OFFICE OF INSPECTOR GENERAL

OFFICE OF EVALUATION

U.S. DEPARTMENT
OF HOUSING
AND URBAN
DEVELOPMENT

Assessing Performance for Programs To Preserve and Revitalize HUD-Assisted Affordable Housing

Program Evaluations Division

MEMORANDUM
September 14, 2016

TO: Priya Jayachandran
Deputy Assistant Secretary, Office of Multifamily Housing, HT

Thomas Davis
Director, Office of Recapitalization, HTR

FROM: Kathryn Saylor
Assistant Inspector General for Evaluation, GAH

SUBJECT: Assessing Performance for Programs To Preserve and Revitalize HUD-Assisted
Affordable Housing

Attached is the report on our performance assessment of programs to preserve and revitalize affordable housing within the U.S. Department of Housing and Urban Development (HUD), Office of Multifamily Housing Programs (Multifamily). We performed this project at the request of Multifamily officials to assist their efforts to monitor and evaluate program operations. This review was conducted by Zelos, LLC, for HUD's Office of Inspector General.

Zelos observed five areas in which Multifamily could improve program performance assessment and made six recommendations. HUD concurred with the recommendations and provided information on improvements in process and actions it planned to initiate, along with implementation dates. Those improvements satisfied the intent of our recommendations. HUD's complete response is provided in appendix D.

Please furnish us copies of any correspondence or directives issued as a result of the evaluation.

If you have any questions, please contact me at 202-809-3093 or Nikki Tinsley at 443-822-8285.

Attachment

August 25, 2016

Ms. Kathryn Saylor
Assistant Inspector General for Evaluation, GAH
Office of Inspector General
U.S. Department of Housing and Urban Development
Washington, DC 20410-0001

Dear Ms. Saylor:

Zelos, LLC performed an evaluation focused on recent Multifamily Housing programs designed to preserve and revitalize affordable housing and neighboring communities. The evaluation objectives were to identify lessons learned about performance measurement for these programs and to develop an approach to enable Multifamily Housing Office of Recapitalization to identify and report performance metrics and evaluate program operations going forward.

This report presents the results of the evaluation and includes recommendations for Multifamily Housing to implement to improve operations and reporting on performance of their programs. We conducted our evaluation as stipulated in BPA agreement number TFSAHUGBPA14001, project 2016-OE-0003.

We appreciate the opportunity to perform this evaluation. Should you have any questions, or if we can be of any further assistance, please contact me at stacia.aylward@zelosllc.com or at 703-828-7831.

Sincerely,

Stacia C. Aylward, CEO

Stacia C. Aylward, CEO

Purpose

Improve U.S. Department of Housing and Urban Development (HUD), Office of Multifamily Housing Programs' (Multifamily) ability to monitor and evaluate its programs to preserve affordable housing and revitalize communities.

Background

In 2012, Multifamily dedicated funds to the Tenant Resource Network (TRN) program, a program designed to preserve affordable housing. Multifamily then signed two interagency agreements with the Corporation for National and Community Service (CNCS) for it to engage AmeriCorps Volunteers in Service to America (VISTA) members and Equal Justice Works (EJW) to carry out Phase I and Phase II programs for affordable housing preservation and community revitalization activities.

Observations

- We could find no documentation showing that Multifamily did a systematic program assessment for TRN or Phase I. Therefore, it did not have lessons learned from these efforts to improve current programs.
- Existing performance measures and reporting formats did not provide useful program evaluation information and did not meet Multifamily's needs.
- There were opportunities to improve communication and collaboration among HUD headquarters, regional, and local offices; provide feedback to grantees and host sites; and leverage other organizations' leading practices.
- The Phase II program has new objectives -- to revitalize properties and integrate community resources to meet specific tenant needs. More coordination is needed among Multifamily, CNCS, and EJW to specify activities and program operations needed to achieve Phase II objectives.
- Phase II goals, activities, and measures to revitalize properties and integrate tenants with community resources should be site specific. Thus, each site should follow a site-specific model to achieve specific goals.

Recommendations

Multifamily headquarters officials should

- Build systematic program assessment into each program. This requirement should include ongoing evaluation throughout the program to enable effective program management and formal assessments at regular intervals to monitor and report progress against goals and objectives.
- Specify quarterly reporting requirements to provide meaningful information to enable officials to manage, evaluate, adjust, and improve Phase I and II program operations.
- Obtain input from HUD field offices, provide feedback on Phase I and Phase II programs, and identify leading practices to share with other sites and potentially other parts of HUD.
- Collaborate with CNCS and EJW to specify and align plans, activities, and reporting requirements to achieve Phase II objectives, including modifying the current CNCS interagency agreement as needed.
- Implement a site-specific model for Phase II that identifies measurement criteria and reporting requirements and enables officials to monitor and evaluate progress.

List of Acronyms

ACRONYM	DEFINITION
CNCS	Corporation for National and Community Service
EJW	Equal Justice Works
HUD	U.S. Department of Housing and Urban Development
OAMPO	Office of Asset Management and Portfolio Oversight
OIG	Office of Inspector General
Recap	Office of Recapitalization
TRN	Tenant Resource Network
VISTA	Volunteers in Service to America

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Background and Objectives

The Office of Evaluation performed this project at the request of U.S. Department of Housing and Urban Development (HUD) officials to assist the HUD Office of Multifamily Housing Programs' (Multifamily) efforts to monitor and evaluate program operations. Multifamily officials wanted to know the impact programs had on preserving[1] affordable housing via tenant outreach and advocacy activities and revitalizing[2] communities through activities that integrate community services and resources to meet tenant needs. Multifamily specifically requested assistance in developing measures for community revitalization efforts.

Program History

HUD made available $10 million under Section 514 of the Multifamily Assisted Housing Reform and Affordability Act of 1997 to nonprofit organizations (grantees) through an October 2011 Notice of Funding Availability for the Tenant Resource Network (TRN) program. The purpose of this program was to preserve affordable housing and empower tenants.[3] In June 2012, Multifamily awarded a total of $4.9 million to 15 grantees. The TRN program ended in the summer of 2015.

In August 2014, Multifamily signed an interagency agreement with the Corporation for National and Community Service (CNCS) and provided $2 million for CNCS to work with AmeriCorps' Volunteers in Service to America (VISTA) members, Equal Justice Works (EJW), and host sites (subgrantees) for Phase I, a program also designed to preserve affordable housing. Phase I began in August 2014 and is ongoing.

In August 2015, Multifamily signed a second interagency agreement with CNCS and provided an additional $2 million for CNCS to continue Phase I and also establish Phase II, a program designed to revitalize affordable housing and neighboring communities.

Multifamily's Office of Asset Management and Portfolio Oversight (OAMPO) managed the TRN program for its duration, as well as the Phase I program operations until mid-December 2015. At that time, responsibility for Phase I and II was transferred to Multifamily's Office of Recapitalization (Recap). Recap is developing plans and selecting properties for Phase II, and activities are expected to begin in the fall of 2016.

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[1] Preserving and preservation refers to Multifamily programs and activities designed to keep project-based Section 8 housing assistance payments contract-assisted properties in the Multifamily housing portfolio. This process includes renewing such contracts and keeping the properties in good physical condition.

[2] Revitalizing and revitalization refer to Multifamily programs and activities designed to address tenants of properties going through Recap's Rental Assistance Demonstration Program to better use neighboring community resources to address tenants' needs.

[3] Empower tenants refers to assisting, informing, educating and engaging tenants of Section 8 properties regarding their rights, responsibilities, and options.

Program Evaluation and Performance Measurement

There are two common types of systematic program assessment: program evaluation and performance measurement:[4]

- Program evaluations are individual systematic studies conducted periodically or on an ad hoc basis to assess how well a program is working. Evaluations typically assess achievement of program objectives and may examine aspects of program operations to help explain the linkages among program inputs, activities, outputs, and outcomes.
- Performance measurement is the ongoing monitoring and reporting of program accomplishments, particularly progress toward preestablished goals. Performance measurement focuses on whether a program has achieved its objectives, expressed in measurable performance standards.

Both forms of assessment – program evaluation and performance measurement − aim to support resource allocation and other policy decisions and to improve service delivery and program effectiveness. However, performance measurement, because of its ongoing nature, can serve as an early warning system to management and as a vehicle for improving accountability to the public.

Evaluation Objectives

Our evaluation focused on recent Multifamily programs designed to preserve affordable housing and revitalize affordable housing and neighboring communities. Specifically, our objectives were to

- Identify lessons learned about performance measurement related to preserving affordable housing activities from the TRN program and Phase I.
- Develop an approach to enable Recap to identify and report Phase II performance metrics and evaluate program operations.

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[4] Performance Measurement and Evaluation: Definitions and Relationships, GAO-11-646SP, May 2011

Evaluation Results

Systematic Program Assessment Needed To Improve Program Operations

We could find no documentation showing that OAMPO officials had assessed the effectiveness or results of either the TRN or Phase I activities and program operations. Therefore, Recap officials did not have lessons learned from the TRN program or Phase I to build on for Phase II or to improve Phase I going forward.

Program evaluations are typically examinations of program performance in a context that allows for an overall assessment of how the program is working and identifies adjustments that may improve its results. Depending on their focus, evaluations may examine aspects of program operations (such as in a process evaluation) or factors in the program environment that may impede or contribute to its success, to help explain the linkages among program inputs, activities, outputs, and outcomes. There are four types of program evaluations: outcome, process, impact, and cost-benefit or cost-effectiveness analysis. The most relevant types for assessing the Phase I and II programs appear to be outcome and process evaluations.[5]

Recommendation

The Deputy Assistant Secretary, Office of Multifamily Housing, and the Director, Office of Recapitalization, should

1. Build systematic program assessment into each program. This requirement should include both (1) ongoing process evaluation throughout the program to enable effective program management and (2) formal assessments at regular intervals and at the program's end to report on progress toward meeting preestablished goals and achieving expected outcomes.

Management Response

HUD agreed with this recommendation and planned to implement program assessment for both Phase I and Phase II. This assessment would include both (1) ongoing, informal evaluation based on routine reporting and program management and (2) a more formal assessment of Phase I in the spring of 2017 and of Phase II in approximately the fall of 2017.

Management's complete response is provided in appendix D.

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[5] Outcome evaluation assesses the extent to which a program achieves its outcome-oriented objectives and focuses on outputs and outcomes to judge program effectiveness. Process evaluation assesses the extent to which a program operates as intended.

Improvements Needed for Program Performance Reporting

The previous and existing performance reporting formats and requirements were not designed to meet Multifamily's needs, nor did they provide useful information for evaluating the TRN program or Phase I.

The TRN program specified that grantees use the e-Logic Model to report performance on goals and objectives, activities, outcomes, and measures. Several grantees and Multifamily OAMPO officials said that the e-Logic Model had reporting limitations, and it was replaced with a different reporting format; thus, the merits of the Model are not known. However, the revised TRN program reporting format did not follow a consistent structure, and the performance measures did not show the impact of the activities on goals and objectives to empower tenants and preserve affordable housing. Therefore, the reports did not provide OAMPO officials with information on the impact of the activities at individual sites or an overall assessment of program operations and effectiveness.

CNCS and EJW primarily collected information in Phase I to monitor VISTA member developmental and capacity-building activities. In general, the data collected and reported did not show whether tenant outreach activities contributed to preserving affordable housing.

Both TRN and Phase I site reports included extensive narrative information on various topics not related to program performance. This information provided occasional anecdotes, but the narrative did not provide or support an overall assessment of the program and was not useful for identifying leading practices to share or common issues to address.

Recap officials were developing reporting requirements for Phase II. Given Recap's resource constraints for program management, as well as OMB's and Congress' interest in knowing program results, it is important that reports readily provide meaningful information and support both program management and reporting to interested entities.

Recommendations

The Director, Office of Recapitalization, should

2. Specify Phase II quarterly reporting requirements that provide meaningful information to enable them to manage, evaluate, adjust, and improve program operations. Recap officials should identify the information they need to perform their monitoring and reporting responsibilities. Specifically, the reports should
   - Provide the information Recap needs, versus that required by CNCS or EJW.
   - Be modified to present the information in a manner that is accessible, understandable, and useful.
   - Reflect progress over time.

3. Apply relevant aspects of the new reporting process for Phase II to Phase I reporting to enable Recap officials to manage and report progress for both programs.

Management Response

HUD agreed with the recommendations and intended to introduce new reporting requirements for Phase II to CNCS and EJW based on the suggested reporting model contained within the evaluation report (appendix A). HUD also agreed that there were relevant aspects of the suggested reporting model that could be adapted to capture useful information on Phase I program activities and outcomes. HUD noted and we agreed, however, that reporting would be different between the two programs to reflect the different objectives of each program. HUD said it would introduce a new reporting framework for negotiation with CNCS and EJW within 60 days.

Management's complete response is provided in appendix D.

Opportunities To Improve Program Operations

Opportunities exist to improve communication and collaboration among HUD headquarters, regional, and local offices; provide feedback to grantees and host sites; and leverage other organizations' leading practices.

For the TRN and Phase I programs, HUD's local and regional officials told us that OAMPO headquarters officials did not communicate or coordinate with them to leverage local and regional knowledge regarding properties they monitor. In addition, several HUD local and regional offices told us they were not aware that there was a Phase II program.

Our analysis showed that OAMPO headquarters officials did not always provide feedback to grantees or host sites on the quarterly reports they submitted and in some cases, did not respond to specific issues and grantee questions directed to them that affected program operations. Therefore, some participants and sites operated without official answers to program and policy questions and did not learn about leading practices that might improve program operations. For example, OAMPO did not apply, on a programwide basis, letters used at a regional and local level that reinforced regulations for property access by grantees and VISTA members.

We identified that some private organizations, The Community Builders[6] and NeighborWorks,[7] use reporting systems and tools that provide useful and meaningful information for initiatives

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[6] The Community Builders' mission is to build and sustain strong communities where people of all incomes can achieve their full potential. The majority of its work is building and rebuilding multifamily housing. Source: http://www.tcbinc.org/values.html

[7] NeighborWorks supports a network of more than 240 nonprofit organizations with technical assistance, grants, and training for more than 12,000 professionals in the affordable housing and community development field every year. Source: http://neighborworks.org/About-Us/What-We-Do

similar to the TRN, Phase I, and Phase II programs. Recap officials could leverage these leading practices to improve program operations and better meet program objectives.

Recommendation

The Director, Office of Recapitalization, should

    4. Obtain input from regional and local HUD offices regarding site-specific issues and property characteristics, provide feedback on and use the quarterly reports to identify and address problematic programwide operations as well as site-specific issues, and seek to identify leading practices or examples that could be shared with other sites and potentially other parts of HUD (including regional or local offices) to improve program effectiveness.

Management Response

HUD agreed with this recommendation and had initiatives underway and planned to improve communication with regional and local HUD offices to aid Recap in identifying site-specific issues and improving program effectiveness.

Management's complete response is provided in appendix D.

More Coordination Needed To Achieve Phase II Objectives

The Phase II program has new objectives: to revitalize properties and integrate community resources to meet specific tenant needs. This program focuses on increasing access and resources for tenants of sites under Recap's Rental Assistance Demonstration Program by integrating the resources of the neighboring community. VISTA members, under the supervision of EJW and CNCS officials, are tasked with identifying tenant needs and community resources to address those needs.

Although Recap, CNCS, and EJW had coordinated to some extent regarding Phase II objectives and operations, the interagency agreement had not been modified to address these objectives. More coordination is needed to align the objectives and operations among these key organizations. Without such communication and collaboration, Phase II objectives may not be achieved.

Recommendation

The Director, Office of Recapitalization, should

5. Specify requirements to achieve Phase II objectives, including modifying the interagency agreement as needed, and collaborate with CNCS and EJW to specify and align plans, activities, and reporting requirements to achieve Phase II objectives.

Management Response

HUD agreed with this recommendation and had coordinated with CNCS and EJW to create an agreed-upon and written Phase II project plan that would identify expected activities. HUD said that it was communicating regularly with partners to monitor the progress of the Phase II program implementation. HUD said it would consider additional revisions to the interagency agreement to formally document the project plan and related activities and reporting requirements.
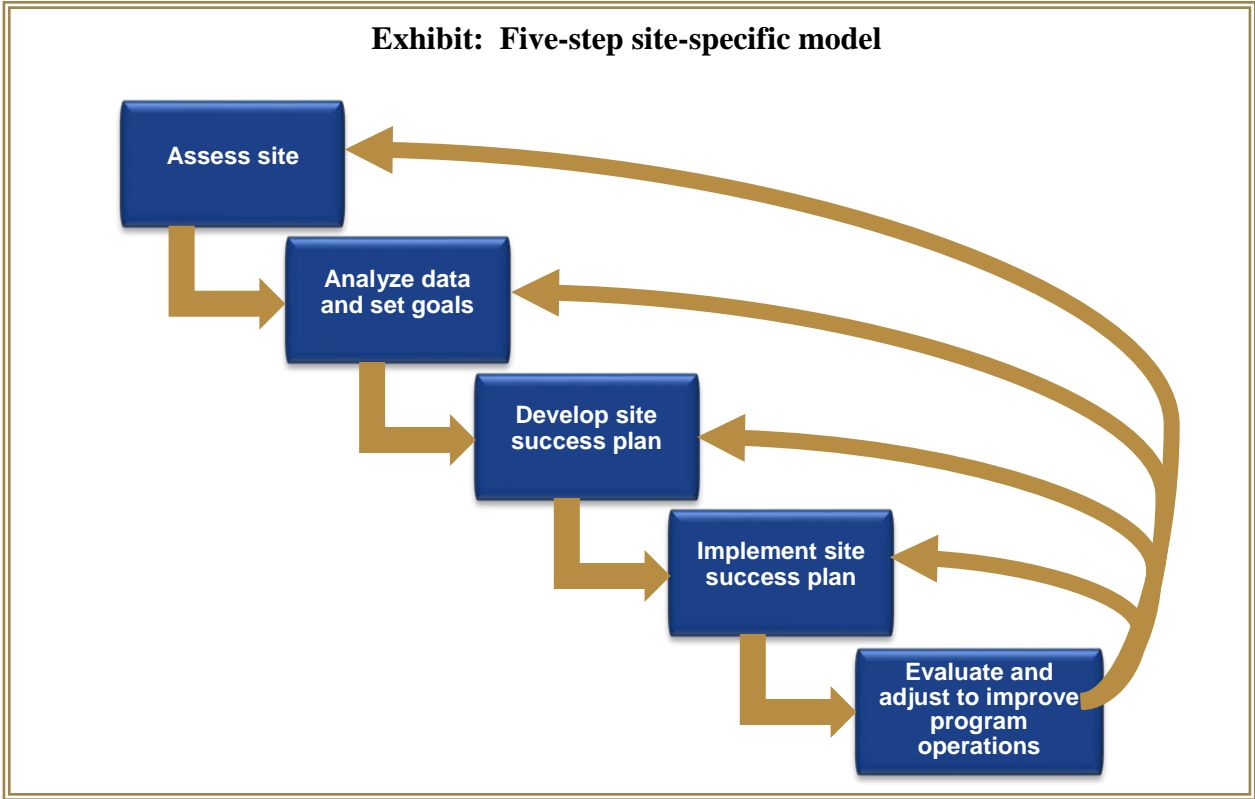
Management's complete response is provided in appendix D.

Site-Specific Model Required for Phase II Objectives

Phase II goals are to revitalize properties and integrate community resources to meet tenant needs. Because each site will have different demographics, tenant needs, and community resources, goals and measures will likely be site specific. Therefore, VISTA members will perform site-specific activities. However, each site should follow a standard approach to design and implement its program and achieve a variety of goals and enable Recap to manage, monitor, and evaluate program operations.

Our analysis shows that a site-specific model could provide information to tailor goals, activities, metrics, and baseline information for assessment. Such a model could include steps to identify quarterly reporting requirements and develop a combined quarterly report to meet Recap's needs. Accordingly, we developed a model that Recap can use to address the items above.

The following exhibit outlines the model. Additional information is provided in appendix A.

Exhibit: Five-step site-specific model

```
Assess site  ◄─────────────────────────┐
   │                                     │
   ▼                                     │
Analyze data  ◄──────────────────────┐  │
and set goals                        │  │
   │                                 │  │
   ▼                                 │  │
Develop site  ◄───────────────────┐ │  │
success plan                      │ │  │
   │                              │ │  │
   ▼                              │ │  │
Implement site  ◄──────────────┐ │ │  │
success plan                   │ │ │  │
   │                           │ │ │  │
   ▼                           │ │ │  │
Evaluate and  ─────────────────┴─┴─┴──┘
adjust to improve
program
operations
```

The following table illustrates an example of using the model and steps to determine and accomplish a site-specific goal: improving transportation services.

Steps	Description
Assess site	Site assessment resulted in identifying tenant issues: • Tenants could not get to work or grocery stores because the community did not have options such as rental bikes or bus, subway, or taxi-ride share services.
Analyze data and set goals	Data analysis resulted in setting a transportation-related goal of • Establishing bus service.
Develop site success plan	Developed a detailed (multiyear, if appropriate) approach outlining • Activities to be performed and • Measures that will track and monitor progress.
Implement site success plan	Tasks in the site success plan included • Meet with city transportation officials to identify resources and specific activities and actions needed to establish bus service. • Complete specific activities and actions. • Collect performance measurement data. • Develop and submit quarterly reports.
Evaluate and adjust to improve program operations	Program evaluation at regular intervals included • Identify progress and any challenges. • Provide information to adjust and improve program operations.

Reporting progress against this model will provide useful, comparative information across sites. Each site will set goals and objectives based on tenant needs and then identify how to measure

success. The site-specific information can be combined into a programwide quarterly summary report that meets Recap's needs. In addition, it will provide information to assist Recap officials in communicating with and addressing the needs of individual sites as well as overall program operations.

Recommendation

The Director, Office of Recapitalization, should

6. Implement a site-specific model to manage and evaluate Phase II site operations and use as a basis for quarterly reporting. The proposed site-specific model provides a systematic process to develop goals, activities, measures, and reports and monitor performance for Phase II. (The model is provided in appendix A.)

Management Response

HUD agreed that a site-specific model was needed to allow each site to report activities, challenges, and accomplishments to achieve meaningful outcomes under Phase II and had begun to discuss this approach with CNCS and EJW as a means to develop quarterly data reports.

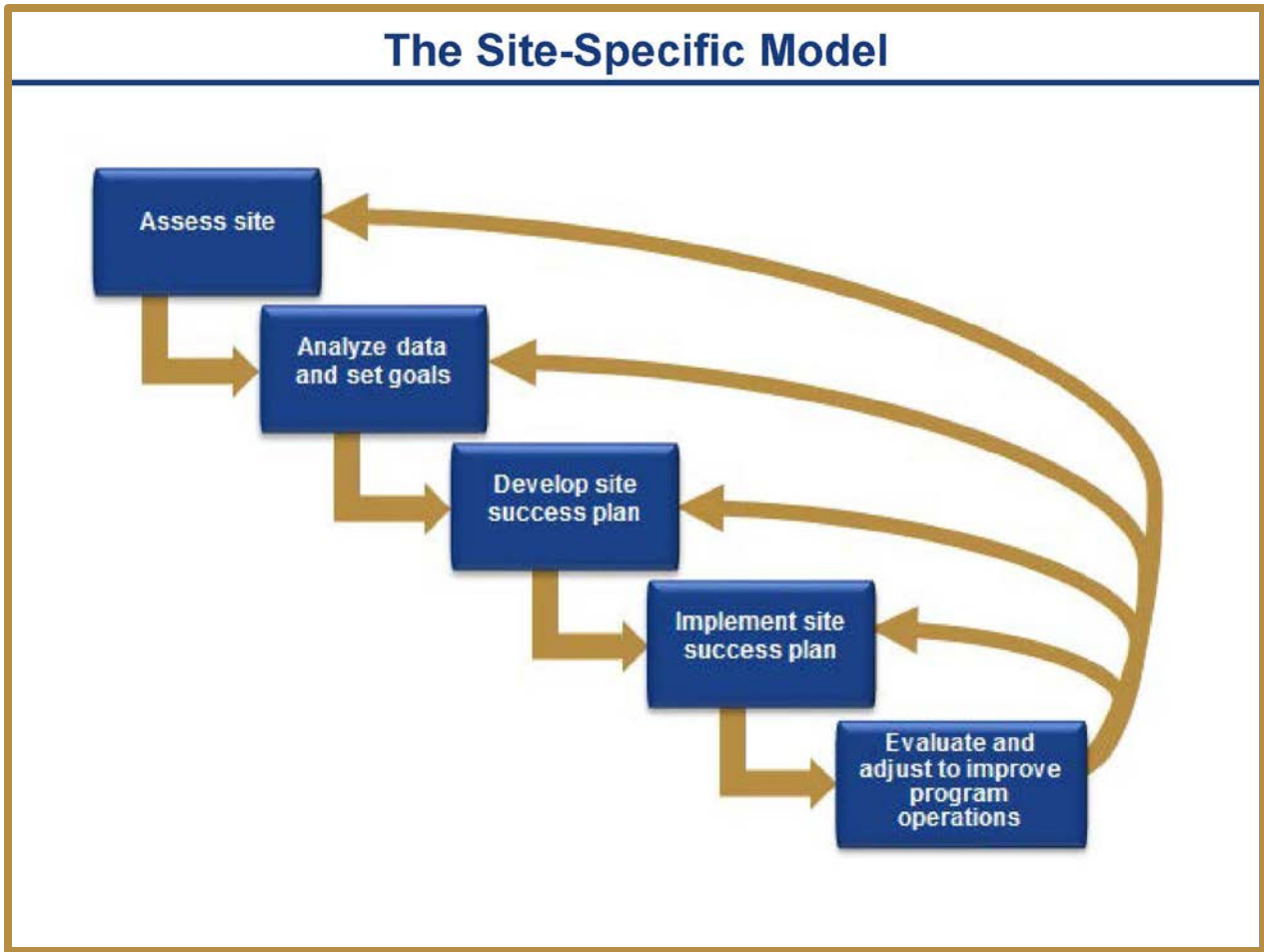Management's complete response is provided in appendix D.

Appendixes

Appendix A – Site-Specific Model

A Site-Specific Model for Performance Assessment for Programs to Preserve and Revitalize Affordable Housing

Why a "Site-Specific Model"?

- The needs, objectives, goals, and characteristics of each site selected for Phase II will be different; reporting on status and progress will be unique to each site.

- Each site will have different demographics, community resources to address needs, tenant involvement, and property owner and management company commitment.

- Thus, a *site-specific model* is needed to allow each site to report its activities, challenges, accomplishments, and progress against established objectives and goals.

- A site-specific model will
    - Prescribe basic steps to achieve Phase II goals.
    - Generate baseline data for developing goals and objectives.
    - Provide site-specific data to tailor goals, activities, and measures.

- Further, by combining the data from all Phase II site-specific models, Recap can document its efforts to manage, monitor, and report on the program and its results.

The Site-Specific Model

The Site-Specific Model – Overview of the 5 Steps

Steps	Description
Assess site	Collect information on the needs of the tenants at the site and community resources that can help meet those needs; use a variety of tools to collect information as well as readily available information. Consult with tenants and others familiar with the site and community; consult with HUD regional or local staff as appropriate.
Analyze data and set goals	Analyze the information collected during the site assessment to determine and prioritize site goals, including establishing baseline information.
Develop site success plan	Develop a detailed approach (multiyear, if appropriate) to meet the goals established during analysis, including the activities to be performed and measures that will track and monitor progress.
Implement site success plan	Perform activities. Collect data on activities and progress as established in the site success plan and report regularly on the data collected.
Evaluate and adjust to improve program operations	Evaluate the impact of activities and address the challenges hindering progress. Periodically adjust the goals, the site success plan, and measures accordingly.

Assess Site

Objective: Collect information on the tenant needs at the site and community resources available to meet those needs.

Sample Data Sources and Collection Methods:
- Complete site-specific tenant surveys.
- Communicate door-to-door with tenants.
- Conduct meetings with tenants, tenant associations, owners, and other organizations within the community.
- Identify and obtain readily available statistics and previous community and site needs assessments.
- Identify other HUD programs operating in the community.
- Obtain input from regional and local HUD offices.
- Obtain Phase II host site's knowledge of site issues.

Results: Volunteers In Service To America (VISTA) members and other site officials will have information that can be used to develop options for goals to address tenant needs.

Analyze Data and Set Goals

Objective: Analyze the information collected during the site assessment to determine and prioritize site goals, including establishing baseline information.

Optional Methods:
- Compile and tabulate surveys completed by the tenants.
- Identify existing key information regarding site demographics.
- Determine the level of commitment and resources of the property owner and management company.
- Determine what needs the identified community resources can address.
- Factor in the information provided by knowledgeable HUD regional and local offices, nonprofit organizations, and other community resources.
- Establish baseline information.

Analyze Data and Set Goals (cont'd)

Categorizing goals:

- Multifamily will provide a list of goal categories, and sites will select a category that best fits the goal(s) to be pursued. Examples of goal categories include
    - Transportation
    - Health care
    - Childcare
    - Education
    - Safety
    - Economic opportunity
    - Facilities (such as community centers and playgrounds).
- Categorizing goals will enable Multifamily to look across the Phase II sites to gain insight into similarities and differences among program activities at participating sites.

Results: VISTA members or other site officials will be able to present to the tenants and community data-based goals to select. In concert with the tenants and the community, a decision should be made on which goal(s) to pursue.

Develop a Site Success Plan

Objective: Develop a plan for accomplishing the goal that the tenants, community resources, and VISTA members have agreed upon. This plan – with updates as needed – will guide activity for the duration of the project, which may be 1 or more than 1 year long.

Methods:
For each objective, the plan will include, at a minimum,
- The activities that VISTA members will perform to achieve the goal;
- A timeline for those activities; and
- A process for tracking, monitoring, measuring, and reporting progress using the measures developed in the goal-setting step.

A high-level plan could lay out the general approach to be followed to accomplish the goal, with additional details needed for day-to-day operations. The detailed work plan should be updated to reflect both progress made and changes or "course corrections" needed to achieve the goal.

Results: A work plan that shows the activities to be performed and the resources that will be needed to accomplish the goal, over time.

Develop a Site Success Plan (cont'd)

Key Elements and Factors for Developing a Site Success Plan:

The plan should
- Be related to achieving the main goal of the site while recognizing other accomplishments that can be achieved,
- Outline activities and actions to be taken to address goals and objectives,
- Define measures, and
- Present a timeline for accomplishing the goal.

Examples of activities that could be included in a plan are
- Conduct an onsite workshop to confirm tenant needs and priorities.
- Partner with community resources, applicable to the specific goals.
- Sign memorandums of understanding to set expectations and document agreements between site and community resources.
- Develop ways to collect data for required quarterly reporting.

Develop a Site Success Plan (cont'd)

Guidance for Developing Measures:

As part of developing a site success plan for each goal, each site will define "what success looks like" in measurable terms. Progress toward achieving the goal can be documented against these measures and reported as part of the site's regular quarterly reporting.

- Because each site goal will be specific to that site, the measures will be site specific and set by the site team at the beginning of the project.
- The site assessment process – supplemented by additional data collection around the specific goal area, as needed – will provide a baseline or starting point for measuring progress.

In general, site-specific measures should

- Demonstrate results (be related to the specific goal),
- Be limited to the vital few,
- Cover multiple priorities, and
- Provide useful information for decision making.

In addition, Recap may require host sites to self-evaluate their progress. Therefore, additional measure(s) could include rating scales, typically 1-5, on their progress toward specific goals and objectives.

Implement Site Success Plan

Objective: To achieve the site goal, VISTA members (and other site team members) will
- *Implement* the steps specified in the site success plan and
- Regularly *report* to Recap, CNCS, and EJW on their activities, challenges, accomplishments, and progress against timelines in the site success plan and data related to goal-specific measures.

Examples of Methods for Site-Specific Plan Implementation:
- Help tenants organize and engage with owners and leading community officials.
- Identify resources in the community that might partner in meeting the tenants' goal.
- Tenants and VISTA members meet with local government officials or participate in a hearing to describe what is needed to meet their particular goal.
- Arrange for in-kind services, donations, or other methods of resourcing to help the community meet its goal.
- Activities other organizations perform for revitalization.

Implement Site Success Plan (cont'd)

Data Collection and Reporting Activities:

VISTA members should collect data and report
- Activities performed,
- Progress against timelines and established measures,
- Challenges faced, and
- Accomplishments achieved.

VISTA members submit quarterly reports to EJW that contain
- Basic site information, such as site owner and management company information, and information about VISTA members. (Keep this information current.)
- Information on the site's progress against its overall plan for proceeding through the five steps of the site-specific model – actual compared to projected timeframes.
- Progress toward meeting the measures specified for the site's goal.
- Narrative (categorized) statements about challenges faced and accomplishments achieved during efforts to meet the goals.

Implement Site Success Plan (cont'd)

Results:

- **Implementation**: Operating with a (detailed) work plan will provide an organized, strategic approach to accomplish goals. This measure will support the efficient use of VISTA members and other people and resources associated with the project, including tenants. It also will support efforts to achieve the goal by recognizing what steps and activities need to be taken in what sequence to achieve the desired end result.

- **Site-specific reporting**: Collecting, analyzing, and reporting quarterly data on progress against plans and toward measures will enable VISTA members and site leaders – as well as EJW and CNCS officials – to monitor each site's activities; analyze and implement changes in activities or plans, if needed; and document progress on both problem areas and accomplishments.

Evaluate and Adjust To Improve Program Operations

Objective:
- VISTA members and site leaders should analyze data collected (progress against plans, goal-specific measures, information on challenges, and accomplishments) to improve site-specific project operations.
- EJW and CNCS should (1) analyze and use both site-specific and combined data to identify issues and develop options to remedy them and (2) identify successful sites and leading practices to share with other sites.
- Multifamily should use the program's combined quarterly data to monitor and improve the overall effectiveness of Phase II.

Methods for Improving Site-Specific Operations:
- Evaluation and adjustment to improve site-specific operations will require VISTA members and other officials at the site level to
    - Perform quantitative and qualitative analyses of their data and goal-related measures;
    - Discuss results of the analysis with key stakeholders, including tenants and the community; and
    - Make adjustments to their site-success plan to improve chances for significant accomplishments.

Evaluate and Adjust To Improve Program Operations (cont'd)

Methods for Improving Phase II Program Operations:
- Evaluation and adjustment to improve program operations will require Multifamily to perform quantitative and qualitative analysis of site-specific and summary reports provided by CNCS or EJW.

Results:
- **Improving site-specific operations:** VISTA members and site leaders will be able to
  - Monitor progress against plans and timelines and modify unsuccessful plans, as needed;
  - Identify where additional resources are needed or where too many resources are being used; and
  - Share successful practices with other sites.
- **Improving program operations:** Recap will be able to provide guidance to CNCS, EJW, host sites, VISTA members, and HUD regional and local offices that work with host sites to
  - Identify and highlight specific sites showing significant accomplishments and progress;
  - Identify and focus on specific sites showing significant problems;
  - Identify issues or activities that either are causing problems across the program or that appear to be promising across multiple sites; and
  - Report to HUD leadership, the Office of Management and Budget, and Congress on the status of the program, including challenges encountered and progress made.

Appendix B – Scope and Methodology

Our evaluation focused on recent Multifamily programs designed to preserve project-based housing assistance payments, contract-assisted properties, and revitalize properties going through the Rental Assistance Demonstration Program. We used U.S. Government Accountability Office guidelines to identify gaps in the operation, management, and performance reporting for the TRN and Phase I programs.

We identified and assessed leading practices and relevant information to develop a site-specific model to enable Recap to identify and report performance metrics to evaluate Phase II program operations. The site-specific model should be used to develop goals, activities, measures, and reports for Phase II and also to monitor performance. The model incorporates information from the TRN program and Phase I, approaches used for revitalizing communities, U.S. Government Accountability Office guidelines for performance measures, and other documented ways of measuring and reporting performance.

Our scope was limited to operation, management, and reporting of performance of the programs and, thus, did not include an evaluation of whether the activities carried out were the correct ones for preservation and revitalization.

To accomplish our objectives, we performed the following activities:

- Identified and reviewed past studies and relevant Office of Inspector General (OIG), U.S. Government Accountability Office, and other reports to gain an understanding and historical perspective of preserving affordable housing, revitalizing communities, program evaluation, and performance measures.
- Reviewed and analyzed
    - TRN Notice of Funding Availability and CNCS interagency agreements for Phase I and II.
    - Metrics reported for the TRN program and CNCS Phase I.
    - Whether the metrics used were feasible and effective for assessing the impact of tenant outreach activities.
    - Leading practices of private organizations carrying out programs similar to the TRN program and Phase I and II initiatives.
    - Other HUD place-based community development initiatives; Choice Neighborhoods and Promise Zone; and relevant leading practices, policies, and procedures.
    - Program assessment guidance for program evaluation and performance measures.
- Interviewed individuals from
    - HUD Multifamily OAMPO.
    - HUD Multifamily Recap.
    - HUD regional and local offices.

- o Choice Neighborhood program in HUD's Office of Public and Indian Housing.
- o Promise Zone program in HUD's Office of Field Policy and Management.
- o CNCS.
- o EJW.
- o TRN grantees.
- o Phase I host and sponsor site participants.
- o AmeriCorps VISTA members.
- Interviewed individuals from private organizations, The Community Builders and NeighborWorks, to learn about leading practices for place-based initiatives, data collection, and measuring impact.
- Conducted an analysis to identify gaps in program design, management, data collection, and reporting performance for TRN and Phase I.

We performed the evaluation from December 2015 through July 2016 at HUD headquarters in Washington, DC. We performed work in accordance with the Council of the Inspectors General on Integrity and Efficiency's Quality Standards for Inspection and Evaluation, January 2012.

Appendix C – Summary of Recommendations

OIG report	No.	Recommendation	Status
2016-OE-0003	1	The Deputy Assistant Secretary, Office of Multifamily Housing, and the Director, Office of Recapitalization, should 1. Build systematic program assessment into each program. This requirement should include both (1) ongoing process evaluation throughout the program to enable effective program management and (2) formal assessments at regular intervals and at the program's end to report on progress toward meeting preestablished goals and achieving expected outcomes.	
2016-OE-0003	2	The Director, Office of Recapitalization, should 2. Specify Phase II quarterly reporting requirements that provide meaningful information to enable Recap to manage, evaluate, adjust, and improve program operations. Recap officials should identify the information they need to perform their monitoring and reporting responsibilities. Specifically, the reports should • Provide the information Recap needs, versus that required by CNCS or EJW. • Be modified to present the information in a manner that is accessible, understandable, and useful. • Reflect progress over time.	
2016-OE-0003	3	The Director, Office of Recapitalization, should 3. Apply relevant aspects of the new reporting process for Phase II to Phase I reporting to enable Recap officials to manage and report progress for both programs.	
2016-OE-0003	4	The Director, Office of Recapitalization, should 4. Obtain input from regional and local HUD offices regarding site-specific issues and property characteristics, provide feedback on and use the quarterly reports to identify and address problematic programwide operations as well as site-specific issues, and seek to identify leading practices or examples that could be shared with other sites and potentially other parts of HUD (including regional or local offices) to improve program effectiveness.	

OIG report	No.	Recommendation	Status
2016-OE-0003	5	The Director, Office of Recapitalization, should 5. Specify requirements to achieve Phase II objectives, including modifying the interagency agreement as needed, and collaborate with CNCS and EJW to specify and align plans, activities, and reporting requirements to achieve Phase II objectives.	
2016-OE-0003	6	The Director, Office of Recapitalization, should 6. Implement a site-specific model to manage and evaluate Phase II site operations and use as a basis for quarterly reporting. The proposed site-specific model provides a systematic process to develop goals, activities, measures, and reports and monitor performance for Phase II.	

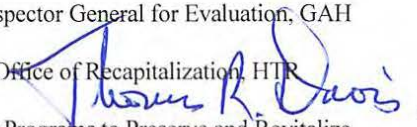# Appendix D – Agency Comments

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-8000

OFFICE OF HOUSING

August 22, 2016

MEMORANDUM FOR: Kathryn Saylor, Assistant Inspector General for Evaluation, GAH

FROM: Thomas R. Davis, Director, Office of Recapitalization, HTR

RE: Performance Assessment for Programs to Preserve and Revitalize HUD-Assisted Affordable Housing

Thank you for the opportunity to comment on the draft recommendations contained in the above-referenced evaluation report of the Office of the Inspector General (OIG). The draft report was reviewed by the Office of Recapitalization. The Department offers the following comments on the recommendations provided in the draft report.

Recommendation 1: The Deputy Assistant Secretary, Office of Multifamily Housing, and the Director, Office of Recapitalization should build systematic program assessment into each program. This requirement should include both (1) ongoing process evaluation throughout the program to enable effective program management and (2) formal assessments at regular intervals and at the program's end to report on progress toward meeting pre-established goals and achieving expected outcomes.

The Department agrees with this recommendation and plans to implement a program assessment for each of the VISTA Affordable Housing Preservation Program – Project Based Section 8 ("Phase I Program") and the VISTA Affordable Housing Preservation Program – RAD Revitalization ("Phase II Program"). We plan to do more informal and ongoing evaluation based on routine reporting and program management. In addition, we plan to do a more formal assessment in the Spring of 2017 regarding the Phase I Program and after one year of VISTA placements for the Phase II Program. We will schedule future formal assessments periodically as appropriate, but not more often than annually. Implementation of these evaluation and assessment efforts would provide supporting justification to OMB when asking for authority to provide additional funds to any future Interagency Agreement (IAA) or IAA Amendment.

Recommendation 2: The Director, Office of Recapitalization, should specify Phase II quarterly reporting requirements that provide meaningful information to enable them to manage, evaluate, adjust, and improve program operations. Recap officials should identify the information they need to perform their monitoring and reporting responsibilities. Specifically, the reports should
- Provide the information Recap needs, versus that required by CNCS or EJW.
- Be modified to present the information in a manner that is accessible, understandable, and useful.
- Reflect progress over time.

The Department agrees with this recommendation and intends to introduce new reporting requirements for the Phase II Program to CNCS and EJW based on the suggested reporting

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model contained within the evaluation report Appendix A. The Department will introduce a new reporting framework for negotiation with CNCS and EJW within sixty days.

Recommendation 3: The Director, Office of Recapitalization, should apply relevant aspects of the new reporting process for Phase II to Phase I reporting to enable Recap officials to manage and report progress for both Phases.

The Department concurs with this recommendation and agrees there are relevant aspects of the suggested reporting model that can be adapted to capture useful information on Phase I Program activities and outcomes. The Department notes, however, that the reporting will be different between the two programs to reflect the different objectives of each program. The Department plans to work with CNCS and EJW over the next 90 days to revise the reporting for the Phase I Program to focus more closely on the information Recap needs, presented in a useful, accessible and understandable manner, with indices of progress over time.

Recommendation 4: The Director, Office of Recapitalization, should obtain input from regional and local HUD offices regarding site-specific issues and property characteristics, provide feedback on and use the quarterly reports to identify and address problematic program-wide operations as well as site-specific issues, and seek to identify leading practices or examples that could be shared with other sites and potentially other parts of HUD (including regional or local offices) to improve program effectiveness.

The Department agrees that improved communication with regional and local HUD offices could aid the Office of Recapitalization in identifying site-specific issues and improve program effectiveness. It is an ongoing goal to continuously improve transparency and working relationships across offices. Recently, the Office of the DAS for Multifamily Housing has shared an overview of the VISTA programs with Multifamily Regional office leadership recognizing that many of our field counterparts are unaware of the programs and their objectives. Additionally, the Multifamily office is in the process of assembling a Multifamily Newsletter article highlighting the programs' objectives and successes to date, another means of educating our internal partners as well as external stakeholders of these initiatives. In addition, during the Multifamily Senior Leadership meetings scheduled for August 30-September 1, the Director will discuss with the senior regional Multifamily leadership ways to work more closely together on these programs.

Recommendation 5: The Director, Office of Recapitalization, should specify requirements to achieve Phase II objectives, including modifying the interagency agreement as needed, and collaborate with CNCS and EJW to specify and align plans, activities, and reporting requirements to achieve Phase II objectives.

The Department has coordinated with CNCS and EJW in order to create an agreed upon and written Project Plan for the Phase II Program identifying expected activities and continues to hold regular communication with the partners in order to monitor progress of the Phase II Program implementation. We believe there is mutual agreement and understanding of the plan and activities and will consider additional revisions to the IAA in order to formally memorialize the project plan and related activities and reporting requirements.

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Recommendation 6: The Director, Office of Recapitalization, should implement a site-specific model to manage and evaluate Phase II site operations and use as a basis for quarterly reporting. The proposed site-specific model provides a systematic process to develop goals, activities, measures, and reports and monitor performance for Phase II.

The Department agrees that a site specific model is needed to allow each site to report activities, challenges, and accomplishments in order to achieve meaningful outcomes under the Phase II Program. We have begun to discuss this approach with CNCS and EJW as a means to develop quarterly data reports, which has been well received and supported. The Department plans to implement this recommendation in the reports described in the response to Recommendation 2, above.

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