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July 28, 1997

The Honorable Connie Mack
Chairman, Subcommittee on Housing,
Opportunity and Community Development
Committee on Banking, Housing, and Urban Affairs
United States Senate

Subject: HUD: Inventory of Self-Sufficiency and Economic Opportunity
Programs

Dear Mr. Chairman:

As requested, we are providing you with (1) an inventory, as of June 10, 1997, of the Department of Housing and Urban Development's (HUD) self-sufficiency and economic opportunity programs and demonstrations that are designed to assist tenants of public and assisted housing or low- and moderate-income residents of certain geographic areas and (2) information on how two of HUD's self-sufficiency programs—Housing Opportunity for People Everywhere (HOPE VI)¹ and Economic Development and Supportive Services (EDSS)—are linked to the other programs that we identified. You asked us to describe (a) programmatic linkages through which programs are coordinated and implemented toward accomplishing the objectives of HOPE VI and EDSS and (b) funding linkages in which dollars from one program are provided to support other programs or activities.

¹HOPE VI is primarily a housing revitalization program; however, public housing authorities may use a portion of the funding they receive for HOPE VI for supportive services.

INVENTORY OF PROGRAMS AND DEMONSTRATIONS

HUD operates a total of 23 self-sufficiency and economic opportunity programs and demonstrations that target tenants of public and assisted housing or low- and moderate-income residents of certain geographic areas. According to HUD officials, 17 of these programs are considered self-sufficiency programs or demonstrations and 6 are considered economic opportunity programs. Self-sufficiency programs are designed to help residents become economically independent. Economic opportunity programs are geared toward revitalizing low- and moderate-income neighborhoods and creating jobs. Of the 23 programs, 8 received funding from HUD's fiscal year 1997 funding, 10 remain active using funding from previous fiscal years, and 5 are eligible for funding from other HUD programs. In general, the self-sufficiency programs are administered by HUD's Office of Public and Indian Housing, the economic development programs are administered by the Office of Community Planning and Development, and the demonstration programs are administered by the Office of Policy Development and Research. (Encs. I and II provide an inventory of and information on the self-sufficiency and economic opportunity programs, respectively.)

PROGRAMMATIC LINKAGES BETWEEN HOPE VI
AND EDSS AND OTHER SELF-SUFFICIENCY PROGRAMS

HOPE VI and EDSS have some limited programmatic linkages with the other self-sufficiency and economic development programs that we identified. Both HOPE VI and EDSS are broad-based grant programs that, among other things, fund a variety of supportive services, such as child care, job training, and family counseling services and encourage coordinating and partnering with other self-sufficiency programs. For example, in the fiscal year 1996, competition for

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HOPE VI grants, those applications that included plans for a Campus of Learners Initiative—a site-based computer and telecommunications initiative for public housing residents—were given special consideration, such as bonus points on their grant application, by HUD.² Eight of the 39 HOPE VI projects have Campus of Learners sites. Likewise, the EDSS program requires public housing agencies (PHA) to partner with a number of entities, including local welfare offices and residents' organizations, such as tenant groups that receive funding for the Tenant Opportunity Program (TOP), a resident operated management and business development program. Furthermore, because EDSS and TOP generally target the same population and have mutual goals of providing opportunities and services that help move tenants of public and assisted housing toward self-sufficiency, HUD has requested the authority to consolidate the two programs in fiscal year 1998.

FUNDING LINKAGES BETWEEN HOPE VI AND EDSS
AND OTHER SELF-SUFFICIENCY PROGRAMS

HOPE VI and EDSS have some funding linkages with HUD's other self-sufficiency and economic development programs. The funding linkages we found varied from year to year and typically occurred through the appropriations process when the Congress approved using a portion of the funding from one program to fund another—commonly known as a set-aside—or when HUD used funds from one program to fund and support another allowable activity. For example, two work experience efforts—the Youth Apprenticeship Program, an employment program for young adults, and the Public Housing Apprenticeship Demonstration Program, a job training program in the construction trades—were funded through a fiscal year 1994 set-aside from

²The HOPE VI fiscal year 1997 program does not provide special consideration for public housing agencies that establish Campus of Learners Initiatives.

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HOPE VI. EDSS also has funding linkages with other self-sufficiency and economic development programs. For example, in fiscal year 1996, a total of \$53 million was set aside for EDSS from HUD's Community Development Block Grant (CDBG) appropriation. Of the \$53 million, HUD used funds for the following three programs: the Bridges-to-Work Demonstration (links work-ready participants to suburban jobs), the Family Self-Sufficiency Program (promotes local strategies to enable families to achieve economic independence and self-sufficiency), and TOP. In fiscal year 1997, a total of \$60 million was set-aside for EDSS from HUD's CDBG appropriation. Of the \$60 million, the Congress directed HUD to use \$5 million for TOP and \$5 million for Moving-to-Work (a program designed to increase housing choices for families who are seeking work or participating in job training or educational programs).

AGENCY COMMENTS

We provided a draft of this report to HUD for review and comment. We met with the Deputy Assistant Secretary for Real Estate Performance, Funding and Customer Service in the Office of Public and Indian Housing; the Acting Director of the Office of Economic Development in the Office of Community Planning and Development; and a program analyst for the Office of the Deputy Assistant Secretary for Policy Development in the Office of Policy Development and Research to discuss HUD's comments on our report. In general, HUD concurred with the information presented in the draft report and said that the report would serve as a useful summary of its self-sufficiency and economic opportunity programs that are designed to assist tenants of public and assisted housing or low- and moderate-income residents of certain geographic areas. However, HUD's Office of Community Planning and Development suggested that we include several additional programs that provide assistance to the homeless as part of HUD's continuum of care approach and its HOME Investment

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Partnership Program that provides block grants to states and local governments for a variety of housing activities. While we agree that the homelessness assistance programs are self-sufficiency programs, as requested by the Committee staff, we agreed to discuss work that would address homelessness issues at a later date. We also concur with HUD's comment that the provision of rental assistance through its HOME program can be part of a self-sufficiency strategy. However, this report does not include programs that do not have a clear education, employment, or social service component. HUD also requested that we delete the welfare-to-work initiative from our list of programs because it is a HUD proposal that has not received funding. We agree with HUD's comment and have removed the welfare-to-work initiative from our list of programs. HUD suggested minor revisions to clarify our characterization of the program purposes and funding sources for several self-sufficiency programs and provided updated funding information. We incorporated HUD's suggested changes where appropriate.

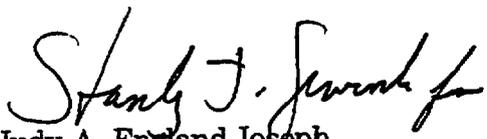
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To develop an inventory of HUD's self-sufficiency and economic opportunity programs and demonstrations, we conducted a literature and legislative search of HUD and federal documents on self-sufficiency programs. After developing a list of programs, we verified the results with HUD. To provide information on how these efforts are linked programmatically and financially to the HOPE VI and the EDSS programs, we (1) interviewed the officials responsible for the individual programs to solicit their views on programmatic links; (2) researched the legislative authority for each program to find its purpose; and (3) reviewed HUD's budget justifications, notice of funding availability, and federal registers for fiscal information. We performed our work from April through July 1997 in accordance with generally accepted government auditing standards.

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Please call me at (202) 512-7631 if you have any questions. Major contributors to this report include Susan Campbell, Merrie Dixon, John McGrail, and Angela Volcy.

Sincerely yours,


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

Enclosures - 2

HUD SELF-SUFFICIENCY PROGRAMS AVAILABLE TO TENANTS OF PUBLIC AND ASSISTED HOUSING

Program	Program purpose	Target group	Legislative authority	Funding available Dollars in millions	
				FY 1996	FY 1997
Programs administered by the Office of Public and Indian Housing					
Tenant Opportunity Program	To provide resident organizations (e.g., resident corporations) funding for activities such as business development, education, and social services that are designed to move tenants toward self-sufficiency and independence. Since the program's inception in fiscal year 1988, 816 resident organizations have received funding.	Residents of public housing	Housing and Community Development Act of 1987 (sec. 122)	\$15 ^a	\$5 ^b
Economic Development and Supportive Services (EDSS)	To provide service coordinators, educational training, and supportive services such as childcare, employment training, computer skills, and counseling education, youth mentoring, and transportation. Other assistance provided include services for the elderly and disabled. This program began in fiscal year 1996. Since 1996, 49 public housing agencies (PHA) have received grants.	Residents of public and Indian housing, the elderly, and persons with disabilities	Omnibus Consolidated Rescissions and Appropriations Act of 1996; HUD 1997 Appropriations Act	\$53 ^a	\$60 ^b
HOPE VI	To revitalize severely distressed public housing through both physical improvements and activities to promote resident self-sufficiency such as training, education, and other activities designed to encourage and support work by public housing residents. HOPE VI was first funded in fiscal year 1993 and has funded 59 sites.	Residents of public housing	1993 Appropriations Act (P.L. 102-389) and subsequent appropriations laws	\$480 ^c	\$550 ^d
Campus of Learners Initiative	To provide a campus-like setting where participating residents enroll in an education program involving computer technology, job training, and comprehensive education and support services.	Residents of public housing	Omnibus Consolidated Rescissions and Appropriations Act of 1996	\$0 ^e	\$0 ^e
Family Self-Sufficiency (FSS)	To help residents of public housing and recipients of tenant-based section 8 assistance to obtain education, training, supportive services that reduce reliance on welfare and assist tenants in gaining employment.	Residents of public housing and recipients of tenant-based section 8 housing	National Affordable Housing Act of 1990	\$9 ^{aj}	\$15 ^f

Program	Program purpose	Target group	Legislative authority	Funding available Dollars in millions	
				FY 1996	FY 1997
HUD/HHS Early Childhood Development Partnership	To establish centers and/or cluster family child care homes that will provide educational opportunities for youth and to facilitate the employability of parents or guardians of children residing in these developments. Grants were awarded to 52 nonprofit child care providers, head start grantees, resident councils, and resident management corporations.	Residents of public housing	National Affordable Housing Act of 1990 and other statutory authorities	No longer funded ^a	No longer funded ^a
Family Investment Centers (FIC)	To provide access to educational and employment opportunities in order to achieve self-sufficiency and independence by (a) developing facilities in or near public housing for training and support services; (b) mobilizing public and private resources to expand and improve the delivery of services; (c) providing funding for essential training and support services that cannot otherwise be funded; and (d) improving the capacity of management to assess the training and service needs of families and coordinate the provision of training and services that meet needs and ensure the long-term provision of such training and services. In 1994, a one-time grant of \$68.3 million was made available to implement FIC programs, demonstrations, and initiatives at 83 locations.	Residents of public housing	National Affordable Housing Act of 1990	No longer funded ^a	No longer funded ^a
Family Investment Centers After-School Demonstration	Part of the FIC effort, this initiative provides after-school programs. The program involves joint investment by the public and private sectors to provide counseling, tutoring, mentoring, and other supportive services designed to reduce gang-related activities and enhance lifestyles. A total of \$3.5 million of FIC funding was used to start the demonstration at four PHAs in 1994.	Public housing residents (ages 7-13)	National Affordable Housing Act of 1990	No longer funded ^a	No longer funded ^a
Youth Development Initiative	To provide better access to comprehensive education, employment opportunities, and supportive services. In 1994, a total of \$5 million of FIC funding was made available to implement this initiative at five PHAs.	Public housing residents (ages 13-25)	National Affordable Housing Act 1990	No longer funded ^a	No longer funded ^a
Youth Entrepreneurial Demonstration Institute	To provide life and job skills training that serves as an alternative to drugs and other gang-related activities. Youth Entrepreneurial Institutes exist in public housing communities to take participants through initial literacy, when necessary, and continue them through actual business planning, business start-up, and access to ongoing operational support. In fiscal year 1994, a one-time grant of \$1 million was used to establish sites at the Philadelphia and the city of Los Angeles PHAs	Public housing residents (ages 16-24) who are high school dropouts	1994 Appropriation Act; sec 164 (P.L. 102-550)	No longer funded ^a	No longer funded ^a

Program	Program purpose	Target group	Legislative authority	Funding available Dollars in millions	
				FY 1996	FY 1997
Public Housing Apprenticeship Demonstration in the Construction Trades and Public Housing Operations	To provide job training and to ensure apprenticeship and employment opportunities in the construction trade and public housing operation that will lead to self-sufficiency for public housing youth. In fiscal year 1994, a one-time grant of \$9 million of HOPE VI funds was awarded to 34 PHAs for training and construction apprenticeships.	Very low-income public housing residents (ages 16-24) who are high school dropouts	1994 Appropriations Act; sec.164 (P.L. 102-550)	No longer funded ^a	No longer funded ^a
Youth Apprenticeship Program	To provide youth corp and joint labor-management supported training, apprenticeship, and employment to young residents of public and subsidized housing. In fiscal year 1994, a one-time grant of \$10 million of HOPE VI funds was made available to eight HOPE VI sites to implement a youth apprenticeship program.	Public housing residents (ages 16-30) in HOPE VI communities	1994 Appropriations Act; (P.L. 103-124)	No longer funded ^a	No longer funded ^a
Moving-to-Work Demonstration	To increase household choice for low-income families by giving incentives to families with children to become economically self-sufficient in which the head of the household is working, is seeking work, or is preparing for work by participating in job training, education, or programs that assist people.	Low-income families	Omnibus Consolidated Rescissions and Appropriations Act of 1996, sec. 204	\$5 ^b	\$5 ^b
Programs administered by the Office of Housing					
Neighborhood NetWorks Program	To establish Neighborhood Networks computer learning centers to give residents access to job skills training, formal education, and community services leading to opportunities for employment, telecommuting, and microenterprise development.	Low-income families	No specific authorization. Program administered under various Housing Act activities	\$0	\$0 ^c
Programs administered by the Office of Administration					
Step-Up	To provide career-oriented on-the-job mentoring, work experience, and classroom instruction through the use of registered apprenticeships and comprehensive support services for participants. Among other things, Step-Up focuses on encouraging the development of construction and maintenance careers. Twenty-one communities have Step-Up programs.	Residents of public and Indian housing and other low-income persons	No specific authorization. Program is eligible for funding through other HUD efforts	\$0 ^c	\$0 ^c
Programs administered by the Office of Policy Development and Research					
Bridges-to-Work Demonstration	To link work-ready participants to suburban jobs through coordinated programs of job search assistance, work preparation and job retention counseling, transportation and child care assistance, and other necessary supportive services at six sites.	Central-city residents	Omnibus Consolidated Rescissions and Appropriations Act of 1996	\$8 ^c	No longer funded ^a

Program	Program purpose	Target group	Legislative authority	Funding available Dollars in millions	
				FY 1996	FY 1997
Jobs Plus Initiative	To target, as the first phase of the Moving-to-Work Demonstration, one public housing site in 6 to 10 communities to (1) saturate that site with services, (2) dramatically increase the share of residents who are employed, and (3) retain those residents within the community.	Residents of public housing	Omnibus Consolidated Rescissions and Appropriations Act of 1996, sec. 204	^h	^h

^aOf the \$53 million Community Development Block Grant (CDBG) set-aside for the program in fiscal year 1996, \$30.8 million was made available for EDSS; HUD designated the remaining \$22.2 million for three other activities: the Family Self-Sufficiency Program, the Resident Initiatives programs, and Bridges-to-Work Demonstration.

^bOf the \$60 million CDBG set-aside for the program in fiscal year 1997, the Congress directed HUD to use \$5 million for the Moving-to-Work Demonstration and \$5 million for TOP. HUD then allocated \$42 million for EDSS, \$5 million for FSS and the remainder for other efforts related to self-sufficiency. The \$5 million CDBG set-aside for TOP was combined with \$15 million in fiscal year 1996 TOP carryover to make available a total of \$20 million for fiscal year 1997.

^cUp to 20 percent of HOPE VI for 1996 may be used for self-sufficiency services.

^dFiscal year 1997 grantees may spend for self-sufficiency programs, \$5,000 per unit based on the higher of the number of replacement units or the number of originally occupied units in the project to be revitalized.

^eFunds have not been appropriated for this program. However, these efforts may use existing program funds, such as HOPE VI, comprehensive grant funds, and CDBG.

^fThe dollars shown fund the FSS program coordinator; no funds are provided for services.

^gThese programs received a one-time appropriation in either fiscal year 1994, 1995, or 1996. Grants for these programs have been obligated, but all appropriations have not been expended.

^hMoving-to-Work fiscal year 1996 funds were used to provide technical assistance under Jobs Plus, the first phase of Moving-to-Work.

HUD ECONOMIC OPPORTUNITY PROGRAMS AVAILABLE FOR TENANTS OF PUBLIC AND ASSISTED HOUSING OR RESIDENTS OF CERTAIN GEOGRAPHIC AREAS

Program	Program purpose	Target group/area	Legislative authority	Funding available Dollars in millions	
				FY 1996	FY 1997
Programs administered by the Office of Community Planning and Development					
Empowerment Zones (EZ)/Enterprise Communities (EC)	To target federal grants to distressed urban and rural communities for social services and community redevelopment programs and provide tax and regulatory relief to attract or retain businesses in distressed communities. In 1994, 104 communities received the EZ/EC designation. The Department of Health and Human Services funds the EZ/EC program. Grants that range from \$100 million to under \$3 million are to be used over the life of the program.	Low-income areas	Omnibus Budget Reconciliation Act of 1993, (P.L. 103-66)	0 ^a	0 ^a
Community Development Block Grant (CDBG)	To help distressed areas develop viable communities by providing decent housing, suitable living environment, and expanding economic opportunities. Specific activities include acquisition of real property, the rehabilitation of residential and nonresidential properties, and public services, such as employment, drug abuse treatment and education, and grants to nonprofits to undertake neighborhood revitalization and community economic development activities. Generally, up to 15 percent of an annual CDBG may be used for public services.	Economically distressed areas	Title I, Housing Community Development Act of 1974	\$4,650	\$4,600
Early Childhood Development Program	To determine the extent to which the availability of early childhood development services in or near lower-income housing projects facilitates the employability of the parents or guardians of children who reside in public housing, and to provide early childhood development services to families that are homeless or at risk of becoming homeless.	Residents of public housing authorities who reside in or near EZ/ECs.	Sec. 222 of the Housing and Urban-Rural Recovery Act 1983; as amended.	No longer funded.	No longer funded.
YouthBuild	To provide education and employment training skills as well as work experience in low-income on-site construction. Since the program's inception in 1993, 293 grants have been awarded to public and private nonprofit agencies.	Disadvantaged young adults ages 16-24	Housing and Community Development Act of 1992, section 164	\$20 ^b	\$30 ^b

Program	Program purpose	Target group/area	Legislative authority	Funding available Dollars in millions	
				FY 1996	FY 1997
Section 108	Loan grantee program that provides funding for economic development activities, housing rehabilitation, public facilities, and large-scale physical development projects. Eligible projects include construction of housing by nonprofit organizations and economic development activities eligible under CDBG.	CDBG entitlement communities and units of local government in nonentitlement areas	Housing and Community Development Act of 1974, sec. 108	\$32 ^c	\$32 ^c
Economic Development Initiative (EDI)	To support job creation project through its financing of community and economic development initiatives. EDI grants supplement section 108 of the Loan Guarantee and Community Development Block Grant program by putting additional equity into community and economic development programs. Grants may be used to modify loans and leverage public and private dollars for job creation efforts. Since 1995, 64 communities have received EDI grants.	CDBG entitlement communities and units of local government in nonentitlement areas	Multi-family Housing Property Disposition Reform Act of 1994 (P. L. 103-233)	\$50	0 ^d

^aEZ/EC funds are used over the 10-year life of the program. EZs and ECs are also eligible for funding from other federal programs.

^bSet-a-sides within the CDBG program for fiscal years 1996 and 1997.

^cThese funds are made available to subsidize the total loan principal, any part of which is to be guaranteed, up to \$1,500,000,000.

^dProgram remains active using fiscal year 1996 funds. HUD requested \$50 million for fiscal year 1998.

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