

Introduction

State and local community development agencies and their partners across the country make significant contributions every day to address the affordable housing and community development needs of the states, localities, and neighborhoods they serve. Yet, telling the story of these accomplishments and the difference these activities make for families and communities remains a challenge for these agencies and the U.S. Department of Housing and Urban Development (HUD), the Federal agency that funds and oversees these programs.

Agencies often have the ability to describe their programs and activities, and share individual examples or anecdotes of their community development successes. While individual anecdotes and program data are important to understand housing and community development work, funding agencies and other stakeholders need to be able to quantify the difference that their investments make. However, few community development agencies have the means and capacity to measure and capture the overall impact of their efforts.

The funding available through the major Federal community development formula block grant programs administered by HUD's Office of Community Planning and Development (CPD) are a vital resource in addressing the nation's housing and community development needs. Without the means at the local level to gather information and report on the impacts that these programs are having on communities (the "program outcomes"), HUD and other key stakeholders are unable to show results from the investment of resources provided to help address these needs.

The focus on demonstrating performance and results is present at all levels of government and in the private sector. Performance measurement is a program tool that can help housing and community development practitioners collect data, track progress, and report on program results in a way that speaks to the impact a program has had on a community and the lives of its residents. Performance measurement provides a means to capture program outcomes. For example, measuring outcomes means identifying:

- How many families reside in a more suitable living environment as a result of improving the streets, not just how many roads were improved;
- How many low- and moderate-income households reside in safe, decent housing, and the number of years of affordability created for these households, not just how many rental housing units have been developed; or
- How many low-income households have secured higher paying jobs and have increased access to economic opportunities that have been made available, not just how many businesses received loans or the number of individuals who attended a job fair.

Like state and local agencies, HUD is faced with the challenge of measuring the outcomes of its programs at the Federal level. HUD's need to describe the results of its housing and community development programs is heightened by growing public

emphasis on accountability for results. Federal legislation and executive requirements establish specific responsibilities for agencies to measure the performance of their programs. Agencies must be able to measure results in terms of a program's statutory obligations and also show how their programs advance the agency's overall mission and strategic objectives. In short, they have to be able to "tell the larger story" of why their programs have meaning and how they improve lives in the communities they serve.

A New Tool – CPD Outcome Performance Measurement System

In response to this need, and in recognition of the complexity of the performance measurement task for the wide variety of local programs that are supported by Federal community development funds, a Community Development Performance Measurement Working Group was formed. The Working Group developed a framework for an outcome performance measurement system that enables HUD and its grantees to measure the impact of their programs, in order to tell the story about the difference that community development programs make. This framework will give both HUD and its grantees the capability to assemble and analyze the necessary performance information in order to better inform stakeholders, funding agencies, and the public about how Federally supported community development programs impact the nation's communities.

How to Use this Guidebook

This guidebook has been developed by HUD for grantees who receive funding from the four formula block grant programs administered by CPD:

- Community Development Block Grant Program (CDBG);
- HOME Investment Partnerships Program (HOME);
- Emergency Shelter Grants (ESG); and
- Housing Opportunities for Persons with AIDS Program (HOPWA).

The guidebook is designed to aid grantees and their partners, including subrecipients and Community Housing Development Organizations (CHDOs), in effectively implementing the new CPD Outcome Performance Measurement System, which has been incorporated into HUD's Integrated Disbursement and Information System (IDIS). HUD strongly encourages grantees to begin entering performance measurement information into the system following its release in the spring of 2006. Grantees will be required to enter this information starting on October 1, 2006 - the beginning of the 2007 Federal fiscal year.

This guidebook is designed to serve as a stand-alone resource guide that will help grantees answer many of the questions they may have about the new system. In conjunction with this guidebook, HUD will be conducting a nation-wide training program during the spring and summer of 2006 to show grantees how to use the new system.

This guidebook addresses the diverse activities that grantees and their partners can undertake using funding from the four CPD programs. It is organized into the following chapters:

- ❑ Chapter 1: Role of Performance Measurement in HUD CPD Formula Grant Programs
- ❑ Chapter 2: Overview of the CPD Outcome Performance Measurement System
- ❑ Chapter 3: Implementing the CPD Outcome Performance Measurement System
- ❑ Chapter 4: Measuring the Outcome of Housing Activities
- ❑ Chapter 5: Measuring the Outcome of Economic Development Activities
- ❑ Chapter 6: Measuring the Outcome of Homeless Housing and Support Activities
- ❑ Chapter 7: Measuring the Outcome of Housing Opportunities for Persons with AIDS (HOPWA)-Funded Activities
- ❑ Chapter 8: Measuring the Outcome of Public Service Activities
- ❑ Chapter 9: Measuring the Outcome of Public Facility and Improvement Activities
- ❑ Chapter 10: Measuring the Outcome of Activities Concentrated in a Geographic Area
- ❑ Chapter 11: Special Issues for States
- ❑ Chapter 12: Entering Performance Data into IDIS
- ❑ Chapter 13: Reporting on Results

Throughout this guidebook the term “**grantee**” is used to refer to any recipient of CPD block grant funds, including, for example, participating jurisdictions (PJs) in the HOME Program.

Additionally, the term “**activities**” is used in this guidebook to refer not only to grantee activities funded with CDBG, ESG, and HOPWA, but also HOME-funded projects.

Finally, throughout this guidebook the CPD Outcome Performance Measurement System is also referred to as the “CPD Performance Measurement System.”

For up-to-date information about the CPD Performance Measurement System and to learn about other tools and aids, visit the HUD CPD performance measurement website at: <http://www.hud.gov/offices/cpd/about/performance/index.cfm>.