



U.S. DEPARTMENT OF  
HOUSING AND URBAN DEVELOPMENT  
OFFICE OF INSPECTOR GENERAL

**MEMORANDUM NO.  
2012-CH-0801**

September 28, 2012

**MEMORANDUM FOR:** Mark Johnston, Acting Assistant Secretary for Community Planning and Development, D

*Kelly Anderson*

**FROM:** Kelly Anderson, Regional Inspector General for Audit, 5AGA

**SUBJECT:** HUD's Office of Community Planning and Development Needs To Improve Its Tracking of HOME Investment Partnerships Program Technical Assistance Activities

**INTRODUCTION AND BACKGROUND**

We reviewed the U.S. Department of Housing and Urban Development's (HUD) technical assistance for the HOME Investment Partnerships Program. The review was part of the activities in our fiscal year 2012 annual audit plan. We initiated the review based upon a congressional request. Our objective was to determine whether HUD's Office of Community Planning and Development sufficiently tracked Program technical assistance activities, including technical assistance activities for community housing development organizations.

***The Program.*** Authorized under Title II of the Cranston-Gonzalez National Affordable Housing Act, as amended, the Program is funded for the purpose of increasing the supply of affordable standard rental housing; improving substandard housing for existing homeowners; assisting new home buyers through acquisition, construction, and rehabilitation of housing; and providing tenant-based rental assistance.

***Community development technical assistance program.*** The purpose of the community development technical assistance program is to provide technical assistance to achieve the highest level of performance and results for five separate community development areas. Our review focused on HUD's use of technical assistance for the Program, which includes technical assistance for organizations. Technical assistance for the Program includes national and local technical assistance activities. National technical assistance activities address, at a nationwide level, one or more of the Office's technical assistance program priorities and include written products; development of materials and training; and delivery of training, workshops, and conferences. National technical assistance activities are administered by the Technical Assistance Division in conjunction with HUD's program offices in headquarters. Local technical assistance activities are administered by each field Office and are limited to needs

assessments of participating jurisdictions, direct technical assistance to participating jurisdictions, and delivery of approved training developed under the national technical assistance activities.

Regarding national Program technical assistance activities, government technical representatives and government technical monitors in HUD’s headquarters Office are responsible for tracking the specific details of each activity. The Director of the Technical Assistance Division stated that HUD’s headquarters Office maintains detailed files for national technical assistance activities. However, due to the ongoing construction at HUD headquarters, documentation for the activities was not readily accessible. For local Program technical assistance activities, government technical representatives and government technical monitors from HUD’s field Offices are responsible for tracking the specific details of each activity. HUD’s headquarters Office has minimal information regarding local Program technical assistance activities. The Office’s Acting Deputy Assistant Secretary for Operations stated that the specific details of each activity can generally only be obtained from the applicable field Office or technical assistance provider.

The following table shows the amount of funds Congress appropriated for Program technical assistance from fiscal years 2006 through 2009.

<b>Fiscal year</b>	<b>Technical assistance funds</b>
<b>2006</b>	\$9,900,000
<b>2007</b>	9,900,000
<b>2008</b>	12,500,000
<b>2009</b>	<u>12,000,000</u>
<b>Total</b>	<b><u>\$44,300,000</u></b>

### **METHODOLOGY AND SCOPE**

To accomplish our objective, we reviewed applicable laws, appropriations of funds for technical assistance for the Program, and HUD guidance. We also reviewed documentation for Program technical assistance activities and interviewed HUD’s staff. See appendix A of this memorandum for a more detailed list of the documentation we reviewed to accomplish our objective.

We performed our review work from September 2011 through June 2012 at HUD’s headquarters located at 451 7th Street Southwest, Washington, DC, and HUD’s Chicago regional office located at 77 West Jackson Boulevard, Chicago, IL. The review covered the period October 2009 through August 2011 and was expanded as determined necessary.

Our initial objective was to determine whether HUD’s use of technical assistance was sufficient to improve participating jurisdictions’ administration of Program funds. However, due to HUD’s Office’s lack of a centralized system or database for tracking all Program technical assistance activities and the unreliability of the information and documentation provided by the technical

assistance providers, we determined that it would take a significant amount of time to obtain an accurate and complete list of the activities that were completed from October 1, 2009, through August 31, 2011, from which to select activities for review. Therefore, we significantly reduced the scope of our review and revised our objective to determining whether HUD's Office sufficiently tracked all Program technical assistance activities. We performed our review in accordance with generally accepted government auditing standards except that we did not identify criteria from which to compare and evaluate the results of our review. The recommendations are based on the concept of best practices. These facts do not affect the significance of the conditions identified in this memorandum. In addition, we believe that the evidence obtained provides a reasonable basis for our results and conclusion based on our review objective.

We asked HUD's Acting Assistant Secretary for Community Planning and Development to provide comments on our discussion draft audit memorandum by August 31, 2012. HUD's Office of Community Planning and Development elected not to provide formal written comments.

## **RESULTS OF REVIEW**

HUD's Office did not have a centralized system or database that allowed it to sufficiently track all Program technical assistance activities and efficiently and effectively provide information on completed activities.

Our initial objective was to determine whether HUD's use of technical assistance was sufficient to improve participating jurisdictions' administration of Program funds. To accomplish our objective, we first needed to obtain the national and local Program technical assistance activities that were completed from October 1, 2009, through August 31, 2011, to select activities for review. However, on September 29, 2011, HUD's Office informed us that it did not have a centralized system or database that sufficiently tracked all activities. Therefore, we began discussing alternative ways to obtain the activities that were completed during the period.

The Office's Technical Assistance Division provided us with a list from its community development technical assistance database of 129 cooperative agreements between HUD and technical assistance providers from which Program technical assistance activities may have been completed. However, the list did not include specific details regarding the activities that were completed under the cooperative agreements.

On October 13 and 25, 2011, we requested information and documentation from HUD's Office regarding the specific details for all national and local Program technical assistance activities, respectively, that were completed. The specific details requested for each completed activity included the name(s) of the technical assistance provider(s), the recipient(s) of the technical assistance, when and where the activity took place, the type of activity (such as training course development, training course delivery, or creation of written guidance), and the costs associated with each activity.

HUD's Office of Affordable Housing Programs began providing information and documentation regarding the specific details for national Program technical assistance activities that were completed. However, as previously mentioned, some of the information or documentation for the national activities was not readily accessible due to the ongoing construction at HUD headquarters. In addition, the Director of the Technical Assistance Division stated that some of the information and documentation regarding the specific details for local activities would be more readily available from the technical assistance providers than from HUD's field Offices. Therefore, to expedite the collection and delivery of the requested information and documentation, HUD's Office decided to request the information and documentation for all national and local activities from the providers.

As of February 2, 2012, more than 3 months after we requested the specific details for all national and local Program technical assistance activities completed, we had received an initial response from all 41 technical assistance providers from which HUD requested information and documentation. However, the initial responses from 18 of the providers did not indicate whether any activities had been completed under 32 of the 129 cooperative agreements. Further, the responses from five of the providers included information on activities that had been completed under 7 cooperative agreements that were not included in the list of 129 cooperative agreements provided by the Technical Assistance Division. We informed HUD's Office of the 18 providers that did not indicate whether any activities had been completed under the 32 cooperative agreements. HUD's Office then contacted the providers for clarification. Six of the providers responded that activities had been completed under 7 of the 32 cooperative agreements. In addition, one of the six providers also responded that an additional activity was completed under one of the cooperative agreements included in its initial response. As of July 31, 2012, one provider had not responded regarding whether any activities had been completed under two of its cooperative agreements. Therefore, we determined that we could not rely on the accuracy and completeness of the information and documentation provided by the providers.

Since the Acting Deputy Assistant Secretary for Operations stated that the details of each local technical assistance activity could generally only be obtained from the applicable field Office or technical assistance provider, we requested information from the Directors of HUD's 43 field Offices to determine whether the field Offices had a centralized system or database for tracking all activities funded through their respective field Office. Nine of the field Offices did not maintain a centralized system or database for tracking activities. The remaining 34 field Offices maintained a centralized system or database that tracked activities funded through their respective field Office for all or part of the requested period. However, staff from the 34 field Offices stated that the centralized systems or databases did not contain one or more of the specific details that we had requested from HUD's Office. Further, staff from 36 of the 43 field Offices stated that to provide all of the specific details for each activity, the field Offices would have to compile the information from documentation (such as work plans, invoices, quarterly reports, attendance sheets, and final reports) maintained in the field Offices' Program technical assistance files. Staff from the remaining seven field Offices stated that the field Offices' Program technical assistance files might not include all of the specific details for each activity and that the field Offices would possibly have to obtain the information from the providers.

As of June 27, 2012, HUD's Office was finalizing the design of and implementing HUD's OneCPD Integrated Practitioner Assistance System. HUD's System was first authorized under its Transformation Initiative, contained in HUD's Appropriations Act of 2010. It represents a fundamental change in the way HUD's traditional program-specific community development technical assistance has been structured over the years. HUD's System will be structured and operated as a single cross-program, assessment-based, and outcome-focused delivery system to carry out comprehensive and sustainable place-based development and revitalization strategies. Funds allocated under HUD's System will no longer be designated (1) for a specific Office of Community Planning and Development formula program or (2) as either national or local technical assistance funds. In addition, HUD's System will be designed to measure outcomes and the impact on communities. It will be centrally managed by HUD's headquarters Office with extensive involvement from HUD's 43 field Offices. One of the specific objectives of HUD's System is to ensure timely and effective performance by grantees and their partners, as well as effective project tracking and monitoring. The goal of HUD's Office is to be able to track all technical assistance funds, activities, and assignments associated with HUD's System through HUD's Learning Management System and a newly developed technical assistance module in HUD's Disaster Recovery Grants Reporting system by the end of calendar year 2012.

The Director of HUD's Technical Assistance Division stated that the main reasons why HUD's Office did not have centralized system in place to track all Program technical assistance activities were (1) a lack of funding to implement a centralized Web-based system, (2) a distributed technical assistance model in which significant amounts of technical assistance were fully managed by HUD's field Offices, and (3) the complexity and inflexibility of various statutory requirements for the program-specific technical assistance. Although a centralized system or database to track Program technical assistance activities was not absolutely necessary, it would have been useful and helpful in analyzing statistical technical assistance data and allowed HUD's Office to provide information on completed Program technical assistance activities more efficiently. However, a non-Web-based system would not have been economical due to the amount of staff time necessary to regularly compile all of the information. In addition, the lack of a centralized system did not negatively impact the ability to deliver technical assistance.

The Acting Director of HUD's Office of Affordable Housing Programs stated that HUD's Office lacked the resources and staff to effectively track all Program technical assistance activities using a non-Web-based system such as Excel. Staff from headquarters and each field Office would have had to keep separate Excel spreadsheets to track their respective Office's Program technical assistance activities. Further, staff would need to compile all of the data from the Excel spreadsheets monthly or quarterly. Therefore, a non-Web-based tracking system would have required staff to manually enter too much data for it to be a viable and cost-effective method of tracking all Program technical assistance activities. In addition, HUD's Office did not have the resources to hire additional staff.

The Director of HUD's Program Policy Division in the Office of Affordable Housing Programs stated that a centralized Web-based system for tracking technical assistance was wanted and needed. Therefore, once sufficient funding became available, HUD's Office began developing HUD's OneCPD Integrated Practitioner Assistance System. HUD's System will, among other

things, enable HUD's Office to more efficiently and effectively analyze technical assistance activities and provide information on completed activities.

We agree that it would have taken additional time for staff from HUD's headquarters and field Offices to enter data into and maintain a non-Web-based tracking system such as Excel. However, we believe that HUD's Office could have effectively tracked all Program technical assistance activities using a non-Web-based system. First, staff from 34 of the 43 field Offices already used some form of a non-Web-based system to track activities funded through their respective field Office. Further, staff from each of the field Offices will be required to enter data into the systems being used for HUD's OneCPD Integrated Practitioner Assistance System. Therefore, the staff would not have spent a significant amount of additional time entering data into a standardized non-Web-based tracking system. In addition, there are ways to quickly compile data from multiple sources. HUD's Office also allowed the Technical Assistance Division to hire additional staff with existing funding sources to assist with the administration of HUD's System. HUD's Office could have made a similar commitment to a non-Web-based system to be able to sufficiently track and analyze all Program technical assistance activities.

### **CONCLUSION**

Without a centralized system or database that sufficiently tracked all Program technical assistance activities, HUD's Office lacked the ability to efficiently and effectively provide information on completed activities.

Further and as previously stated, our initial objective was to determine whether HUD's use of technical assistance was sufficient to improve participating jurisdictions' administration of Program funds. Due to HUD's Office's lack of a centralized system or database for tracking all Program technical assistance activities and the unreliability of the information and documentation provided by the technical assistance providers, we determined that it would take a significant amount of time to obtain an accurate and complete list of the activities that were completed from October 1, 2009, through August 31, 2011, from which to select activities for review. Therefore, we did not determine whether HUD's use of technical assistance was sufficient to improve participating jurisdictions' administration of Program funds.

In addition, since HUD's Office was in the process of finalizing the design of and implementing HUD's OneCPD Integrated Practitioner Assistance System, we could not evaluate the effectiveness of the steps HUD was taking to improve the Program regarding technical assistance.

### **RECOMMENDATIONS**

We recommend that HUD's Acting Assistant Secretary for the Office of Community Planning and Development

- 1A. Implement adequate procedures and controls to ensure that HUD's Office uses the tracking mechanisms within HUD's systems to sufficiently track all technical assistance activities

regarding the Program once HUD's OneCPD Integrated Practitioner Assistance System is fully implemented.

- 1B. Implement adequate procedures and controls to ensure that HUD's Office sufficiently tracks all technical assistance activities regarding the Program until it fully implements HUD's OneCPD Integrated Practitioner Assistance System.

For each recommendation without a management decision, please respond and provide status reports in accordance with HUD Handbook 2000.06, REV-4. Please furnish us copies of any correspondence or directives issued because of the review.

## Appendix A

### METHODOLOGY AND SCOPE – DETAILED LIST OF DOCUMENTATION REVIEWED

---

To accomplish our objective, we reviewed

- Applicable laws; House Report 109-307 for fiscal year 2006; House Joint Resolution 20, Continuing Appropriations Resolution for fiscal year 2007; Consolidated Appropriations Act for fiscal year 2008; Omnibus Appropriations Act for fiscal year 2009; HUD's regulations at 24 CFR (Code of Federal Regulations) Parts 84, 85, and 92; the Federal Register, dated March 8, 2006, and March 13, 2007; HUD's fiscal year 2008 Super Notice of Funding Availability for HUD's Discretionary Programs, dated April 15, 2008; HUD's fiscal year 2009 Notice of Funding Availability for Community Development Technical Assistance, dated August 20, 2009; HUD's fiscal year 2010 Notice of Funding Availability for Technical Assistance and Capacity Building under the Transformation Initiative, dated December 22, 2010; chapters 11 and 12 of HUD Handbook 2210.3, REV-9; and chapter 17 of HUD Handbook 6509.2, REV-5.
- ICF International's grant closeout reports for its 2006 and 2007 community development technical assistance cooperative agreement numbers VAHM-001-06 and VAHM-001-07, dated February 24, 2011, and September 30, 2011, respectively; Dennison Associates, Incorporated's final closeout report for its 2006 community development technical assistance cooperative agreement number DCHM-001-06, dated November 29, 2010; HUD's community development technical assistance cooperative agreement provisions for fiscal years 2007 through 2009; HUD's field office winners reports for fiscal years 2006 through 2009 technical assistance awards; cooperative agreement data extracted from HUD's Technical Assistance Division's community development technical assistance database; and Excel spreadsheets provided by HUD that included details of national and local Program technical assistance activities completed by the technical assistance providers from October 1, 2009, through August 31, 2011.