

CDBG PERFORMANCE MEASURES

Questions and Answers on the Office of Management and Budget's (OMB) PART Assessment of the Community Development Block Grant (CDBG) and CDBG Performance Measures

- Q. OMB asserts that the CDBG program is ineffective because it lacks performance outcome measures.**
- A. A group of national community development organizations (NCDA, NAHRO, NACCED, and COSCDA) met with HUD and OMB for nearly a year to develop a framework of performance outcome measures for HUD's four formula grant programs: CDBG, HOME, Emergency Shelter Grants, and Housing Opportunities for Persons with AIDS. A consensus was reached on a framework and the specific outcome measures to evaluate the effectiveness of these programs. OMB helped develop and has signed off on the framework. HUD is in the process of implementing it. The framework and measures are available to the public on www.cosгда.org. The program now has solid performance measures that should be implemented to further document the benefit of CDBG programming.
- Q. OMB says that the impact of CDBG is not known.**
- A. There are several rich data sources that demonstrate that CDBG is benefiting people and communities in need. According to data on HUD's website, in FY04 alone, approximately 170,000 households received housing assistance from CDBG; 11,000 became new homeowners; 19,000 households lived in rental housing units rehabilitated by CDBG; and 112,000 low- and moderate-income homeowners had their homes rehabilitated by CDBG. Over 9 million persons were served by new or reconstructed public facilities and infrastructure, including new or improved roads, fire stations, libraries, water and sewer systems, and centers for youth, seniors and persons with disabilities. More than 13 million persons received assistance from CDBG funded public services, including employment training, child care, assistance to battered and abused spouses, transportation services, crime awareness, legal services, and services for seniors, the disabled, and youth. More than 78,000 jobs were created or retained with the use of CDBG funds. In addition, over time grantees provided CDBG-funded loans to businesses located in distressed neighborhoods, with minority businesses receiving approximately 25% of the loans.
- Q. OMB asserts that the CDBG program is fraught with waste, fraud and abuse.**
- A. Contrary to this assertion, OMB's PART review of the CDBG program last year states that "... the funds are obligated in a timely manner and spent for the intended purpose." It goes on to say that the program uses strong financial management practices, and HUD has taken meaningful steps to address its management deficiencies.

Q. OMB asserts that CDBG duplicates other federal programs and it should be transferred to the Department of Commerce.

A. Contrary to this assertion, OMB's PART review of the CDBG program concluded that CDBG coordinates effectively with related programs. Furthermore, the PART review states "...that many communities often use CDBG to fill programmatic gaps not covered by other Federal, state and local programs." For example, homeless programs may provide funds for operation, but CDBG funds can provide funds for the facility. Furthermore, there may be other Federal, state, local or private resources in a CDBG funded projects, but it is CDBG that makes the community development activity available or accessible to low and moderate citizens, as only CDBG is specifically funded to serve the needs of low income communities.