

Chapter 2: Overview of the CPD Outcome Performance Measurement System

Chapter 2 provides an overview of the CPD Outcome Performance Measurement System. It describes what activities the system covers, how the system is organized, and what the grantee must do in order to use the system. The chapter further describes the key reporting classifications of the system—the activity objectives, outcomes, and indicators of activities. A glossary at the end of the chapter includes definitions of key terms used in the system.

Types of Activities

The CPD Outcome Performance Measurement System is organized around the major types of activities funded by CDBG, HOME, HOPWA, and ESG. The following activities are covered by the system. Each is discussed in further detail in subsequent chapters:

- Housing;
- Economic development;
- Homeless housing and support;
- Housing for persons with AIDS;
- Public services;
- Public facilities; and
- Geographic-based revitalization efforts.

Highlights of the System

The final framework adopted by the CPD Performance Measurement Working Group reflects intensive discussion, research, and analysis over an 18-month period to meet the goals and adhere to the guiding principles it established for the system. The key features of the system include:

- Common performance measures that apply to all four programs:** The measures of program performance that are incorporated into the system are structured by type of activity, rather than by program. This feature means that for activities common across several programs (e.g., housing rehabilitation) the same performance data is collected regardless of the source of funds.
- Outcome measures are driven by local intent:** The system recognizes that the same activity may be undertaken for different purposes and to achieve different types of results. With this system, grantees can specify their program intent and the type of outcomes that they anticipate for an activity.

- ❑ **Indicators that use data commonly collected by grantees:** The indicators used by the performance measurement system are based on data that are readily gathered by grantees, regardless of size or administrative capacity.
- ❑ **Data collected from all grantees will enable HUD to roll up results to a national level:** The system focuses on a limited set of performance indicators and data items that are required of all grantees. The use of a single standardized set of data, regardless of variation in local program design, means that HUD can readily “roll up” the results reported by grantees from across the country into a set of overall national results by program.

Key Components of the CPD Outcome Performance Measurement System

In varying degrees of specificity, most grantees have a stated purpose for program activities they choose to undertake. It is only logical that these activities be evaluated based on how well they meet the intended purposes. For this reason, the CPD Outcome Performance Measurement System is designed to capture the state and local program purposes, and then to generate certain performance indicators that measure the activity’s success at achieving the intended purpose.

There are three main components to the CPD Outcome Performance Measurement System:

- ❑ Objectives;
- ❑ Outcomes; and
- ❑ Indicators.

A list of commonly asked questions on objectives, outcomes, and indicators is provided as Appendix 3 to this guidebook.

Using the System – A Brief Overview of Key Actions for Grantees

To understand the key components of the system, it is helpful to begin with a brief overview of how grantees will use the system. For each activity that a grantee plans and ultimately funds, the grantee will need to:

1. **Determine the goal of the activity.** This task is performed both when grantees prepare their Consolidated Plan submissions (i.e., Strategic Plan or Annual Action Plans) and make a decision to fund an activity.
2. **Select one objective and one outcome that best reflect the goal or purpose of the activity.** This task also is performed when grantees prepare their Consolidated Plan submissions and make a decision to fund an activity.
3. **Indicate the corresponding objective and outcome for an activity** when setting up the activity in IDIS; and

4. **Report on the applicable indicators** regularly in IDIS and when completing an activity in IDIS.

The CPD Outcome Performance Measurement System focuses on activity level data as that term is used in IDIS. The activity type (and national objective for CDBG-assisted activities) will generally dictate which outcome indicator fields will need to be completed.

When the grantee sets up an activity in IDIS, the CPD Outcome Performance Measurement System will require the grantee to select from a list of predetermined objectives and outcomes. Objectives and outcomes will help define the grantee's intended purpose for the activity it is funding. For each activity, grantees must choose one of the three objectives that best fits the purpose of the activity based on the type of activity, funding source, and local program intent. Once the grantee has chosen the appropriate objective for its activity, it must then choose the outcome that best reflects what it is seeking to achieve based on the purpose of the activity.

The objectives closely mirror the statutory objectives of each program and, therefore, grantees can only select the one objective that the activity is intended to meet. To avoid diluting data with too much information, grantees must choose one of three outcomes, depending on which outcome is most appropriate for their activity. While it may be the case that a grantee feels that two or even all three outcomes are equally important to its activity, it must select only one for the purpose of IDIS data entry. However, a grantee may indicate more than one proposed outcome for an activity in the narratives for its Consolidated Plan or Annual Action Plan and its reporting.

Objectives

The CPD Outcome Performance Measurement System offers three possible objectives for each activity. These objectives are based on the broad statutory purposes of the four CPD programs:

- Creating Suitable Living Environments** relates to activities that are designed to benefit communities, families, or individuals by addressing issues in their living environment. This objective relates to activities that are intended to address a wide range of issues faced by low- and moderate-income persons, from physical problems with their environment, such as poor quality infrastructure, to social issues such as crime prevention, literacy, or elderly health services.
- Providing Decent Housing** covers the wide range of housing activities that are generally undertaken with HOME, CDBG, or HOPWA funds. This objective focuses on housing activities whose purpose is to meet individual family or community housing needs. It does not include programs where housing is an element of a larger effort to make community-wide improvements, since such programs would be more appropriately reported under Suitable Living Environments.

- ❑ **Creating Economic Opportunities** applies to activities related to economic development, commercial revitalization, or job creation.¹

The objectives are framed broadly to capture the range of community impacts that occur as a result of program activities. Grantees can use the framework of the CPD Outcome Performance Measurement System as a basis for developing their own local system and incorporate more specific objectives that reflect their local priorities. However, for HUD, it is important that grantee activities be mapped to one of these three objectives so that HUD can describe the results of the four programs at a national level.

TIP

*When selecting an **objective**, ask:*

What is the purpose of the activity?

What is the larger community need that I am seeking to address?

Outcomes

The second component of the system – outcomes - is closely related to the objectives. The program outcome helps further refine the grantee’s objective and is designed to capture the nature of the change or the expected result of the objective that a grantee seeks to achieve. Outcomes correspond to the question “What is the **type** of change the grantee is seeking? Or what is the expected result of the activity?”

TIP

*When selecting an **outcome**, ask:*

What type of change or result am I seeking?

The Performance Measurement Working Group considered a wide range of reasons why a grantee might fund activities and narrowed the outcomes down to the following three:

- ❑ **Availability/Accessibility** applies to activities that make services, infrastructure, public services, public facilities, housing, or shelter available or accessible to low- and moderate-income people, including persons with disabilities. In this category, accessibility does not refer only to physical barriers, but also to making the basics of daily living available and accessible to low- and moderate-income people where they live.
- ❑ **Affordability** applies to activities that provide affordability in a variety of ways to low- and moderate-income people. It can include the creation or maintenance of affordable housing, basic infrastructure hook-ups, or services such as transportation or day care. Affordability is an appropriate objective whenever an activity is lowering the cost, improving the quality, or increasing the affordability of a product or service to benefit a low-income household. For instance, a low

¹ The objective “Creating Economic Opportunity” is unlikely to be used for housing activities supported with HOME, HOPWA, or ESG funds.

interest loan program might make loans available to low- and moderate-income microenterprise businesses at 1% interest, which is far below the market rate. This program lowers the cost of the loan, enabling entrepreneurs to start businesses. As a result, the program makes financing more affordable. Another example might be a subsidized day care program that provides services to low- and moderate-income persons/families at lower cost than unsubsidized day care.

- **Sustainability** applies to activities that are aimed at improving communities or neighborhoods, helping to make them livable or viable by providing benefit to persons of low- and moderate-income or by removing or eliminating slums or blighted areas, through multiple activities or services that sustain communities or neighborhoods.

Remember, the same activity can be categorized in different ways, depending on the local intent. For example, a rental rehabilitation program may be offered to increase the supply of affordable housing units for large families. The outcome for the program would be “Availability/accessibility” since the nature of the change is to make additional larger units available in the housing market. In a different jurisdiction, a rental rehabilitation program might provide a development subsidy for the rehabilitation of large units for the purpose of lowering the cost of housing or to provide decent and safe housing in a particular neighborhood or community for larger families. There, the primary outcome would be “Affordability.”

To avoid diluting data with too much information, grantees must choose one of three outcomes, depending on which outcome is most appropriate for their activity. While it may be the case that a grantee believes that two or even all three outcomes are equally important to its activity, it must select only one outcome.

It is important to note that ‘sustainability’ is specifically tied to activities that are designed for the purpose of ensuring that a particular geographic area as a whole (such as a neighborhood) becomes or remains viable. It is targeted at supporting a specific physical location. On the other hand, ‘availability’ is related to making services, infrastructure, housing, or shelter available or accessible to individual residents/beneficiaries. Also, although the term ‘accessibility’ also refers to access for persons with disabilities as an outcome, it is intended to mean increased access to various services, housing units, or facilities.

Using the framework shown below in Exhibit 2-1 and data reported by grantees, HUD will generate national outcome statements to describe the aggregate impact that local program activities are achieving. Exhibit 2-2 below provides examples of individual national outcome statements.

Exhibit 2-1: Link between Objectives, Outcomes, and Outcome Statements

	Outcome 1: Availability/Accessibility	Outcome 2: Affordability	Outcome 3: Sustainability
Objective #1 Suitable Living Environment	Accessibility for the purpose of creating Suitable Living Environments	Affordability for the purpose of creating Suitable Living Environments	Sustainability for the purpose of creating Suitable Living Environments
Objective #2 Decent Housing	Accessibility for the purpose of providing Decent Housing	Affordability for the purpose of providing Decent Housing	Sustainability for the purpose of providing Decent Housing
Objective #3 Economic Opportunity	Accessibility for the purpose of creating Economic Opportunities	Affordability for the purpose of creating Economic Opportunities	Sustainability for the purpose of creating Economic Opportunities

These outcome statements will help the grantee to demonstrate the results its program is making at the local level and help HUD to demonstrate how Federal funds are being used to make a difference at the national level.

Indicators

Once the grantee has established the program purpose (objective), and intended result (outcome), the next step is to identify how to measure progress toward achieving the intended results. The IDIS system simplifies this job by identifying the indicators the grantee must report on. Some are common indicators that will be reported for nearly all program activities. Others are activity-specific indicators that are relevant only for the specific activity the grantee is undertaking.

Grantees will be required to report on the indicators that are applicable to the individual activities that they fund. An activity does not have to report on all the indicators that could be achieved, but data on all of the indicators that describe the results of their activity must be reported.

Exhibit 2-2: CPD Outcome Performance Measurement System - Outcome Statements

The following outcome statements are examples of how HUD will be able to use the information reported in IDIS, using the outcomes and indicators in the Outcome Performance Measurement System, to generate reports that can produce outcome statements similar to those shown in the attachment.

Outcome Statement for Senior Public Services and Senior Public Facilities Activities

In FY 2004, the CDBG program provided access to affordable services and facilities for over 2.4 million of our nation's 36 million senior citizens, 4 million of whom lived at or below the poverty level. CDBG funding provided new access to services for 700,000 seniors, improved access to services for over 1.1 million seniors, and improved the quality of services for 600,000 senior citizens creating more suitable living environments and more viable communities for elderly individuals whose median annual income nationwide was \$23,787. The CDBG program assisted 1.6 million of those senior citizens by supporting public services, such as meals on wheels and operating costs of senior transportation, senior health clinics, and other programs; the program assisted nearly 800,000 seniors through the construction and rehabilitation of senior centers and other facilities devoted to providing essential services to our elderly population.

Outcome Statement for Owner-Occupied Housing Rehabilitation

In FY 2004, the CDBG program rehabilitated 138,000 owner-occupied homes for the purpose of sustaining decent affordable housing. 32,000 housing units, previously considered substandard according to local codes, were brought up to local standards as a result of the CDBG-funded rehabilitation. Over 12,000 housing units were brought into compliance with lead safety rules: 5,000 units met International Building Code Energy Standards; and 1,000 units met Energy Star standards. Other Federal programs subsidized 200 of these units, while state or local programs subsidized 78.

Outcome Statement for Jobs

In FY 2006, grantees used \$400 million in CDBG funds to create economic opportunity across America by assisting 7,000 businesses, of which 4,000 provide needed goods and services to low-and moderate-income communities. These 7,000 businesses created 75,000 new full-time employment opportunities and 12,000 of those positions went to unemployed persons. Of these newly created jobs, 33,000 of these positions provide employer-sponsored health care benefits thereby increasing access to quality health care for individuals obtaining those jobs. The creation of these 75,000 jobs represents a significant contribution toward the total of 3.3 million new jobs reported by the Bureau of Labor Statistics as having been created nationwide in FY 2006.

Outcome Statement for Public Facilities

In FY 2004, the CDBG program provided new (first-time) access to a potable public water supply system for 155,000 persons, providing accessibility to a suitable living environment for these citizens. 95,000 of these citizens were low-and moderate-income persons. 125,000 of these persons were assisted through a combination of CDBG and other Federal program resources.

The CDBG program also provided for the rehabilitation of existing public water supply systems that benefited 85,000 persons; 65,000 of these were of low-and moderate-income. 55,000 of these persons were assisted through a combination of CDBG and other Federal program resources. Having access to an improved public water supply provided citizens with a sustained suitable living environment.

Outcome Statement for Homeownership

In FY 2004, the CDBG program provided new (first-time) access to homeownership units through the construction, acquisition, or rehabilitation of homeownership units for 15,000 persons, providing accessibility to decent housing for these citizens.

The CDBG program also directs financial assistance to first-time homebuyers for 100,000 persons, which included 40,000 minority households.

* Please note that for the HOME Program, the default setting in IDIS for objectives will be “decent housing” and for outcomes “affordability.”

Common Indicators

There are four common indicators that are relevant for most activities. The system requires the grantee to report on these data elements for nearly all program activities. Note, however, that depending on the source of funds for the activity (HOME, CDBG, HOPWA, or ESG), the grantee may be required to report on different levels of specificity, or in some cases, the grantee may not be required to report on every element listed below:

- Amount of money leveraged from other Federal, state, local, and private sources, per activity.
- Number of persons, households, businesses, units or beds assisted, as appropriate.
- Income levels of persons or households by: 30 percent, 50 percent, 60 percent or 80 percent of area median income.
 - Reported income targeting will vary, in accordance with the applicable program requirement. However, grantees will not be required to collect any income data that goes beyond what is currently required.
 - For CDBG activities that benefit an area, the data reported for that activity will need to show the total number of persons served and the percentage of low- and moderate-income individuals served.
 - Under the State CDBG Program, grantees currently need to report beneficiaries by the CDBG income levels for all activities other than administration and some planning. Note that these current requirements will change when the Phase I re-engineered IDIS is implemented.
- Race, ethnicity, and disability data for activities that currently report these data elements.
 - Under CDBG Entitlement Communities Program, race/ethnicity data is required only when the activity is specifically undertaken to directly benefit persons or households, such as job creation activities or housing rehabilitation. Race and ethnicity data is **not** required for activities under the CDBG low- and moderate-income area benefit, slum/blight, or urgent need national objectives.

- Under the State CDBG Program, grantees are currently required to report on race/ethnicity for all activities other than administration and some planning activities. Note that these current requirements will change when the Phase I re-engineered IDIS is implemented.
- Grantees will not be required to collect any race/ethnicity data beyond what is currently required.

Specific Indicators

In addition to the common indicators that are used for all program activities, there are 18 major activity-specific indicator categories as shown in Exhibit 2-3 below. These indicators cover most activities carried out under the four Con Plan programs including housing, services for homeless individuals and families, public facilities/infrastructure, public services, and economic development activities. The complete set of indicators is listed in the March 7, 2006 *Federal Register* Notice, provided as Appendix 2 of this guidebook.

For each indicator category, there are several required data items that measure key characteristics of activities performed. For example, the data items for housing indicators capture the income levels of the households served, physical condition of the housing, whether the housing serves people who were previously homeless, and key features of the housing such as energy efficiency and safety from lead-based paint hazards. These characteristics help capture the extent to which an outcome is achieved.

The grantee is required to enter data only on indicator items that are relevant to the type of activity it undertakes, the intent of the activity, and for CDBG activities, the national objective. Current data collection requirements for each program remain unchanged. The applicable indicators are automatically generated by IDIS when the indicator is a requirement of the program funding the activity.

Exhibit 2-3: CPD Performance Measurement Indicators

- ❑ **Public facility or infrastructure:** This indicator shows the number of persons that have been assisted by public facility or infrastructure activities that provide individuals with new or improved access to the facility or infrastructure. If the activity was used to meet a quality standard or to measurably improve quality, then this indicator will report the number of household units that no longer have access to a substandard service.
- ❑ **Public service:** This indicator shows the number of persons that have been assisted with new or improved access to a service. If the activity was used to meet a quality standard or to measurably improve quality, then this indicator will report the number of persons that no longer have access to a substandard service.
- ❑ **Targeted revitalization:** This indicator shows a range of outcomes such as jobs created and retained, businesses assisted, low- and moderate-income persons and households served, slum/blight demolition, number of acres of brownfields remediated, etc. in a targeted area.
- ❑ **Commercial façade treatments or business building rehabilitation:** This indicator shows the number of commercial façade treatments undertaken and the number of business buildings that were rehabilitated.
- ❑ **Brownfields remediated:** This indicator shows the number of acres of brownfields that were remediated.
- ❑ **Rental units constructed:** This indicator shows the number of affordable rental units created, as well as the number of years of affordability, number of units occupied by the elderly, and those units designated for chronically homeless persons and persons with HIV/AIDS.
- ❑ **Rental units rehabilitated:** This indicator shows the number of affordable rental units rehabilitated, as well as the number of years of affordability, units for chronically homeless persons, elderly persons, and persons with HIV/AIDS.
- ❑ **Homeownership units constructed or acquired with rehabilitation:** This indicator shows the total number of homeownership units constructed, acquired, and/or acquired with rehabilitation per activity. This includes total number of affordable units, number of years of affordability, Energy Star qualified units, section 504 accessible units, and number of households previously living in subsidized housing. In addition, data will be collected on the number of units occupied by the elderly, number of units designated for persons with HIV/AIDS, and number of units for the chronically homeless.
- ❑ **Owner occupied units rehabilitated:** This indicator shows the total number of owner occupied units rehabilitated, including the number of these units occupied by the elderly, number of units designated for persons with HIV/AIDS, and number of units for the chronically homeless.

Exhibit 2-3: CPD Performance Measurement Indicators

- ❑ **Direct financial assistance to homebuyers:** This indicator shows the number of homebuyers receiving direct financial assistance, housing counseling, and downpayment assistance/closing costs.
- ❑ **TBRA:** This indicator shows the total number of households receiving TBRA as well as the number with short-term rental assistance (less than 12 months) and the number of homeless and chronically homeless households assisted.
- ❑ **Homeless shelters:** This indicator shows the number of homeless persons given overnight shelter.
- ❑ **Emergency housing:** This indicator shows the number of beds created in an overnight shelter or other emergency housing.
- ❑ **Homeless prevention:** This indicator shows the number of households that received emergency financial assistance to prevent homelessness and emergency legal assistance to prevent homelessness.
- ❑ **Jobs created:** Of the total number of jobs created, this indicator shows the number of jobs that have employee-sponsored health care, the types of jobs created [using Economic Development Administration (EDA) classifications] and the number or persons unemployed before taking the job.
- ❑ **Jobs retained:** Of the total number of jobs retained, this indicator shows the number of jobs retained, the number of jobs with employer-sponsored health care benefits, and the types of jobs retained (using EDA classifications).
- ❑ **Business assistance:** This indicator shows the total number of businesses assisted. Specifically, it shows the number of new businesses, existing businesses, and the DUNS number of each business so that HUD can track the number of new businesses that remain operational for three years after assistance.
- ❑ **Businesses providing goods or services:** This indicator shows whether an assisted business provides goods or services to meet the needs of the service area, neighborhood, or community, as determined by the grantee.

Using the CPD Outcome Performance Measurement System – A Review of Key Actions for Grantees

As introduced above, there are four key types of actions that grantees and their partners need to take when using CPD Outcome Performance Measurement System:

- Determine the intent (or goals) of their program activities;
- Select objectives and outcomes;
- Record objectives and outcomes in IDIS; and
- Report on indicators in IDIS.

Determine Intent

Grantees design their programs to address priority local needs. To meaningfully capture the results of local activities funded by the four formula grant programs, the Working Group determined that the system had to allow grantees to specify their intent when choosing their activities.

Select Objectives and Outcomes

To provide a means to capture the intent of state and local grantees, the system asks grantees to identify a corresponding objective and outcome for each activity they fund using funds from one or more of the four programs.

The grantee will determine which of the objectives and outcomes are relevant based on locally determined needs and priorities. For states, grantees have the option of choosing the objectives and outcomes themselves, or allowing local recipients to choose. This option is discussed further in Chapter 11.

The grantee incorporates these objectives and outcomes into its Annual Action Plans, and ultimately into its five-year Consolidated Plan. This will allow the grantee to monitor its objectives and outcomes over time and ensure it is utilizing funding to achieve its objectives.

Record Objectives, Outcomes, and Indicators in IDIS

Grantees enter the same corresponding objectives and outcomes for each of their activities in IDIS at the time an activity is set up, and then report in IDIS on the indicators that are relevant to these individual activities.

Glossary of Common Terms

Activity: This term has the meaning discussed in Chapter 2 of the IDIS Reference Manual.

CPD Outcome Performance Measurement System: A system to track and report outcomes and program results in a standardized way, across the four programs covered by the Consolidated Plan (CDBG, HOME, ESG, and HOPWA).

Objective: Objectives reflect the purpose of a program or activity. Grantees design their programs based on the objectives they establish in response to their local needs and goals.

Outcomes: Outcomes refer to the benefits to the public/program participant that are *external* to the program. Measuring outcomes helps the grantee answer the question “What effect has the program had on its participants or the community?” Outcomes typically relate to a change in condition, status, attitudes, skills, knowledge, or behavior. Examples of outcomes include improved quality of life for program participants, increased housing stability, improved quality of the local housing stock, increased customer satisfaction, or revitalization of a neighborhood.

Indicator: Indicators are data elements that are measured in order to identify whether an outcome is occurring or not; i.e., whether a program is achieving its outcomes.

Outcome Statement: An outcome statement connects each outcome to an overarching objective to produce a statement that can be used to document results of program activities and develop narratives for HUD.

GPRA: The Government Performance and Results Act of 1993 directly links Congressional decision-making on program spending to the effectiveness and efficiency of programs in achieving statutory objectives.

PART: The Program Assessment Rating Tool is an OMB management tool used to assess and improve program performance so that the Federal government can achieve better results. The PART Review identifies a program’s strengths and weaknesses to inform funding and management decisions to make the program more effective over time.

Project: This term has the meaning discussed in Chapter 2 of the IDIS Reference Manual.