The Office of Community Planning and Development and the Office of Housing will far exceed their FY 2013 targets (as well as their overall FY 2012-13 targets). The Office of Public and Indian Housing has exceeded its targets for four of five program areas, with Energy Performance Contracts (EPCs) the sole program under target with 10,507 units completed in FY 2012 and a total of 27,923 units projected to be competed in FY 2012-13.

For its lead hazard control grant programs, in FY 2012 HUD exceeded, at 102%, its production target of 12,100 homes. Work in most of these units was funded by FY 2009-2011 grants. In both FY 2012 and 2013, OHHLHC's funding was reduced, resulting in fewer lead hazard control grants. Grantees also experienced increased costs per housing unit, and less additional funding from local sources (leveraging), which resulted in fewer units being completed than projected. Through FY 2013 Quarter 3, production of 9,458 units was 101% of the target of 9,375 units, but 4th Quarter production is not expected to be sufficient to meet the FY 2013 target of 12,500 units, nor the two-year FY 2012-2013 goal of 24,600 units.

The end of Recovery Act funding and more limited resources make sustaining of the levels of activity achieved in FY 2010 through FY 2012 difficult to replicate. Additional challenges faced by the APG include the complex regulatory requirements for updating minimum energy standards for new housing; limited tools to incentivize energy efficiency in some programs; the continuing need for a uniform baseline for residential energy consumption across the portfolio; reduced funding for grant programs; and limitations on the Department's ability to collect consistent energy consumption data.

To continue to track HUD's quarterly and annual progress on this measure, visit Performance.gov.

AGENCY PRIORITY GOAL: AWARD FUNDS FAIRLY AND QUICKLY

Between October 1, 2011 and September 30, 2013, HUD aimed to improve internal processes to ensure that it could obligate 90 percent of NOFA programs within 180 calendar days from budget passage, ensuring that America's neediest families have the shelter and services they need, when they need them. The timely obligation and subsequent disbursement of funds would positively impact the agency's ability to achieve all of our priority goals.

OVERVIEW

HUD's mission is to build strong, sustainable, inclusive communities, and quality affordable homes for all. In support of this mission, HUD aims to accelerate the obligation of grant funds directly by cutting down the time it takes to get through the Notice of Funding Availability (NOFA) process. The "NOFA process" refers to the steps that HUD takes to let grantees know that there is competitive funding available and to specify how the funds are to be used and to ultimately award funds. Before a NOFA can be posted on Grants.gov, it has to be cleared internally and by the Office of Management & Budget (OMB). After the NOFA is posted and the competition is closed, applications are scored and ultimately funds are awarded. Each year HUD awards $2-3billion for community planning and development, public housing, housing counseling and family self-sufficiency.

The obligation of HUD's competitive program funds has historically been slow. These delays sometimes lead to obligation of grant awards well after the fiscal year when the funds were appropriated. Failure to obligate and disburse funds in a timely manner can result in the rescission of funds or actual program de-funding (for example, Housing Counseling in FY 2011). In addition, these holdups directly affect HUD's mission, as recipients of funds are not able to spend funds in a timely manner, if at all.

HUD is addressing three opportunities to improve the NOFA process:

- Streamlining Processes and Establishing Protocols
- Improving Governance, Coordination, and Communication
- Automating Workflow Tracking and Processes

STRATEGIES

Standardizing and Streamlining Processes and Procedures:
The current Notice of Funding Availability (NOFA) process is hindered by a bottlenecks and delays. Standardizing and streamlining NOFA processes and procedures will address many of the known root causes including: the heavy reliance on institutional knowledge, the lack of process documentation, multiple layers of review and approval, and the lack of an effective procedure to resolve points of disagreement.

Improving Governance, Coordination, and Communication:
Congress, OMB, and HUD all contribute to the policies related to NOFA governance and development. While relevant HUD offices strive to promptly communicate updates or changes to the NOFA policies and procedures, the primary means of communication are still primarily in person or by email. This creates undue errors, oversights, and inefficiencies. The development of a more effective means to communicate, educate, and collaborate is essential.

Automating Workflow Tracking and Processes:
Currently, none of the NOFA processes are automated. Workflows, notifications and tracking are managed by various individuals using their personal Excel and PowerPoint files. This makes the processing and tracking of NOFAs unduly cumbersome and subject to error. It also hinders management's visibility into the process and status, impeding appropriate oversight. HUD is evaluating alternatives to automate workflows, provide improved document control, and improve NOFA tracking.

MEASURING OUR PROGRESS

HUD has tracked progress in the obligation of NOFA programs as follows:

Percent of NOFA programs obligated within 180 days of budget passage	Target	Actual	Target Met?
FY 2011	NA	56%	NA
FY 2012	90%	46%	No
FY 2013	90%	32%[*]	No

[*] There were 25 NOFAs in FY 2013, with 8 (32%) NOFAs making the 180 day goal (September 22, 2013). An additional 3 more NOFAs were fully obligated within a week of the 180 day goal and before the end of the fiscal year, bringing the rate to 44%. HUD anticipates to attain a 77% rate by the end of the calendar year, December 31, 2013.

It is important to note that HUD made substantial progress in transforming its business processes in FY 2014. HUD succeeded in advancing all of the strategies earlier in this section. HUD is automating the NOFA processes from NOFA development through obligation. The automation of these NOFA processes will allow for better tracking of progress to ensure funds are awarded in a timely manner. HUD has also contracted with a vendor to build a communications portal for its NOFA stakeholders to easily access current policies and procedures as well as provide a general communications portal to share best practices. Details of each success are provided below:

- In late September 2013, HUD entered into an agreement with the Department of Health and Human Services (HHS) Center of Excellence for Grants Management to obtain the use of two software application modules to automate and streamline the grants process. The Announcement Module fully automates the NOFA development process from development through the posting of the NOFA to Grants.gov. This allowed HUD to avoid the risk of an independent development effort and to leverage an existing government-owned product (a shared service) that was developed with substantially more funds than are available to HUD alone. This action translated into comparatively lower procurement costs, greater functionality than originally envisioned by HUD, and reduced risk.

- The Announcement Module also automates tracking, workflow, document control and approvals that need to be made at various decision points in the process. It provides OMB direct access to the system to facilitate the clearance process. This module will be integrated into the HUD's clearance calendar process for seamless operations. Use of this Module will result in HUD no longer relying on the use of email to facilitate the majority of the NOFA clearance process, eliminating current challenges of version control, tracking, and process deviations.

- Additionally, the General Section for all NOFAs was reviewed and edited by an independent source to greatly reduce the length and to improve the clarity of the stated requirements. The improvements are expected to reduce the number of questions from potential grantees concerning the application requirements and facilitate NOFA development internally.

- The second module, an Application Review Module will be available to Programs to automate their review process. This will move many programs from their current pen and paper or excel based reviews.

- As mentioned earlier, HUD procured assistance in late September 2013 to develop an internal communications portal for the NOFA community. This portal will be the central point of NOFA communications, containing consistent, clear, authoritative information on processes, policies, and contacts. HUD expects the easy access to this information will decrease the NOFA development time, improve compliance, and lead to higher quality products.

- HUD's Grants Management Office also prepared and distributed periodic reports on the status of OMB-approved information collection requests falling under the requirements of the Paperwork Reduction Act (PRA). This has helped HUD's various program offices to identify much earlier any potential obstacles that may delay their NOFA progress. This information will be integrated into the communications portal mentioned above.

To continue to track HUD's quarterly and annual progress on this measure, visit Performance.gov.