Supporting Document B

Overview of the OMB Data Collection Package

Background

The Office of Management and Budget (OMB) recently performed a Program Assessment Rating Tool (PART) review of the Department of Housing and Urban Development's (HUD) Section 108 program. OMB's review led to a commitment by HUD to evaluate the program. The PART assessment found that the Section 108 program:[1]

- Lacks long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program.
- Has not demonstrated adequate progress in achieving its long-term performance goals.
- Provides insufficient evidence to draw a strong conclusion regarding how Section 108 compares to other similar programs.
- Has an inherent weakness relative to better designed credit loan guarantee programs—the federal government bears 100 percent of any losses; private lenders do not share the risks of loss from default, suggesting that the program generally encourages private lenders to exercise less caution than they otherwise would.

HUD's Office of Policy Development and Research (PD&R) was charged with completing an evaluation of the Section 108 program to assess the program's effectiveness and to identify areas for improvement. The goal of this evaluation is to examine the results of eligible activities under Section 108 and explain the relationship between program inputs, activities, outputs, and outcomes.[2] The evaluation will collect data for the purposes of quantifying achievements of program outputs. The evaluation is designed to answer three core questions:

1. **Does the Section 108 program overlap with economic development programs operated by other federal agencies?**

   The issues to be examined here are the (a) extent and (b) nature of the overlap between Section 108 and other federal programs and (c) whether such overlap is functional or not.

2. **What types of projects are being funded through Section 108 guaranteed loans?**

   Different communities have used the program to support a wide range of projects such as neighborhood mixed commercial and residential development, industrial parks, public facilities, infrastructure development, and affordable housing activities. The questions to be examined here are what types of projects are most commonly funded and what role does Section 108 have in these projects?

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[1] http://www.whitehouse.gov/omb/expectmore/detail/10009066.2007.html.

[2] Throughout this document we use the word "outcomes" to denote accomplishments. Chapter 5 explains why the Office of Community, Planning & Development's (CPD) Performance Measurement system uses the measurement of outcomes, which is in essence a measure more closely related to accomplishments or outputs than of outcomes.

3. **What are the results of the Section 108 projects?**
   What quantifiable and qualitative results have Section 108-backed investments produced —ranging from jobs created to local revenues generated, to sites cleaned and cleared, to buildings constructed, and infrastructure upgraded?

To answer the key research questions, we have devised a four-part approach, consisting of:

1. Conducting an analysis of programmatic issues raised by OMB's PART evaluation that address program design.
2. Examining the administrative files to gain a historical perspective of the program objectives and proposed outputs and outcomes.
3. Surveying the Section 108 grantees[3] to better understand the actual project operations and outcomes.
4. Conducting site visits to provide additional clarifications and insights.

Research Objectives, Research Questions and Survey Questions

The following tables help explain how the three primary research questions are related to the data sources and how the web survey questions are related to the research questions.

Research Questions, Variables, and Data Sources

Primary Research Question	Variable	Data Source
Does the Section 108 program overlap with economic development programs operated by other federal agencies?	• Program activities funded through Section 108. • Government programs that are most likely to overlap with the activities funded through Section 108. • Alternative sources of program funds for carrying out eventual Section 108-supported activities. • Reasons for using or not using Section 108.	• Literature review • Web searches • GAO report • HUD administrative data. • Web Survey. • Site Visits.
What types of projects are being funded through Section 108 guaranteed loans?	• Projects funded FYs 2002–2007 • Grantees • Locations • Project descriptions • Project characteristics • National objectives • Activity (outputs) • Proposed outcome • Jurisdiction (recipient) and neighborhood characteristics	• HUD program data: administrative files, dBase file, LAMS • Web survey • Site visits • U.S. Census data • ACS data
What are the results of the Section 108 projects?	• Verification of HUD program data on characteristics of	• Web survey • Site visits

Primary Research Question	Variable	Data Source
	projects • Accomplishments, benefits, and outcomes • Leveraging • Use of other federal programs and funds • Proposed performance measures for use in future program monitoring and evaluation.	• Census Data • ACS Data • CPD Outcome Performance Measurement system for community planning and development • Integrated Disbursement and Information System (IDIS)[4]

[3] Although typically "grantee" implies a Community Development Block Grant (CDBG) recipient, "grantee" has been used in past HUD publications when discussing Section 108 recipients or users. In this document we use the term grantees to mean "Section 108 recipients," "Section users," or "Section 108 borrowers."

[4] IDIS is a nationwide database, IDIS provides HUD with current information regarding the program activities underway across the Nation, including funding data. HUD uses the information in IDIS to report to Congress and to monitor grantees. IDIS is the draw down and reporting system for the four CPD formula grant programs: CDBG, HOME, ESG, and HOPWA. This research will define a suitable framework for reliably capturing and reporting on Section 108 program performance. The framework reflects the community development indicators presented in the Department's Notice of Outcome Performance Measurement System for Community Planning and Development which was operationalzed in IDIS for reporting performance for CDBG, HOME, ESG, and HOPWA.

Section of Survey	Question Number(s)	Primary Research Question Addressed by this Section of Survey	Comments
General Project Information	1-7	What types of projects are being funded through Section 108-guaranteed loans?	• Questions 1-3 are needed to verify HDQ information, especially since paper files are sometimes variable or unavailable. • Questions 4 and 5 relate the Section 108 loan to total project size. • Questions 3-7 are needed to perform analysis of outcomes.
Assistance to Specific Businesses or Government Agencies	8-12	What types of projects are being funded through Section 108-guaranteed loans?	• Questions provide a unique source of the nature of assistance provided and are essential for analysis.
Third Party Loans (Loan Pools)	13-19	What types of projects are being funded through Section 108-guaranteed loans?	• There is almost no information on loan pool activity in HDQ files.
Economic Development	20-26	What types of projects are being funded through Section 108-guaranteed loans?	• Categories used in these questions are consistent with definitions and terminology used in HUD's Integrated Disbursement Information System (IDIS). • Question are designed to support analysis of outcomes.
Public Facilities	27-31	What types of projects are being funded through Section 108-guaranteed loans?	• Categories used in these questions are consistent with definitions and terminology used in IDIS.
Housing	32-39	What types of projects are being	• Categories used in

Section of Survey	Question Number(s)	Primary Research Question Addressed by this Section of Survey	Comments
		funded through Section 108-guaranteed loans?	these questions are consistent with definitions and terminology used in IDIS.
Outcomes	40-53	What are the results of the Section 108 projects?	• Questions collect basic outcome information by individual national objective. • Questions probe for additional information on outcomes, and on reasons for success or failure. • By asking for data sources, question tests for validity of the outcome information provided.
Conclusion	54-58	Does the Section 108 program overlap with economic development programs operated by other federal agencies? How can the Section 108 program be improved?	• Questions specifically address the program overlap issue. • These questions provide an opportunity for feedback from program participants.

Need for OMB Clearance

Under the Paperwork Reduction Act (PRA) of 1995, OMB requires the Department to clear the questionnaire or survey when asking the same questions of more than nine members of the public (non-Federal employees). The approval process, which is popularly known as the "OMB clearance process," is extensive and time-consuming. It requires two *Federal Register* notices and a detailed application to OMB. The PRA requires that we furnish the information to The Departmental Paperwork Reduction Act Officer, within the Office of the Chief Information Officer for the Chief Information Officer's (CIO) review and certification.[5]

[5] The provisions of the PRA are implemented under 5 CFR 1320.