible to the public: This data will be made available on HUD.gov/Recovery.

	ARRA Projection	Actual ARRA Performance
2009	0	N/A
2010	3,522	3,522 (as of April 30, 2010)
2011	753	TBD
2012	753	TBD



American Recovery and Reinvestment Act of 2009

Measure: Number of units receiving energy conservation/green improvements (This measure supports HUD High Priority Performance Goal 4: Energy and Green Retrofits.)

Measure Type: Output

Measure Frequency: Quarterly

Direction of Measure: Increasing

Unit of Measure: Housing Units

Explanation of Measure: Measures Program success in contributing to HUD's goals of increasing the quality of housing stock and increasing energy efficiency by tracking the number of units receiving energy conservation and/or other green improvements each quarter.

Actual: TBD

Goal Lead: Ed Fagan

Measurement Methodology: HUD will collect Quarterly Recipient Reports from grantees, using RAMPS.

How result will be readily accessible to the public: This data will be made available on HUD.gov/Recovery.

	ARRA Projection	Actual ARRA Performance
2009	0	N/A
2010	375	TBD
2011	615	TBD
2012	352	TBD

h. MONITORING AND EVALUATION:

(1) Data Collection and Reporting

- Spend Plans:** After award, but before gaining access to funds, the grantees must submit a plan on how they will use their funds. Applicants will submit an amended FY 2008 Indian Housing Plan to their Area Office of Native American Programs (ONAP). Staff in the Office of Native American Programs will review these plans prior to making funds available for expenditure.
 - Financial Reports:** HUD has two financial reports that will be generated and analyzed on a weekly basis. These include a Summary Financial Report that indicates the amount of funds for each program, and a Funding Notification Report, which shows the amount of funding by program for every jurisdiction, including local governments and some states.
 - Quarterly Recipient Reports:** The cornerstone of HUD's monitoring and evaluation system is the project and contract data collected from grantees. The Recovery Act specifically requires data collection fields for grantees and contractors. In addition to these data, HUD will also collect program-specific measures from grantees (e.g., number of units rehabilitated, etc.).
- (2) **Ongoing Grantee Management:** HUD categorizes grantees by risk, then monitors and works with grantees to resolve performance issues, including providing training, technical assistance, and, if warranted, enforcement action. Findings of non-compliance will trigger the remedial process. High-risk grantees are those that are in the process of having remedies imposed. Both remote and on-site monitoring are available options, pursuant to NAHASDA and its implementing regulations. To



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ensure timely expenditure of funds, ONAP tracks disbursements through its systems. To ensure quality expenditure of funds, ONAP regularly monitors activities at the project level through the review of data and information submitted. Follow-up will occur on issues or matters of concern that are discovered. To ensure budget and cost compliance, the grantee will be monitored through its Annual Performance Report, comparing it against the Indian Housing Plan's proposed affordable housing activities. Quarterly reports will be reviewed to verify expenditure and obligation rates. To ensure legal compliance and prevent fraud, all activities under this grant will be tracked for compliance with statutory, regulatory, and administrative requirements by the ONAP Headquarters Grants Evaluation staff through the use of on-site monitoring and regular risk assessment tools, as well as the use of the Annual Performance Report, Form SF-425-Federal Financial Report, and OMB Circular A-133 audits. If necessary, interventions will occur and categorical training and technical assistance will be offered to resolve specific problems. Actions for non-compliance include shutting down access to funds, letters of warning, notices of intent to impose remedies, and imposition of sanctions pursuant to 24 CFR §§ 1000.532 and 1000.538. Remedies can be triggered by substantial noncompliance with NAHASDA or its regulations, as defined at 24 CFR §1000.534. Grants will not be awarded to tribes with remedies currently imposed.

i. and j. TRANSPARENCY AND ACCOUNTABILITY:

With respect to reporting, OMB has issued detailed guidance on the requirements for recipients of the Recovery Act funds. Specifically, each prime and first tier recipient is required to report specified information to HUD within 10 days after the end of each calendar quarter. This includes but is not limited to a detailed list of all projects and activities for which Recovery Act funds were obligated or expended, an evaluation of the completion status of the project or activity, and an estimate of the number of jobs created or retained. In addition to the overarching requirements of the Recovery Act, HUD has also identified a number of program-specific measures that will be collected through this reporting process.

HUD expects that the transparency requirements of the Recovery Act, specifically the requirement to publish both spending and recipient performance reports, will create accountability amongst its managers and grantees. HUD has established additional internal management controls to create a greater level of accountability for performance. The HUD Recovery Act program management team works with the leads of the program and cross-cutting teams to prepare weekly place-based financial reports to the Assistant Secretaries and Regional Directors.

In addition, a monthly report to the Secretary and Deputy Secretary highlights issues related to program implementation. Drawing from the program and risk management plans, the reports include summary-level quantitative financial and programmatic performance measures and targets, key milestones, and issues or risks. Interim spending and performance targets ensure that annual objectives from the program plans are met. Performance data is summarized by grantee risk category, as defined in the agency's risk management plan. Performance measure targets and milestones that are missed, or that are in jeopardy of being missed, are accompanied by an explanation of the reasons why, including any issues affecting progress and the specific plan for their resolution or mitigation. The reports also identify specific grantees with performance issues, and summarize the actions being taken to address them. Each program team meets with the Secretary, Deputy Secretary and Steering Committee on a monthly basis to review a more detailed set of Recovery Act performance measures. On a quarterly basis, these monthly meetings include updated grant recipient data described above.



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k. BARRIERS TO EFFECTIVE IMPLEMENTATION:

Phase	Barrier/Concern	Proposed Solution	Targeted Resolution Date
Pre-Implementation	<u>Time Constraints:</u> Remote locations of many tribal and Alaska Native communities increase the time and expense of obtaining materials. There is also a small window of opportunity to complete the projects (due to extreme weather and geographic location) impeding the ability to expend funds timely.	Grant recipients are experienced in addressing these issues, and have developed systems and processes unique to rural Alaska in order to get the jobs done. HUD program officials will work with the Grant recipients to ensure ARRA funding and the time constraints for expenditures are fully complied with and understood.	On-going
Post-Implementation	<u>Systems Capability:</u> Performance Tracking Database (PTD) is being modified to address the implementation scheduling of funds.	Modifications to PTD will include provisions to address the implementation scheduling for one, two, and three years obligation, expenditure of funds, and reporting as required under the Act.	Completed: July 2009

I. FEDERAL INFRASTRUCTURE INVESTMENTS:

This program does not invest in Federal infrastructure. However, for HUD's programs that include construction or rehabilitation or are Federal investments in privately owned housing: New buildings and major renovations financed through formula grants are required to meet local energy codes. New construction and major renovations financed through some competitive grant programs will, in the case of single family homes, be built to the standard for Energy Star for New Homes (15 percent more efficient than the 2004 International Residential Code); or in the case of multifamily buildings to exceed ASHRAE (American Society of Heating, Refrigeration, and Air-conditioning Engineers) Code 90.1 2007, Appendix G, by 20 percent. HUD's competitive program requirements also ensure that new construction and major renovations follow sustainable design and green construction principles to (1) optimize energy efficiency and performance; (2) employ integrated design principles (and controls); (3) protect and conserve water; (4) enhance indoor air quality; and (5) reduce environmental impact of materials used.



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Native Hawaiian Housing Block Grant (NHHBG)

a. FUNDING TABLE:

ACTIVITY	FUNDING LEVEL
Develop, acquire or rehabilitate affordable housing units, and include elements that lead to greater energy efficiency, and develop or improve infrastructure to support affordable housing	\$10,200,000
Deliver training, technical assistance, monitoring, enforcement, research and evaluation activities	\$16,850

b. OBJECTIVES:

HUD's Recovery Act funds support three themes that align with the broader goals of the Recovery Act: (1) promoting energy efficiency and creating green jobs, (2) unlocking the credit markets and supporting shovel-ready projects, and (3) mitigating the effects of the economic crisis and preventing community decline. HUD's overriding objective in support of these goals is the creation and preservation of jobs.

The Recovery Act includes a \$510 million appropriation for the Native American Housing Block grants (or "NAHBG," also known as the Indian Housing Block Grant, or "IHBG"). Of that amount, \$10.2 million was set aside to be distributed through the Native Hawaiian Housing Block Grant (NHHBG).

The purpose of this program is to (1) assist and promote affordable housing activities to develop, maintain, and operate affordable housing in safe and healthy environments for occupancy by low-income Native Hawaiian families; (2) ensure better access to private mortgage markets for low-income Native Hawaiian families, and to promote self-sufficiency of low-income Native Hawaiian families; (3) coordinate activities to provide housing for low-income Native Hawaiian families with Federal, State, and local activities to further economic and community development; (4) plan for and integrate infrastructure resources on the Hawaiian Home Lands with housing development; and (5) promote the development of private capital markets and to allow such markets to operate and grow, thereby benefiting Native Hawaiian communities.

The expected benefits of NHHBG are to increase the quality and longevity of Native Hawaiian housing stock, produce affordable housing units, unlock private lending, prevent homelessness, and create or preserve jobs.

c. ACTIVITIES:

Kinds and scope of projects and activities to be performed: Under the Recovery Act, funds may be used for new construction, acquisition, rehabilitation, including energy efficiency and conservation, and infrastructure development. Funds can also be used to leverage private-sector financing for new construction, renovation and energy retrofit investments. Funds were obligated before the deadline of September 30, 2009 (on May 7, 2009). In selecting projects to be funded with Recovery Act funds, the recipient shall give priority to projects for which contracts can be awarded within 180 days from the date that such funds are available to the recipient.



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Project/Activity: Develop, acquire or rehabilitate affordable housing units, and include elements that lead to greater energy efficiency, and develop or improve infrastructure to support affordable housing.

Description: Specific activities are those eligible under NAHASDA, which includes the new construction of affordable housing units, the acquisition of affordable housing units, the rehabilitation of existing affordable housing units, the incorporation of energy efficient systems and components in new or existing affordable housing units and the development or improvement of infrastructure on Hawaiian home lands to support affordable housing.

Funding: \$10,200,000

Project/Activity: Deliver training, technical assistance, monitoring, enforcement, research and evaluation activities.

Description: HUD will hire staff, build systems and capacity, and work with grantees to ensure effective and efficient implementation.

Funding: \$16,850

d. CHARACTERISTICS:

Type of Financial Award: A - Formula Grants

Funding Amount: \$10,200,000

Methodology for Award Selection: In accordance with the Recovery Act, the NHHBG grant will be made under the Native American Block Grants appropriation for a housing entity eligible to receive funding under title VIII of NAHASDA.

Type(s) of Recipients: State Agency, the Department of Hawaiian Home Lands (DHHL)

Type(s) of Beneficiaries: state, individual family, minority group, homeowner, other non-white, seniors, low-income, and suburban and rural

Estimated dollar amount of Federal in-house activity: \$16,850

e. DELIVERY SCHEDULE:

Milestone Description: The recipient will be required to obligate 100 percent of its funds within one year of the date funds are made available, expend at least 50 percent of such funds within 2 years of the date on which funds became available, and expend 100 percent of such funds within 3 years of such date. If the recipient fails to comply with the 2-year expenditure requirement, funds will be recaptured. If the recipient fails to comply with the 3-year expenditure requirement, the balance of the funds originally awarded to the recipient will be recaptured.

Milestone: HUD allocates funds to DHHL

Expected Completion Date: 9/30/2009

Actual Completion Date: 5/7/2009

Milestone: DHHL obligates 100% of funds

Expected Completion Date: 5/7/2010

Actual Completion Date: 5/6/2010

Milestone: DHHL spends 100% of funds

Expected Completion Date: 5/7/2012



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f. ENVIRONMENTAL REVIEW COMPLIANCE:

AREA OF COMPLIANCE	ACTIVITY
Compliance with National Environmental Policy Act (NEPA)	The grantee will comply with NEPA, if required. Activities will be dependent on the type of project.
Compliance with National Historic Preservation Act and related statutes	The grantee will comply with NHPA, if required. Activities will be dependent on the type of project.
Milestones dependent on environmental review process	DHHL spends 100% of funds.
Potential impact of environmental reviews on project implementation	The need for environmental reviews may require additional time to implement projects.

g. MEASURES:

Targets do not take into consideration the fact that additional funds may be leveraged, which may understate our projections. HUD is continuing to identify and evaluate the impact of leveraged funds on its targets.

Per OMB guidance, recipients report on jobs information quarterly into FederalReporting.gov. This data can be found at Recovery.gov.



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Measure: Funds obligated by the grantee

Measure Type: Efficiency

Measure Frequency: Quarterly

Direction of Measure: Increasing

Unit of Measure: Dollars

Explanation of Measure: Quantifies efficiency and timeliness by measuring the dollar amount of funds obligated by the grantee on a quarterly basis.

Actual: \$10,200,000 as of May 6, 2010

Goal Lead: Ed Fagan

Measurement Methodology: HUD will collect Quarterly Recipient Reports from the grantee, using the HUD Recovery Accountability and Management System (RAMPS), and directly from DHHL.

How result will be readily accessible to the public: This data will be made available on HUD.gov/Recovery.

	ARRA Projection	Actual ARRA Performance
2009	\$0	N/A
2010	\$10,200,000	\$10,200,000 (as of May 6, 2010)

Measure: Funds expended by the grantee

Measure Type: Efficiency

Measure Frequency: Quarterly

Direction of Measure: Increasing

Unit of Measure: Dollars

Explanation of Measure: Quantifies efficiency and timeliness by measuring the dollar amount of funds expended by the grantee on a quarterly basis.

Actual: \$2,549,969, as of May 30, 2010

Goal Lead: Ed Fagan

Measurement Methodology: HUD will collect Quarterly Recipient Reports from the grantee, using FederalReporting.gov.

How result will be readily accessible to the public: This data will be made available on HUD.gov/Recovery.

	ARRA Projection	Actual ARRA Performance
2009	\$0	N/A
2010	\$2,754,000	\$2,549,969 (as of May 30, 2010)
2011	\$2,932,500	TBD
2012	\$4,513,500	TBD



American Recovery and Reinvestment Act of 2009

Measure: Number of Affordable Housing Units Developed

Measure Type: Output

Measure Frequency: Quarterly

Direction of Measure: Increasing

Unit of Measure: Affordable Housing Units

Explanation of Measure: Measures program success in contributing to HUD's goals of supporting shovel-ready projects and increasing the quality of housing stock by tracking the number of new affordable housing units developed each quarter.

Actual: 0 as of June 1, 2010

Goal Lead: Ed Fagan

Measurement Methodology: HUD will collect Quarterly Recipient Reports from the grantee, using RAMPS.

How result will be readily accessible to the public: This data will be made available on HUD.gov/Recovery.

	ARRA Projection	Actual ARRA Performance
2009	0	N/A
2010	0	0 (as of June 1, 2010)
2011	0	TBD
2012	13	TBD



American Recovery and Reinvestment Act of 2009

Measure: Number of units receiving energy conservation/green improvements

Measure Type: Output

Measure Frequency: Quarterly

Direction of Measure: Increasing

Unit of Measure: Housing Units

Explanation of Measure: Measures Program success in contributing to HUD's goals of increasing the quality of housing stock and increasing energy efficiency by tracking the number of units receiving energy conservation and/or other green improvements each quarter.

Actual: 0 as of June 1, 2010

Goal Lead: Ed Fagan

Measurement Methodology: HUD will collect Quarterly Recipient Reports from the grantee, using RAMPS.

How result will be readily accessible to the public: This data will be made available on HUD.gov/Recovery.

	ARRA Projection	Actual ARRA Performance
2009	0	0
2010	0	0 (as of June 1, 2010)
2011	0	TBD
2012	13	TBD



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h. MONITORING AND EVALUATION:

(1) Data Collection and Reporting

- a. Spend Plans: After award, but before gaining access to funds, the grantee must submit a plan on how it will use the funds. DHHL will submit an amended Native Hawaiian Housing Plan containing, by eligible affordable housing activity, its proposed accomplishments. Office of Native American Programs (ONAP) reviews the Plan for compliance and must find the amended plan in compliance.
- b. Financial Reports: HUD has two financial reports that will be generated and analyzed on a weekly basis. These include a Summary Financial Report that indicates the amount of funds for each program, and a Funding Notification Report, which shows the amount of funding by program for every jurisdiction, including local governments and some states.
- c. Quarterly Recipient Reports: The cornerstone of HUD's monitoring and evaluation system is the project and contract data collected from grantees. The Recovery Act specifically requires data collection fields for grantees and contractors. In addition to these data, HUD will also collect program-specific measures from grantees (e.g., number of units rehabilitated, etc.).
- d. Sample Survey of Outcomes: There is no planned survey of outcomes for this program.

(2) Ongoing Grantee Management: ONAP does not categorize DHHL as a high-risk grantee. However, ONAP will follow its procedures and monitor this grantee accordingly. Both remote and on-site monitoring are available options, pursuant to NAHASDA and its implementing regulations. This involves reviewing program files, and on-site program examinations. To ensure timely expenditure of funds, ONAP will track disbursements through its systems. To ensure quality expenditure of funds, ONAP will assign its Native Hawaiian Program Specialist, located in Honolulu, to regularly monitor activities at the project level through the review of data and information submitted. Follow-up on issues or matters of concern that are discovered will occur, and the Native Hawaiian Program Specialist is available to go on-site to assess DHHL's activities at any time with no additional travel resources needed. To ensure budget and cost compliance, all disbursements will be monitored against DHHL's Native Hawaiian Housing Plan's proposed affordable housing activities. To ensure legal compliance and prevent fraud, all activities under this grant will be tracked for compliance with statutory, regulatory, and administrative requirements by the ONAP Headquarters Grants Evaluation staff through the use of regular risk assessment tools, such as the Annual Performance Report, Form HUD 425 – Federal Financial Report, OMB Circular A-133 audits, and procedures outlined in ONAP's Grants Evaluation Handbook. If necessary, interventions will occur and categorical training and technical assistance will be offered to resolve specific problems. Actions for non-compliance include shutting down access to funds, Letters of Warning, Notices of Intent to Impose Remedies, and imposition of sanctions pursuant to section 818 of NAHASDA and 24 CFR 1006.430 and .440.

(3) Longer Term Evaluation and Research: There is no planned long-term evaluation of this program.

i. and j. TRANSPARENCY AND ACCOUNTABILITY:

With respect to reporting, OMB has issued detailed guidance on the requirements for recipients of the Recovery Act funds. Specifically, each prime and first tier recipient is required to report specified information to HUD within 10 days after the end of each calendar quarter. This includes but is not limited to a detailed list of all projects and activities for which Recovery Act funds were obligated or expended, an evaluation of the completion status of the project or activity, and an estimate of the number of jobs created or retained. In addition to the overarching requirements of the Recovery Act, HUD has also identified a number of program-specific measures that will be collected through this reporting process.



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HUD expects that the transparency requirements of the Recovery Act, specifically the requirement to publish both spending and recipient performance reports, will create accountability amongst its managers and grantees. HUD has established additional internal management controls to create a greater level of accountability for performance. The HUD Recovery Act program management team works with the leads of the program and cross-cutting teams to prepare weekly place-based financial reports to the Assistant Secretaries and Regional Directors. In addition, a monthly report to the Secretary and Deputy Secretary highlights issues related to program implementation. Drawing from the program and risk management plans, the reports include summary-level quantitative financial and programmatic performance measures and targets, key milestones, and issues or risks. Interim spending and performance targets ensure that annual objectives from the program plans are met. Performance data is summarized by grantee risk category, as defined in the agency's risk management plan. Performance measure targets and milestones that are missed, or that are in jeopardy of being missed, are accompanied by an explanation of the reasons why, including any issues affecting progress and the specific plan for their resolution or mitigation. The reports also identify specific grantees with performance issues, and summarize the actions being taken to address them. Each program team meets with the Secretary, Deputy Secretary and Steering Committee on a monthly basis to review a more detailed set of Recovery Act performance measures. On a quarterly basis, these monthly meetings include updated grant recipient data described above.

k. BARRIERS TO EFFECTIVE IMPLEMENTATION:

Phase	Barrier/Concern	Proposed Solution	Targeted Resolution Date
Pre-Implementation	<u>Time Constraints:</u> Remote locations increase the time and expense of obtaining materials.	The grant recipient is experienced in addressing these issues, and has developed systems and processes unique to rural Hawaii in order to get the jobs done. HUD program officials will work with the Grant recipient to ensure ARRA funding and the time constraints for expenditures are fully complied with and understood.	On-going
Post-Implementation	<u>Systems Capability:</u> Performance Tracking Database (PTD) is being modified to address the implementation scheduling of funds.	Modifications to PTD will include provisions to address the implementation scheduling for one, two, and three years obligation, expenditure of funds, and reporting as required under the Act.	Completed: July 2009



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I. FEDERAL INFRASTRUCTURE INVESTMENTS:

This program does not invest in Federal infrastructure. However, for HUD's programs that include construction or rehabilitation or are Federal investments in privately owned housing: New buildings and major renovations financed through formula grants are required to meet local energy codes. New construction and major renovations financed through some competitive grant programs will, in the case of single family homes, be built to the standard for Energy Star for New Homes (15 percent more efficient than the 2004 International Residential Code); or in the case of multifamily buildings to exceed ASHRAE (American Society of Heating, Refrigeration, and Air-conditioning Engineers) Code 90.1 2007, Appendix G, by 20 percent. HUD's competitive program requirements also ensure that new construction and major renovations follow sustainable design and green construction principles to (1) optimize energy efficiency and performance; (2) employ integrated design principles (and controls); (3) protect and conserve water; (4) enhance indoor air quality; and (5) reduce environmental impact of materials used.



American Recovery and Reinvestment Act of 2009

Neighborhood Stabilization Program (NSP) 2

a. FUNDING TABLE:

ACTIVITY	FUNDING LEVEL
There are five eligible uses under NSP2 (and a greater number of possible activities): establishment of financing mechanisms for purchase of foreclosed homes; purchase and rehabilitation of abandoned or foreclosed homes; land banking of foreclosed homes; demolition of blighted structures; and redevelopment of vacant or demolished property	\$1,930,000,000.00
NSP TA will provide technical assistance to NSP1 and 2 grantees to increase their capacity to carry out neighborhood stabilization programs	\$50,000,000.00
HUD will provide training, technical assistance, monitoring, enforcement, research and evaluation activities	\$20,000,000.00
TOTAL	\$2,000,000,000.00

b. OBJECTIVES:

HUD's Recovery Act funds support three themes that align with the broader goals of the Recovery Act: (1) promoting energy efficiency and creating green jobs, (2) unlocking the credit markets and supporting shovel-ready projects, and (3) mitigating the effects of the economic crisis and preventing community decline. HUD's overriding objective in support of these goals is the creation and preservation of jobs.

The Recovery Act includes a \$2 billion appropriation for the Neighborhood Stabilization Program (NSP). NSP provides assistance for the redevelopment of abandoned and foreclosed homes and residential properties in order that such properties be returned to productive use or made available for redevelopment purposes. NSP has five eligible uses of funds: establishment of financing mechanisms for purchase of foreclosed homes; purchase and rehabilitation of abandoned or foreclosed homes; land banking of foreclosed homes; demolition of blighted structures; and redevelopment of vacant or demolished property.

NSP was initially established by the Housing and Economic Recovery Act of 2008 (HERA). The HERA version of NSP (NSP1) provided \$3.92 billion in funding for emergency assistance to states and local governments. The Recovery Act provides an additional \$2 billion in NSP funding (NSP2) but makes several fundamental alterations to the program. First, the Recovery Act establishes NSP2 as a competitive program as opposed to the formula distribution. Second, NSP2 funding is available to non-profit organizations, as well as states and local governments. NSP is considered to be a component of the Community Development Block Grant (CDBG) program and basic CDBG requirements govern the NSP program. Recovery Act funding will also provide \$50 million of the \$2 billion for NSP technical assistance (NSP TA) to improve the capacities of NSP1 and 2 communities to swiftly carry out high-performing, compliant neighborhood stabilization programs.

The expected benefits of NSP are to stabilize property values and prevent neighborhood blight. In addition, we will contribute to HUD's overriding goal of creating and preserving jobs. NSP2 will provide funding for the purchase and/or redevelopment of thousands of foreclosed and abandoned homes and properties across the nation. These actions will help to stabilize neighborhoods by limiting the downward pull that vacant properties exert on surrounding properties and will provide the opportunity for thousands of households to realize or regain the ability to own their own home. It will also aid



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communities by providing a ready source of funding to demolish and clear blighted structures or to land bank real property until such time as demand can be re-established. Further, the inclusion of non-profit organizations as eligible grantees in NSP2 will foster greater innovation in support of the goals of the program and offers the opportunity to increase coordination and cooperation between the public and private sectors.

c. ACTIVITIES:

Kinds and scope of projects and activities: NSP2 grantees have the opportunity to develop programs responsive to local real estate market conditions by choosing among the five eligible uses of NSP funds. Those uses are: (1) establishment of financing mechanisms for purchase of foreclosed homes; (2) purchase and rehabilitation of abandoned or foreclosed homes; (3) land banking of foreclosed homes; (4) demolition of blighted structures; and (5) redevelopment of vacant or demolished property. As NSP2 is a new competitive program open to states, local governments and non-profit organizations, HUD could not estimate in advance the nature and scope of programs that applicants might propose or that may ultimately be selected for funding. The actual selectees will carry out programs that span the total range of eligible uses and activities. The grantees are in the process of loading data into the reporting system. HUD is managing NSP TA under a demand-response system that directs individual grantee and group technical assistance as requested by HUD or grantees to address risk and/or capacity issues in implementing NSP1 and 2.

Project/Activity: There are five eligible uses under NSP2 (and a greater number of possible activities): establishment of financing mechanisms for purchase of foreclosed homes; purchase and rehabilitation of abandoned or foreclosed homes; land banking of foreclosed homes; demolition of blighted structures; and redevelopment of vacant or demolished property.

Description: NSP2 is a new competitive program, with awardees including states, local governments and non-profit organizations, or consortiums of governments and nonprofits, any of which may have a for-profit partner. Activities proposed by the winning applicants include every use and activity eligible under the program..

Funding: \$1,930,000,000.00

Project/Activity: NSP TA will provide technical assistance to NSP1 and 2 grantees to increase their capacity to carry out neighborhood stabilization programs.

Description: NSP TA will use a demand-response system to determine which communities need assistance. HUD is directing some of the assistance to NSP1 low capacity grantees to provide on-site assistance to meet the statutory fund use deadline. HUD HQ, selected field offices, and grantees are also able to request or direct on-call TA to address specific capacity needs. TA may include, but is not limited to, individual on-site consultation and training, group training, an online resource exchange, and program toolkits.

Funding: \$50,000,000.00

Project/Activity: HUD will provide training, technical assistance, monitoring, enforcement, research and evaluation activities.

Description: HUD will hire staff, build IT systems and work with grantees to ensure effective and efficient implementation.

Funding: \$20,000,000.00



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d. CHARACTERISTICS:

Type of Financial Award: B - Project Grants

Funding Amount: \$1,930,000,000.00

Methodology for Award Selection: NSP 2 is a competition and applicants are required to meet minimum thresholds, and are required to respond to identified criteria reflected in the Notice of Funding Availability (NOFA). The maximum number of points achievable is 150 points and applicants must score at least 115 points to be considered in the fundable range. HUD reserves the right to make adjustments within the fundable range.

Type(s) of Recipients: Government – State, Government - Local-County, Government - Local-City or Township, with for-profit partners.

Type(s) of Beneficiaries: Government - Public Nonprofit Institution/Organization, Government - Other Public Institutions/Organizations, Government - Federal Recognized Indian Tribal Governments, Government - US Territories and Possessions, Non-Government – Private, Nonprofit Institution/Organization, Non-Government - Quasi-Public, Nonprofit Institution/Organization, Interstate, Intrastate, State, Local – County, Local - City or Township, Regional Organization, Public nonprofit institution/organization, Other public institution/organization, Federally Recognized Indian Tribal Governments, US Territories, Individual/Family, Small business (as defined in 13 CFR part 121), Indian/Native American Tribal Government (Federally Recognized), Public/Indian Housing Authority, Nonprofit with 501C3 IRS Status (Other than Institution of Higher Education), Nonprofit without 501C3 IRS Status (Other than Institution of Higher Education), Private Institution of Higher Education, Individual, For-Profit Organization (Other than Small Business), Hispanic-serving Institution, Profit organization, Private nonprofit institution/organization, Quasi-public nonprofit organization, Other private institution/organization, Anyone/general public, Major Metropolis (over 250,000), Other Urban, Suburban, Rural, Low Income, Moderate Income, Pension Recipient, Welfare Recipient, Unemployed, Senior Citizen (60+), Alcoholic Drug Addict, Mentally Disabled, Physically Afflicted (e.g., TB, Arthritis, Heart Disease), Persons with Disabilities, Women, Veteran/Service person/Reservist (including dependents), Refugee/Alien, US Citizen, Other Non-White, Asian, Spanish Origin American Indian African American Land/Property Owner Homeowner Consumer, Small Business Person (an owner or employee as defined in 13 CFR Part 121), Industrialist/Business person, Farmer/Rancher/Agriculture Producer, Builder/Contractor/Developer, Engineer/Architect, Artist/Humanist Scientist/Researchers, Graduate Student

Type of Financial Award: B - Project Grants

Funding Amount: \$50,000,000.00

Methodology for Award Selection: NSP TA is a competition and applications are required to meet minimum thresholds and are evaluated according to the published rating factors in the Notice of Funding Availability. The maximum number of points achievable is 100 points and applicants must score at least 75 points to be considered in the fundable range. HUD reserves the right to select a single national provider.

Type(s) of Recipients: Technical assistance providers such as nonprofits, for profits, Government – State, Government - Local-County, Government - Local-City or Township,

Type(s) of Beneficiaries: Government - Public Nonprofit Institution/Organization, Government - Other Public Institutions/Organizations, Government - Federal Recognized Indian Tribal Governments, Government - US Territories and Possessions, Non-Government – Private, Nonprofit Institution/Organization, Non-Government - Quasi-Public, Nonprofit Institution/Organization, Interstate, Intrastate, State, Local – County, Local - City or Township, Regional Organization, Public nonprofit institution/organization, Other public institution/organization, Federally Recognized Indian Tribal Governments, US Territories, Indian/Native American Tribal Government (Federally Recognized),



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Public/Indian Housing Authority, Nonprofit with 501C3 IRS Status (Other than Institution of Higher Education), Nonprofit without 501C3 IRS Status (Other than Institution of Higher Education), Private Institution of Higher Education, Individual, Hispanic-serving Institution, , Private nonprofit institution/organization, Quasi-public nonprofit organization, Other private institution/organization, Anyone/general public, Major Metropolis (over 250,000), Other Urban, Suburban, Rural, Low Income, Moderate Income,

Estimated dollar amount of Federal in-house activity: \$20,000,000.00

e. DELIVERY SCHEDULE:

Milestone Description: Milestones will be related to HUD issuance of the NOFAs, application deadlines, award selections for NSP2- TA, scoring determination of applications to determine which ones received at least the minimum number of points for NSP2 to identify applicants that should complete consortia agreements, NSP2 award selections, HUD obligation of NSP2 funds to grants. There are also statutory deadlines for expenditure of 50% of NSP2 funds (2 years from grant agreement), and expenditure of 100% of NSP2 funds (3 years from grant agreement), and reporting achievements (quarterly).

Milestone: All NSP-TA and NSP2 grant agreements executed

Expected Completion Date: 2/17/2010

Milestone: HUD Obligates 100% of funds

Expected Completion Date: 2/17/2010

Milestone: Grantees expend 100% of funds

Expected Completion Date: 2/17/2013

f. ENVIRONMENTAL REVIEW COMPLIANCE:

AREA OF COMPLIANCE	NSP ACTIVITIES	TA ACTIVITIES
Compliance with National Environmental Policy Act (NEPA)	NEPA reviews are required as in NSP1 and the CDBG program. Some NSP2 grantees (those with governments as applicants) will assume NEPA responsibilities. HUD will do the reviews for nonprofit applicants.	A toolkit and on-call technical assistance on part 50 environmental reviews for nonprofit NSP2 grantees
Compliance with National Historic Preservation Act and related statutes	Same as above	Same as above
Milestones dependent on environmental review process	Expenditure of 50% of funds within 2 years. Expenditure of 100% of grant within 3 years. (These are statutory. Funds must be recaptured if they are missed.)	Same as above
Potential impact of environmental reviews on project implementation	Environmental review for nonprofits may be a burden for HUD, especially in the field. If HUD must do enough part 50 reviews, delays could occur that may jeopardize milestones above and result in recaptured grant funds.	Same as above



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g. MEASURES:

NSP2 grantees are required to make performance estimates, including start and end dates for each local program. Grantees are in the process of submitting these performance projections, which they are also required to post on their websites in their Action Plan and performance reports.

Per OMB guidance, recipients report on jobs information quarterly into FederalReporting.gov. This data can be found at Recovery.gov.

Measure: Funds obligated by grantees

Measure Type: Efficiency

Measure Frequency: Quarterly

Direction of Measure: Increasing

Unit of Measure: Dollars

Explanation of Measure: Quantifies efficiency and timeliness by measuring the dollar amount of funds obligated by grantees on a quarterly basis.

Actual: TBD

Goal Lead: Jessie Kome

Measurement Methodology: HUD will collect Quarterly Recipient Reports from grantees.

How result will be readily accessible to the public: This data will be made available on HUD.gov/Recovery.

	ARRA Projection	Actual ARRA Performance
2010	\$180,000,000	TBD
2011	\$850,000,000	TBD

Measure: Funds expended by grantees

Measure Type: Efficiency

Measure Frequency: Quarterly

Direction of Measure: Increasing

Unit of Measure: Dollars

Explanation of Measure: Quantifies efficiency and timeliness by measuring the dollar amount of funds expended by grantees on a quarterly basis.

Actual: TBD

Goal Lead: Jessie Kome

Measurement Methodology: HUD will collect Quarterly Recipient Reports from grantees.

How result will be readily accessible to the public: This data will be made available on HUD.gov/Recovery.

	ARRA Projection	Actual ARRA Performance
2010	\$60,000,000	TBD
2011	\$825,000,000	TBD



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Measure: Number of Housing Units Rehabilitated/Reconstructed

Measure Type: Output

Measure Frequency: Quarterly

Direction of Measure: Increasing

Unit of Measure: Housing Units

Explanation of Measure: Measures Program success in increasing the quality of housing stock by tracking the number of affordable housing units rehabilitated each quarter.

Actual: TBD

Goal Lead: Jessie Kome

Measurement Methodology: HUD will collect Quarterly Recipient Reports from grantees.

How result will be readily accessible to the public: This data will be made available on HUD.gov/Recovery.

	ARRA Projection	Actual ARRA Performance
2010	50	TBD
2011	1500	TBD

HUD receives financial data on budgets, obligations, and draw downs as frequently as daily. Performance measures are provided quarterly and reflect actual completed units of service or housing that have provided benefit to income-qualified households. These performance measures are reported to HUD after substantially all obligations and most expenditures for a project are completed.

Measure: Number of Households Assisted

Measure Type: Output

Measure Frequency: Quarterly

Direction of Measure: Increasing

Unit of Measure: Households

Explanation of Measure: Measures Program success in contributing to HUD's goals of supporting shovel-ready projects and assisting households by tracking the number of new households assisted each quarter. Households can be assisted in a variety of ways, including through: grants and loans for up to 50% of a downpayment or other mortgage or interest subsidy; acquisition, rehabilitation or disposition of a home at market or with a subsidy; and new construction/disposition of a home at market or with a subsidy.

Actual: TBD

Goal Lead: Jessie Kome

Measurement Methodology: HUD will collect Quarterly Recipient Reports from grantees.

How result will be readily accessible to the public: This data will be made available on HUD.gov/Recovery.

	ARRA Projection	Actual ARRA Performance
2010	80	TBD
2011	1000	TBD



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HUD receives financial data on budgets, obligations, and draw downs as frequently as daily. Performance measures are provided quarterly and reflect actual completed units of service or housing that have provided benefit to income-qualified households. These performance measures are reported to HUD after substantially all obligations and most expenditures for a project are completed.

Measure: Number of Direct Technical Assistance (On-call and on-site) Hours Provided

Measure Type: Output

Measure Frequency: Quarterly

Direction of Measure: Increasing

Unit of Measure: Hours

Explanation of Measure: Measures intensity of technical assistance effort to enhance and support NSP grantees and their partners as they implement neighborhood stabilization programs.

Actual: TBD

Goal Lead: Jessie Kome

Measurement Methodology: HUD will collect Quarterly Recipient Reports from grantees.

How result will be readily accessible to the public: This data will be made available on HUD.gov/Recovery.

	ARRA Projection	Actual ARRA Performance
2010	6000	TBD
2011	6000	TBD

h. MONITORING AND EVALUATION:

Description of Agency Periodic Review of Partners' progress:

(1) Data Collection and Reporting

- Spend Plan Submissions:** These identify each grantee's plan for the use of funds. For NSP2, the use of funds will be described in detail in the competitive applications. If selected, recipients will submit details on the proposed projects and activities to HUD's reporting system. HUD field staff must review and approve the plans in the system before any draw vouchers or performance reports may be submitted.
- Financial Reports:** HUD will generate and analyze two financial reports. These include a Summary Financial Report that indicates the amount of funds for each program, and a Funding Notification Report, which shows the amount of funding by program for every jurisdiction, including local governments and states.
- Quarterly Recipient Reports:** The cornerstone of HUD's monitoring and evaluation system is the project and contract data collected from grantees. The Recovery Act specifically requires data collection fields for grantees and contractors. In addition to these data, HUD will also collect program-specific measures from grantees. DRGR collects summary information on program beneficiaries, start and end dates of each activity, national objective, number of housing units, location information including addresses of acquired and rehabilitated properties, dollars budgeted, obligated, and expended.



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- d. Sample Survey of Outcomes: HUD has allocated a portion of the program funds for research, including an evaluation of NSP, which will capture changes in occupancy, tenure, and property values in NSP neighborhoods.
- (2) Ongoing Grantee Management: HUD categorizes grantees by risk, then monitors and allocates interventions, including training, technical assistance and if warranted, disciplinary action, accordingly. High Risk grantees are those who are new to the CDBG program, habitually poor CDBG or HOME performers, have open monitoring or audit findings, significant funding increases, recent critical staff turnover, extremely high Congressional or national media interest. HUD looks for factors, such as (1) timely expenditure of funds, (2) quality expenditure of funds, (3) budget/cost compliance, and (4) legal compliance and prevention of fraud. HUD may impose additional grant conditions such as more frequent reporting or HUD pre-approval of smaller draw requests than normal, and HUD may conduct frequent remote and on-site monitoring pursuant to existing monitoring guidelines and practices for the regular CDBG program (CPD Monitoring Handbook and Risk Analysis), with specific risk and monitoring guidelines under development for NSP. HUD staff and NSP TA contractors will provide a broad range of capacity building, such as on-site consultation and project-specific training, web and classroom training on technical areas such as land banking, financial compliance, environmental reviews and model program designs. The CDBG regulations in the 24 CFR 570.900 series provide for a very broad range of corrective actions and due process designed to stop noncompliance, prevent recurrence of the problem and mitigate the negative effects of the problem. HUD's choice of corrective actions ranges from sending a warning letter to a grantee, to requiring repayment of the grant funds, to legal action.
- (3) Longer Term Evaluation and Research: HUD will perform an evaluation on NSP, which will capture changes in occupancy, tenure, and property values in NSP neighborhoods.

i. and j. TRANSPARENCY AND ACCOUNTABILITY:

With respect to reporting, OMB has issued detailed guidance on the requirements for recipients of the Recovery Act funds. Specifically, each prime and first tier recipient is required to report specified information to HUD within 10 days after the end of each calendar quarter. This includes, but is not limited to a detailed list of all projects and activities for which Recovery Act funds were obligated or expended, an evaluation of the completion status of the project or activity, and an estimate of the number of jobs created or retained. In addition to the overarching requirements of the Recovery Act, HUD has also identified a number of program-specific measures that will be collected through this reporting process.

HUD expects that the transparency requirements of the Recovery Act, specifically the requirement to publish both spending and recipient performance reports, will create accountability amongst its managers and grantees. The HUD Recovery Act program management team works with the leads of the program and cross-cutting teams to prepare weekly place-based financial reports to the Assistant Secretaries and Regional Directors. In addition, a monthly report to the Secretary and Deputy Secretary highlights issues related to program implementation. Drawing from the program and risk management plans, the reports include summary-level quantitative financial and programmatic performance measures and targets, key milestones, and issues or risks. Interim spending and performance targets ensure that annual objectives from the program plans are met. Performance data is summarized by grantee risk category, as defined in the agency's risk management plan. Performance measure targets and milestones that are missed, or that are in jeopardy of being missed, are accompanied by an explanation of the reasons why, including any issues affecting progress and the specific plan for their resolution or mitigation. The reports also identify specific grantees with performance issues, and



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summarize the actions being taken to address them. The program team meets with the Secretary, Deputy Secretary and Steering Committee on a monthly basis to review a more detailed set of Recovery Act performance measures. On a quarterly basis, these monthly meetings include updated grant recipient data described above.

k. BARRIERS TO EFFECTIVE IMPLEMENTATION:

Phase	Barrier/Concern	Proposed Solution	Targeted Resolution Date
Post-Implementation	<u>Staffing Resources :</u> Given the new program's emphasis on real estate workouts, mortgage refinancing, and in some cases, bulk purchases of foreclosed properties, HUD needs to hire additional staff with a working level expertise.	Office of Block Grant Assistance (OBGA) is in the process of obtaining hiring authority for 41 additional staff positions to oversee new grant applications. Although hiring new staff with expertise in this area is the most appropriate action, it may not be achievable in every office. Therefore, OBGA is seeking additional resources to provide training.	By October 2009, OBGA had 35 term employees on-board. OBGA continues to hire and back-fill on an as-needed basis

I. FEDERAL INFRASTRUCTURE INVESTMENTS:

NSP is primarily a single family housing program; HUD expects that the majority of the funding will directly address housing needs associated with foreclosed and abandoned residential properties . However, a limited amount of infrastructure may be funded as grantees redevelop vacant or demolished properties and need to construct or renovate infrastructure to support their housing projects.



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Project-Based Rental Assistance

a. FUNDING TABLE:

Activity	Funding Level
Funding Existing Section 8 Contracts	\$2,000,000,000

b. OBJECTIVES:

HUD's Recovery Act funds support three themes that align with the broader goals of the Recovery Act: (1) promoting energy efficiency and creating green jobs, (2) unlocking the credit markets and supporting shovel-ready projects, and (3) mitigating the effects of the economic crisis and preventing community decline. HUD's overriding objective in support of these goals is the creation and preservation of jobs.

The Recovery Act includes a \$2 billion appropriation for the Section 8 Housing Assistance Payments Program Special Allocations. The Recovery Act objective of this program is to provide a full 12 months of rental assistance payments to owners of multifamily rental housing. This creates an incentive for owners to remain in the program, which benefits low-income households that depend on the program to obtain affordable, safe and sanitary housing. Without the Recovery Act funding, many Section 8 contracts would have received less than 12 months of funding upon renewal. As a result of the Recovery Act, there will be sufficient money available to HUD to fund all expiring Section 8 contracts for a full twelve month term. Over 6,000 existing contracts—with over 450,000 assisted families—will receive additional funding as a result of the Recovery Act.

The expected benefits of this program are to preserve tens of thousands of affordable housing units and prevent homelessness. Under this program, eligible low-income families and individuals are able to afford decent housing. Projects now being assisted will continue to receive assistance and thus maintain full occupancy.

c. ACTIVITIES:

HUD will use the \$2.0 billion provided by ARRA to assure a full twelve months of funding for Section 8 contracts being renewed in FY 2009.

Project/Activity: Funding Existing Section 8 Contracts

Description: Adds money to existing contracts

Funding: \$2,000,000,000

d. CHARACTERISTICS:

Type of Financial Award: C – Direct Payments for Specified Use

Funding Amount: \$2,000,000,000

Methodology for Award Selection: Recovery Act money was used to increase funding for existing projects that were projected to need funding by June 2009. No new awards were made.

Type(s) of Recipients: Government - Public Nonprofit Institution/Organization, Non-Government - Profit Organization, Non-Government - Private Nonprofit Institution/Organization

Type(s) of Beneficiaries: Individual/Family

Estimated dollar amount of Federal in-house activity: \$0



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e. DELIVERY SCHEDULE:

Milestone Description: Obligation and Disbursement of \$2.0 billion in rental assistance payments

Milestone: Obligation of \$2.0 billion in ARRA funds for rental assistance payments

Expected Completion Date: 6/30/2010

Milestone: 100% expenditure of funds

Expected Completion Date: 9/30/2010

f. ENVIRONMENTAL REVIEW COMPLIANCE:

AREA OF COMPLIANCE	FUNDING EXISTING SECTION 8 CONTRACTS
Compliance with National Environmental Policy Act (NEPA)	Under HUD regulations, Section 8 program actions are categorically excluded from NEPA.
Compliance with National Historic Preservation Act and related statutes	No new construction or rehabilitation activity is being supported under Section 8 and thus compliance with NHPA is not an issue.
Milestones dependent on environmental review process	N/A
Potential impact of environmental reviews on project implementation	N/A

g. MEASURES:

Targets do not take into consideration the fact that additional funds may be leveraged, which may alter our projections. HUD is continuing to identify and evaluate the impact of leveraged funds on its targets.

Per OMB guidance, recipients report on jobs information quarterly into FederalReporting.gov. This data can be found at Recovery.gov.

This program also contributes towards HUD High Priority Performance Goal 2: Energy and Green Retrofits.



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Measure: Funds obligated by HUD

Measure Type: Efficiency

Measure Frequency: Quarterly

Direction of Measure: Increasing

Unit of Measure: Dollars

Explanation of Measure: Quantifies efficiency and timeliness by measuring the dollar amount of funds obligated by HUD on a quarterly basis.

Goal Lead: Stephen A. Martin

Measurement Methodology: HUD will collect Quarterly Recipient Reports from grantees.

How result will be readily accessible to the public: This data will be made available on HUD.gov/Recovery.

	ARRA Projection	Actual ARRA Performance
2009	\$1,400,000,000	N/A
2010	\$600,000,000	\$1,995,320,492 (as of April 30, 2010)

Measure: Funds expended by grantees

Measure Type: Efficiency

Measure Frequency: Quarterly

Direction of Measure: Increasing

Unit of Measure: Dollars

Explanation of Measure: Quantifies efficiency and timeliness by measuring the dollar amount of funds expended by grantees on a quarterly basis.

Goal Lead: Stephen A. Martin

Measurement Methodology: HUD will collect Quarterly Recipient Reports from grantees.

How result will be readily accessible to the public: This data will be made available on HUD.gov/Recovery.

	ARRA Projection	Actual ARRA Performance
2009	\$1,400,000,000	N/A
2010	\$600,000,000	\$1,906,232,724 (as of April 30, 2010)



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Measure: Number of Units Receiving a full 12 months of Rental Assistance

Measure Type: Output

Measure Frequency: Quarterly

Direction of Measure: Increasing

Unit of Measure: Housing Units

Explanation of Measure: Measures Program success in contributing to HUD's goal of preventing homelessness by tracking the number of housing units receiving a full 12 months of rental assistance each quarter.

Actual: 457,361 as of February 5, 2010

Goal Lead: Stephen A. Martin

Measurement Methodology: HUD will collect Quarterly Recipient Reports from grantees.

How result will be readily accessible to the public: This data will be made available on HUD.gov/Recovery.

	ARRA Projection	Actual ARRA Performance
2009	460,000	N/A
2010	460,000	457,361 (as of February 5, 2010)

Measure: Number of Unit-Months of Rental Assistance

Measure Type: Output

Measure Frequency: Quarterly

Direction of Measure: Increasing

Unit of Measure: Months of assistance

Explanation of Measure: Measures Program success in contributing to HUD's goal of preventing homelessness by tracking the number of months of rental assistance (460,000 units for 5 months in 2009 and 3 months in 2010)

Goal Lead: Stephen A. Martin

Measurement Methodology: HUD will track each month the number of units actually paid with ARRA funds and report on a cumulative basis each fiscal year.

How result will be readily accessible to the public: This data will be made available on HUD.gov/Recovery.

	ARRA Projection	Actual ARRA Performance
2009	2,300,000	N/A
2010	1,360,000	3,200,840 (as of March 31, 2010)

h. MONITORING AND EVALUATION:

(1) Data Collection and Reporting

- Financial Reports: HUD has two financial reports that will be generated and analyzed on a weekly basis. These include a Summary Financial Report that indicates the amount of funds for each program, and a Funding Notification Report, which shows the amount of funding by program for every jurisdiction, including local governments and some states.
- Quarterly Recipient Reports: The cornerstone of HUD's monitoring and evaluation system is the project and contract data collected from grantees. The Recovery Act specifically requires



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data collection fields for grantees and contractors. In addition to these data, HUD will also collect program-specific measures from grantees (e.g., the number of units in contracts being renewed with stimulus funds etc.).

- (2) Ongoing Grantee Management: HUD categorizes grantees by risk, then monitors and allocates interventions, including training, technical assistance and if warranted, disciplinary action, accordingly. For the Section 8 program, high risk grantees are owners receiving more than \$10 million in funds annually. To ensure timely expenditure of funds, HUD will track payments on a monthly basis to verify that owners are utilizing the funds, and will recapture amounts not being used in a timely fashion. To ensure budget/cost compliance, HUD will monitor each monthly voucher for accuracy and will reduce payments where errors are discovered. To ensure legal compliance, HUD will require annual financial statements and on-site annual reviews to evaluate both the condition of the project and the accuracy of tenant eligibility documentation. Actions for non-compliance include on-site management reviews and contract termination.

i. and j. TRANSPARENCY AND ACCOUNTABILITY:

With respect to reporting, OMB has issued detailed guidance on the requirements for recipients of the Recovery Act funds. Specifically, each prime and first tier recipient is required to report specified information to HUD within 10 days after the end of each calendar quarter. This includes but is not limited to a detailed list of all projects and activities for which Recovery Act funds were obligated or expended, an evaluation of the completion status of the project or activity, and an estimate of the number of jobs created or retained. In addition to the overarching requirements of the Recovery Act, HUD has also identified a number of program-specific measures that will be collected through this reporting process.

HUD expects that the transparency requirements of the Recovery Act, specifically the requirement to publish both spending and recipient performance reports, will create accountability amongst its managers and grantees. HUD has established additional internal management controls to create a greater level of accountability for performance. The HUD Recovery Act program management team works with the leads of the program and cross-cutting teams to prepare weekly place-based financial reports to the Assistant Secretaries and Regional Directors. In addition, a monthly report to the Secretary and Deputy Secretary highlights issues related to program implementation. Drawing from the program and risk management plans, the reports include summary-level quantitative financial and programmatic performance measures and targets, key milestones, and issues or risks. Interim spending and performance targets ensure that annual objectives from the program plans are met. Performance data is summarized by grantee risk category, as defined in the agency's risk management plan. Performance measure targets and milestones that are missed, or that are in jeopardy of being missed, are accompanied by an explanation of the reasons why, including any issues affecting progress and the specific plan for their resolution or mitigation. The reports also identify specific grantees with performance issues, and summarize the actions being taken to address them. The program team meets with the Secretary, Deputy Secretary and Steering Committee on a monthly basis to review a more detailed set of Recovery Act performance measures. On a quarterly basis, these monthly meetings include updated grant recipient data described above.

k. BARRIERS TO EFFECTIVE IMPLEMENTATION:

No barriers have been identified at this time.

l. FEDERAL INFRASTRUCTURE INVESTMENTS:

This program does not invest in Federal Infrastructure.



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Public Housing Capital Fund – Competitive

a. FUNDING TABLE:

ACTIVITY	FUNDING LEVEL
Creation of Energy Efficient, Green Communities	\$600,000,000.00
Gap Financing for Projects that are Stalled Due to Financing Issues	\$200,000,000.00
Public Housing Transformation	\$100,000,000.00
Improvements Addressing the Needs of the Elderly and/or Persons with Disabilities	\$95,000,000.00
Deliver training, technical assistance, monitoring, enforcement, research and evaluation activities	\$5,000,000.00
TOTAL	\$1,000,000,000.00

b. OBJECTIVES:

HUD's Recovery Act funds support three themes that align with the broader goals of the Recovery Act: (1) promoting energy efficiency and creating green jobs, (2) unlocking the credit markets and supporting shovel-ready projects, and (3) mitigating the effects of the economic crisis and preventing community decline. HUD's overriding objective in support of these goals is the creation and preservation of jobs.

The Recovery Act includes a \$4 billion appropriation for the Public Housing Capital Fund, to be used for capital and management activities for public housing agencies (PHAs), as authorized under Section 9 of the United States Housing Act of 1937 ("the 1937 Act"), as amended. The Recovery Act requires that \$1 billion of these funds be distributed through a competitive process.

The expected benefits of this program are to: 1) create jobs; 2) transform public housing into energy efficient, green communities; 3) redevelop distressed public housing; 4) address the needs of public housing residents that are elderly and disabled; and 5) provide funding for public housing projects that lack the private capital to proceed with development. The program will meet these objectives by rehabilitating, developing, and retrofitting public housing units and providing employment for construction workers and skilled laborers. In meeting these objectives, the program will support economic recovery, reduce greenhouse gas emissions and consumer energy costs, preserve and create affordable housing, reduce community blight, and provide more accessible housing and services to the elderly and disabled.

c. ACTIVITIES:

Kinds and scope of projects and activities to be performed: The purpose of this program is to provide an additional \$995 million to PHAs for capital and management activities as authorized under section 9 of the 1937 Act in accordance with four funding categories: (1) Improvements Addressing the Needs of the Elderly and/or Persons with Disabilities; (2) Public Housing Transformation; (3) Gap Financing for Projects that are Stalled due to Financing Issues; and (4) Creation of Energy Efficient, Green Communities.

HUD has structured each category to target specific needs for Capital Funds. Each category has its own thresholds, requirements and performance measures. The competition imposes certain funding limits and thresholds on each category and sometimes on multiple categories. The competition provides funding limits for each program category as shown in the table above.



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The first three NOFA categories will be funded on a threshold basis, by Ordinal, Category and Round, subject to thresholds. The NOFA establishes multiple rounds of funding that lift funding limits and threshold requirements one-by-one over time if there are insufficient successful applications to consume the funding available under the funding limits and thresholds. The NOFA treats the fourth category differently. The NOFA still applies funding limits and thresholds to the fourth category, but rather than awarding funds on a threshold basis, by Ordinal, Category and Round, the NOFA establishes scoring criteria for the fourth category. HUD will rate applications for funding in the fourth NOFA category and fund them in rank order. If there are insufficient successful applications to consume the funding available under the funding limits and thresholds for the fourth category, the NOFA removes the funding limits and thresholds and continues to award funding in rank order. At different points in the process, the NOFA shifts unused funding from one category to another. Successful applicants are subject to additional requirements imposed by the Recovery Act and by this NOFA.

The funding provided under the Recovery Act will enable 3,124 PHAs in fifty states, Washington D.C., Guam, Puerto Rico and the Virgin Islands to compete for priority investments, including investments that leverage private sector funding or financing for renovations and energy conservation retrofits. The types of activities will vary dependent on the PHAs specific needs and assessments. Specific activities are those eligible under the Capital Fund, which include physical improvements such as new building systems (heat, water, electrical), structural systems (roofs, exteriors) and other renovation and rehabilitation work that corrects building deficiencies and improves living conditions for public housing families.

Many PHAs find the repair and/or renovation of existing public housing units does not always meet the needs of its residents nor does it enable the public housing project to blend into the existing community. In these instances, the PHA may consider the development of new housing either at a demolished site or elsewhere. It is important to note that the development process does take time to implement; therefore, PHAs need to consider the time factor in undertaking this process.

The NOFA provides specific details on the competition requirements, which includes priority for investments that leverage private sector funding and financing for renovations and energy conservation retrofit investments. The need to reduce energy consumption along with reducing carbon footprints has necessitated energy saving initiatives, including the use of energy-saving appliances such as those labeled Energy Star to protect the environment through superior energy efficiency. Other activities may include weatherization efforts and the use of fuel efficient heating and air conditioning systems. PHAs can use energy audits to assess how much energy each unit or building consumes and to evaluate what measures can be taken to promote energy efficiency in their heating, cooling and hot water systems.

Project/Activity: PHAs will provide improvements which address the needs of the elderly and/or persons with disabilities.

Description: These improvements are to include making units fully accessible in accordance with Uniform Federal Accessibility Standards (UFAS). Improvements to non-dwelling areas must be made accessible and subject to ADA-compliance.

Funding: \$95,000,000.00



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Project/Activity: PHAs will redevelop public housing that is distressed and a blighting influence on the surrounding community.

Description: These grants should address the blighting factors of the public housing through either renovation of the public housing or through demolition and redevelopment of new public housing or a mixture of public housing and non-public housing on the site.

Funding: \$100,000,000.00

Project/Activity: PHAs will use funds for gap financing for projects that are stalled due to financing issues.

Description: The purpose is to provide funding to positively impact the availability of affordable rental housing by filling the capital investment gap for redevelopment or replacement housing projects which are ready to proceed but are stalled due to the inability to obtain anticipated private capital.

Funding: \$200,000,000.00

Project/Activity: PHAs will facilitate transformational energy efficiency and “green” retrofits to substantially increase energy efficiency and environmental performance of public housing properties.

Description: The funding is to facilitate transformational energy efficiency and “green” retrofits to substantively increase energy efficiency and environmental performance of public housing properties and thereby reduce energy costs, generate resident and PHA energy savings, and reduce Green House Gas emissions attributable to energy consumption. This will be accomplished by funding competitive proposals received from eligible PHAs that respond to one of the two options available under this category.

Funding: \$600,000,000.00

Project/Activity: Deliver training, technical assistance, monitoring, enforcement, research and evaluation activities.

Description: HUD will hire staff, build systems and capacity and work with grantees to ensure effective and efficient implementation.

Funding: \$5,000,000.00

d. CHARACTERISTICS:

Type of Financial Award: B - Project Grants

Funding Amount: \$995,000,000.00

Methodology for Award Selection: Award selection will be made based on the competitive process described in the Activities section above.

Type(s) of Recipients: Other Public Institutions/Organizations

Type(s) of Beneficiaries: Individual/Family, Low Income, Child (6-15)

Estimated dollar amount of Federal in-house activity: \$5,000,000.00

e. DELIVERY SCHEDULE:

Milestone Description: The key milestones for the competitive grants include issuing the Notice of Funding Availability (NOFA), the application deadline, the funding awards, the obligation of funds by grantees and the expenditure of funds by grantees.

Milestone: HUD announces funding awards June-August 2009

Expected Completion Date: 8/31/2009



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Milestone: HUD obligates 100% of funds to grantees

Expected Completion Date: 9/30/2009

Completion Date: 9/27/2009

HUD awarded grants to 396 public housing authorities (PHAs), with 393 PHAs accepting the grants. Award total is \$981,101,426.

Milestone: Grantees obligate 100% of funds

Expected Completion Date: 9/29/2010

Milestone: Grantees spend 60% of funds

Expected Completion Date: 9/29/2011

Milestone: Grantees spend 100% of funds

Expected Completion Date: 9/29/2012

f. ENVIRONMENTAL REVIEW COMPLIANCE

AREA OF COMPLIANCE	ACTIVITY
Compliance with National Environmental Policy Act (NEPA)	The requirements of 24 CFR Parts 50 and 58 regarding environmental reviews, including when they are required and when they need to be submitted, continue to apply for projects using Recovery Act funding.
Compliance with National Historic Preservation Act and related statutes	PHAs are expected to comply with all regulatory requirements as applicable to historic preservation. PHAs are encouraged to work with communities and other entities in this regard.
Milestones dependent on environmental review process	Defining milestones is dependent on the specific rehabilitation/redevelopment project.
Potential impact of environmental reviews on project implementation	The requirements of 24 CFR Parts 50 and 58 regarding environmental reviews, including when they are required and when they need to be submitted, continue to apply for projects using Recovery Act funding.

g. MEASURES:

Targets do not take into consideration the fact that additional funds may be leveraged, which may understate our projections. HUD is continuing to identify and evaluate the impact of leveraged funds on its targets.

Per OMB guidance, recipients report on jobs information quarterly into FederalReporting.gov. This data can be found at Recovery.gov.

This program also contributes towards HUD High Priority Performance Goal 4: Energy and Green Retrofits.



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Measure: Funds obligated by grantees

Measure Type: Efficiency

Measure Frequency: Quarterly

Direction of Measure: Increasing

Unit of Measure: Dollars

Explanation of Measure: Quantifies efficiency and timeliness by measuring the dollar amount of funds obligated by grantees on a quarterly basis.

Goal Lead: Jeffrey Riddel

Measurement Methodology: HUD will collect Quarterly Recipient Reports from grantees.

How result will be readily accessible to the public: This data will be made available on HUD.gov/Recovery.

	ARRA Projection	Actual ARRA Performance
2010	\$981,101,426	\$ 202,735,686 (as of May 2010)

In general, the reason that an original program target is “not applicable” is that the Competitive grants (CFRC) are part of a non-recurring program that is separate from the standard Capital Fund Program. The N/A in 2011 obligation projection is because all Competitive grants are to be 100% obligated in 2010 or recaptured.

Measure: Funds expended by grantees

Measure Type: Efficiency

Measure Frequency: Quarterly

Direction of Measure: Increasing

Unit of Measure: Dollars

Explanation of Measure: Quantifies efficiency and timeliness by measuring the dollar amount of funds expended by grantees on a quarterly basis.

Goal Lead: Jeffrey Riddel

Measurement Methodology: HUD will collect Quarterly Recipient Reports from grantees.

How result will be readily accessible to the public: This data will be made available on HUD.gov/Recovery.

	ARRA Projection	Actual ARRA Performance
2010	\$270,552,729	\$49,785,949 (as of May 2010)
2011	\$360,736,971	TBD

Competitive grants (CFRC) were awarded in September 2009 and FY 2010 began prior to expenditure occurrence.



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Measure: Number of Affordable Housing Units Developed

Measure Type: Output

Measure Frequency: Quarterly

Direction of Measure: Increasing

Unit of Measure: Housing Units

Explanation of Measure: Measures Program success in contributing to HUD's goals of supporting shovel-ready projects and increasing the quality of housing stock by tracking the number of new affordable housing units developed each quarter.

Goal Lead: Jeffrey Riddel

Measurement Methodology: HUD will collect Quarterly Recipient Reports from grantees.

How result will be readily accessible to the public: This data will be made available on HUD.gov/Recovery.

	ARRA Projection	Actual ARRA Performance
2010	51	24 (as of March 2010)
2011	669	TBD

Measure: Number of Affordable Housing Units Rehabilitated

Measure Type: Output

Measure Frequency: Quarterly

Direction of Measure: Increasing

Unit of Measure: Housing Units

Explanation of Measure: Measures Program success in contributing to HUD's goals of supporting shovel-ready projects and increasing the quality of housing stock by tracking the number of affordable housing units rehabilitated each quarter.

Goal Lead: Jeffrey Riddel

Measurement Methodology: HUD will collect Quarterly Recipient Reports from grantees.

How result will be readily accessible to the public: This data will be made available on HUD.gov/Recovery.

	ARRA Projection	Actual ARRA Performance
2010	9,193	4,789 (as of April 2010)
2011	17,692	TBD

h. MONITORING AND EVALUATION:

Description of Agency Periodic Review of Partners' progress:

(1) Data Collection and Reporting

- Spend Plans:** PHA plans identify how the grantee intends to use the funds. After award, but before gaining access to funds, the grantees must submit a plan on planned uses of funds. PHAs must submit a report (Annual Statement Parts I and II) which details the proposed tasks to be implemented, based on the funding awarded. The Field Office receives the report which is used to monitor the grant obligations and expenditures.
- Financial Reports:** HUD has two financial reports that will be generated and analyzed on a weekly basis. These include a Summary Financial Report that indicates the amount of



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- funds for each program, and a Funding Notification Report, which shows the amount of funding by program for every jurisdiction, including local governments and some states.
- c. **Quarterly Recipient Reports:** The cornerstone of HUD's monitoring and evaluation system is the project and contract data collected from grantees. The Recovery Act specifically requires data collection fields for grantees and contractors. In addition to these data, HUD will also collect program-specific measures from grantees (e.g., number of units rehabilitated, etc.).
 - d. **Sample Survey of Outcomes:** HUD will generate a random sample of grantees and will survey them to identify outcomes.
- (2) **Ongoing Grantee Management:** HUD categorizes grantees by risk, then monitors and allocates interventions, including training, technical assistance and if warranted, disciplinary action, accordingly. Recovery Act funds awarded through the competition will be considered a component of the PHA's Recovery Act funds, and as such will be subject to the same monitoring and oversight strategy and approach as for the formula. Training and technical assistance will be provided through on-site review, including corrective action for areas of non-compliance. Actions for non-compliance include locking grants to prevent access until corrective actions are completed.
- (3) **Longer Term Evaluation and Research:** HUD will (1) collect administrative data from all grantees on pre- and post-audit utility records, energy conservation measures and green measures, energy audits, final contractor bids; (2) conduct field evaluations on 10-20 projects focusing on verification of pre- and post-retrofit consumption (through independent methods, retrofit product selection, installation quality and performance, and building performance; and (3) release a report on energy savings and cost effectiveness in this program.

i. and j. TRANSPARENCY AND ACCOUNTABILITY:

With respect to reporting, OMB has issued detailed guidance on the requirements for recipients of the Recovery Act funds. Specifically, each prime and first tier recipient is required to report specified information to HUD within 10 days after the end of each calendar quarter. This includes but is not limited to a detailed list of all projects and activities for which Recovery Act funds were obligated or expended, an evaluation of the completion status of the project or activity, and an estimate of the number of jobs created or retained. In addition to the overarching requirements of the Recovery Act, HUD has also identified a number of program-specific measures that will be collected through this reporting process.

HUD expects that the transparency requirements of the Recovery Act, specifically the requirement to publish both spending and recipient performance reports, will create accountability amongst its managers and grantees. HUD has established additional internal management controls to create a greater level of accountability for performance. The HUD Recovery Act program management team works with the leads of the program and cross-cutting teams to prepare weekly place-based financial reports to the Assistant Secretaries and Regional Directors. In addition, a monthly report to the Secretary and Deputy Secretary highlights issues related to program implementation. Drawing from the program and risk management plans, the reports include summary-level quantitative financial and programmatic performance measures and targets, key milestones, and issues or risks. Interim spending and performance targets ensure that annual objectives from the program plans are met. Performance data is summarized by grantee risk category, as defined in the agency's risk management plan. Performance measure targets and milestones that are missed, or that are in jeopardy of being missed, are accompanied by an explanation of the reasons why, including any issues affecting progress and the specific plan for their resolution or mitigation. The reports also identify specific grantees with performance issues, and summarize the actions being taken to address them. Each program team meets



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with the Secretary, Deputy Secretary and Steering Committee on a monthly basis to review a more detailed set of Recovery Act performance measures. On a quarterly basis, these monthly meetings include updated grant recipient data described above.

k. BARRIERS TO EFFECTIVE IMPLEMENTATION

Phase	Barrier/Concern	Proposed Solution	Targeted Resolution Date
Pre-Implementation	<u>Staffing Resources:</u> Staffing levels appear to be less than adequate to manage the additional reporting burden by the ARRA. Staffing resources are needed to handle increased PHA Monitoring.	Hiring 5 additional staff during the latter part of 2009 at the PIH-OCI level. <ul style="list-style-type: none"> One staff member will have a financial background and will specialize in grant accounting. One staff member will specialize in program, policy, regulation, and guidance development. Two staff members will work on information technology systems in order to track compliance with ARRA obligation and expenditure requirements, as well as integrate data from different sources. One engineer to spot check Field Office monitoring performs quality control on PNAs, and to develop policies with regard to energy efficiency. 	Status: PIH-OCI has hired additional staff to assist in the management and monitoring of the grants issued under the Recovery Act Program.
Post-Implementation	<u>Systems Capability:</u> HUD program systems do not currently collect required sub-recipient, jobs or environmental review data, and other data required for reporting to Recovery.gov is contained in multiple HUD program and financial systems	<ul style="list-style-type: none"> HUD began receipt of data through the Recovery Act Management and Performance System (RAMPS) with future releases in April 2010 and beyond. 	January 2010
	Lack of Written Policies and Procedures	<ul style="list-style-type: none"> Competition Notice 	July 2010



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	Buy American: PHAs shall follow Buy American requirements of section 1605 of the Recovery Act and use only iron, steel and manufactured goods produced in the United States in their projects.	<ul style="list-style-type: none">• Posted Guidance on Buy American Requirement	August 2009
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I. FEDERAL INFRASTRUCTURE INVESTMENTS:

This program does not invest in Federal infrastructure. However, for HUD's programs that include construction or rehabilitation or are Federal investments in privately owned housing: New buildings and major renovations financed through formula grants are required to meet local energy codes. New construction and major renovations financed through some competitive grant programs will, in the case of single family homes, be built to the standard for Energy Star for New Homes (15 percent more efficient than the 2004 International Residential Code); or in the case of multifamily buildings to exceed ASHRAE (American Society of Heating, Refrigeration, and Air-conditioning Engineers) Code 90.1 2007, Appendix G, by 20 percent. HUD's competitive program requirements also ensure that new construction and major renovations follow sustainable design and green construction principles to (1) optimize energy efficiency and performance; (2) employ integrated design principles (and controls); (3) protect and conserve water; (4) enhance indoor air quality; and (5) reduce environmental impact of materials used.



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Public Housing Capital Fund – Formula

a. FUNDING TABLE:

ACTIVITY	FUNDING LEVEL
PHAs will develop or rehabilitate public housing units	\$2,985,000,000.00
Deliver training, technical assistance, monitoring, enforcement, research and evaluation activities	\$15,000,000.00
TOTAL	\$3,000,000,000.00

b. OBJECTIVES:

HUD's Recovery Act funds support three themes that align with the broader goals of the Recovery Act: (1) promoting energy efficiency and creating green jobs, (2) unlocking the credit markets and supporting shovel-ready projects, and (3) mitigating the effects of the economic crisis and preventing community decline. HUD's overriding objective in support of these goals is the creation and preservation of jobs.

The Recovery Act includes a \$4 billion appropriation for the Public Housing Capital Fund, to be used for capital and management activities for public housing agencies (PHAs), as authorized under Section 9 of the United States Housing Act of 1937 ("the 1937 Act"), as amended. The Recovery Act requires that \$3 billion of these funds be distributed by the same formula used for amounts made available in fiscal year 2008, except that the Secretary of HUD has the discretion not to allocate funding to public housing agencies currently designated as troubled or to public housing agencies that elect not to accept such funding. The Recovery Act requires that PHAs give priority to capital projects that can award contracts based on bids within 120 days from the date the funds are made available to the PHAs. Under this program, PHAs will give priority consideration to the rehabilitation of vacant rental units, and prioritize projects that are already underway or included in the five year Capital Fund plans required by Act 42 U.S. C 1437-1 (a).

The expected benefits of this program are to preserve and create jobs and enhance the quality, longevity, and energy efficiency of public housing. The program will meet these objectives by renovating, retrofitting and modernizing public housing units and providing employment for construction workers and skilled laborers. In meeting its objectives, the program will support economic recovery, reduce greenhouse gas emissions and consumer energy costs, and preserve and create public housing that is affordable to lower income families.

c. ACTIVITIES:

Kinds and scope of projects and activities to be performed: The Recovery Act provided \$3 billion in formula funds for public housing agencies to renovate and modernize the public housing stock. This funding will enable 3,124 Public Housing Authorities in fifty states, Washington D.C., Guam, Puerto Rico and the Virgin Islands to expand the level of rehabilitation performed and to increase the number of units modernized. The types of activities will vary based on each PHA's specific needs and its assessment of priorities. Specific activities are those eligible under the Capital Fund, which include physical improvements such as new building systems (heat, water and electrical), structural systems (roofs and exteriors) and other renovation and rehabilitation work that corrects building deficiencies and improves living conditions for public housing residents.



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Many PHAs find the repair and/or renovation of existing public housing units does not always meet the needs of its residents nor does it enable the public housing project to blend into the existing community. In these instances, the PHA may consider the development of new housing either at a demolished site or elsewhere. It is important to note that the development process does take time to implement; therefore, PHAs need to consider the time factor in undertaking this process.

PHAs are expected to also undertake activities resulting in improved energy efficiency, reduced energy costs, and a lower carbon footprint. Activities include the use of Energy Star labeled appliances, weatherization, and the use of fuel efficient heating and air conditioning systems. PHAs can use energy audits to assess how much energy each unit or building consumes and to evaluate what measures can be taken to promote energy efficiency in their heating, cooling and hot water systems.

Project/Activity: PHAs will develop or rehabilitate public housing units.

Description: Specific activities are those eligible under the Capital Fund, which include physical improvements such as new building systems (heat, water, electrical), structural systems (roofs, exteriors) and other renovation and rehabilitation work that corrects building deficiencies and improves living conditions for public housing families. PHAs may also consider the development of new housing at a demolished site or elsewhere.

Funding: \$2,985,000,000.00

Project/Activity: Deliver training, technical assistance, monitoring, enforcement, research and evaluation activities.

Description: HUD will hire staff, build systems and capacity and work with grantees to ensure effective and efficient implementation.

Funding: \$15,000,000.00

d. CHARACTERISTICS:

Type of Financial Award: A - Formula Grants

Funding Amount: \$2,985,000,000.00

Methodology for Award Selection: The Recovery Act requires that these funds be distributed by the same formula used for amounts made available in fiscal year 2008, except that the Secretary of HUD has the discretion not to allocate funding to public housing agencies currently designated as troubled or to public housing agencies that elect not to accept such funding.

Type(s) of Recipients: Other Public Institutions/Organizations

Type(s) of Beneficiaries: Individual/Family, Low Income, Child (6-15)

Estimated dollar amount of Federal in-house activity: \$15,000,000.00

e. DELIVERY SCHEDULE:

Milestone Description: The key milestones for the formula grants include the allocation of formula awards by HUD, the obligation of funds by HUD to grantees, the obligation of funds by grantees and the expenditure of funds by grantees.

Milestone: HUD allocates formula funds to grantees

Expected Completion Date: 2/25/2009

Completion Date: 2/25/2009

Milestone: Grantees obligate 100% of funds



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Expected Completion Date: 3/17/2010
Completion Date: 3/17/2010 (100% obligated)

Of the \$2.985 billion that was awarded to 3,134 public housing authorities, \$2.981 billion has been obligated and \$3.246 million was voluntarily returned. HUD is currently determining the redistribution process for the funding returned.

Milestone: Grantees spend 60% of funds
Expected Completion Date: 3/17/2011

Milestone: Grantees spend 100% of funds
Expected Completion Date: 3/17/2012

f. ENVIRONMENTAL REVIEW COMPLIANCE

AREA OF COMPLIANCE	ACTIVITY
Compliance with National Environmental Policy Act (NEPA)	The requirements of 24 CFR Parts 50 and 58 regarding environmental reviews, including when they are required and when they need to be submitted, continue to apply for projects using Recovery Act funding.
Compliance with National Historic Preservation Act and related statutes	PHAs are expected to comply with all regulatory requirements as applicable to historic preservation. PHAs are encouraged to work with communities and other entities in this regard.
Milestones dependent on environmental review process	Defining milestones is dependent on the specific rehabilitation/redevelopment project.
Potential impact of environmental reviews on project implementation	The requirements of 24 CFR Parts 50 and 58 regarding environmental reviews, including when they are required and when they need to be submitted, continue to apply for projects using Recovery Act funding.

g. MEASURES:

Targets do not take into consideration the fact that additional funds may be leveraged, which may understate our projections. HUD is continuing to identify and evaluate the impact of leveraged funds on its targets.

Per OMB guidance, recipients report on jobs information quarterly into FederalReporting.gov. This data can be found at Recovery.gov.

This program also contributes towards HUD High Priority Performance Goal 4: Energy and Green Retrofits.



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Measure: Funds obligated by grantees

Measure Type: Efficiency

Measure Frequency: Quarterly

Direction of Measure: Increasing

Unit of Measure: Dollars

Explanation of Measure: Quantifies efficiency and timeliness by measuring the dollar amount of funds obligated by grantees on a quarterly basis.

Goal Lead: Jeffrey Riddel

Measurement Methodology: HUD will collect Quarterly Recipient Reports from grantees.

How result will be readily accessible to the public: This data will be made available on HUD.gov/Recovery.

	ARRA Projection	Actual ARRA Performance
2009	\$1,605,550,652	N/A
2010	\$1,376,186,272	\$2,981,736,924 (as of May 2010)

Measure: Funds expended by grantees

Measure Type: Efficiency

Measure Frequency: Quarterly

Direction of Measure: Increasing

Unit of Measure: Dollars

Explanation of Measure: Quantifies efficiency and timeliness by measuring the dollar amount of funds expended by grantees on a quarterly basis.

Goal Lead: Jeffrey Riddel

Measurement Methodology: HUD will collect Quarterly Recipient Reports from grantees.

How result will be readily accessible to the public: This data will be made available on HUD.gov/Recovery.

	ARRA Projection	Actual ARRA Performance
2009	\$257,482,759	N/A
2010	\$1,084,919,812	\$ 1,084,118,576 (as of May 2010)
2011	\$1,125,140,533	TBD



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Measure: Number of Affordable Housing Units Developed

Measure Type: Output

Measure Frequency: Quarterly

Direction of Measure: Increasing

Unit of Measure: Housing Units

Explanation of Measure: Measures Program success in contributing to HUD's goals of supporting shovel-ready projects and increasing the quality of housing stock by tracking the number of new affordable housing units developed each quarter.

Goal Lead: Jeffrey Riddel

Measurement Methodology: HUD will collect Quarterly Recipient Reports from grantees.

How result will be readily accessible to the public: This data will be made available on HUD.gov/Recovery.

	ARRA Projection	Actual ARRA Performance
2009	125	N/A
2010	175	42 (as of May 2010)
2011	223	TBD

Public housing authorities use a variety of sources of funding to do development and rehabilitation, including but not limited to Capital Funds. These projections can be validated once a reporting system is in place. PIH is working toward developing a system of collecting units attributable to capital funds.

Measure: Number of Affordable Housing Units Rehabilitated

Measure Type: Output

Measure Frequency: Quarterly

Direction of Measure: Increasing

Unit of Measure: Housing Units

Explanation of Measure: Measures Program success in contributing to HUD's goals of supporting shovel-ready projects and increasing the quality of housing stock by tracking the number of affordable housing units rehabilitated each quarter.

Goal Lead: Jeffrey Riddel

Measurement Methodology: HUD will collect Quarterly Recipient Reports from grantees.

How result will be readily accessible to the public: This data will be made available on HUD.gov/Recovery.

	ARRA Projection	Actual ARRA Performance
2009	88,512	N/A
2010	171,673	177,020 (as of May 2010)
2011	109,015	TBD



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h. MONITORING AND EVALUATION:

(1) Data Collection and Reporting

- a. Spend Plans: After award, but before gaining access to funds, the grantees must submit a plan on how to use their funds. PHAs must submit a report (Annual Statement Parts I and II) which details the proposed tasks to be implemented, based on the funding awarded. The Field Office receives the report which is used to monitor the grant obligations and expenditures.
- b. Financial Reports: HUD has two financial reports that will be generated and analyzed on a weekly basis. These include a Summary Financial Report that indicates the amount of funds for each program, and a Funding Notification Report, which shows the amount of funding by program for every jurisdiction, including local governments and some states.
- c. Quarterly Recipient Reports: The cornerstone of HUD's monitoring and evaluation system is the project and contract data collected from grantees. The Recovery Act specifically requires data collection fields for grantees and contractors. In addition to these data, HUD will also collect program-specific measures from grantees (e.g., number of units rehabilitated, private dollars leveraged, etc.).
- d. Sample Survey of Outcomes: HUD will generate a random sample of grantees and will survey them to identify outcomes.

- (2) Ongoing Grantee Management: HUD has separated PHAs into two broad categories for risk, troubled PHAs and non-troubled PHAs. PHAs are designated troubled by the Real Estate Assessment Center (REAC). This designation is based on the PHA's score in four performance indicators: physical condition of properties, financial condition of PHA, management operations of a PHA and resident service and satisfaction. To ensure troubled PHAs meet Recovery Act requirements, HUD will provide increased monitoring and oversight which will include, but not be limited to the following: being placed on zero threshold for Recovery Act funds to prevent the drawdown of funds without HUD approval, review of compliance with Recovery Act requirements, monthly progress updates and remote and on-site visits. In addition to specialized HUD teams providing assistance, there will also be HUD contract support provided when appropriate. For PHAs that were not designated troubled by REAC, HUD will conduct routine monitoring, which can include remote and on-site reviews and technical assistance as necessary, in order to ensure PHAs meet Recovery Act requirements and adjust monitoring strategy based on a PHA's performance. Any PHAs found to be in non-compliance with Recovery Act requirements will be subject to corrective action which could include additional technical assistance, require HUD approval of all transactions related to the Recovery Act funds or recapture funds, as necessary.

i. and j. TRANSPARENCY AND ACCOUNTABILITY:

With respect to reporting, OMB has issued detailed guidance on the requirements for recipients of the Recovery Act funds. Specifically, each prime and first tier recipient is required to report specified information to HUD within 10 days after the end of each calendar quarter. This includes but is not limited to a detailed list of all projects and activities for which Recovery Act funds were obligated or expended, an evaluation of the completion status of the project or activity, and an estimate of the number of jobs created or retained. In addition to the overarching requirements of the Recovery Act, HUD has also identified a number of program-specific measures that will be collected through this reporting process.

HUD expects that the transparency requirements of the Recovery Act, specifically the requirement to publish both spending and recipient performance reports, will create accountability amongst its



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managers and grantees. HUD has established additional internal management controls to create a greater level of accountability for performance. The HUD Recovery Act program management team works with the leads of the program and cross-cutting teams to prepare weekly place-based financial reports to the Assistant Secretaries and Regional Directors. In addition, a monthly report to the Secretary and Deputy Secretary highlights issues related to program implementation. Drawing from the program and risk management plans, the reports include summary-level quantitative financial and programmatic performance measures and targets, key milestones, and issues or risks. Interim spending and performance targets ensure that annual objectives from the program plans are met. Performance data is summarized by grantee risk category, as defined in the agency's risk management plan. Performance measure targets and milestones that are missed, or that are in jeopardy of being missed, are accompanied by an explanation of the reasons why, including any issues affecting progress and the specific plan for their resolution or mitigation. The reports also identify specific grantees with performance issues, and summarize the actions being taken to address them. Each program team meets with the Secretary, Deputy Secretary and Steering Committee on a monthly basis to review a more detailed set of Recovery Act performance measures. On a quarterly basis, these monthly meetings include updated grant recipient data described above.



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k. BARRIERS TO EFFECTIVE IMPLEMENTATION

Phase	Barrier/Concern	Proposed Solution	Targeted Resolution Date
Pre-Implementation	<u>Staffing Resources:</u> Staffing levels appear to be less than adequate to manage the additional reporting burden by the ARRA. Staffing resources are needed to handle increased PHA Monitoring.	Hiring 5 additional staff during the latter part of 2009 at the PIH-OCI level. <ul style="list-style-type: none"> • One staff member will have a financial background and will specialize in grant accounting. • One staff member will specialize in program, policy, regulation, and guidance development. • Two staff members will work on information technology systems in order to track compliance with ARRA obligation and expenditure requirements, as well as integrate data from different sources. • One engineer to spot check Field Office monitoring performs quality control on PNAs, and to develop policies with regard to energy efficiency. 	Status: PIH-OCI has hired additional staff to assist in the management and monitoring of the grants issued under the Recovery Act Program.
Post-Implementation	<u>Systems Capability:</u> HUD program systems do not currently collect required sub-recipient, jobs or environmental review data, and other data required for reporting to Recovery.gov is contained in multiple HUD program and financial systems	<ul style="list-style-type: none"> • HUD began receipt of data through the Recovery Act Management and Performance System (RAMPS) with future releases in April 2010 and beyond. 	January 2010
	Lack of Written Policies and Procedures	<ul style="list-style-type: none"> • Formula Notice 	March 2009
	Buy American: PHAs shall follow Buy American requirements of section 1605 of the Recovery Act and use only iron, steel and manufactured goods produced in the United States in their projects.	<ul style="list-style-type: none"> • _ Posted Guidance on Buy American Requirement 	August 2009



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I. FEDERAL INFRASTRUCTURE INVESTMENTS:

This program does not invest in Federal infrastructure. However, for HUD's programs that include construction or rehabilitation or are Federal investments in privately owned housing: New buildings and major renovations financed through formula grants are required to meet local energy codes. New construction and major renovations financed through some competitive grant programs will, in the case of single family homes, be built to the standard for Energy Star for New Homes (15 percent more efficient than the 2004 International Residential Code); or in the case of multifamily buildings to exceed ASHRAE (American Society of Heating, Refrigeration, and Air-conditioning Engineers) Code 90.1 2007, Appendix G, by 20 percent. HUD's competitive program requirements also ensure that new construction and major renovations follow sustainable design and green construction principles to (1) optimize energy efficiency and performance; (2) employ integrated design principles (and controls); (3) protect and conserve water; (4) enhance indoor air quality; and (5) reduce environmental impact of materials used.



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Tax Credit Assistance Program (TCAP)

a. FUNDING TABLE:

ACTIVITY	FUNDING LEVEL
Rental housing development	\$2,250,000,000.00

b. OBJECTIVES:

HUD's Recovery Act funds support three themes that align with the broader goals of the Recovery Act: (1) promoting energy efficiency and creating green jobs, (2) unlocking the credit markets and supporting shovel-ready projects, and (3) mitigating the effects of the economic crisis and preventing community decline. HUD's overriding objective in support of these goals is the creation and preservation of jobs.

The Recovery Act appropriated \$2.25 billion for what has emerged as the Tax Credit Assistance Program (TCAP), a grant program to provide funds for capital investments in stalled Low-Income Housing Tax Credit (LIHTC) projects. HUD is awarding these TCAP grants by formula to state housing credit agencies to complete construction of qualified housing projects that will ultimately provide affordable housing to an estimated 35,000 households. Since a major purpose of TCAP funds is to immediately create new jobs or save jobs at risk of being lost due to the current economic crisis, the Recovery Act establishes deadlines for the commitment and expenditure of grant funds and requires state housing credit agencies to give priority to projects that will be completed by February 16, 2012. TCAP funds not expended by that date will be recaptured by HUD.

The expected benefits of TCAP are to increase quality & longevity of housing stock, produce tens of thousands of affordable housing units, and unlock private lending. In addition, we will meet HUD's overriding goal of creating and preserving jobs. The specific benefit of the TCAP program will be to provide affordable rental housing to low-income households with attention in creating new or preserving existing jobs. Funding must be used for capital investments.

c. ACTIVITIES:

Kinds and scope of projects and activities to be performed: TCAP funds may be used for capital investment in eligible LIHTC projects. Capital investment means costs that are included in the 'eligible basis' of a project under Section 42 of the IRC. TCAP funds cannot be used for the administrative costs of TCAP grantees, including the cost of operating the program or monitoring compliance, and section 1604 of the Recovery Act specifically prohibits the use of grant funds for swimming pools. The TCAP assistance provided to a project must be made in the same manner and subject to the same limitations (including rent, income, use restrictions and compliance monitoring) as required by the state housing credit agency with respect to an award of LIHTC to a project (i.e., as required under Section 42 of the IRC and its implementing regulations), and all other requirements of the Act.



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Project/Activity: Rental housing development

Description: Capital investments in low-income tax credit projects

Funding: \$2,250,000,000

d. CHARACTERISTICS:

Type of Financial Award: A - Formula Grants

Funding Amount: \$2,250,000,000

Methodology for Award Selection: HUD will distribute TCAP funds to each state housing credit agency based on the percentage of the FY 2008 HOME Program appropriation received by the state and local HOME participating jurisdictions in the state.

Type(s) of Recipients: Government - State

Type(s) of Beneficiaries: State, Local - County

Estimated dollar amount of Federal in-house activity: \$0

e. DELIVERY SCHEDULE:

Milestone Description: The Recovery Act imposes both commitment and expenditure deadlines on the grantee's use of TCAP funds.

Milestone: Allocate 100% of all TCAP funds.

Expected Completion Date: 2/25/2009

Completion Date: 2/25/2009

Milestone: Obligate 100% of all TCAP funds.

Expected Completion Date: 9/30/2009

Completion Date: 9/30/2009

Milestone: Expend 100% of all TCAP funds.

Expected Completion Date: 2/16/2012

f. ENVIRONMENTAL REVIEW COMPLIANCE:

AREA OF COMPLIANCE	RENTAL HOUSING DEVELOPMENT
Compliance with National Environmental Policy Act (NEPA)	The Recovery Act expressly applies section 288 of the HOME statute, which requires the State to assume responsibility for environmental review under the National Environmental Policy Act (NEPA) of 1969 and related federal environmental authorities and regulations at 24 CFR Part 58 "Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities." No TCAP funds may be committed to a project before completion of the environmental review process.



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Compliance with National Historic Preservation Act and related statutes	Compliance with NEPA includes compliance with the National Historic Preservation Act and related statutes.
Milestones dependent on environmental review process	No TCAP funds may be committed to a project before completion of the environmental review process. The grantee must receive a signed Request for Release of Funds and Certification form (HUD 7015.15) before proceeding with the project.
Potential impact of environmental reviews on project implementation	Once an owner applies for TCAP funds, committing TCAP or any other funds to or undertaking any "choice-limiting" activity prior to successful completion of the environmental clearance review (i.e., HUD approval of the Request for Release of Funds), is prohibited. This includes any activity that will result in a physical change and/or acquisition, including leasing, or disposition of real property. Performing a choice-limiting action may disqualify a project from receiving any federal funds.

g. MEASURES:

Targets do not take into consideration the fact that additional funds may be leveraged, which may understate our projections. HUD is continuing to identify and evaluate the impact of leveraged funds on its targets.

Per OMB guidance, recipients report on jobs information quarterly into FederalReporting.gov. This data can be found at Recovery.gov.

Measure: Funds Obligated by HUD

Measure Type: Efficiency

Measure Frequency: Quarterly

Direction of Measure: Increasing

Unit of Measure: Dollars

Explanation of Measure: Quantifies efficiency and timeliness by measuring the dollar amount of funds obligated by HUD on a quarterly basis.

Actual: \$2.25 billion as of September 30, 2009

Goal Lead: Clifford Taffet

Measurement Methodology: HUD will track this through the existing Integrated Disbursement and Information System (IDIS).

How result will be readily accessible to the public: This data will be made available on HUD.gov/Recovery.

	ARRA Projection	Actual ARRA Performance
2009	\$2,250,000,000	\$2,250,000,000 (as of September 30, 2009)



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Measure: Funds Expended by Grantees

Measure Type: Efficiency

Measure Frequency: Quarterly

Direction of Measure: Increasing

Unit of Measure: Dollars

Explanation of Measure: Quantifies efficiency and timeliness by measuring the dollar amount of funds expended by grantees on a quarterly basis.

Actual: \$351,460,267 as of April 30, 2010

Goal Lead: Clifford Taffet

Measurement Methodology: Grantees will self-report monthly on the use of TCAP funds through the existing Integrated Disbursement and Information System (IDIS). HUD will do remote monitoring through IDIS data downloads of project level data.

How result will be readily accessible to the public: This data will be made available on HUD.gov/Recovery.

	ARRA Projection	Actual ARRA Performance
2009	\$273,000,000	\$1,780,000
2010	\$635,470,531	\$351,460,267 (as of April 30, 2010)
2011	\$779,029,469	TBD

Measure: Number of Affordable Housing Units Developed

Measure Type: Output

Measure Frequency: Quarterly

Direction of Measure: Increasing

Unit of Measure: Housing Units

Explanation of Measure: Measures Program success in contributing to HUD's goals of supporting shovel-ready projects and increasing the quality of housing stock by tracking the number of new affordable housing units developed each quarter.

Actual: 40 as of March 31, 2010

Goal Lead: Clifford Taffet

Measurement Methodology: Grantees will self-report monthly on the use of TCAP funds through the existing Integrated Disbursement and Information System (IDIS). HUD will do remote monitoring through IDIS data downloads of project level data.

How result will be readily accessible to the public: This data will be made available on HUD.gov/Recovery.

	ARRA Projection	Actual ARRA Performance
2009	1,833	0
2010	4,500	40(as of March 31, 2010)



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Measure: Number of Affordable Housing Units Rehabilitated

Measure Type: Output

Measure Frequency: Quarterly

Direction of Measure: Increasing

Unit of Measure: Housing Units

Explanation of Measure: Measures Program success in contributing to HUD's goals of supporting shovel-ready projects and increasing the quality of housing stock by tracking the number units rehabilitated each quarter.

Actual: 100 as of March 31, 2010

Goal Lead: Clifford Taffet

Measurement Methodology: Grantees will self-report monthly on the use of TCAP funds through the existing Integrated Disbursement and Information System (IDIS). HUD will do remote monitoring through IDIS data downloads of project level data.

How result will be readily accessible to the public: This data will be made available on HUD.gov/Recovery.

	ARRA Projection	Actual ARRA Performance
2009	1,833	0
2010	3,000	100 (as of March 31, 2010)

Measure: Number of Units Receiving Energy Conservation/Green Improvements (This measure supports HUD High Priority Performance Goal 4: Energy and Green Retrofits.)

Measure Type: Output

Measure Frequency: Annually

Direction of Measure: Increasing

Unit of Measure: Housing Units

Explanation of Measure: Measures Program success in contributing to HUD's goals of increasing the quality of housing stock and increasing energy efficiency by tracking the number of new affordable housing units receiving energy conservation and/or other green improvements each quarter.

Actual: TBD

Goal Lead: Clifford Taffet

Measurement Methodology: Grantees will self-report monthly on the use of TCAP funds through the existing Integrated Disbursement and Information System (IDIS). HUD will do remote monitoring through IDIS data downloads of project level data.

How result will be readily accessible to the public: This data will be made available on HUD.gov/Recovery.

	ARRA Projection	Actual ARRA Performance
2011	2,282	TBD



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h. MONITORING AND EVALUATION:

Description of Agency Periodic Review of Partners' progress:

(1) Data Collection and Reporting

- a. **Spend Plan Submissions:** These identify the plan for the use of funds for each grantee. After award, but before gaining access to funds, the grantees must submit a plan on how to use their funds. TCAP grantees must submit a statement of intent to accept TCAP funds, which must include: a statement that indicates whether the grantee intends to accept the entire amount of its TCAP formula allocation; a statement detailing which, if any, other federal grant funds the grantee currently administers; a statement regarding the status of its 2009 LIHTC allocation process; and the name and contact information of the individual designated as the agency contact for TCAP. In addition, each TCAP grantee must submit a written description of all the selection criteria and any weightings assigned that it will use to competitively award its TCAP funds. HUD plans to provide links to the website of each TCAP grantee on www.hud.gov/recovery on which the Qualified Allocation Plans for each can be found. TCAP grantees are required to enter project-level data in HUD's Integrated Disbursement and Information System (IDIS). HUD will use this data to provide commitment, expenditure, completion, and accomplishment information on www.hud.gov/recovery.
- b. **Financial Reports:** HUD has two financial reports that will be generated and analyzed on a weekly basis. These include a Summary Financial Report that indicates the amount of funds for each program, and a Funding Notification Report, which shows the amount of funding by program for every jurisdiction, including local governments and states.
- c. **Quarterly Recipient Reports:** The cornerstone of HUD's monitoring and evaluation system is the project and contract data collected from grantees. The Recovery Act specifically requires data collection fields for grantees and contractors. In addition to these data, HUD will also collect program-specific measures from TCAP grantees, including the following project-level data elements: General Information, Objective and Outcome, Special Characteristics, Project Unit Information, Period of Affordability and Project Costs.

- (2) **Ongoing Grantee Management:** HUD categorizes grantees by risk, then monitors and allocates interventions, including training, technical assistance and if warranted, disciplinary action, accordingly. A TCAP grantee may be considered high risk if HUD determines that a grantee (1) has a history of unsatisfactory performance, or (2) is not financially stable, or (3) has a management system which does not meet the management standards set forth in this part, or (4) has not conformed to terms and conditions of previous awards, or (5) is otherwise not responsible. To ensure TCAP funds are expended on eligible activities, HUD will review project-level data in its reporting system on a frequent basis and to ensure budget/cost compliance, HUD's financial system will not allow TCAP grantees to drawdown more funds than are committed to the TCAP project. HUD will require all TCAP grantees to meet statutory requirements of the Recovery Act and all federal cross cutting requirements as identified in HUD Notice CPD 09-03, *Implementation of the Tax Credit Assistance Program (TCAP)*, May 4, 2009, through its grant agreement with each TCAP grantee. If the grantee does not meet its statutory commitment or expenditure requirements, HUD will deobligate the funds and reallocate the funds to grantees meeting these requirements. HUD will refer all eligibility, cost reasonableness, and compliance issues regarding Section 42 of the IRC to the IRS.



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i. and j. TRANSPARENCY AND ACCOUNTABILITY:

With respect to reporting, OMB has issued detailed guidance on the requirements for recipients of the Recovery Act funds. Specifically, each prime and first tier recipient is required to report specified information to HUD 10 days after the end of each calendar quarter. This includes but is not limited to a detailed list of all projects and activities for which Recovery Act funds were obligated or expended, an evaluation of the completion status of the project or activity, and an estimate of the number of jobs created or retained. In addition to the overarching requirements of the Recovery Act, HUD has also identified a number of program-specific measures that will be collected through this reporting process.

HUD expects that the transparency requirements of the Recovery Act, specifically the requirement to publish both spending and recipient performance reports, will create accountability amongst its managers and grantees. HUD has established additional internal management controls to create a greater level of accountability for performance. The HUD Recovery Act program management team works with the leads of the program and cross-cutting teams to prepare weekly place-based financial reports to the Assistant Secretaries and Regional Directors. In addition, a monthly report to the Secretary and Deputy Secretary highlights issues related to program implementation. Drawing from the program and risk management plans, the reports include summary-level quantitative financial and programmatic performance measures and targets, key milestones, and issues or risks. Interim spending and performance targets ensure that annual objectives from the program plans are met. Performance data is summarized by grantee risk category, as defined in the agency's risk management plan. Performance measure targets and milestones that are missed, or that are in jeopardy of being missed, are accompanied by an explanation of the reasons why, including any issues affecting progress and the specific plan for their resolution or mitigation. The reports also identify specific grantees with performance issues, and summarize the actions being taken to address them. Each program team meets with the Secretary, Deputy Secretary and Steering Committee on a monthly basis to review a more detailed set of Recovery Act performance measures. On a quarterly basis, these monthly meetings include updated grant recipient data described above.



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k. BARRIERS TO EFFECTIVE IMPLEMENTATION:

Phase	Barrier/Concern	Proposed Solution	Targeted Resolution Date
Pre-Implementation	<p><u>Legislative Risk:</u></p> <p>The Recovery Act requires HUD to refer to Section 42 of the Internal Revenue Code (IRC) of 1986 to administer this program. The objective of this program was to allow the TCAP funds to be used exactly like the existing Dept. of Treasury's program Low Income Housing Tax Credit (LIHTC). However, the act states that the TCAP funds will be treated as a grant which is subject to federal financial assistance requirements. The LIHTC at the Dept. of Treasury program does not have federal funding requirements.</p>	<p>The ability to ensure project compliance with Section 42 of the IRC will be challenging. Therefore, CPD will consult with the program expects at IRS on all LIHTC questions regarding the compliance with Section 42 of the IRC.</p>	<p>Completed: April 2009</p> <p>HUD, in consultation with IRS, developed a protocol in which HUD would direct any questions from TCAP grantees regarding compliance with Section 42 of the IRC to IRS.</p>
	<p><u>Staffing Resources:</u></p> <p>Current staff lacks in house expertise LIHTC programs and projects to monitor use of funds. CPD management has identified the need for additional staff.</p>	<p>Proposes to hire three additional FTEs with TCAP knowledge to ensure proper administration of TCAP.</p>	<p>N/A</p> <p>HUD did not receive any administrative funds from ARRA for the TCAP program. The Office of Affordable Housing Programs OAHP has devoted roughly three FTEs over the</p>



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Phase	Barrier/Concern	Proposed Solution	Targeted Resolution Date
			past year to TCAP from existing staff. These FTEs are not paid for with Recovery Act funds.
	<p><u>Formula Allocation:</u></p> <p>The formula allocation basis is different for both programs. The LIHTC allocation is based on population per capita and TCAP allocation is based on HOME formula allocation which includes six different factors. There is a disparity between the two formulas which would result in some recipients' not receiving enough or some receiving more TCAP funds.</p>	CPD's notice will give the State Housing Agencies the option to decline all or some of the TCAP funds. Thereby, allowing these funds to be reallocated to needy agencies.	Completed: May 2009
Post-Implementation	Systems Capability	Because the Office of Affordable Housing Programs (OAHP) does not have the required administrative funds to enhance IDIS data collection, OAHP will work with other block grant programs (who have received administrative Recovery Act funds and will also use IDIS), to make the required upgrades globally.	March 2010
	Program Structure	Due to the lack of existing TCAP program guidance and internal procedures to effectively manage the program. OAHP	Completed: May 2009



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Phase	Barrier/Concern	Proposed Solution	Targeted Resolution Date
		staff will define, develop, and produce guidance for OAHP staff as well as the grantees. The guidance and internal procedures will be used to assist OAHP staff to administer TCAP funds regarding pre-award submissions to ensure completeness.	
	Lack of Written Policies and Procedures	OAHP will develop guidance and procedures for state Housing Credit Agencies to assist them with interpretation of Federal grant funding requirements. OAHP will offer training and technical assistance to grantees regarding compliance with Federal grant requirements.	Completed: May 2009
	<u>Lack of Grantee Knowledge:</u> Grantees may not understand the difference between the TCAP program administered by HUD and the LIHTC program administered by Treasury.	CPD will provide guidance and Q&As for HUD's TCAP program and agency requirements.	Completed: May 2009



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I. FEDERAL INFRASTRUCTURE INVESTMENTS:

This program does not invest in Federal infrastructure. However, for HUD's programs that include construction or rehabilitation or are Federal investments in privately owned housing: New buildings and major renovations financed through formula grants are required to meet local energy codes. New construction and major renovations financed through some competitive grant programs will, in the case of single family homes, be built to the standard for Energy Star for New Homes (15 percent more efficient than the 2004 International Residential Code); or in the case of multifamily buildings to exceed ASHRAE (American Society of Heating, Refrigeration, and Air-conditioning Engineers) Code 90.1 2007, Appendix G, by 20 percent. HUD's competitive program requirements also ensure that new construction and major renovations follow sustainable design and green construction principles to (1) optimize energy efficiency and performance; (2) employ integrated design principles (and controls); (3) protect and conserve water; (4) enhance indoor air quality; and (5) reduce environmental impact of materials used.

