

## Required Supplementary Stewardship Information

### Introduction

This narrative provides information on resources utilized by HUD that do not meet the criteria for information required to be reported or audited in HUD's financial statements but are, nonetheless, important to understand investments made by HUD for the benefit of the Nation. The stewardship objective requires that HUD also report on the broad outcomes of its actions associated with these resources. Such reporting will provide information that will help the reader to better assess the impact of HUD's operations and activities.

HUD's stewardship reporting responsibilities extend to the investments made by a number of HUD programs in Non-Federal Physical Property, Human Capital, and Research and Development. Due to the relative immateriality of the amounts and in the application of the related administrative costs, most of the investments reported reflect direct program costs only. The investments addressed in this narrative are attributable to programs administered through the following divisions/departments:

- Community Planning and Development (CPD),
- Public and Indian Housing (PIH),
- Policy Development and Research (PD&R), and
- Office of Healthy Homes and Lead Hazard Control (OHHLHC).

### Overview of HUD's Major Programs

**CPD** seeks to develop viable communities by promoting integrated approaches that provide decent housing, a suitable living environment, and expanded economic opportunities for low- and moderate-income persons. HUD makes stewardship investments through the following CPD programs:

- **Community Development Block Grants (CDBG)** are provided to state and local communities, which use these funds to support a wide variety of community development activities within their jurisdictions. These activities are designed to benefit low- and moderate-income persons, aid in the prevention of slums and blight, and meet other urgent community development needs. State and local communities use the funds as they deem necessary, as long as the use of these funds meet at least one of these objectives. A portion of the funds supports the acquisition, construction or rehabilitation of permanent, residential structures that qualify as occupied by and benefiting low- and moderate- income persons, while other funds help to provide employment and job training to low- and moderate-income persons.
- **Disaster Recovery Assistance (Disaster Grants/CDBG-DR)** is a CDBG program that helps state and local governments recover from major natural disasters. A portion of these funds can be used to acquire, rehabilitate, construct, or demolish physical property.
- **The Housing Investment Partnerships Program (HOME)** provides formula grants to states and localities (used often in partnership with local nonprofit groups) to fund a wide range of activities that build, buy, and/or rehabilitate affordable housing for low-income persons.
- **Homeless – Continuum of Care (CoC)** The Supportive Housing Program (SHP) was repealed and replaced by the Continuum of Care (CoC) Program effective FY 2012. The CoC is a body of

stakeholders in a specific geographic area that plans and implements homeless assistance strategies (including the coordination of resources) to address the critical needs of homeless persons and facilitate their transition to jobs and independent living.

- **Emergency Solutions Grants (ESG)** provide formula funding to local units of government for homelessness prevention and to improve the number and quality of emergency and transitional shelters for homeless individuals and families.
- **Neighborhood Stabilization Program (NSP)** stabilizes communities that have suffered from foreclosures and abandonment. Through the purchase and redevelopment of foreclosed and abandoned homes and residential properties, and by providing technical assistance (**NSP TA**), the goal of the program is being realized.
- **Housing Opportunities for People with HIV/AIDS (HOPWA)** provides education assistance and an array of housing subsidy assistance and supportive services to assist low-income families and individuals who are living with the challenges of HIV/AIDS and risks of homelessness.
- **Rural Innovation Fund (RIF)** offers grants throughout the nation to address distressed housing conditions and concentrated poverty. The grants promote an ‘entrepreneurial approach’ to affordable housing and economic development in rural areas by providing job training, homeownership counseling and affordable housing to residents of rural and tribal communities.
- **OneCPD** provides technical assistance and capacity building to CPD grantees including onsite and remote training, workshops, and 1:1 assistance.

**PIH** ensures safe, decent, and affordable housing, creates opportunities for residents’ self-sufficiency and economic independence, and assures the fiscal integrity of all program participants. HUD makes stewardship investments through the following PIH programs:

- **Indian Community Development Block Grants (ICDBG)** provide funds to Indian organizations to develop viable communities, including decent housing, a suitable living environment, and economic opportunities, principally for low and moderate-income recipients.
- The **Native Hawaiian Housing Block Grant (NHHBG)** program provides an annual block grant to the Department of Hawaiian Home Lands (DHHL) for a range of affordable housing activities to benefit low-income Native Hawaiians eligible to reside on the Hawaiian home lands. The DHHL has the authority under the NHHBG program to develop new and innovative affordable housing initiatives and programs based on local needs, including down payment and other mortgage assistance programs, transitional housing, domestic abuse shelters, and revolving loan funds.
- **Indian Housing Block Grants (IHBG)** provide funds needed to allow tribal housing organizations to maintain existing units and to begin development of new units to meet their critical long-term housing needs.
- **HOPE VI Revitalization Grants (HOPE VI)** provide support for the improvement of the living environment of public housing residents in distressed public housing units. Some investments support the acquisition, construction or rehabilitation of property owned by the PHA, state or local governments, while others help to provide education and job training to residents of the communities targeted for rehabilitation.

- **Choice Neighborhoods** grants transform distressed neighborhoods and public and assisted projects into viable and sustainable mixed-income neighborhoods by linking housing improvements with appropriate services, schools, public assets, transportation, and access to jobs.
- **The Public Housing (PH) Capital Fund** provides grants to PHAs to improve the physical conditions and to upgrade the management and operation of existing public housing.

**PD&R's** stewardship responsibilities include maintaining current information to monitor housing needs and housing market conditions, and to support and conduct research on priority housing and community development issues. In prior years, HUD made stewardship investments through the Community Development Work Study and the Partnership for Advancing Technology in Housing (PATH) program.

The **OHHLC** program seeks to eliminate childhood lead poisoning caused by lead-based paint hazards and to address other childhood diseases and injuries, such as asthma, unintentional injury, and carbon monoxide poisoning, caused by substandard housing conditions.

- **The Lead Technical Assistance Division**, in support of the Departmental Lead Hazard Control program, supports technical assistance and the conduct of technical studies and demonstrations to identify innovative methods to create lead-safe housing at reduced cost. In addition, these programs are designed to increase the awareness of lead professionals, parents, building owners, housing and public health professionals, and others with respect to lead-based paint and related property-based health issues.
- **Lead Hazard Control Grants** help state and local governments and private organizations and firms control lead-based paint hazards in low-income, privately owned rental, and owner-occupied housing. The grants build program and local capacity and generate training opportunities and contracts for low-income residents and businesses in targeted areas.

### **RSSI Reporting – HUD's Major Programs**

#### **Non-Federal Physical Property**

**Investment in Non-Federal Physical Property:** Non-Federal physical property investments support the purchase, construction, or major renovation of physical property owned by state and local governments. These investments support HUD's strategic goals to increase the availability of decent, safe, and affordable housing and to strengthen communities. Through these investments, HUD serves to improve the quality of life and economic vitality. The table below summarizes material program investments in Non-Federal Physical Property, for fiscal years 2009 through 2013.

**Investments in Non-Federal Physical Property**  
**Fiscal Year 2009 – 2013**  
*(Dollars in millions)*

Program	2009	2010	2011	2012	2013
<b>CPD</b>					
CDBG	\$1,180	\$1,083	\$1,132	\$1,115	\$1,129
Disaster Grants <sup>1</sup>	\$144	\$358	\$314	\$280	\$310
HOME	\$18	\$36	\$21	\$23	\$21
SHP/CoC - Homeless <sup>2</sup>	\$14	\$20	\$17	\$11	\$1
NSP	N/A	\$10	\$24	\$6	\$4
RIF <sup>3</sup>	N/A	N/A	N/A	\$0	\$3
<b>PIH</b>					
ICDBG	\$61	\$62	\$61	\$117	\$54
NHHBG	\$10	\$13	\$13	\$13	\$12
IHBG <sup>4</sup>	\$309	\$212	\$259	\$265	\$215
HOPE VI	\$104	\$114	\$240	\$122	\$127
Choice Neighborhoods <sup>5</sup>	N/A	N/A	N/A	\$0	\$3
PH Capital Fund <sup>6</sup>	\$2,310	\$3,783	\$3,610	\$2,223	\$1,798
<b>TOTAL</b>	<b>\$4,150</b>	<b>\$5,691</b>	<b>\$5,691</b>	<b>\$4,175</b>	<b>\$3,677</b>

**Notes:**

1. Disasters are unpredictable, which causes material fluctuations.
2. Low dollar value was due to shrinking resources for new programs.
3. Rural Innovation Fund was reported for the first time in FY 2012, however the amount was not material to be included in the FY 2012 AFR.
4. Historical amounts were updated to reflect corrections made since the last report.
5. Choice Neighborhoods was a component of HOPE VI in FY 2011. In FY 2012, it was reported separately, however the amount was not material to be included in the FY 2012 AFR.
6. Part of decrease attributed to reduced funding received for Capital Fund Program.

## Human Capital

**Investment in Human Capital:** Human Capital investments support education and training programs that are intended to increase or maintain national economic productive capacity. These investments support HUD's strategic goals, which are to promote self-sufficiency and asset development of families and individuals; improve community quality of life and economic vitality; and ensure public trust in HUD. The following table summarizes material program investments in Human Capital, for fiscal years 2009 through 2013.

**Investments in Human Capital**

**Fiscal Year 2009 – 2013**

*(Dollars in millions)*

<b>Program</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>CPD</b>					
CDBG <sup>1</sup>	\$29	\$28	\$26	\$29	\$24
Disaster Grants	N/A	N/A	\$7	\$0	\$0
ESG	\$0	\$2	\$3	\$4	\$3
NSP TA	N/A	N/A	\$2	\$2	\$1
SHP/CoC - Homeless	\$16	\$28	\$32	\$33	\$31
HOPWA	\$1	\$1	\$1	\$1	\$1
OneCPD <sup>2</sup>	N/A	N/A	N/A	\$0	\$40
<b>PIH</b>					
NHHBG	\$0	\$1	\$1	\$0	\$0
IHBG	\$1	\$1	\$1	\$1	\$1
HOPE VI	\$9	\$10	\$42	\$15	\$12
Choice Neighborhoods <sup>3</sup>	N/A	N/A	N/A	\$0	\$2
<b>OHHLHC</b>					
Lead Technical Assistance	\$0	\$0	\$1	\$0	\$0
<b>TOTAL</b>	<b>\$56</b>	<b>\$71</b>	<b>\$116</b>	<b>\$85</b>	<b>\$115</b>

**Notes:**

1. FY 2012 included \$0.6m on Rural Innovation Fund promote an 'entrepreneurial approach' to affordable housing and economic development in rural areas by providing job training, homeownership counseling and affordable housing to residents of rural and tribal communities.
2. FY 2012 was the first year of reporting OneCPD's investment in human capital in the RSSI, however the amount was not material to be included in the FY 2012 AFR.
3. Choice Neighborhoods was a component of HOPE VI in FY 2011. In FY 2012, it was reported separately, however the amount was not material to be included in the FY 2012 AFR.

**Results of Human Capital Investments:** The following table presents the results (number of people trained) of human capital investments made by HUD's CPD, PIH, and OHHLHC programs:

**Results of Investments in Human Capital**  
**Number of People Trained**  
**Fiscal Year 2009 – 2013**

<b>Program</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>CPD</b>					
CDBG	47,578	97,349	303,416	65,741	68,236
SHP/CoC - Homeless <sup>1</sup>	21.9%	21.6%	17.8%	27.4%	17.0%
HOPWA	N/A	2,614	1,662	1,426	1,595
NSP TA <sup>2</sup>	N/A	131	541	933	298
RIF <sup>3</sup>	N/A	N/A	N/A	0	1,048
OneCPD <sup>4</sup>	N/A	N/A	N/A	N/A	9,791
<b>PIH</b>					
ICDBG <sup>5</sup>	15	0	122	0	0
NHHBG <sup>5</sup>	160	210	116	0	0
IHBG <sup>5</sup>	485	1,474	1,550	770	1,077
HOPE VI (see table on next page)					
<b>OHHLHC</b>					
Lead Technical Assistance <sup>6</sup>	1,200	0	3,000	600	590
<b>TOTAL</b>	<b>49,438</b>	<b>101,778</b>	<b>310,407</b>	<b>69,470</b>	<b>82,635</b>

**Notes:**

1. SHP/CoC results are expressed in terms of percentage of persons exiting the programs having employment income. Prior years' information is continually being updated as grantees submit project level data.
2. FY 2010 was the first year of reporting NSP TA's results of investments in human capital in the RSSI. As of FY 2012, outcomes data were under development in the Disaster Recovery Grant Reporting System. Performance measures were developed that will allow for more accurate and comprehensive tracking of outcomes. The number of people trained under the Program during reporting period became available in FY2013 for current and prior years.
3. FY 2012 was the first year of reporting Rural Innovation Fund's results of investments in human capital in the RSSI, however the amount was not material to be included in the FY 2012 AFR.
4. FY 2013 was the first year of reporting OneCPD's results of investments in human capital in the RSSI.
5. Due to new administrative requirements in FY 2012, there was a decline in the procurement of training. This resulted in fewer grantees receiving program training.
6. Congress did not fund the Lead Technical Assistance program in FY 2010. FY 2009 funding was \$0.2 million.

**HOPE VI Results of Investments in Human Capital:** Since the inception of the HOPE VI program in FY 1993, the program has made significant investments in Human Capital related initiatives (i.e., education and training). The following table presents HOPE VI's key cumulative performance information for fiscal years 2009, 2010, 2011, 2012 and 2013, since the program's inception.

**HUD FY 2013 Agency Financial Report**  
**Section 2**

**Key Results of HOPE VI Program Activities**  
**Fiscal Years 2009 – 2013**

<b>HOPE VI Service</b>	<b>2009 Enrolled</b>	<b>2009 Completed</b>	<b>% Completed</b>	<b>2010 Enrolled</b>	<b>2010 Completed</b>	<b>% Completed</b>
Employment Preparation, Placement, & Retention <sup>1</sup>	75,991	N/A	N/A	78,818	N/A	N/A
Job Skills Training Programs	31,079	16,490	53%	31,932	16,936	53%
High School Equivalent Education	16,453	4,760	29%	17,036	4,989	29%
Entrepreneurship Training	3,496	1,505	43%	3,528	1,534	43%
Homeownership Counseling	15,259	6,506	43%	15,727	6,752	43%
<b>HOPE VI Service</b>	<b>2011 Enrolled</b>	<b>2011 Completed</b>	<b>% Completed</b>	<b>2012 Enrolled</b>	<b>2012 Completed</b>	<b>% Completed</b>
Employment Preparation, Placement, & Retention <sup>1</sup>	80,435	N/A	N/A	82,630	N/A	N/A
Job Skills Training Programs	32,597	17,267	53%	33,566	17,753	53%
High School Equivalent Education	17,305	5,053	29%	17,684	5,164	29%
Entrepreneurship Training	3,608	1,570	44%	3,672	1,613	44%
Homeownership Counseling	15,864	6,858	43%	16,163	6,964	43%
<b>HOPE VI Service</b>	<b>2013 Enrolled</b>	<b>2013 Completed</b>	<b>% Completed</b>			
Employment Preparation, Placement, & Retention <sup>1</sup>	84,792	N/A	N/A			
Job Skills Training Programs	34,664	18,322	53%			
High School Equivalent Education	18,206	5,263	29%			
Entrepreneurship Training	3,730	1,635	44%			
Homeownership Counseling	16,504	7,046	43%			

**Note:**

*1. Completion data for this service is not provided, as all who enroll are considered recipients of the training.*

**Research and Development**

**Investments in Research and Development:** Research and development investments support (a) the search for new knowledge and/or (b) the refinement and application of knowledge or ideas, pertaining to development of new or improved products or processes. Research and development investments are intended to increase economic productive capacity or yield other future benefits.

As such, these investments support HUD’s strategic goals, which are to increase the availability of decent, safe, and affordable housing in America’s communities; and ensure public trust in HUD.

The following table summarizes HUD's research and development investments.

**Investments in Research and Development**  
**Fiscal Year 2009 – 2013**  
*(Dollars in millions)*

<b>Program</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>CPD</b>					
Disaster Grants	\$0	\$0	\$6	\$0	\$0
<b>PIH</b>					
IHBG <sup>1</sup>	\$1	\$0	\$0	\$0	\$0
<b>PD&amp;R</b>					
PATH <sup>2</sup>	\$1	\$0	\$0	\$0	\$0
<b>OHHLHC</b>					
Lead Hazard Control	\$3	\$5	\$1	\$1	\$2
<b>TOTAL</b>	<b>\$5</b>	<b>\$5</b>	<b>\$7</b>	<b>\$1</b>	<b>\$2</b>

**Notes:**

1. *In FY 2006-2009 funds were expended on a study to evaluate the effectiveness of the IHBG program.*
2. *The program has not received a new appropriation since FY 2007.*

**Results of Investments in Research and Development:** In support of HUD's lead hazard control initiatives, the OHHLHC program has conducted various studies. Such studies have contributed to an overall reduction in the per-housing unit cost of lead hazard evaluation and control efforts over the last decade. More recently, as indicated in the table on the next page, the studies have contributed to a relatively flat per-housing unit cost, as adjusted for nominal inflation and cost of construction increases. The per-housing unit cost varies by geographic location and the grantees' level of participation in control activities. These studies have also led to the identification of the prevalence of related hazards.

**Per-Housing Unit Cost of Lead Hazard Evaluation and Control**  
**Fiscal Year 2009 – 2013**  
*(Dollars)*

<b>Program</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>OHHLHC</b>					
Lead Hazard Control	\$5,554	\$5,901	\$6,247	\$5,763	\$6,321
<b>TOTAL</b>	<b>\$5,554</b>	<b>\$5,901</b>	<b>\$6,247</b>	<b>\$5,763</b>	<b>\$6,321</b>