



Office of
Financial Management
STATE OF WASHINGTON

Activity Inventory Performance Measure Assessment

Washington State Department of Community,
Trade & Economic Development (CTED)

Housing

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Office of Financial Management Assessor:

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Based on a review of the following: OFM Performance Measure Tracking System; Washington State Department of Community, Trade & Economic Development (CTED) *Preliminary Strategic Plan, 2007-2013*; "CTED's Housing Initiatives, Strategic Plan and Performance Measures", House Housing Committee Interim Meeting, Dec. 2, 2005.

Current Strengths and Good Practices

- CTED Housing staff has identified several possible improvements for 2007-09 expected results and performance measures.
- CTED Housing provided a good set of detailed performance measures to the House Housing Committee in Dec. 2005 briefing materials.
- A number of data tools are being built or improved that should make it easier to track outputs and outcomes. These include a Homeless Management Information System, databases on manufactured housing and contracts, grants and loans, and an affordable housing monitoring and reporting system.

Comments About the Budget Activity Measures

- Some Activity Descriptions are very long narratives (see slide 18 for an example). This makes it difficult to identify precisely what the activity produces and the results it is intended to accomplish.
- Two activities have very similar descriptions that make it difficult to distinguish them apart (see slide 19.)
- CTED reports that they no longer have data for, or use, two performance measures: Percent of low-income households receiving winterization services (HP01), and Annual percentage increase to low income housing units (H002). In addition, one measure has no data available: Number of safe and decent affordable housing units created (H003).
- One catch-all measure (Number of low income individuals/households receiving employment, emergency, and other services (H004)), is not a very good activity performance measure:
 - This is a measure of process outputs, not outcomes
 - The over-combining of data elements (individuals and households with employment, emergency, and other services) dilutes the performance story to the point of making it unintelligible.

Since this measure is linked to many different budget activities, the performance story for those activities is not very compelling.

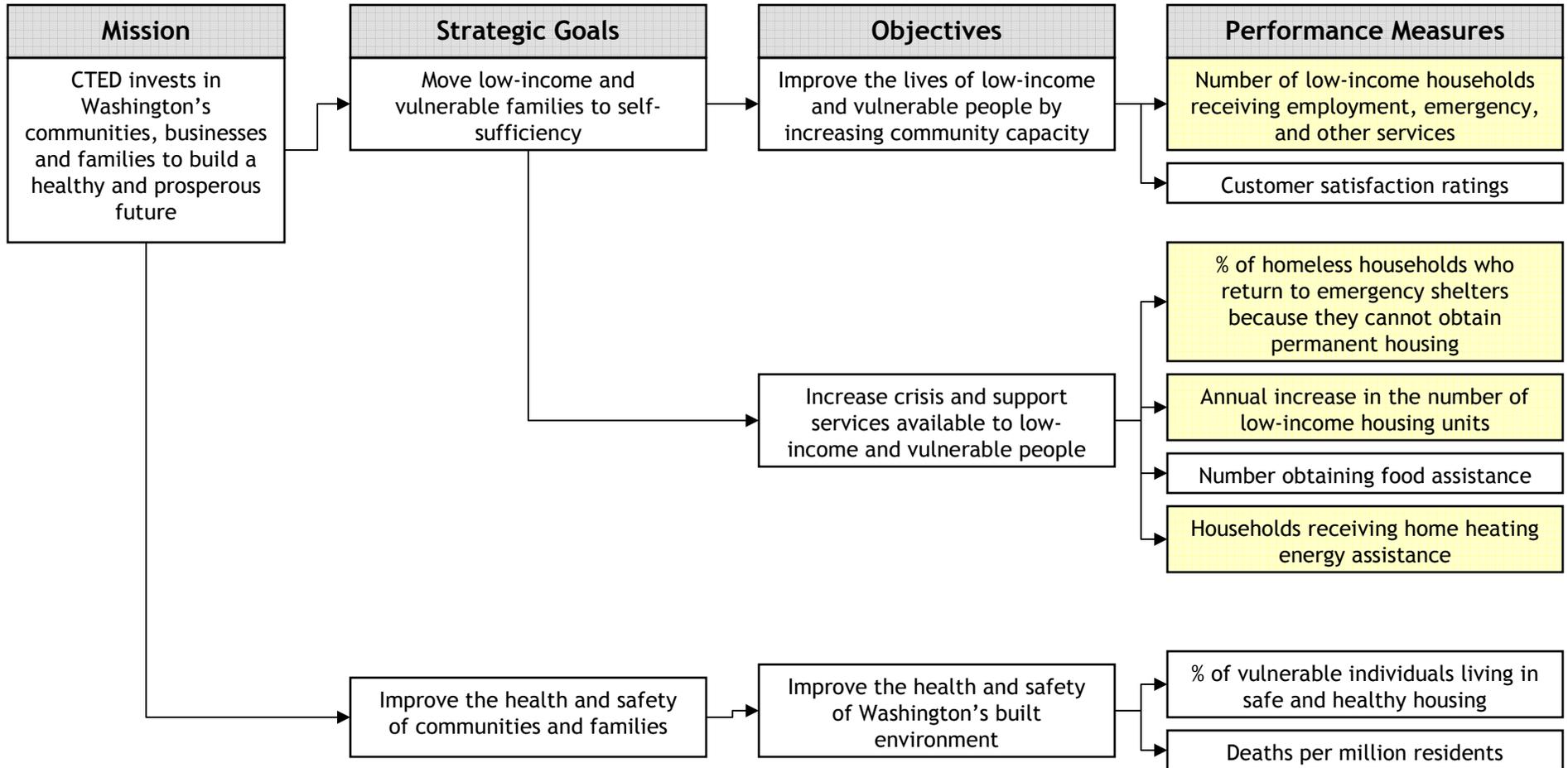
Potential Improvements

- CTED Housing staff has identified good output and outcome measures for housing activities that are closely related to the purpose of each budget activity. These would be good substitutes for, or supplements to, existing measures.
- CTED and OFM Budget staff should agree on and implement new outcome measures to replace those that CTED is no longer tracking, and the single catch-all output measure (number of low income individuals, households receiving employment, emergency, and other services.)

Agency Comments and Future Actions

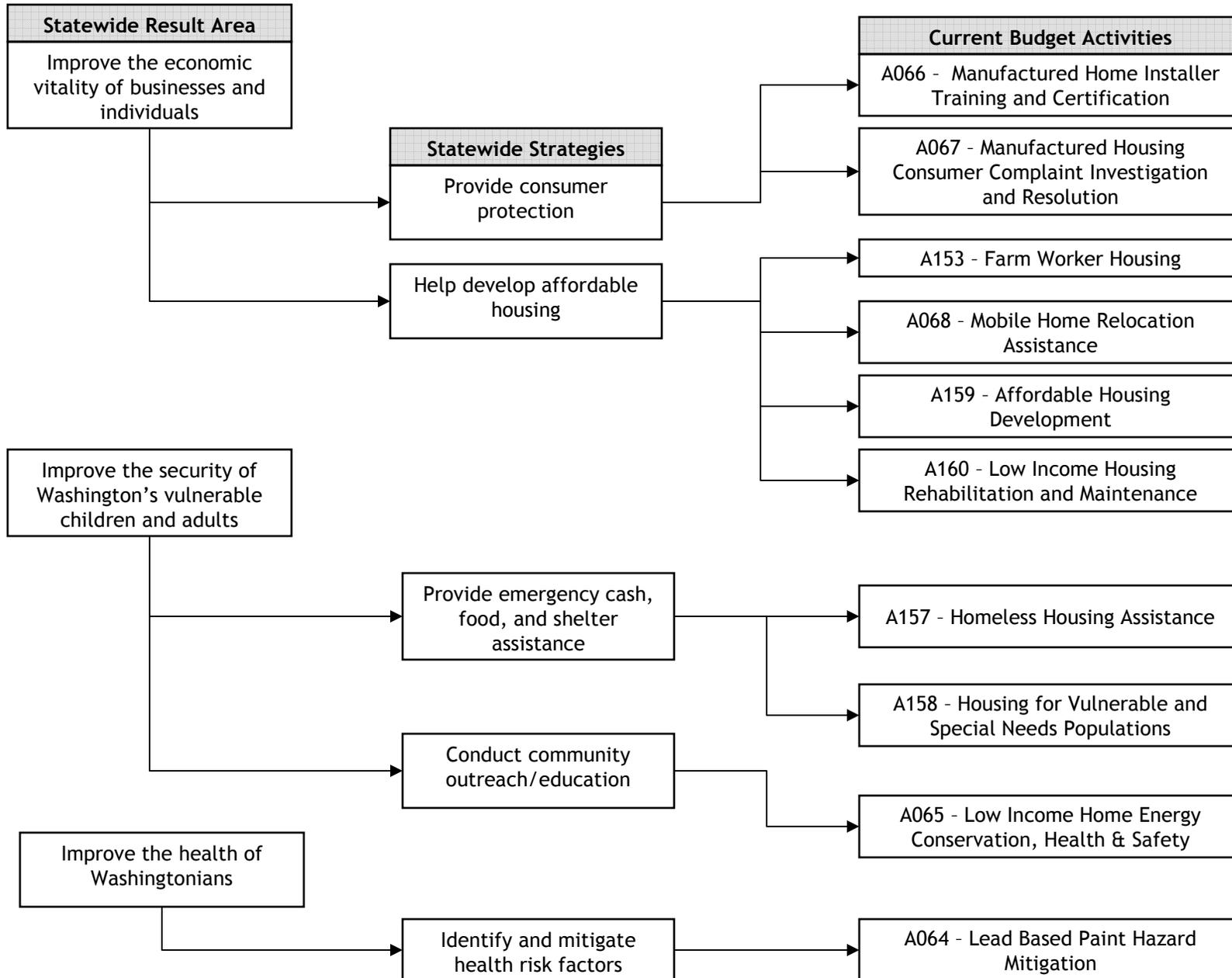
- The Housing Division has been working hard on improving a range of performance measures including outputs, process indicators, and outcomes.
- The Division is excited about the ability and opportunity to align its current performance measures with the OFM system.
- The Division will have performance measures identified for each OFM activity by July 1, 2007 for use in the 2007-2009 biennium.
- The Division will continue working on developing more outcome measures and deploying software that will track all of our measures.
- In the past, the Division has been challenged with attempting to represent all of its activities through a small number of measures. This led to data that was too aggregated to be useful for decision-making. The Division is now focusing on measures that can be aggregated or disaggregated as necessary and aligned all the way from the program to the department level.

Overview of Strategic Planning & Performance Measure Alignment

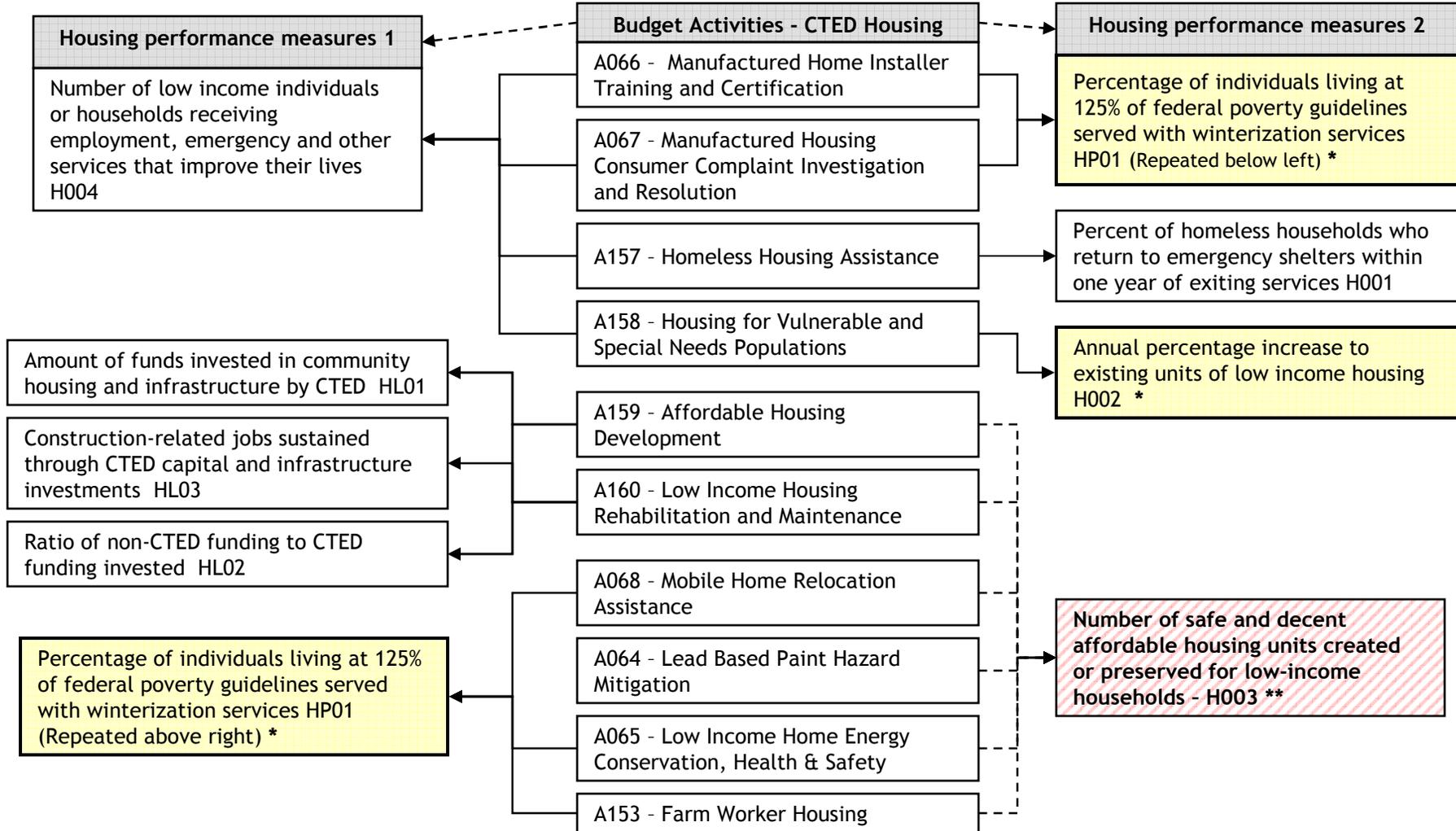


Also Current Budget Activity Measures

Links: Statewide Results and Strategies & CTED Housing Budget Activities



CTED Housing - Budget Activity & Performance Measure Links

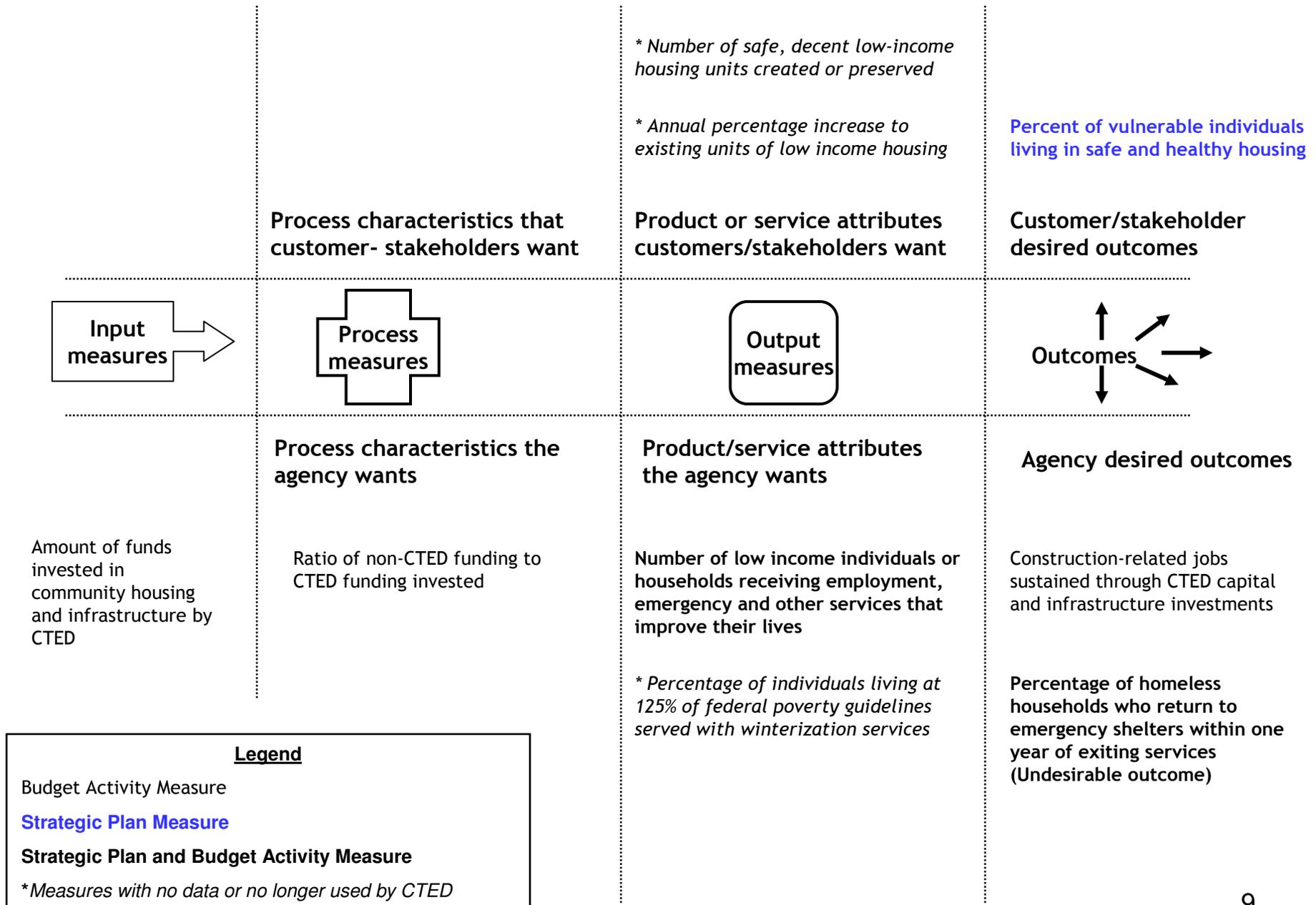


Legend

* Measures no longer being used or calculated by CTED Housing

** Measure not associated with Activities in OFM system

Activity Measure Perspectives



Activity Measure Assessment - Number Receiving Services

Performance Measure Description: A catch-all count of those receiving some service from CTED (H004)

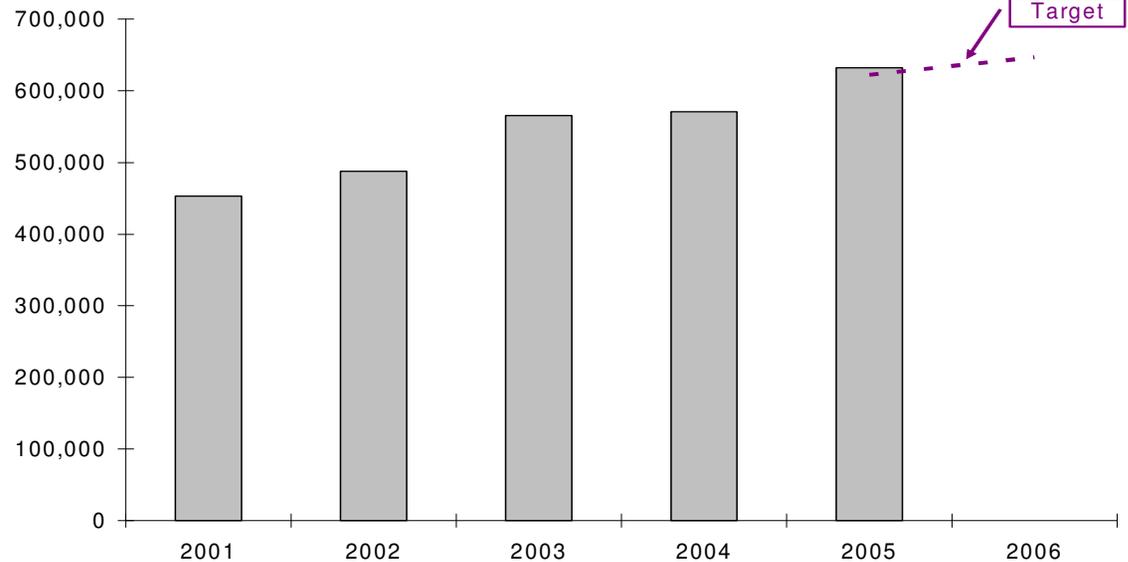
Budget Activity Links: A067 - Manufactured Housing Consumer Complaint Investigation and Resolution; A066 - Manufactured Home Installer Training and Certification; A157 - Homeless Housing Assistance; A158 - Housing for Vulnerable and Special Needs Populations

Category of Measure: A combined output of many processes.

Analysis of Variation: In general, the numbers are increasing - Another year or two of data are needed to determine whether this is a trend.

Analysis of Targeted vs. Actual Performance: Can only find targets for 2005 & 2006 in the PMT system - 2005 exceeded its target.

Number of Low Income Individuals/Households Receiving Employment, Emergency, and Other Services That Improve Their Lives



Comments About Desirable Characteristics

Relevance: Low - There are four Housing activities linked to this one measure. Three of these rely on one other indicator of success that CTED is no longer using.

Understandability: Low - This measure combines too many data groups together to be meaningful

Reliability: As a count of those receiving services - Good; As an indicator of organizational performance - Poor

Timeliness: Poor - data is only available once per year

Comparability: Unknown

Cost Effectiveness: Unknown

General Comments & Explanations:

This data will need to be disaggregated to be meaningful.

Suggested Improvement: Replace this measure with outcome measures related to the purpose of the programs designed to serve the populations counted by this measure.

Activity Measure Assessment - Community Housing Investments

<p>Performance Measure Description: Amount of funds invested in community housing and infrastructure by Department of Community, Trade, and Economic Development (HL01)</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%;">2005-06</th> <th style="width: 20%;">2006-07</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">CTED Community Housing investment funds</td> <td style="text-align: right;">\$ 181,716</td> <td></td> </tr> <tr> <td style="text-align: center;">Target</td> <td style="text-align: right;">\$ 194,681</td> <td style="text-align: right;">\$ 154,224</td> </tr> </tbody> </table>			2005-06	2006-07	CTED Community Housing investment funds	\$ 181,716		Target	\$ 194,681	\$ 154,224
	2005-06	2006-07									
CTED Community Housing investment funds	\$ 181,716										
Target	\$ 194,681	\$ 154,224									
<p>Budget Activity Links: Affordable Housing Development (A159) and Low Income Housing Rehabilitation and Maintenance (A160)</p>											
<p>Category of Measure: Funds are generally considered an input to a process, so the amount of funding would be an input measure.</p>											
<p>Analysis of Variation: Not enough data to judge</p>											
<p>Analysis of Targeted vs. Actual Performance: Investment fell about 6.7% short of the estimate or target in 2005-06. This may be due to changes in federal funding.</p>											
<p>Comments About Desirable Characteristics</p>											
<p>Relevance: Input measures such as funds invested are not particularly relevant to outcomes achieved with that investment (e.g., number of housing units built or rehabilitated.)</p>	<p>Timeliness: Once-a-year reporting is not particularly timely.</p>	<p>General Comments & Explanations:</p> <ul style="list-style-type: none"> The unpublished footnotes in OFM’s system imply that funds from two non-housing activities (Public Work - Drinking Water (A100) and Community Development Block Grants (A096) are included in this total. The notes also say: “Housing HTF [Housing Trust Fund] share \$40 m in FY 04 and \$40 m in FY 05.” The meaning of this measure is diluted if it includes activities that do not contribute housing. CTED Housing Staff may be considering better measures, including: number of homes repaired, and number of affordable housing units created or preserved. 									
<p>Understandability: Although this seems understandable, it’s not clear if this is just the total budget of these activities, or whether “funds invested” is a subset of total funds.</p>	<p>Reliability: Unknown</p>										
<p>Comparability: Unclear</p>	<p>Cost Effectiveness: Unknown</p>										

Activity Measure Assessment - Construction-Related Jobs

<p>Performance Measure Description: Construction related jobs is an estimate generated by a formula based on amount invested (HL03)</p>	<p style="text-align: center;">Construction-Related Jobs Sustained Through CTED Capital and Infrastructure Investments</p> <table border="1"> <caption>Construction-Related Jobs Sustained Through CTED Capital and Infrastructure Investments</caption> <thead> <tr> <th>Year</th> <th>Jobs Sustained</th> <th>Target</th> </tr> </thead> <tbody> <tr> <td>2003-04</td> <td>10,500</td> <td>12,000</td> </tr> <tr> <td>2004-05</td> <td>10,500</td> <td>12,000</td> </tr> <tr> <td>2005-06</td> <td>23,500</td> <td>12,000</td> </tr> <tr> <td>2006-07</td> <td>-</td> <td>12,000</td> </tr> </tbody> </table>	Year	Jobs Sustained	Target	2003-04	10,500	12,000	2004-05	10,500	12,000	2005-06	23,500	12,000	2006-07	-	12,000
Year		Jobs Sustained	Target													
2003-04		10,500	12,000													
2004-05		10,500	12,000													
2005-06		23,500	12,000													
2006-07	-	12,000														
<p>Budget Activity Links: Affordable Housing Development (A159); Low Income Housing Rehabilitation and Maintenance (A160)</p>																
<p>Category of Measure: Jobs created is an outcome of CTED investments, but is not necessarily the desired outcome of these programs (see slide 20.)</p>																
<p>Analysis of Variation: Not enough data to judge. 2005-06 is much higher than previous years - why?</p>																
<p>Analysis of Targeted vs. Actual Performance: The estimated number of jobs far exceeded the target.</p>																

Comments About Desirable Characteristics		General Comments & Explanations:
<p>Relevance: Low - Creating jobs is not a core mission of these activities (see slide 20).</p>	<p>Timeliness: Unknown</p>	<ul style="list-style-type: none"> • 2005-06 is much higher than previous years - why? • This measure has little to do with the intended results of CTED Housing work: rehabilitating low income housing and developing affordable housing. • CTED Housing staff has suggested alternative measures that would be better indicators of work outcomes, including number of affordable housing unites created or preserved, and number of homes repaired. • This measure is also discussed in CTED’s Local Government Performance Assessment.
<p>Understandability: The terms “sustained” and “investment” are ambiguous, so it’s not clear what is being measured. The fact that this is an estimate is not apparent.</p>	<p>Reliability: Since the measure relies on a formula of jobs created per investment dollar, its reliability rests on those assumptions.</p>	
<p>Comparability: Unknown</p>	<p>Cost Effectiveness: This measure is used for several activities.</p>	

Activity Measure Assessment - Ratio of Non-CTED to CTED Funding

Performance Measure Description: Ratio of non-CTED to CTED funding invested in community housing and infrastructure (HL02)	<table border="1" style="margin: auto; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;"></th> <th style="width: 35%;">2005-06</th> <th style="width: 35%;">2006-07</th> </tr> </thead> <tbody> <tr> <td style="border-top: 1px solid black;">Ratio of non-CTED to CTED funding</td> <td style="text-align: center;">.6</td> <td></td> </tr> <tr> <td style="text-align: center; color: purple;">Target</td> <td style="text-align: center; color: purple;">.6</td> <td style="text-align: center; color: purple;">.54</td> </tr> </tbody> </table>			2005-06	2006-07	Ratio of non-CTED to CTED funding	.6		Target	.6	.54
			2005-06	2006-07							
Ratio of non-CTED to CTED funding			.6								
Target			.6	.54							
Budget Activity Links: Affordable Housing Development (A159)											
Category of Measure: Funding ratios are a process measure.											
Analysis of Variation: Not enough data											
Analysis of Targeted vs. Actual Performance: Performance met the target in 2005-06											

Comments About Desirable Characteristics		General Comments & Explanations:
Relevance: Not clear how a ratio of matching funds relates to the purpose and results of the program.	Timeliness: Data seems to be available annually.	<p>From CTED Housing: Ratio for Housing from FY 00 to FY 05 \$4 to \$1 invested; \$6:\$1 in FY 06</p> <p>From PMT Unpublished Notes:</p> <ul style="list-style-type: none"> • Program 400, Program 600 • A096: FY06-1 to 1; FY07-1 to 1 • A100: Q4-5/95; Q8-5/95 • A113: Q1-47/53; Q8-47/53 <p>Data in these notes use 5 different formats:</p> <ol style="list-style-type: none"> 1. Single digit ratio: .6 2. Generic comparison with dollar sign: \$6:\$1 3. Assumed actual without dollar sign: 5/95, 47/53 4. Narrative with dollar sign: \$4 to \$1 5. Narrative without dollar sign: 1 to 1
Understandability: Less than clear. Ratios can be difficult to understand if the numerators and denominators are not clear. Is better performance higher or lower? Several activities other than Housing appear to be involved in this measure, which makes it difficult to know how well Activity A159 is performing. See General Comments, right.	Reliability: It's not clear what data is being used for non-CTED funding, or where that data comes from. The number reported in PMT (.6, meaning \$.60 non-CTED for each \$1 CTED) does not match the number reported by CTED Housing staff (\$6:\$1).	
Comparability: Data is reported in different formats, which makes it difficult to compare. See General Comments, right	Cost Effectiveness: Unknown.	

Activity Measure Assessment - Homeless Returning to Emergency Shelters

<p>Performance Measure Description: Percentage of homeless households who return to emergency shelters within one year of exiting services (H001)</p>	<table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td></td> <td style="text-align: center;">2005-06</td> </tr> <tr> <td>Percentage of homeless returning to emergency shelters (H001)</td> <td style="text-align: center;">25%</td> </tr> <tr> <td style="text-align: right;">Target</td> <td style="text-align: center;">25%</td> </tr> </table>		2005-06	Percentage of homeless returning to emergency shelters (H001)	25%	Target	25%
		2005-06					
Percentage of homeless returning to emergency shelters (H001)		25%					
Target		25%					
<p>Budget Activity Links: Homeless Housing and Assistance (A157)</p>							
<p>Category of Measure: Keeping homeless people out of emergency shelters is an outcome of this activity; the measure could be considered to be an unintended outcome or error rate measure.</p>							
<p>Analysis of Variation: Not enough data</p>							
<p>Analysis of Targeted vs. Actual Performance: Performance met the target for 2005-06.</p>							

Comments About Desirable Characteristics		<p>General Comments & Explanations:</p> <ul style="list-style-type: none"> • CTED Housing reports they will have good data for this if and when a proposed Homeless Management Information System is approved by the Department of Information Services and deployed. • This seems like a good outcome indicator. Although it may be influenced to some degree by factors outside of CTED's control, this activity can affect the outcome and measure.
<p>Relevance: Keeping homeless people out of emergency shelters by providing housing is very relevant to the activity.</p>	<p>Timeliness: Once-a-year reporting seems appropriate for a measure such as this, where a period of time must elapse for the measure to be meaningful.</p>	
<p>Understandability: The relationship between the activity (providing housing) and the outcome (keeping out of shelters) isn't immediately clear.</p>	<p>Reliability: Unknown</p>	
<p>Comparability: Unknown</p>	<p>Cost Effectiveness: Unknown</p>	

Activity Measure Assessment - Housing units created or preserved

<p>Performance Measure Description: Number of safe and decent affordable housing units created or preserved for low income households - H003</p>	<div style="text-align: center;"> <p>Housing Trust Fund units created or preserved per year</p> <table border="1" style="margin-top: 10px;"> <caption>Housing Trust Fund units created or preserved per year</caption> <thead> <tr> <th>Year</th> <th>Units</th> </tr> </thead> <tbody> <tr><td>2001</td><td>1,850</td></tr> <tr><td>2002</td><td>1,800</td></tr> <tr><td>2003</td><td>2,450</td></tr> <tr><td>2004</td><td>2,100</td></tr> <tr><td>2005</td><td>3,250</td></tr> <tr><td>2006</td><td>1,200</td></tr> <tr><td>2007</td><td>1,750</td></tr> <tr><td>Mean</td><td>2,050</td></tr> </tbody> </table> </div>		Year	Units	2001	1,850	2002	1,800	2003	2,450	2004	2,100	2005	3,250	2006	1,200	2007	1,750	Mean	2,050
Year			Units																	
2001			1,850																	
2002			1,800																	
2003			2,450																	
2004	2,100																			
2005	3,250																			
2006	1,200																			
2007	1,750																			
Mean	2,050																			
<p>Budget Activity Links: No activities are explicitly linked to this measure, although unpublished notes seem to indicate that six activities contribute to this: Lead Based Paint Hazard Mitigation (A064); Low Income Home Energy Conservation, Health & Safety (A065); Mobile Home Relocation Assistance (A068); Farm Worker Housing (A153); Affordable Housing Development (A159); Low Income Housing Rehabilitation and Maintenance (A160)</p>																				
<p>Category of Measure: Output measure</p>																				
<p>Analysis of Variation: This appears to be a predictable process - see General Comments.</p>																				
<p>Analysis of Targeted vs. Actual Performance: No target set</p>																				
<p style="text-align: center;">Comments About Desirable Characteristics</p>																				
<p>Relevance: Housing units created or preserved is very relevant to these activities, although mixing the results of six different activities tends to dilute the story of each one's unique contributions.</p>	<p>Timeliness: Available annually</p>	<p>General Comments & Explanations:</p> <ul style="list-style-type: none"> • The Housing Division has data for units created or preserved, although apparently it was not available in the OFM system. This performance measure was primarily associated with the Housing Trust Fund. • CTED and OFM budget staff should discuss how to implement this measure in a meaningful way (e.g. with aggregated data or with separate data for each Activity). • The number of units created by the Housing Trust Fund, above, depends in part on the level of funds provided by the legislature. 																		
<p>Understandability: Fairly clear, though "units" is jargon, and what qualifies as "created or preserved" is not immediately apparent.</p>	<p>Reliability: Unknown</p>																			
<p>Comparability: Should be good</p>	<p>Cost Effectiveness: Unknown</p>																			
<p>15</p>																				

Activity Measure Assessment - Increase to Existing Low Income Housing

Performance Measure Description: Percentage increase to existing low income housing (H002)*	<table border="1"> <tr> <td></td> <td>2005-06</td> </tr> <tr> <td>Percentage increase to existing low income housing (H002)</td> <td>6%</td> </tr> <tr> <td>Target</td> <td>6%</td> </tr> </table>		2005-06	Percentage increase to existing low income housing (H002)	6%	Target	6%
		2005-06					
Percentage increase to existing low income housing (H002)		6%					
Target		6%					
Budget Activity Links: A158 - Housing for Vulnerable and Special Needs Populations							
Category of Measure: Output measure.							
Analysis of Variation: Not enough information to judge.							
Analysis of Targeted vs. Actual Performance: Performance met the target in 2005-06.							

Comments About Desirable Characteristics		General Comments & Explanations:
Relevance: Low - this activity focuses on people with special needs (e.g. AIDs, mentally ill, disabled) so a measure of low-income household housing seems to have little relevance.	Timeliness: Only one data point in OFM system.	
Understandability: Seems fairly easy to understand, although “existing” low income housing may change. See General comments.	Reliability: Unknown	
Comparability: Unknown.	Cost Effectiveness: Unknown	

- * CTED Housing reports, “No longer calculating due to changing base number.”
- This denominator for this measure is the number of low-income housing units in CTED’s portfolio, i.e. the number of units invested in by the agency.
- CTED Housing has proposed an alternative measure: Number of households assisted. While this would tell a better story about the activity’s work, it wouldn’t necessarily tell a story about program effectiveness.
- In an ideal world, measuring the percentage of targeted population that were able to access services would tell a more compelling performance story.

Activity Measure Assessment - Winterization Services

Performance Measure Description: Percentage of individuals living at 125% of federal poverty guidelines served with winterization services - HP01*

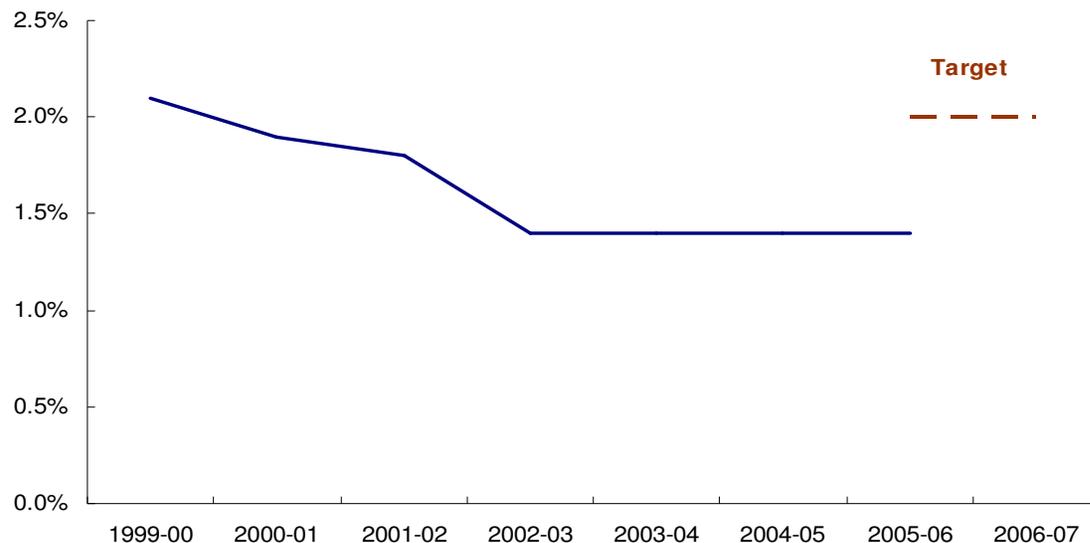
Budget Activity Links: A064 - Lead based paint hazard mitigation; A065 - Low income home energy conservation, health & safety; A066 - Manufactured home installer training and certification; A067 - Manufactured housing consumer complaint investigation and resolution; A068 Mobile home relocation assistance; A153 - Farm worker housing.

Category of Measure: Output

Analysis of Variation: Performance declined for three years before leveling out

Analysis of Targeted vs. Actual Performance: Performance has been below target every year since 2000.

Percent living at 125% of poverty level served with Winterization services



Comments About Desirable Characteristics

Relevance: Very low: winterization services seems to be relevant to only one of the six activities; low-income housing seems relevant to only two of them.

Timeliness: Unknown

Understandability: Several things are not clear about the measure; see General comments, right.

Reliability: Unknown

Comparability: Unknown

Cost Effectiveness: This measure doesn't appear to be used in CTED's strategic plan.

General Comments & Explanations:

- *CTED Housing reports: No longer using this measure; could provide numbers of units receiving weatherization.
- Several things are unclear about this measure:
 - The fact that "winterization services" includes insulation, sealing, and heating system upgrades could be explained in the measure footnote.
 - Is this cumulative, so that a smaller figure represents success?
- CTED Housing staff has data on outputs and outcomes for specific activities that would tell a better story.

Very Long Activity Description: Homeless Housing and Assistance (A057)

Reference: Comments About the Budget Activity Measures, slide 3. Paragraph breaks added.

Homeless population needs go beyond shelter for the night, to include transitional services and permanent housing assistance. A continuum of care system provides housing with supportive services so that individuals and families can successfully move from crisis and shelter to more stable, permanent housing. This system provides a range of housing options from emergency shelter, temporary one-night to short-term housing, to longer-term transitional housing for up to two years and finally permanent affordable housing. Linkages to supportive services are key to quickly returning people who are homeless to stability and a more healthful circumstance.

Supportive services for some individuals may return them to stable housing within a short shelter stay, however, for people with multiple barriers and addictions, many of whom are chronically homeless, substantial services are required to transition them from shelter to intermediate housing to permanent housing. Housing is linked with supportive services such as case management, employment counseling, job training, drug or alcohol treatment, mental health treatment and counseling, substance abuse treatment, parenting skills, life skills training, and child care so that people can achieve stable, long-term housing. Because these services are often provided by different sources and systems of care, coordination among state, federal and local governments is extraordinarily important, therefore, a planned course of action ensuring coordination of services to maximize resources is a high priority of Homeless Housing and Assistance. Coordination, partnership development and a statewide homelessness plan are facilitated through the State Advisory Council on Homelessness, the Policy Academy on Chronic Homelessness, the Affordable Housing Advisory Board, the Washington Families Fund Steering Committee, and other state agency coordinating groups.

Operating subsidies to shelter and transitional housing projects include state Emergency Shelter Assistance, State Housing Assistance to Homeless Families with Children, the new state Homeless Housing Program, federal Emergency Shelter Grant programs, and federal Supportive Housing. Supportive services to the homeless include federal Supportive Housing, state Washington Families Fund, and state Homeless Housing Program. Rental assistance includes state Housing Assistance to Homeless Families with Children, federal Shelter Plus Care, and federal HOME Investment Partnership Program. Construction and/or rehabilitation of shelter and transitional housing projects come from state capital Housing Trust Fund, including set-asides for Homeless Families with Children of \$5 million and Survivors of Domestic Violence of \$1 million. Resources from federal Supportive Housing, Washington Families Fund, and Homeless Housing Program are used to collect and analyze data to improve overall program effectiveness and evaluate program outcomes such as increases in housing stability, economic self-sufficiency, independent living skills, and decreases in the use of state-funded services.

Similar Activity descriptions: Affordable Housing Development (A159) and Low-Income Housing Rehabilitation (A160)

These two Activity descriptions seem very similar, which makes it difficult to tell how they differ. Bullets and bold added. Reference: Comments About the Budget Activity Measures, slide 3.

A159 Affordable Housing Development

- Currently, more than 405,000 low-income Washington households pay a disproportionate share of their incomes for housing. Efforts to create sustainable, affordable housing for low-income households include construction, acquisition, and **rehabilitation of multi-family and single-family** housing projects; housing needs studies; housing project compliance verification; housing project asset management, and technical assistance to housing developers and housing managers.
- **Resources include federal HOME Investment Partnership**, operating Housing Trust Account, and capital Housing Trust Fund non- set aside of \$49 million.

A160 Low Income Housing Rehabilitation and Maintenance

- The Affordable Housing Preservation activity improves and preserves the **affordability** of low-income housing through repair and **rehabilitation** of existing housing stock, both **single-family and multi-family**.
- Affordable Housing Preservation **resources include the federal HOME Investment Partnership Program** and the Housing Trust Fund.
- Affordable Housing Preservation may be used in conjunction with Low-Income Weatherization activities.
- In addition to required weatherization, a single-family home may receive such repairs as a new roof, plumbing improvements, electrical improvements, or a new septic system. Multi-family housing may receive minor or extensive rehabilitation of the complete structure. CTED provides technical assistance to local, public, and private nonprofit agencies that deliver these services.