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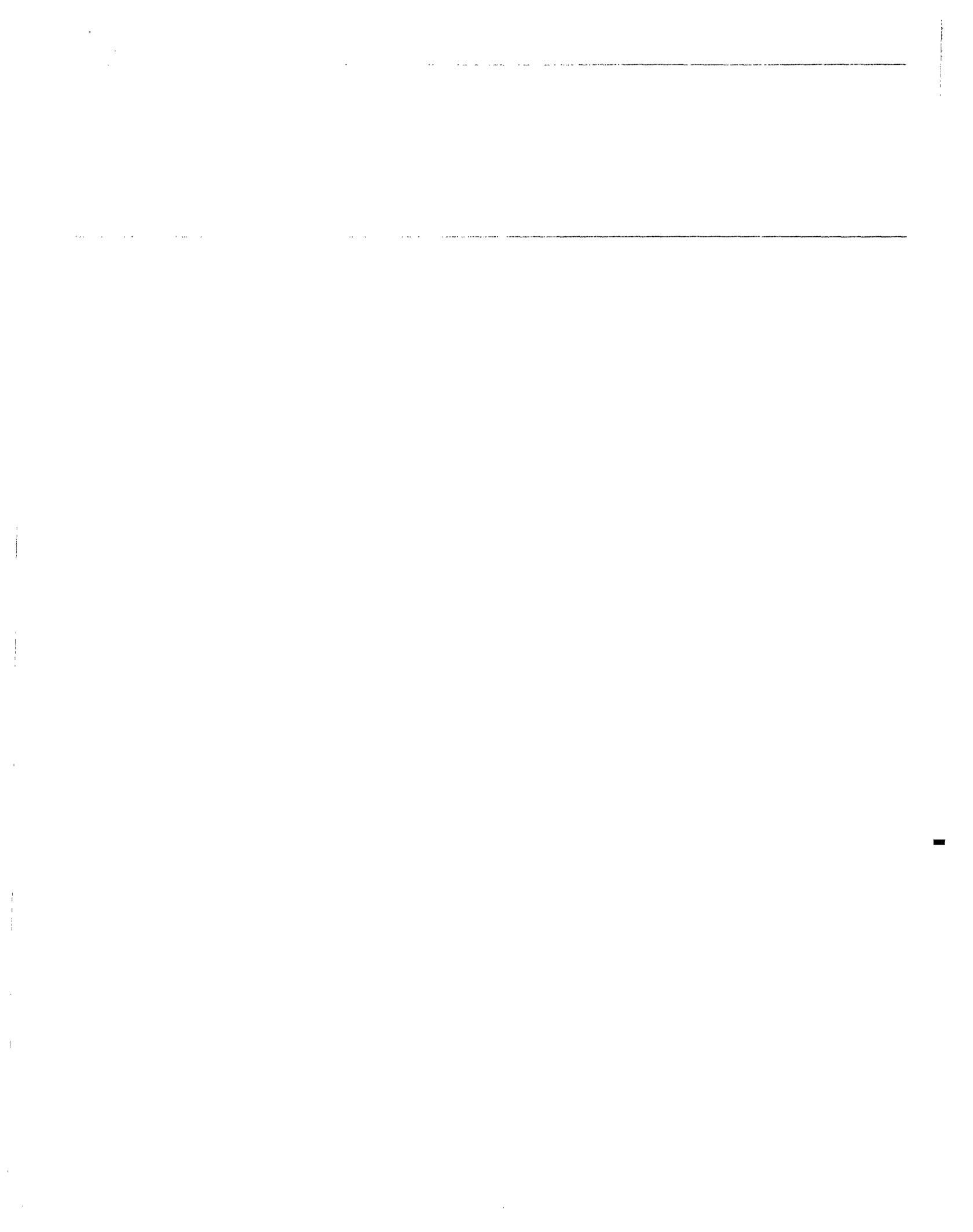
RENTAL HOUSING

Additional Information on Our Casas' Use of HUD's Grant Funds



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United States
General Accounting Office
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Resources, Community, and
Economic Development Division

B-247634

August 24, 1992

The Honorable Henry B. Gonzalez
Chairman, Subcommittee on Housing and
Community Development
Committee on Banking, Finance and
Urban Affairs
House of Representatives

Dear Mr. Chairman:

Our March 2, 1992, fact sheet entitled Rental Housing: Our Casas Resident Council's Use of Technical Assistance Grant Funds (GAO/RCED-92-132FS) provided you with information on the Our Casas group, a nonprofit resident management council located in San Antonio, Texas. Our report discussed how the Department of Housing and Urban Development's (HUD) technical assistance grant funds for encouraging resident management in public housing projects were being spent by the Our Casas group. We also provided you with information on whether Our Casas received additional funding from other federal and private sources after receiving the grant.

Your letter of March 12, 1992, requested supplemental information on the Our Casas group's use of grant funds. This fact sheet provides information on (1) Our Casas' organizational structure and tenant representation, (2) HUD's award of the technical assistance grant to Our Casas and HUD's monitoring of Our Casas' progress toward implementing resident management, (3) Our Casas' expenditure of grant funds, (4) additional costs related to the grant, (5) Our Casas' selection of its public housing management specialist, and (6) Our Casas' grant accomplishments. In providing this information, we also discuss, where appropriate, areas where Our Casas' efforts to move toward resident management seem to have been hampered by the lack of a cooperative relationship with the San Antonio Housing Authority (SAHA). In this regard, HUD, in its monitoring of Our Casas' progress toward implementing resident management, has also noted the absence of an effective working relationship between Our Casas and SAHA.

In summary:

- Our Casas' organizational structure is composed of a board of directors, a housing management specialist, an advisory committee, and volunteers from public housing developments. Tenant representation on the board of directors of Our Casas' resident council has declined since the council was awarded grant funds in May 1990. Membership at that time consisted of elected resident association presidents of 10 housing developments. However, as of May 1992, the board consisted of eight individuals, only three of which were elected officials of their resident association. SAHA and Our Casas differ in their explanations for this decline in membership. SAHA has stated that resident association presidents have resigned from the board because they lack an overall interest in resident management. Our Casas, on the other hand, has stated that SAHA has interfered with Our Casas' ability to maintain a stable membership through, for example, offers to council members of employment at SAHA. Such employment was contingent upon members' resignation from the council's board.
- Our Casas was 1 of 35 resident association groups nationwide to receive technical assistance grant funds in fiscal year 1990. HUD has monitored Our Casas' progress toward implementing resident management, in accordance with the Public Housing Resident Management Program's guidelines, and has noted areas that could be improved. For example, Our Casas' work plan for achieving resident management needs updating.
- Regarding the expenditure of grant funds, as of March 31, 1992, Our Casas had spent \$81,739, or about 93 percent, of its \$88,000 grant award, in accordance with the purposes of the grant. About 16 percent (\$13,133) of these funds were used to rent privately owned office space. Had a better relationship existed between Our Casas and SAHA, this space may have been provided in 1 of the 12 public housing developments at no cost. This type of support has been provided by housing authorities in other cities, in support of their resident groups, and would have allowed Our Casas to direct its scarce resources to other activities, such as training tenants in resident management.
- Aside from the direct grant expenditures, both HUD and SAHA have incurred staff costs related to the grant.

HUD estimated that its staff costs to manage the grant exceeded \$30,000. Furthermore, SAHA estimated that about \$5,000 worth of staff time was used to provide training to Our Casas and some public housing residents.

- Our Casas complied with HUD's resident management program's regulations in filling the housing management specialist position. The specialist was a paid employee of the council from October 1990 through January 1992. He continues to work with the Our Casas group on a pro-bono basis.
- Our Casas' accomplishments under the grant have been mixed. It has trained board members and residents in leadership development and other skills and has surveyed residents at the 12 public housing projects to assess their interest in resident management. However, Our Casas has not yet attained either shared or full resident management in any of the 12 public housing developments. Results from its survey of public housing residents, which should be completed in August 1992, will indicate the level of resident interest in undertaking resident management. According to Our Casas, the preliminary results show that a majority of tenants are in favor of resident management. SAHA, on the other hand, questions whether the survey will fairly represent the views of the tenants because of the way in which the volunteers administered the survey.

Section 1 of this fact sheet contains background information on HUD's Public Housing Management Program. Section 2 discusses Our Casas' organizational structure and tenant representation. Section 3 provides information on HUD's award of the technical assistance grant to Our Casas and HUD's monitoring of Our Casas' progress toward implementing resident management. Section 4 provides details on Our Casas' expenditures since the council received the grant award. Section 5 contains information on additional administrative costs associated with the grant. Section 6 discusses the selection of Our Casas' public housing management specialist. Section 7 discusses Our Casas' grant accomplishments.

AGENCY COMMENTS

We discussed a draft of this fact sheet with officials at HUD's Office of Resident Initiatives. They generally agreed with the information presented but suggested

specific clarifications, which we incorporated where appropriate.

In addition, HUD's officials stated that Our Casas' grant recipients should not be seen as representative of or generalizable to the other technical assistance grant recipients in the resident management program. HUD's officials stated that Our Casas' grant is unusual because of the poor working relationship between the grantee and SAHA.

SCOPE AND METHODOLOGY

We interviewed HUD's officials in Washington, D.C.; the Fort Worth Regional Office; and the San Antonio Field Office to assess HUD's oversight of the grant to Our Casas. We also reviewed HUD's regulations, policies, and procedures concerning the resident management program to form a basis for evaluating Our Casas' compliance with the grant's requirements.

In addition, we reviewed Our Casas' financial records and quarterly progress reports to document both the expenditure of grant funds and related accomplishments. We also interviewed Our Casas' board members and the acting executive director concerning the grant's progress, Our Casas' hiring process, and other matters related to your request. We also met with five resident association officers regarding their tenants' interest in resident management. We performed our work from March 1992 to June 1992 in accordance with generally accepted government auditing standards.

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As arranged with your office, unless you announce its contents earlier, we plan no further distribution of this fact sheet until 7 days from the date of this letter. At that time, we will send copies to the appropriate congressional committees; the Secretary of Housing and Urban Development; the Director, Office of Management and Budget; and other interested parties. We will also make copies available to others upon request.

B-247634

Please contact me on (202) 275-5525 if you or your staff have any questions. Major contributors to this fact sheet are listed in appendix I.

Sincerely yours,

A handwritten signature in cursive script that reads "Judy A. England-Joseph". The signature is fluid and connects the first and last names.

Judy A. England-Joseph
Director, Housing and
Community Development Issues

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ABBREVIATIONS

GAO	General Accounting Office
HUD	Department of Housing and Urban Development
LULAC	League of United Latin American Citizens
NOFA	Notice of Funding Availability
PHA	Public Housing Authority
SAHA	San Antonio Housing Authority
VISTA	Volunteers in Service to America
YMCA	Young Mens Christian Association

SECTION 1

BACKGROUND

THE PUBLIC HOUSING RESIDENT MANAGEMENT PROGRAM

In 1988 the Congress enacted section 122 of the Housing and Community Development Act of 1987 to establish a new Public Housing Resident Management Program. The purpose of the program is to encourage resident management of public housing projects as a means of improving existing living conditions.

The Department of Housing and Urban Development (HUD) may provide technical assistance grant funds in amounts of up to \$100,000 to resident organizations interested in pursuing resident management. These funds are available for use during a 24-month period. In addition, HUD may also approve a 1-year no cost extension for resident councils that need additional time to complete their work. According to HUD's grant policies, grant funds are considered seed money for resident councils' operations. HUD recognizes that resident councils may need additional funds in order to implement a resident management program. Therefore, HUD encourages and assists grant recipients in obtaining additional funds from other public or private sources.

Activities that may be funded under the grant include any combination of, but are not limited to, the following: (1) determining the feasibility of resident management for a specific housing project or projects; (2) training residents in skills directly related to the operation and management of projects; (3) assisting in the actual creation of a resident management corporation; (4) training executive board members of the resident council in community organization, development, and leadership; and (5) identifying the social support needs of residents and securing that support.

A resident council is an incorporated or unincorporated nonprofit organization that meets each of the following requirements: (1) it must be representative of the tenants it purports to represent; (2) it may represent tenants in more than one project or in all of the projects of a Public Housing Authority (PHA); (3) it must adopt written procedures providing for the election of specific officers on a regular basis; (4) it must have a democratically elected governing board; and (5) the voting membership of the governing board must consist of tenants of the project that the tenant organization represents. A resident management corporation, on the other hand, is the entity that proposes to enter into, or enters into, a management contract with a PHA. A resident management corporation may also function as the resident council as long as it meets the requirements specified above.

HUD'S ROLES AND RESPONSIBILITIES

In July 1989 HUD formed the Office of Resident Initiatives in part to improve the living conditions of public housing residents. The programs of the office include (1) resident management; (2) tenant homeownership; (3) drug elimination; (4) economic development, including job training; and (5) supportive services for residents. HUD has Resident Initiative Coordinators in its 10 regional offices, 6 offices of Indian programs, and 53 field offices who are responsible for working with local residents and housing authorities to make these resident management programs work.

HUD's Headquarters' Role

HUD's headquarters is responsible for providing general program direction for all resident initiative programs. This includes: developing and issuing HUD's notices on funding availability and program requirements; providing program, staffing, and funding guidance; developing and issuing handbooks, guidelines, and manuals; reviewing and evaluating regional quarterly and year-end reports; and monitoring and evaluating the overall progress and results of the various programs.

In addition, with respect to the resident management program, HUD's headquarters staff monitor the progress of specific technical assistance grants through desk officers. HUD's headquarters has three desk officers, each assigned to at least three regions. The desk officers develop training curricula and provide technical assistance and training to regional and field staff, as well as grantees, on program policies and procedures.

HUD's Regional and Field Offices

Regional and field coordinators are responsible for providing technical support on resident initiatives to resident organizations and PHAs. Specifically, the coordinators (1) provide technical assistance to PHAs and resident groups through training, workshops, and the development of plans and strategies to implement resident initiatives; (2) conduct on-site visits; (3) oversee the expenditure of HUD's funds; and (4) review and evaluate the reports and accomplishments of the recipients of HUD's funds.

The regional coordinator works with headquarters and field offices to ensure the successful accomplishment of resident initiatives. This involves ensuring that departmental policy is clearly communicated to all staff; assimilating and/or collecting information about resident initiatives from the field offices; working with the field offices to assist residents and PHAs in building cooperative relationships within local communities;

coordinating federal and state resources; and conducting or participating in the training of PHAs and resident groups.

The field office coordinators have the primary responsibility for overseeing and monitoring the day-to-day activities of grant recipients. Some specific responsibilities include assisting resident organizations and PHAs in analyzing issues and developing activities leading to resident management; assisting resident organizations and PHAs in setting priorities; providing training or assisting in the identification of training needs and resources; responding to questions and requests for program guidance and other information; and reviewing and evaluating the progress of grant recipients in meeting their goals and objectives.

SECTION 2

OUR CASAS' ORGANIZATIONAL STRUCTURE AND TENANT REPRESENTATION

In the 1970s residents of San Antonio's public housing developments began forming resident associations to voice concern about their living conditions to the San Antonio Housing Authority (SAHA). Twelve public housing developments, which provide housing for approximately 7,700 residents, united in May 1989 under an umbrella organization called the Our Casas Citywide Resident Association Council. On July 18, 1989, Our Casas applied to HUD for a \$100,000 technical assistance grant, and on May 17, 1990, received a grant for \$88,000. In September 1992, Our Casas is scheduled to receive an additional grant award of \$12,000, the balance of the statutory maximum \$100,000 grant award.

RESIDENT COUNCIL'S STRUCTURE

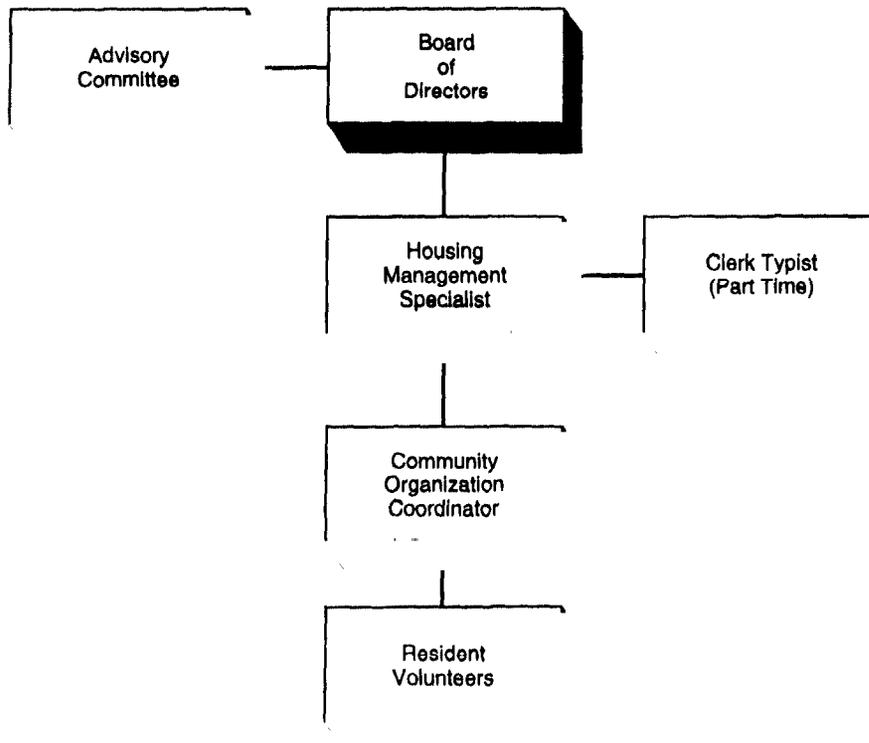
The management structure of Our Casas has changed over time. Initially, Our Casas had an executive board and a board of directors, both composed of resident association presidents and/or interested residents. Our Casas later eliminated the executive board because its membership and functions were duplicated by the board of directors.

Presently, Our Casas is composed of the following elements:

- Board of Directors: The board was originally composed of the elected presidents of the resident associations and other members from the executive board. However, in 1991 Our Casas revised its bylaws so that board membership was open to all residents.
- Housing Management Specialist: HUD's guidelines require that resident organizations hire a public housing management specialist to assist in determining the feasibility of resident management and direct the daily operations of the resident council. The selection of the housing management specialist is discussed in section 6.
- Community Organization Coordinator: The community organization coordinator worked under the housing management specialist. According to Our Casas' work plan, the coordinator's main role was to work with resident leaders at the developments. The coordinator would conduct community meetings and mobilize resources for social services and literacy programs. The coordinator position became vacant in January 1992 because of a lack of grant funds.

- Clerk Typist: The clerk typist types all necessary correspondence, answers incoming calls, and assists board members with special projects. This is a part-time position.
- Advisory Committee: The board formed a professional and technical advisory committee, whose members served as a team of professional community volunteers with expertise in a variety of fields, to advise Our Casas' board and staff. Some members of the committee include officials from the League of United Latin American Citizens (LULAC), the Young Mens Christian Association (YMCA), the San Antonio College, and the Mexican American Unity Council. The committee advises Our Casas on all aspects of the former's activities. For example, one of the committee members is coordinating the compilation and analysis of Our Casas' survey to assess tenants' interest in resident management.
- Volunteers From the 12 Housing Projects: Our Casas solicited volunteers from the 12 housing projects to assist in mail-outs, phone surveys, and door-to-door canvassing. In addition, Our Casas has obtained 7 to 12 Volunteers in Service to America (VISTA) volunteers to assist in conducting a survey of the public housing developments. The surveys are designed to assess, among other things, tenants' interest in resident management.

Figure 2.1: Our Casas' Organization Chart



RESIDENT COUNCIL'S REPRESENTATION

HUD's regulations state that a resident council must be representative of the tenants from each housing project. When Our Casas applied for technical assistance grant funds in 1989, its grant proposal stated that Our Casas would represent tenants from 12 public housing developments. Its board of directors was composed of the elected resident association presidents from 10 housing developments and 4 residents. However, according to SAHA's executive director, Our Casas was not representative of the 12 housing developments. The executive director stated that resident association presidents acted alone in committing their housing developments to the resident management grant without taking a vote from the residents. On the other hand, a HUD official stated that, since the presidents of these associations were elected officials, they could commit their developments to the resident management grant without taking a vote from the residents. HUD noted that residents' views on tenant management were to be obtained later from a feasibility study, which was a major component of the grant.

Since Our Casas was awarded the technical assistance grant, representation on the council has declined. SAHA and resident association officials at five developments explained that the decline was due in part to disenchantment with Our Casas' operations, a turnover in resident association membership, and a general lack of interest in resident management. Our Casas offered other reasons for the decline in membership. Our Casas' executive director stated that SAHA persuaded some board members to leave Our Casas with offers of employment at the housing authority. The executive director added that SAHA also offered one resident association president, who was a proponent of Our Casas, a housing subsidy that could be used in the local rental housing market. According to the executive director, the president subsequently left the development, and his replacement was not a proponent of Our Casas.

As of May 1992, the membership on the board had been reduced to eight individuals from different housing developments. Three of these individuals were elected members of their resident association, and the other five were residents interested in pursuing resident management.

HUD's field staff have emphasized to Our Casas the importance of democratic representation on a number of occasions. According to Our Casas' executive director, Our Casas is trying to mobilize more interest and seek additional members. Our Casas intends to achieve this by adding an Our Casas position on each of the public housing developments' next resident association election ballot.

SECTION 3

HUD'S AWARD OF OUR CASAS' TECHNICAL ASSISTANCE GRANT AND MONITORING OF OUR CASAS' PROGRESS

HUD awarded Our Casas a technical assistance grant, effective May 1990, on the basis of Our Casas' ability to fulfill HUD's requirements for the resident management program. Once selected, HUD monitored the council's progress by reviewing its work plan and quarterly progress reports and by conducting on-site visits.

SOLICITATION AND SELECTION OF OUR CASAS

HUD advertised the availability of resident management technical assistance grant funds through a Notice of Funding Availability (NOFA) in the Federal Register. HUD provided assistance to Our Casas, along with other resident groups, when Our Casas applied for these funds. HUD explained the application process to Our Casas and reviewed its proposed organizational structure, including its bylaws.

HUD's regional and field staff subsequently reviewed and evaluated Our Casas' application in accordance with established evaluation factors. These factors address the (1) probable effectiveness of the resident management proposal; (2) amount of experience that council members have in community organization; (3) evidence of resident support for proposed council activities; (4) evidence of support by local government, community groups, and SAHA; and (5) capability of the council to manage financial resources. Factors were weighted from zero to 30 points; a total of 100 points was awarded.

HUD's headquarters performed the final review of all grant applications. All applications were ranked by a process that factored in the rating scores received from the regional and field offices, and received funding according to their rankings until all available funds were exhausted. Our Casas was 1 of 35 resident organizations nationwide to receive technical assistance grant funds for a 2-year period beginning in 1990. HUD awarded funds to groups whose application scored 75.33 points or higher out of the possible 100 points. Our Casas' application received an overall evaluation score of 77.33 points.

HUD'S OVERSIGHT OF THE GRANT

Routine oversight of technical assistance grants is performed by HUD's field coordinators. HUD's San Antonio field office has two full-time coordinators to support resident initiative programs, including resident management, and to provide technical assistance to PHAs and resident groups. One of the coordinators is serving as Acting Director of San Antonio's Assisted Housing Management

Branch. The other coordinator's¹ duties include managing 23 PHA drug prevention and control programs; 3 youth programs; several family self-sufficiency programs; and 2 technical assistance grants--Our Casas, in San Antonio, and Poinsettia, in Brownsville, Texas.

Both coordinators are responsible for reviewing Our Casas' work plan and quarterly progress reports. They also conduct periodic on-site visits as part of their oversight responsibilities.

Grantee Work Plan

HUD's guidelines require grantees to develop a detailed work plan outlining the tasks they will perform during the grant period. The HUD field coordinators stated that, although Our Casas has an approved work plan, they have advised Our Casas that it needs to revise this plan to reflect how it intends to attain shared or full resident management. Between May 1990 and March 1992, the field coordinator informed Our Casas, through written assessments of Our Casas' quarterly reports and during on-site visits, of the need to revise its work plan. In addition, documentation shows that the field coordinator scheduled at least three separate meetings and conducted a training workshop with Our Casas to discuss, among other things, its work plan. However, the coordinator noted that Our Casas had not yet made any of the recommended revisions to reflect how it plans to achieve shared or full resident management.

Quarterly Progress Reports

Resident organizations are required to submit quarterly progress reports to HUD. These reports provide a summary of Our Casas' activities and expenditures for each 3-month period. They also identify any problems that Our Casas has encountered and propose corrective actions. Submission is required within 20 days after the end of each calendar quarter. However, the field coordinator stated that Our Casas had not been submitting its reports in a timely manner. For example, on the day that we interviewed the field staff on April 28, 1992, Our Casas had yet to submit its March 1992 quarterly progress report.

¹This coordinator started with the San Antonio field office in January 1991. Before coming to San Antonio, she lived for 18 years in public housing in Chicago and worked for the Chicago Housing Authority. Her responsibilities at the housing authority were to provide training and technical assistance to the residents of the LeClaire Courts housing project. LeClaire Courts signed a dual management contract (apprenticeship for transition into full management) with the Chicago Housing Authority in the fall of 1987.

The coordinator stated that after she receives the quarterly report, she compares it with the approved grantee work plan to ensure compliance. She then follows up with a letter to Our Casas noting any areas which need improvement and suggesting corrective actions. The coordinator stated, however, that she typically does not have the time to effectively monitor whether Our Casas has followed through on her recommendations.

On-site Visits

HUD's guidelines require the field coordinator to visit grant recipients periodically to provide technical support and review implementation of the work program. Our Casas' field coordinator stated that she conducts annual on-site visits and stays in close contact with Our Casas. Initially, she stayed in contact with the council board members through numerous phone calls and visited weekly on an informal basis. However, her participation with Our Casas has decreased over the last year because Our Casas has not needed as much of her time and she has assumed other responsibilities. After each site visit, the field office coordinator provides a letter to Our Casas detailing monitoring conclusions, positive comments, and corrective actions, if any, that should be made.

SECTION 4

EXPENDITURE OF GRANT FUNDS

Our Casas' technical assistance grant funds were spent in accordance with the purposes of the grant. Funds were used to support administrative costs relating to the operation of Our Casas, including salaries, office space, supplies, and equipment. Regarding office space, it would have been desirable had this space been provided at no cost in 1 of the 12 public housing developments. Although renting office space is an eligible grant item, the use of funds for this purpose deflects scarce resources from other activities, such as training, that could have more directly furthered the goals and objectives of the resident management program. Funds were also used to develop the organizational and management capabilities of Our Casas' members and public housing tenants.

EXPENDITURES RELATING TO OPERATIONS

As of March 31, 1992, Our Casas had spent \$81,739, or approximately 93 percent, of the \$88,000 grant award. Fifty-six percent of the expenses incurred as of this date were for the salaries of the executive director and his staff; another 16 percent went toward the rental of commercial office space. A further breakdown of expenses is presented in table 4.1.

Table 4.1: Use of Our Casas' Technical Assistance Grant Funds, May 1990 Through March 1992

Expense category	Amount	Percent
Direct labor and Social Security payments	\$ 45,802	56
Office space	13,133	16
Materials	9,992	12
Consultants	6,380	8
Transportation	2,588	3
Telephone and utilities	3,068	4
Office furniture and equipment	776	1
Expense clearing account	0	0
Total	\$ 81,739	100

Source: Our Casas Resident Council's records.

Direct Labor and Social Security

The executive director's salary was \$24,050, or about 53 percent of the \$45,802 incurred for this expense category. Salaries for the community organization coordinator and clerk typist were \$11,170 and \$8,439, respectively, representing 43 percent of these costs. Social Security payments for the executive director and the clerk typist totaled \$2,143, or 5 percent.

Office Space

Our Casas has spent \$13,133 of grant funds to rent commercial office space to support Our Casas' operations because it has been unsuccessful in its attempts to obtain office space in any of the 12 public housing developments. According to HUD's officials, they have encouraged SAHA to support Our Casas by providing office space for resident council activities. These officials noted that PHAS routinely provide office space to technical assistance grant recipients at no cost.

Conflicting reasons have been cited for Our Casas' inability to obtain office space. The lack of documentation regarding these claims, however, precluded us from resolving this issue. According to SAHA's executive director, he has tried to make units available to Our Casas' in several developments but has been unsuccessful because, among other reasons, resident association members in these developments were opposed to his providing this space. Their reasons included a lack of interest in resident management or the desire to use the space for other purposes. A resident association official at the largest housing development supported the executive director's statement by telling us that the resident association was not in favor of SAHA's providing office space because of a lack of interest in resident management.

A resident association president at another development, however, provided a different reason for SAHA's refusal to provide office space to Our Casas. According to this individual, the resident association had originally agreed to provide Our Casas with a unit. We were told that resident association officers at this development were subsequently approached by a SAHA official and promised that, in return for rescinding the offer to Our Casas, SAHA would make improvements to their housing development. According to the association president, in August 1991 the association officers rescinded their offer to Our Casas in the hopes of receiving these improvements; however, as of May 1992 the improvements had not been made.

Other Expenditures

Other grant fund expenditures relating to Our Casas' operations include materials (general office supplies and office

start-up costs), telephones, utilities, office furniture, and equipment. These expenditures totaled \$13,836.

EXPENDITURES RELATING TO OUR CASAS' DEVELOPMENT

Our Casas has spent grant funds to train Our Casas' board members and some public housing tenants in areas related to organizational and management development. We estimate that Our Casas has spent approximately \$7,278 in training and related costs such as transportation and per diem. These costs are included as part of the consultant and transportation expenditures shown in table 4.1. The balance of the consultant and training costs reflected in table 4.1 are associated with accounting and legal services. Our Casas has also received training courses from HUD and SAHA at no cost to Our Casas. Our estimate of HUD's and SAHA's cost to provide this training is shown in section 5.

HUD's guidelines require grantees to be trained in the following areas: (1) HUD's regulations and policies governing the operation of low-income public housing; (2) HUD regulations and requirements of the resident management program; (3) financial management, including budgetary and accounting principles and techniques; (4) capacity building to develop the necessary skills to assume management responsibilities at the project; and (5) property management. Each grantee must ensure that this training is provided by a qualified housing management specialist, the PHA, or other sources knowledgeable of the resident management program.

Our Casas' board members and various residents in different developments have received training in most of the areas specified above. During the grant period, HUD provided training on HUD's policies, procedures, and processes; financial management; and work plan development. Other training, such as resident management and leadership and organizational development, were obtained through workshops, seminars, and conferences sponsored by HUD or other nonprofit organizations. For example, 20 Our Casas board members and public housing tenants attended the "Annual National Peoples Action Conference" in Washington, D.C., during April 6-8, 1991. The National Training and Information Center, a private nonprofit organization, provided some of the funding that allowed the council and tenants to attend the conference. The conference workshops addressed issues such as public housing resident management, employment opportunities, anti-drug legislation, health and welfare reform, and community reinvestment.

Our Casas has received some property management training from SAHA in the areas of certification and recertification of resident income and development of operating budgets. However, other courses in this area, such as occupancy management, maintenance management, purchasing, and modernization, have not been completed

by Our Casas' board members. According to a HUD official, Our Casas would need additional funding to complete this phase of its training unless SAHA provided the training at no cost.

SECTION 5

ADDITIONAL COSTS RELATED TO THE GRANT

In addition to the \$88,000 technical assistance grant that Our Casas received, HUD estimates that it incurred over \$30,000 in administrative costs associated with managing the grant and providing training relating to Our Casas' development. Furthermore, SAHA estimates that about \$5,000 worth of its staff time was used to provide training to Our Casas and some public housing residents. While the costs appear to be reasonable, an assessment is difficult without using a comparative analysis of the administrative costs associated with other similar grants. We did not conduct an evaluation of any other resident management technical assistance grants.

HUD'S ADMINISTRATIVE EXPENSES

Five HUD staff have played a role in administering the grant to Our Casas. These include two field coordinators, a field housing management specialist,¹ a regional coordinator, and a headquarters desk officer. HUD's officials were unable to provide precise figures on their time spent in working with Our Casas. They were, however, able to estimate the time spent on resident management initiatives in general, which includes managing the Our Casas grant. Table 5.1 (see p. 23) provides an estimate of HUD's costs associated with administering resident management initiative programs.

One field coordinator, who was assigned to Our Casas when the grant was approved, estimated spending about 10 to 15 percent of her time on resident management initiatives between May 1990 and May 1992. This included not only administering Our Casas' grant, but also conducting training workshops and providing technical assistance to other resident groups interested in participating in the resident management program. In addition, she reviewed and screened technical assistance grant applications.

This field coordinator was detailed to other duties, during this period, requiring that her work with Our Casas be handled by a HUD Housing Management Specialist. The specialist estimated spending about 10 percent of his time, from October 1990 to March

¹The San Antonio field office has six housing management specialists. The specialists' duties include monitoring, evaluating, advising, and providing technical assistance to PHAs in the management and modernization of public housing.

1991, on Our Casas-related activities. Both the field coordinator and the housing management specialist were GS-12s.²

The second field coordinator, who is responsible for the day-to-day management of the Our Casas grant and is also a GS-12, has worked for HUD from January 1991 to the present. During her first year, she estimated spending approximately 30 percent of her time on resident management initiatives; most of that time was spent on Our Casas. Since October 1991, she also was responsible for managing a second resident group, Poinsettia, in Brownsville, Texas. Between January and April 1992, she was able to reduce the amount of time spent on both grants to about 12 percent. She stated that the reduction was caused by other responsibilities that she received and more self-sufficiency on the part of Our Casas.

HUD's regional coordinator has been working on resident initiatives since October 1990. She estimated spending between 3 and 4 percent of her time on the Our Casas and Poinsettia grants administered by the San Antonio field office. In addition, the headquarters desk officer responsible for monitoring the Our Casas grant estimated spending about 1 percent of her time on this grant between June 1991 and May 1992. Both the regional coordinator and the desk officer are GS-13s.

²The GS scale is the general schedule wage grade for federal employees.

Table 5.1: Estimates of HUD's Administrative Costs of Resident Management Initiatives, May 1990 Through May 1992

HUD	Grade GS/Step	Time period	Percent of time	Estimated hours	Total
Field coordinator	12/10	May 1990 - May 1992	10 - 15	320 - 480	\$11,200
Field housing specialist	12/09	Oct. 1990 - Mar. 1991	10	80	1,800
Field coordinator	12/01	Jan. 1991 - Dec. 1991 Jan. 1992 - Apr. 1991	31 12	645 75	12,900
Regional coordinator	13/10	Oct. 1990 - May 1992	3 - 4	100 - 135	3,700
Desk officer	13/07	June 1991 - May 1992	1	20	500
Total					\$30,100

Note 1: Total dollars are based upon 1991 pay scale. GS = general schedule wage grade for federal employees. Step = a salary range within a grade.

Note 2: Total dollars reflect the greatest number of estimated hours spent on resident management initiatives. In addition, the total dollars are rounded to the nearest hundredth.

COSTS INCURRED BY THE SAN ANTONIO HOUSING AUTHORITY

SAHA estimates that about \$5,000 worth of its staff time was spent on providing training to Our Casas' board members and some public housing residents in various aspects of property management. This training included budgeting, computing rents, lease preparation, and tenant selection.

SECTION 6

SELECTION OF THE PUBLIC HOUSING MANAGEMENT SPECIALIST

Our Casas complied with HUD's resident management program regulations when it hired its public housing management specialist. Specifically, Our Casas advertised the position, received a broad range of applicants, and selected an individual who met the qualifications that HUD provided. The specialist, called the executive director, was hired in October 1990 to help determine the feasibility of resident management in the 12 public housing developments which Our Casas is composed of. HUD approved the selection of the executive director the following month.

HUD'S GRANT POLICIES AND PROCEDURES

HUD's regulations require that the resident council select a qualified public housing management specialist. This selection is to be done in consultation with the PHA and subject to HUD's approval. To qualify for this position, an organization or individual must have performed work in an advisory and/or training capacity on matters related to the management of public housing.

The management specialist's responsibilities are to assist in determining the feasibility of resident management and, if feasible, to help establish a resident management corporation. In addition, the specialist performs other duties in connection with the daily operations of the grant, such as providing monthly financial statements to the council's board and preparing quarterly progress reports for HUD.

OUR CASAS' HIRING PROCESS

HUD provided Our Casas with the criteria to select the housing management specialist and subsequently reviewed Our Casas' process to ensure that a prudent decision was made. According to HUD, the applicant that Our Casas selected met all of the requirements for the position.

Our Casas did not consult with SAHA in selecting the housing management specialist. HUD stated that it did not enforce this requirement because of the uncooperative relationship between Our Casas and SAHA. HUD was concerned that the entire process for hiring a specialist would have been impeded if this requirement had been enforced.

The housing management specialist that was selected had a strong background in community work, especially with Mexican-American organizations and housing-related issues. He had experience in the management of nonprofit grass roots and

professional organizations, including the Mexican American Unity Council, LULAC, and various community development organizations.

Chronology of Events in Hiring
the Housing Management Specialist

The following represents the chronology of events surrounding the hiring of the housing management specialist:

- March 1989: Our Casas developed a management plan which specified, among other things, the qualifications needed to fill the housing management specialist position. According to Our Casas' plan, the specialist had to be knowledgeable of public housing and have experience in working with low-income people. The plan stated that the specialist would (1) coordinate and conduct a feasibility study for resident management with support from Our Casas and input from the public housing residents, (2) develop a training model considering the unique and special needs of each of the developments in Our Casas with input from the board members, (3) be responsible for the day-to-day management of the project and prepare quarterly reports on Our Casas' progress, and (4) provide monthly financial statements to the board.
- May 1990: Our Casas received an \$88,000 technical assistance grant.
- August 1990: The Our Casas Search Committee, comprising six council board members, including the president and treasurer, advertised for an executive director in two of the areas largest newspapers, San Antonio Light and the San Antonio Express. The ad requested an individual that had (1) a college degree; (2) experience in the management of a nonprofit organization and the ability to work with residents of public housing, community groups, and business groups; (3) experience and skills in leadership development; (4) skills in developing and conducting educational and manpower training programs; (5) experience in developing, administering, and conducting resident needs assessment studies and knowledge of public housing; (6) skills in developing and administering services for residents; and (7) experience in managing business and developing economic ventures.
- September 1990: HUD provided written guidance to Our Casas for selecting a housing specialist. In a letter to the president of Our Casas, HUD stated that:

"the person selected must possess the ability to conciliate when there is a disagreement and to help Our Casas in building coalitions with the

residents, the corporate sector, civic groups, social service agencies, and local governments. This person also should be knowledgeable of the Low Rent Public Housing Program and the operation of a housing authority in order to guide Our Casas through the process of entering into contracts with the Housing Authority for some management functions."

- August-October 1990: Our Casas received 35 applications for the position of the executive director. The committee reviewed and rated every application on the basis of job criteria and narrowed the applications down to five final applicants. The final applicants were interviewed by the search committee, and the committee made its final selection.
- October 1990: Our Casas hired the housing specialist and provided him with the title of executive director. The committee stated, in a letter to HUD, that the executive director possessed all the qualifications needed to fulfill the position's responsibilities, from academic to personality. The committee felt that he was a strong mediator that could help it to reconcile disagreements. In addition, Our Casas stated that his extensive experience as director of community-based organizations and his ability to work with and communicate with people of all educational or economic levels made him a valuable person for its needs.
- November 1990: HUD informed Our Casas that it (HUD) had no objection to the selection of the executive director.
- October 1990-January 1992: Our Casas' executive director was a paid employee of Our Casas. Since January 1992, he has continued to work, according to his estimates, about 30 hours a week with the Our Casas group on a pro-bono basis.

SECTION 7

OUR CASAS' GRANT ACCOMPLISHMENTS

One of Our Casas' primary goals is to assume partial or full management responsibilities over the project(s) they represent. While the Our Casas resident council has yet to attain either dual or full management status,¹ it has accomplished several tasks necessary to reach this goal. Specifically, it has trained board members and residents in leadership development and other skills and completed a feasibility study assessing the interest in resident management at the 12 public housing projects. In addition, Our Casas was successful in obtaining the balance of its grant funds (\$12,000) to continue pursuing resident management.

HUD'S REQUIREMENTS FOR ACHIEVING RESIDENT MANAGEMENT

HUD's guidelines require resident councils to develop a detailed work plan as the "road map" for implementing the strategies leading toward resident management. The guidelines state that, at a minimum, the work plan should include the following tasks: (1) build a strong community organization to respond to the technical assistance needs of the residents; (2) develop operational policies and procedures to form a resident management corporation; (3) develop a memorandum of understanding between a resident council and PHA reflecting how the PHA will assist the council in achieving resident management; (4) develop a training and technical assistance approach to build the skills necessary to assume resident management; (5) monitor and evaluate the performance of the housing management specialist against the resident council's needs and expectations; and (6) implement either shared management with the PHA or total management by the resident council. The seventh task mentioned in HUD's guidelines, which calls for the implementation of a strategy for developing economic development, homeownership, and/or self-sufficiency programs, is optional.

OUR CASAS' ACCOMPLISHMENTS IN MEETING HUD'S REQUIREMENTS

Listed below, under each of the required tasks, are some of Our Casas' accomplishments. We have incorporated, where

¹Dual management is on-the-job training in which a resident council works alongside the local PHA to perform particular functions, such as maintenance or the screening of prospective tenants. Under the dual management phase, the PHA manages and allocates the operating subsidies. On the other hand, full management means that the resident group has assumed full responsibility for performing all tasks, which includes managing the operating subsidy.

appropriate, concerns and/or problems that Our Casas has encountered in reaching these accomplishments.

Build a Strong Community Organization

Our Casas' members have stated that building a strong community organization is an ongoing process. To achieve this goal, Our Casas has tried to increase the awareness of resident programs by speaking to resident associations, community groups, and other organizations. Board members have also met with school principals, members of the YMCA, and members of the Boys Club to discuss the problems of gangs, gang warfare, and drug use.

Our Casas has also completed its feasibility study of residents in the 12 public housing developments in an effort to determine whether tenants are interested in undertaking resident management and the needs of the public housing residents it represents. According to HUD guidelines, the feasibility study should address the advantages and disadvantages of resident management for each development; the specific property management functions that residents might be interested in assuming; the types of supportive services that may be needed by the residents; and the staff that may be needed to carry out these functions.

Our Casas' board members, with input from HUD's field office staff and public housing residents, developed a survey instrument to use in its feasibility study. Our Casas began a door-to-door survey of public housing developments in October 1991 and completed the survey in March 1992. Eight VISTA volunteers assisted in administering the survey. According to Our Casas, the volunteers visited 2,671 units, or 87 percent, of the 3,056 units in the 12 housing developments. Residents from a total of 1,085 units, or 41 percent, participated in the survey. Of the remaining 1,586 units, residents from 1,001 were not home, residents from 340 units refused to participate in the survey, and 245 units were vacant.

Our Casas is currently working with professors from the University of Texas at San Antonio to analyze the results of this survey. The feasibility study and survey results will be issued in August 1992. According to both the Our Casas executive director and president of the Our Casas board, preliminary survey results show that a majority of residents are in favor of resident management. The preliminary data also show that many residents are having maintenance and security problems and would like to have child care and employment services available to them.

Concerns about the validity of the survey results were raised by a SAHA official and resident association members from two different housing developments. The SAHA official stated that he was told by some housing development residents that if a resident was not at home, VISTA volunteers filled in responses to the survey themselves. A resident association vice-president also questioned

how the volunteers administered the survey instrument. She stated that since the volunteers were reading the questions to the tenants and recording the answers, the tenants could not see what responses were actually written down.

In addition, a resident association president of another housing project stated that she was not aware of any survey being conducted at her development. The resident association president stated that none of her tenants had mentioned the survey, and she felt that she would have heard about it either at the association meetings or while talking with residents during her daily activities.

In response to these concerns, Our Casas' executive director stated that he had heard that SAHA would try to discredit the results of the feasibility study. However, according to the executive director, the VISTA volunteers denied completing survey forms for residents who were not at home. The executive director stated that portions of the survey instrument had to be completed by the volunteers regardless of whether the tenants were or were not at home. Those items included the tenants' name, address, and a code assigned to each tenant.

VISTA volunteers, according to the executive director, also stated that they did not record the answers for tenants on the survey form. Public housing tenants completed their own survey; however, volunteers would read the questions, when requested, in English or Spanish. In addition, Our Casas' executive director stated that he did not notify any of the resident association presidents, except for the five on the council's board of directors, that Our Casas was conducting a survey at their development. However, according to the executive director, Our Casas did notify the housing projects' manager that the council would be administering a questionnaire on the developments' premises.

Develop Operational Policies to Form a Resident Corporation

Our Casas has several accomplishments in this area. In its January 1991 through March 1991 quarterly progress report, Our Casas stated that it has been incorporated; obtained a charter; obtained exempt status from federal income tax as a 501(c)(3) organization; hired staff and organized resources to run the program; and developed personnel policies. Our Casas has also examined several ways of obtaining additional funding needed to sustain itself, such as through fund-raising events.

Develop a Memorandum of Understanding Between a Resident Council and PHA

In March 1991 Our Casas developed a memorandum of understanding between itself and SAHA. The memorandum discussed

the type of office space that SAHA would provide to Our Casas, and it identified a housing authority liaison for Our Casas to work directly with. However, the goals set out in the memorandum have not been obtained because of the uncooperative relationship between Our Casas and SAHA.

Develop a Technical Assistance Approach

HUD's guidelines state that Our Casas is to identify training courses and the technical assistance needed to provide it with the skills to assume resident management functions. As stated in section 4, Our Casas and some residents have received training in board development, general management functions, and some property management topics.

Our Casas' feasibility survey has also requested information from its residents on their training needs. The survey assessed the level of interest in various types of training or workshops, such as those dealing with employment, management of housing developments, maintenance and security, and other social and recreational activities. However, as previously noted, the results of this survey are expected in August 1992.

Monitor and Evaluate the Housing Management Specialist Against Our Casas' Needs and Expectations

An Our Casas official stated that the board of directors monitor the performance of the housing management specialist.

Implement Either Resident Management or Dual Management

Our Casas has not yet implemented either dual or full resident management. An Our Casas official stated that this task cannot be completed until after Our Casas obtains the results from its feasibility study, which will identify those housing projects interested in assuming resident management functions. According to a HUD official, dual or full resident management cannot be achieved without the cooperation of SAHA.

ADDITIONAL GRANT FUNDS

HUD's regulations allow resident councils that have received less than the statutory maximum grant amount of \$100,000 to apply for an additional grant; however, the grant must not exceed the total statutory maximum. In May 1991 Our Casas applied to HUD for a \$12,000 grant--the balance of the \$100,000 technical assistance grant.

In July 1991 HUD notified Our Casas that it (HUD) was unable to fund Our Casas' request because its application was not ranked high enough. In fiscal year 1991, HUD funded 94 of the 118 organizations applying for grant funds. However, in HUD's fiscal

year 1992 Notice of Funding Availability, HUD announced that it would allocate \$345,490 to eight organizations not funded in fiscal year 1991 because of an error it made in computing a grant applicant's score. This error allowed a grant applicant to be funded ahead of eight others, including Our Casas, all of which had higher scores. To rectify this funding error, HUD set aside fiscal year 1992 money to fund those organizations affected by the error.

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