

SECTION 3: THE FINDINGS IN DETAIL—PARTNER-BY-PARTNER EVALUATIONS

This section presents detailed findings on a partner-by-partner basis. Key patterns of relationship are identified where noteworthy. Since, however, readers may be interested in analyzing the survey results from other perspectives, the full set of survey data is presented in the form of bar charts, for each partner group as a whole as well as for selected sub-populations.²⁷

In summarizing the results of the surveys, somewhat more attention is paid to those partners that, as a group, have a serious complaint with the Department. The intention in doing so is to assist HUD in identifying problems that warrant special attention—as a basis for improving programs and benefits to the people ultimately served by the Department. If a similar survey of those groups is undertaken by HUD in, say, two years, the current data can be used as a baseline against which to measure the progress made to improve those partner

²⁷ The bar charts in this section show the proportions of partners responding to each of the answer categories provided on the survey instrument. In the text, however, categories such as "very satisfied" and "somewhat satisfied" are frequently combined into "satisfied," and "very dissatisfied" and "somewhat dissatisfied" are combined into "dissatisfied." Partners who answered "don't know" are generally not shown in the bars, although they are included in the denominator for calculating percentages. Therefore, the values on the bars may not add to 100 percent, with the difference being the proportion of such respondents. Those who did not respond to a question are excluded from the denominators and the bars.

relationships or program elements for which there is currently dissatisfaction.

In addition to covering each partner's evaluations of HUD's overall performance, its satisfaction with HUD's service quality, its assessment of HUD's management changes, and its assessment of the extent to which HUD has achieved its management reform objectives, issues specific to each partner group are covered. Also included in each part is a brief summary of open-ended comments about HUD provided by some partners.

At the beginning of each partner group section, a summary narrative is presented. After this, the detailed survey data are presented in a series of bar charts so that readers have the opportunity to answer questions that go beyond those addressed in the summary narrative.

Displayed for all of the questions on the survey are frequency distributions for the partner group as a whole and the following cross-tabulations:²⁸

- Whether respondents dealt mainly with (a) small, (b) medium, or (c) large HUD field offices—as defined by HUD;

²⁸ Where information on these variables is not available, of course, the sum of the cross-tabular data will be less than the total number of survey responses.

- The frequency of respondents' contacts with HUD over the last year (whether they were (a) "very frequent," (b) "somewhat frequent," or (c) "not very frequent);
 - Whether respondents (a) had or (b) did not have direct contact with a HUD Community Builder over the last year;
 - Whether respondents are (a) agency, community, or organization directors, mayors, or multifamily owners, or (b) others responding on behalf of such persons; and,
 - Whether respondents believe HUD (a) mainly regulates them or (b) mainly provides support or equally provides support and regulates them.
- 50 largest), and (c) small (communities of 100,000 persons or fewer).
 - PHA partners are divided by the total number of conventional public housing units they manage and the number of Section 8 Existing certificates or vouchers they administer. They are categorized as (a) large (the 50 largest PHAs), (b) medium (those with 500 units up to the 50 largest PHAs), and (c) small (those with 100 to 499 units).
 - Owners of multifamily properties are divided into categories based on the number of properties they own: (a) one or (b) more than one; and the number of units they own: (a) 100 or fewer, (b) 101 to 200, or (c) more than 200.

In addition:

- Mayors' Offices and Community Development Departments are divided into the sizes of their communities. Mayoral partners are categorized as representing (a) large (the 50 largest cities/towns), (b) medium (100,001 to 350,198 persons), and (c) small (100,000 persons or less). CD partners are categorized into (a) large (the nation's 50 largest communities—cities and urban counties), (b) medium (communities with 100,000 or more persons, up to the

Part 1: Evaluations of HUD By Community Development (CD) Department Partners

Community Development Departments are agencies of local governments that engage in a wide variety of community and economic development activities, often in conjunction with HUD's Community Development Block Grant (CDBG) program and other HUD programs. They are awarded CDBG funds in entitlements determined by formula. The universe of such communities consists of nearly 900 cities and suburbs of 50,000 or more population and urban counties.²⁹

HUD's Community Development Department partners exhibit high levels of overall satisfaction with the Department. In a very few instances CD partners show some dissatisfaction or concern, but these are the exception. Still, there is room for improvement, as slightly over one in five CD partners is dissatisfied with HUD's overall performance.

The sample. The sample consists of 439 Community Development Department directors and other officials answering on their behalf.³⁰ To assure the inclusion of a reasonable size sub-sample of large communities, the sample was stratified by size: larger cities and urban counties were selected with certainty, and all others were selected on a (random) equal-probability basis. Sample weights were then applied so that the full sample values would appropriately represent the universe of all Community Development Departments that are entitled to Community Development Block Grant (CDBG) funding

Based on an initial sample of 500 Agencies, the effective response rate is 88 percent. Of the total number of respondents, 60 were interviewed by telephone; the remainder responded to a mailed survey form. Forty-four percent of the respondents were Community Development Department directors; 11 percent were deputy directors; 22 percent were other senior agency officials; and 24 percent were other agency employees or held other positions. Instructions accompanying the survey forms emphasized that, if the director could not personally respond to the survey, those answering should be in a position to respond on the director's behalf.

²⁹ See *Community Development Block Grant*, The Encyclopedia of Housing, William van Vliet— (ed.), Sage Publications (Thousand Oaks: 1998), pp. 64-66.

³⁰ Ten additional survey forms were returned, bringing the sample to 449 (a 90 percent response rate), but these respondents had removed the identification numbers necessary to assure that duplicate surveys were not received inadvertently from the same persons or agencies. These 10 additional forms, therefore, were not included in the data set.

The HUD-partner relationship, and partners' overall performance evaluations. Most of HUD's Community Development Department partners either see the Department as about equally regulating and supporting them, or as mainly supporting them; relatively few consider HUD to be primarily a regulator.³¹

The large majority of CD partners are satisfied with HUD's programs. However, for how HUD administers those programs and how the Department performs overall, the level of satisfaction is somewhat lower for those who see HUD as primarily a regulator. As can be observed in the exhibits that follow, there is a tendency for the latter sub-group to express higher levels of dissatisfaction than others on numerous aspects of their relationship with HUD.

Evaluations of service quality. A large majority of CD partners are satisfied with the quality and timeliness of information, as well as the quality and consistency of guidance they receive from HUD. Those who had infrequent contact with HUD over the last year, however, are somewhat less satisfied than others.

Over 80 percent of CD partners are satisfied with the responsiveness and competence of the people they deal with at HUD; moreover, over 50 percent are very satisfied with the responsiveness of HUD staff. Those agencies that had infrequent contact with HUD or no contact with a HUD Community Builder were somewhat less satisfied, however.

CD partners as a group were less satisfied with the reasonableness of the HUD rules and requirements that apply to their agencies than with other aspects of their relationship with the Department: 47 percent express dissatisfaction. This is even more the case for those who see HUD as primarily a regulator: 70 percent of such partners are dissatisfied with HUD's rules and requirements.

As a bottom line, four of every five CD partners are satisfied with the *overall* quality of service they receive from HUD. Agencies that have infrequent contact with HUD, or that have not had direct contact with a HUD Community Builder, or that see HUD as primarily regulating them show somewhat lower levels of satisfaction, yet even among these sub-groups those who are satisfied substantially outnumber those who are not. Finally, a majority of CD partners conclude that, over the last several years, the overall quality of service they receive

³¹ This is less the case for CD agencies that work with small HUD field offices, but the number of such agencies in the sample is too small (n=13) to allow this or other conclusions about the group to be drawn with any degree of certainty.

from HUD has been getting better, though 23 percent felt it had been getting worse.³²

Assessments of management changes. CD partners express a variety of views about the types of management changes made at HUD over the last several years. For example, over one-third of them do not believe that changes in HUD's organizational structure or functions have had much effect, while more of them believe that changes involving staffing and financial management systems have had some effect. Of those who believe that the changes have had some effect:

- More of them believe organizational structural changes—such as the establishment of new centers and hubs—have made HUD better than believe they have made HUD worse, but even larger percentages believe that the changes have not had much effect.
- Approximately the same proportion of partners believes financial management system changes—such as the creation of new systems and the

consolidation of older ones—have made HUD better as made HUD worse.

- More CD partners believe functional changes—such as the establishment of the Community Builder and Public Trust Officer functions—have made HUD worse than believe they have made it better.
- And, considerably more of them believe that staffing changes—such as the overall reduction in staff, staffing reassignments, and retraining of HUD staff—have made HUD worse than believe they have made it better.

CD partners in large communities are somewhat more likely than those in small ones to conclude that the above management changes have made HUD worse. Likewise, compared to others, those with more frequent contact with HUD or, in some instances, those with direct contact with Community Builders are more likely to conclude that the changes have been for the worse. Such differences, however, are not large, nor do other sub-group differences with respect to management change assessments appear to be especially compelling.

Achievement of management reform objectives.
HUD's management reforms over the previous several years

³² Again, it might appear as if partners who deal with small HUD field offices take issue with this conclusion, but the number of such partners in the sample is too small to support such an observation with any reasonable degree of certainty.

were an attempt to achieve certain objectives. Among them are the following:

- To restore the public trust in HUD;
- For HUD to be "the best in the business;"
- To replace a top-down bureaucracy at HUD with a new customer-friendly structure;
- To instill an ethic of competence and excellence at HUD; and
- To replace the emphasis on process at HUD with an emphasis on performance.

As of late-2000 and early-2001, a plurality of CD partners concluded that HUD's management reform objectives had been partially achieved, as opposed to not achieved at all or either mostly or fully achieved. Among HUD's various reform objectives, somewhat more of them believe the goal of improving public trust to have been at least mostly achieved than believe similar progress has been made toward achieving other goals. In terms of sub-group differences, those who believe their CD Departments to be mainly regulated by HUD are more likely to see no achievement at all compared to those who see HUD as providing them mainly support or a relatively equal amount of support and regulation.

Questions specifically designed for CD partners.

HUD's Community Development partners were asked a series of questions specific to their programmatic relationship to the Department. Their responses are as follows:

- Seventy percent of HUD's CD partners are satisfied with the overall quality of guidance and training that they received in relation to the development of their most recent (three- or five-year) Consolidated Plan. Those who had more frequent contact with HUD or direct contact with Community Builders were somewhat more satisfied than were others.
- Three-fourths of HUD's CD partners are satisfied with the overall quality of community development training and technical assistance that has been provided to them over the past year or so.
- Fifty-four percent of CD partners are satisfied with the process and instructions provided to them for developing their Consolidated Annual Performance Report (CAPER), but 40 percent of them are dissatisfied.
- About three-fourths of CD partners are satisfied with the overall quality of HUD's monitoring of their community development activities. However, those agencies that have had infrequent contact with

HUD are somewhat less satisfied than those with more frequent contact, and those who see themselves as mainly regulated by HUD are somewhat less satisfied than others.

- Seven of every ten CD partners are satisfied with the ability of HUD field office personnel to consistently and reliably interpret regulations that pertain to their community development grants and programs. Again, those with infrequent contact with HUD and those who see themselves as primarily regulated by HUD are somewhat less satisfied than others.
- Only 32 percent of HUD's CD partners are satisfied with the progress HUD has made in developing the Integrated Disbursement and Information System (IDIS) or its successor, the Departmental Grants Management System (DGMS)—considering such things as clarity of instructions, ease of use, usefulness, etc. The fact that as many as 63 percent of all such partners, and 77 percent of those located in large cities, are dissatisfied with IDIS and DGMS stands in sharp contrast to other consistently more positive evaluations.
- Twelve percent of CD partners believe HUD's Community 2020 planning software is very valuable

to them, and an additional 40 percent believe it is somewhat valuable. Forty-two percent conclude that it is not very valuable.

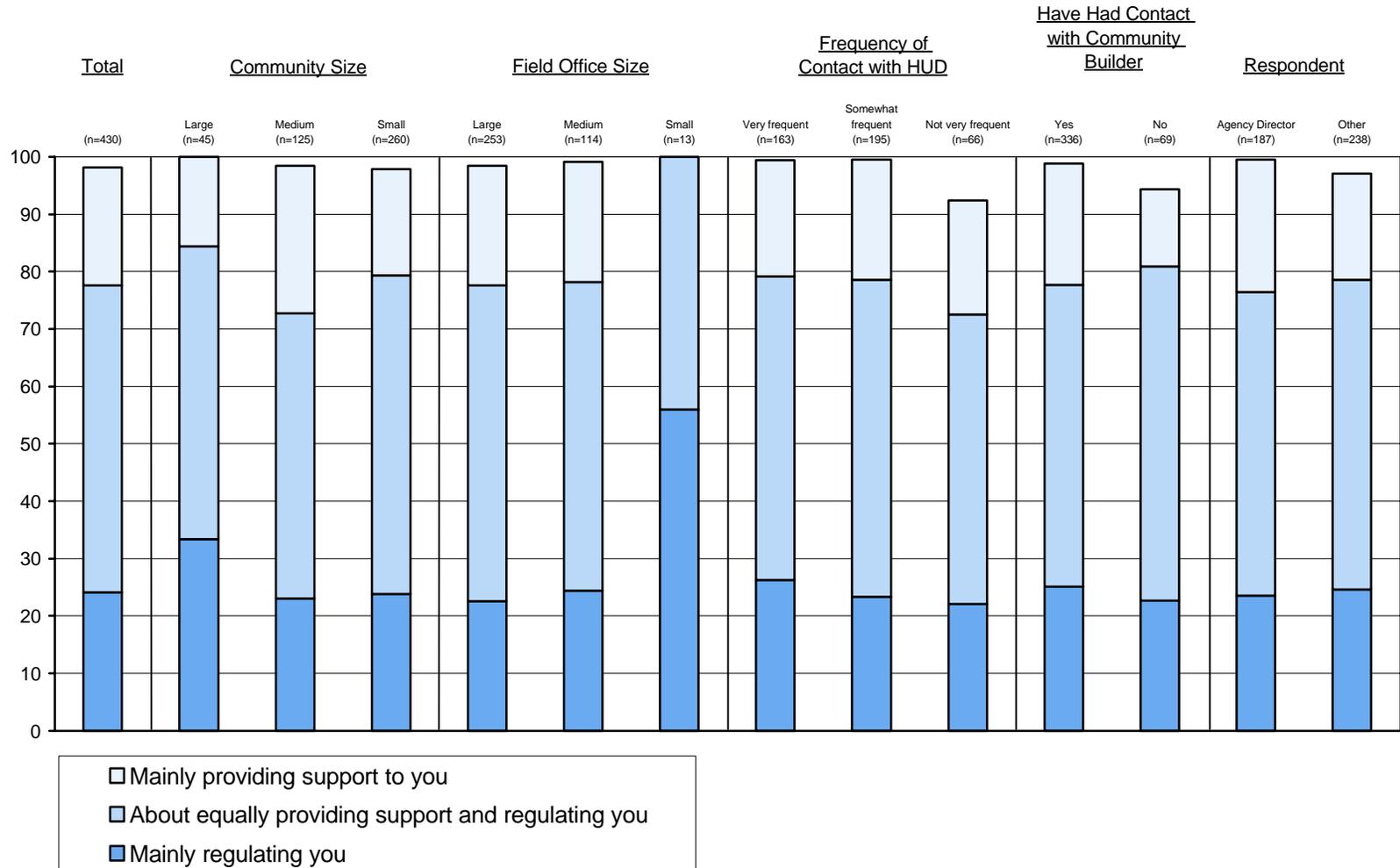
- Twelve percent of CD partners believe HUD's Best Practices efforts and products are very valuable to them, and an additional 43 percent believe they are somewhat valuable. Thirty-eight percent conclude that they are not very valuable.
- Finally, 47 percent of CD partners say it has been very easy in recent months to reach the people at HUD whom they need to contact, and an additional 34 percent say it has been somewhat easy. Nineteen percent claim that reaching people has been difficult.

Open-ended comments provided by respondents.

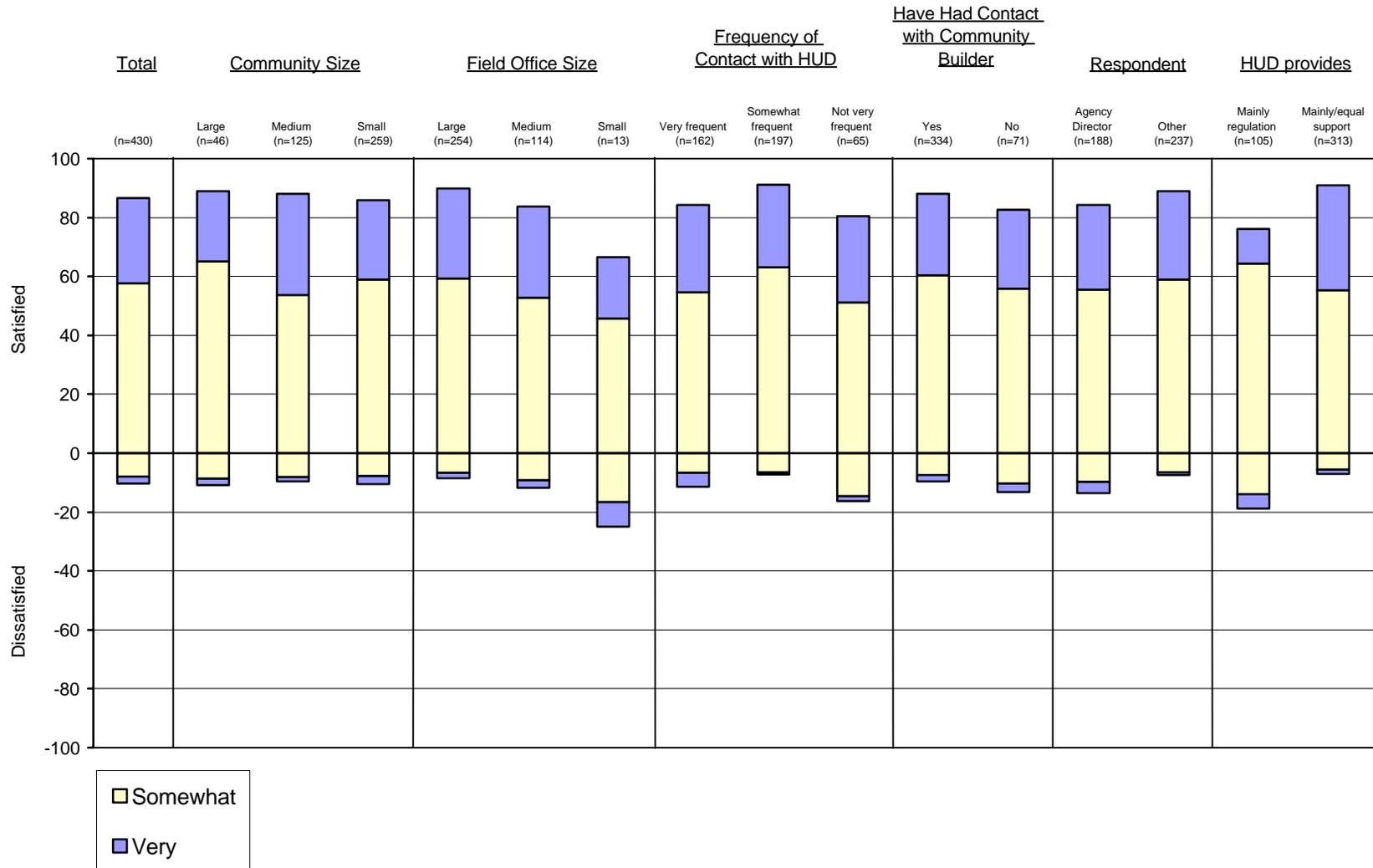
At the end of the survey, respondents were given an opportunity to provide additional comments in their own words, and 36 percent chose to do so. Their remarks range widely, with some complementing the Department and others criticizing it. The negative comments made most frequently concern the Community Builder function, IDIS, the sparseness of field office staffing, and Lead-Based Paint regulations. The positive comments made most frequently concern the training and technical assistance activities of the Department.

Overall Performance

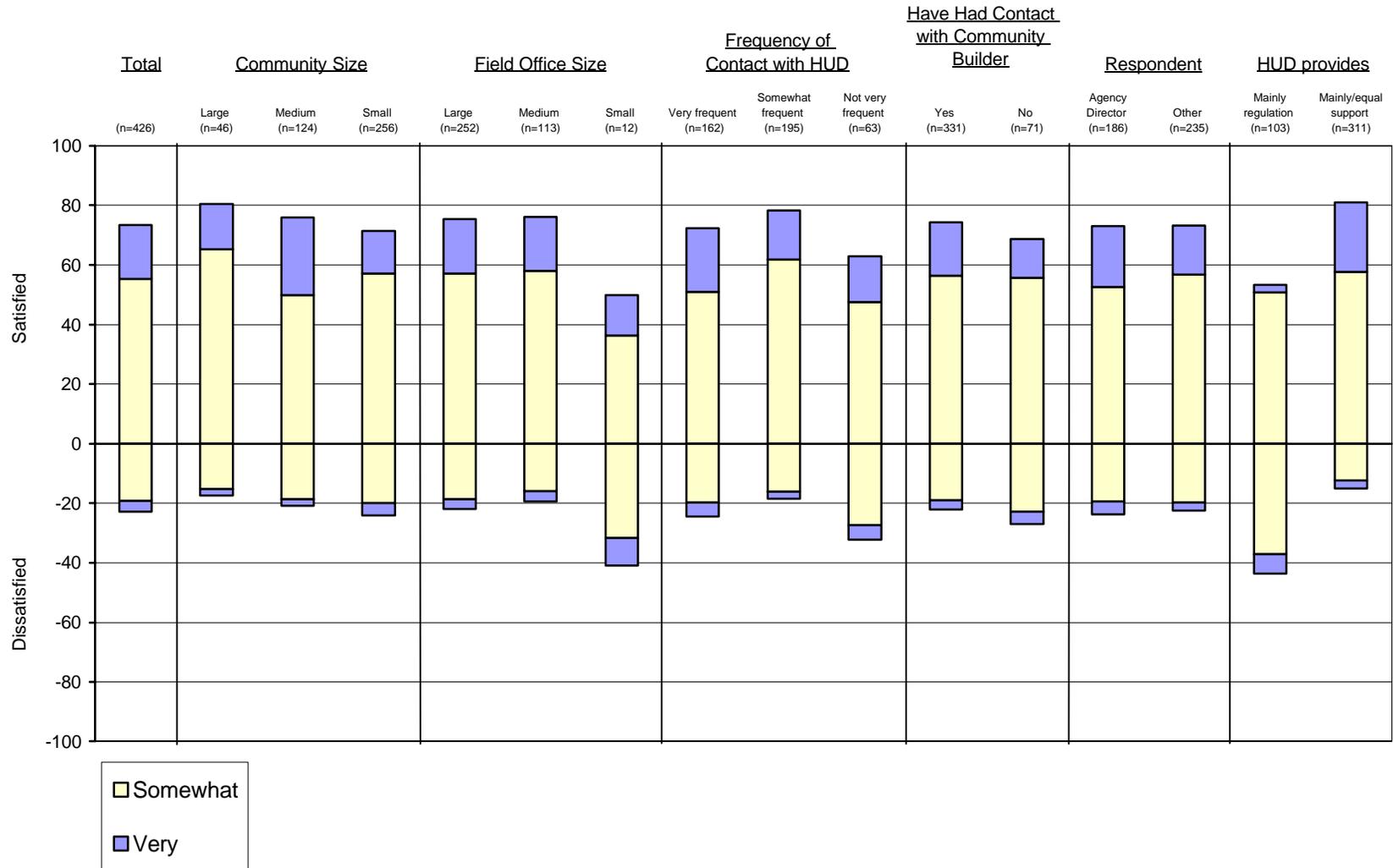
Question 6: HUD has several different responsibilities. On one hand, it provides various forms of support (for example, funding, technical assistance, information) and, on the other, it has a regulatory responsibility (that is, it makes rules, assures compliance with those rules, does assessments). In your agency's relationship with HUD, would you say HUD is mainly providing support to you, about equally providing support and regulating you, or mainly regulating you?



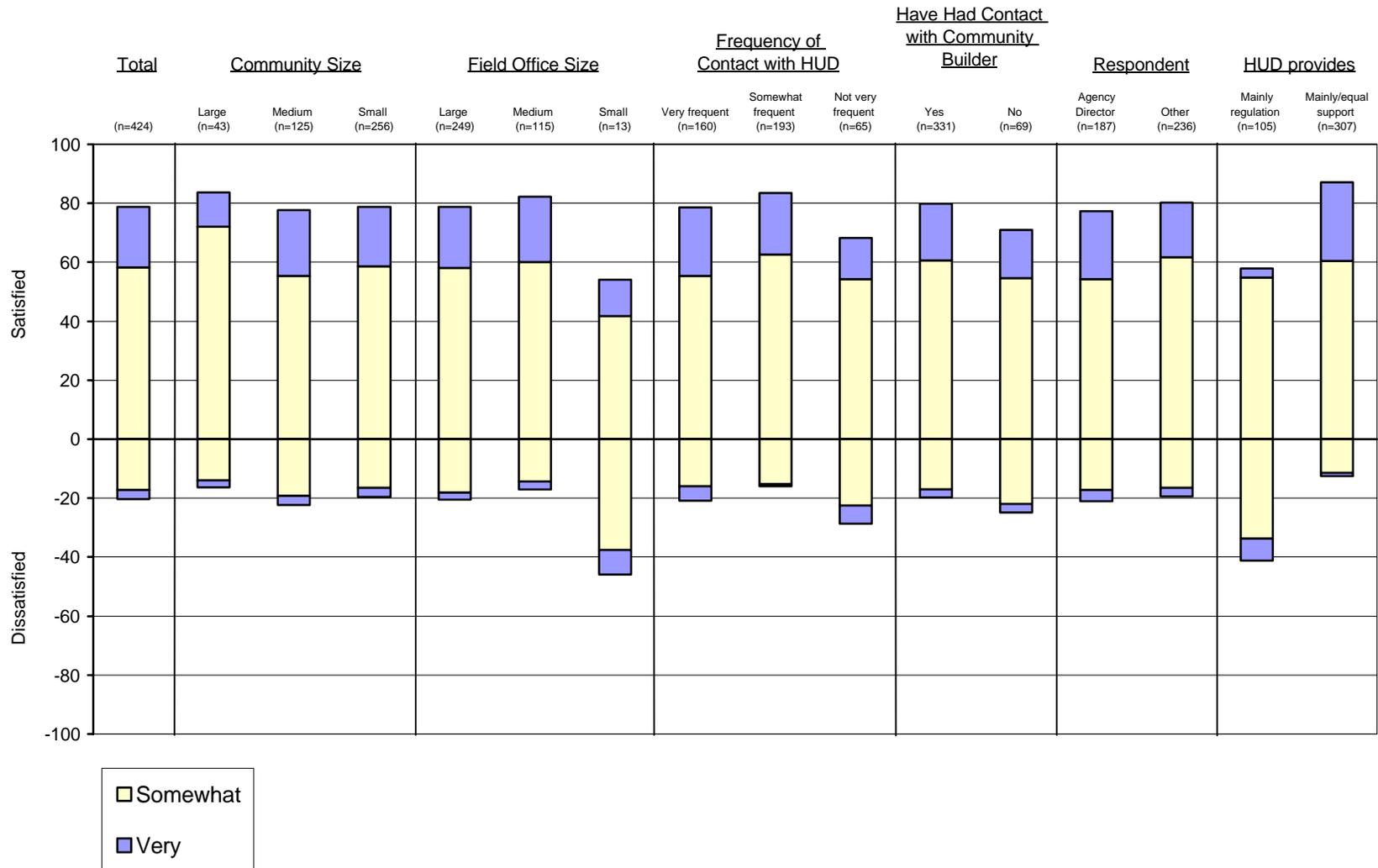
Question 3a: Thinking separately about the HUD programs with which you currently deal and about how HUD runs those programs, how satisfied or dissatisfied are you, in general, with the HUD programs you currently deal with?



Question 3b: Thinking separately about the HUD programs with which you currently deal and about how HUD runs those programs, how satisfied or dissatisfied are you, in general, with the way HUD currently runs those programs?

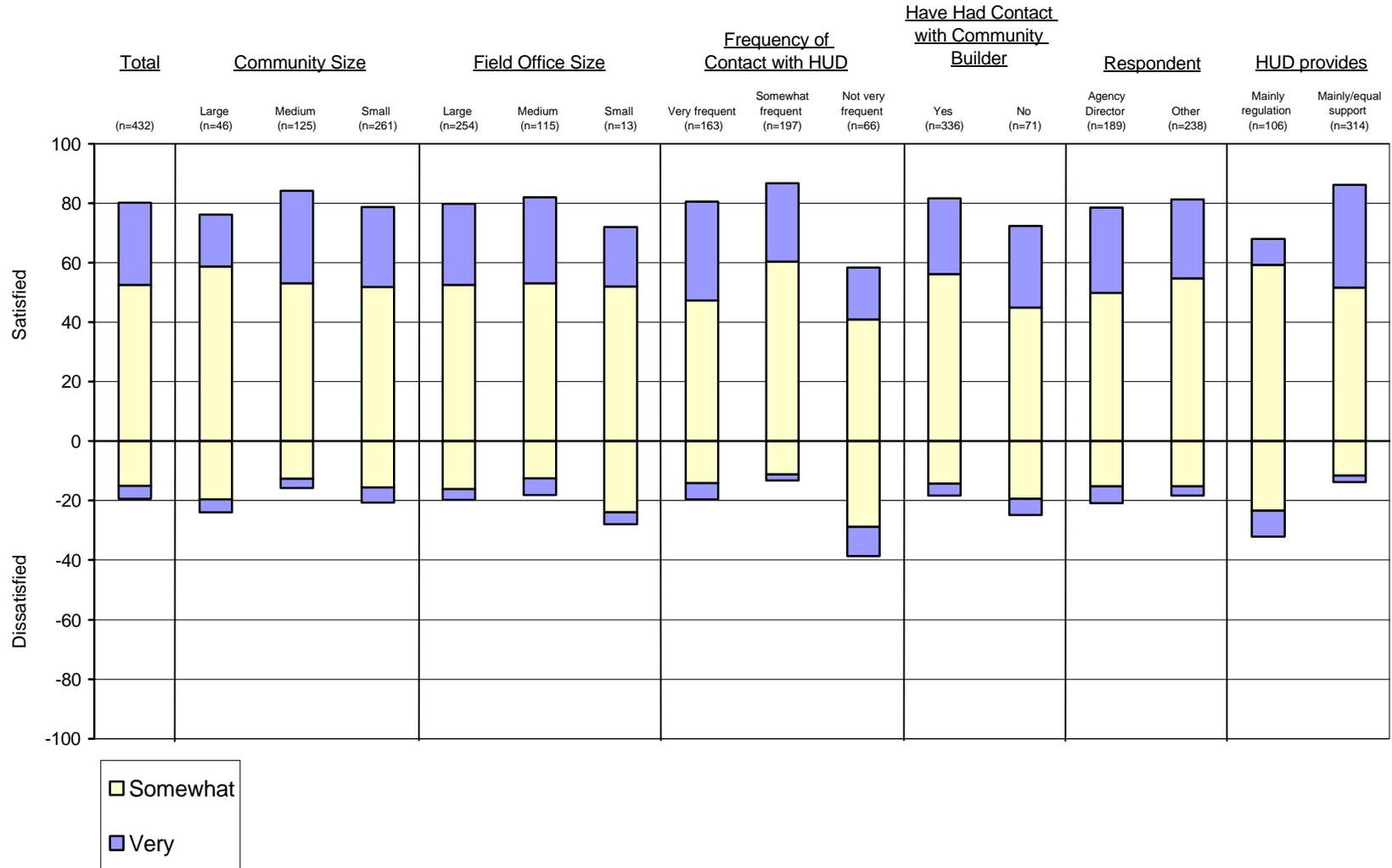


Question 12: At present, taking everything into consideration, how satisfied or dissatisfied are you with HUD's overall performance?

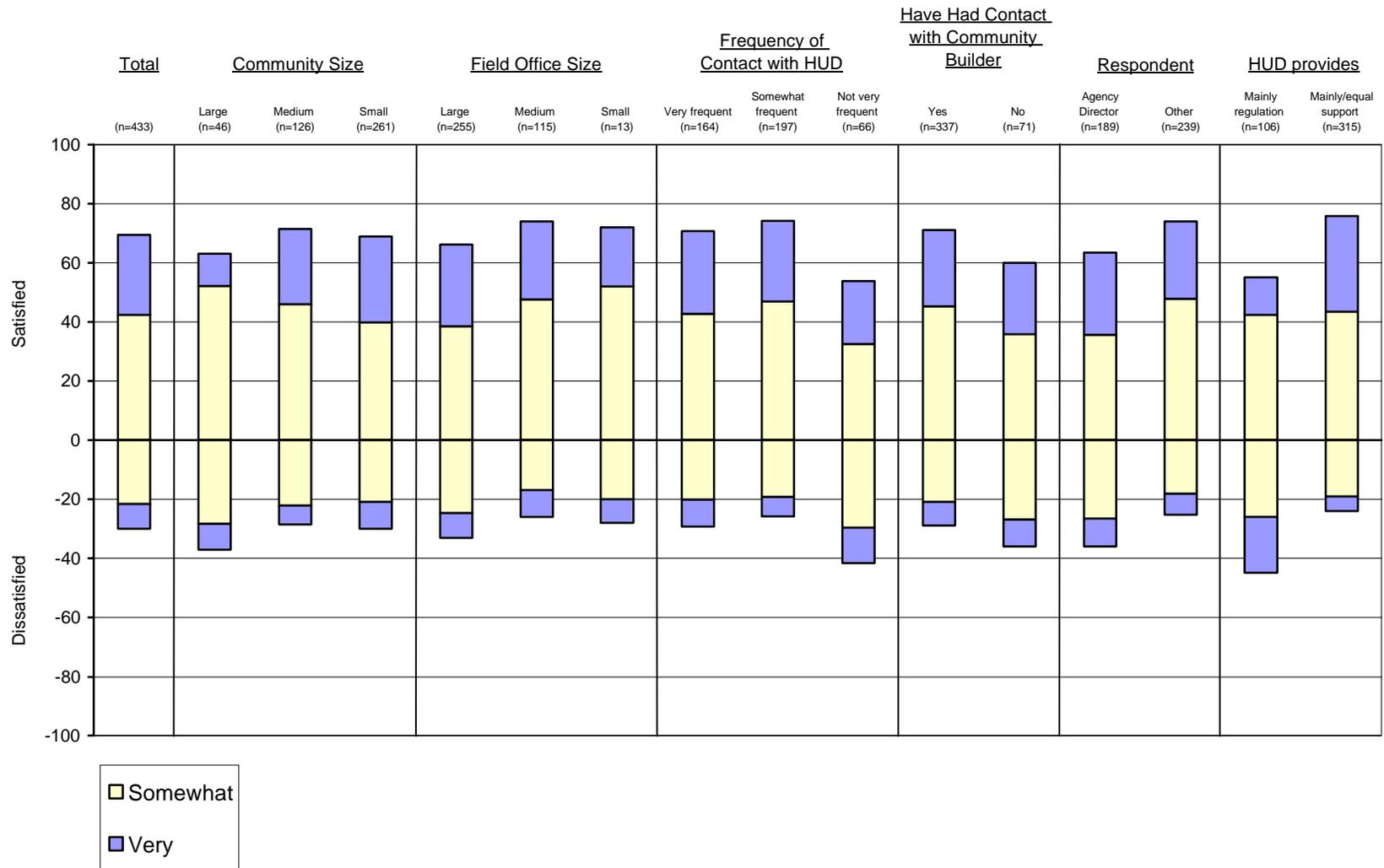


Service Quality

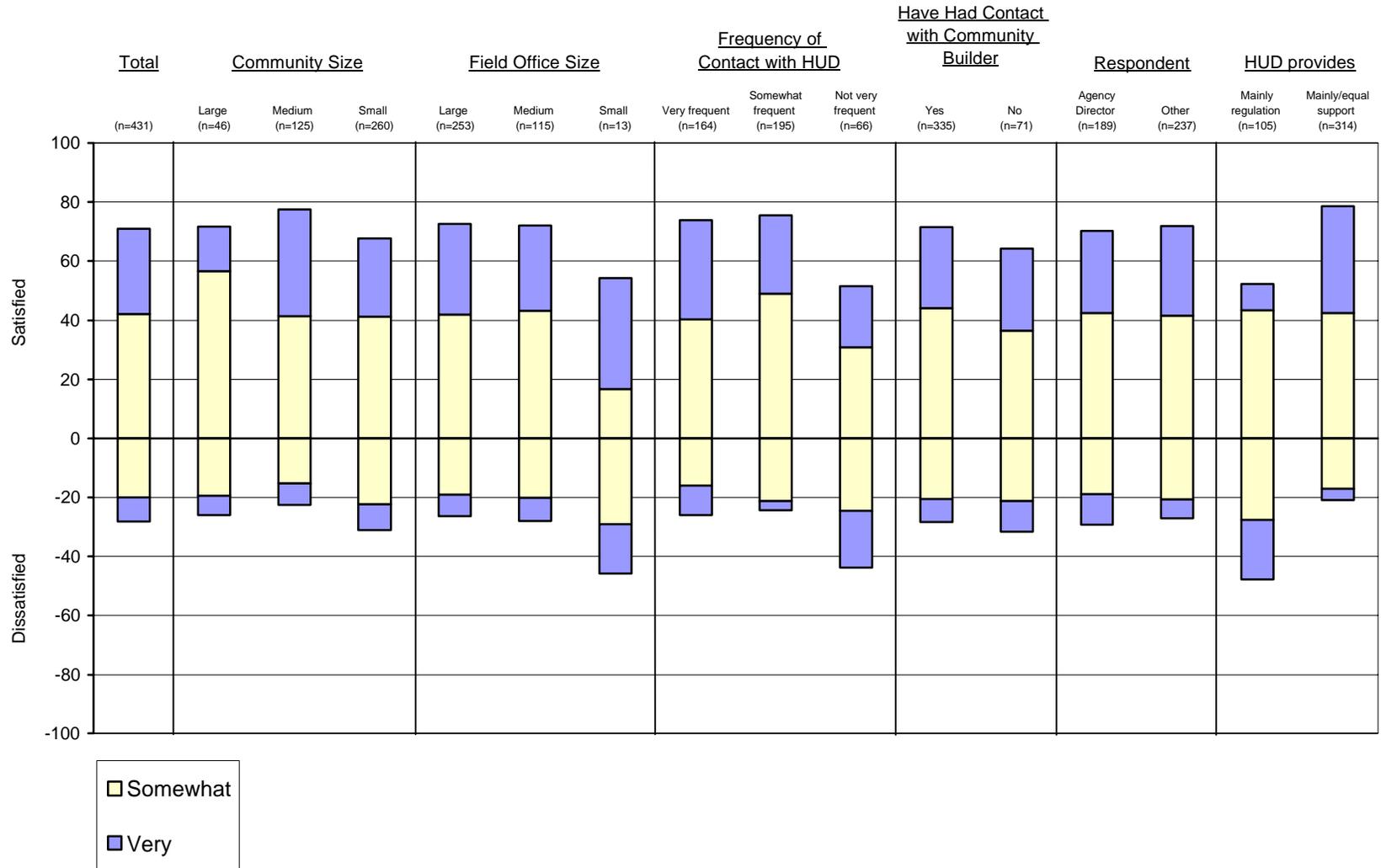
Question 4a: How satisfied or dissatisfied are you at the present point in time, in general, with the quality of the information you currently receive from HUD?



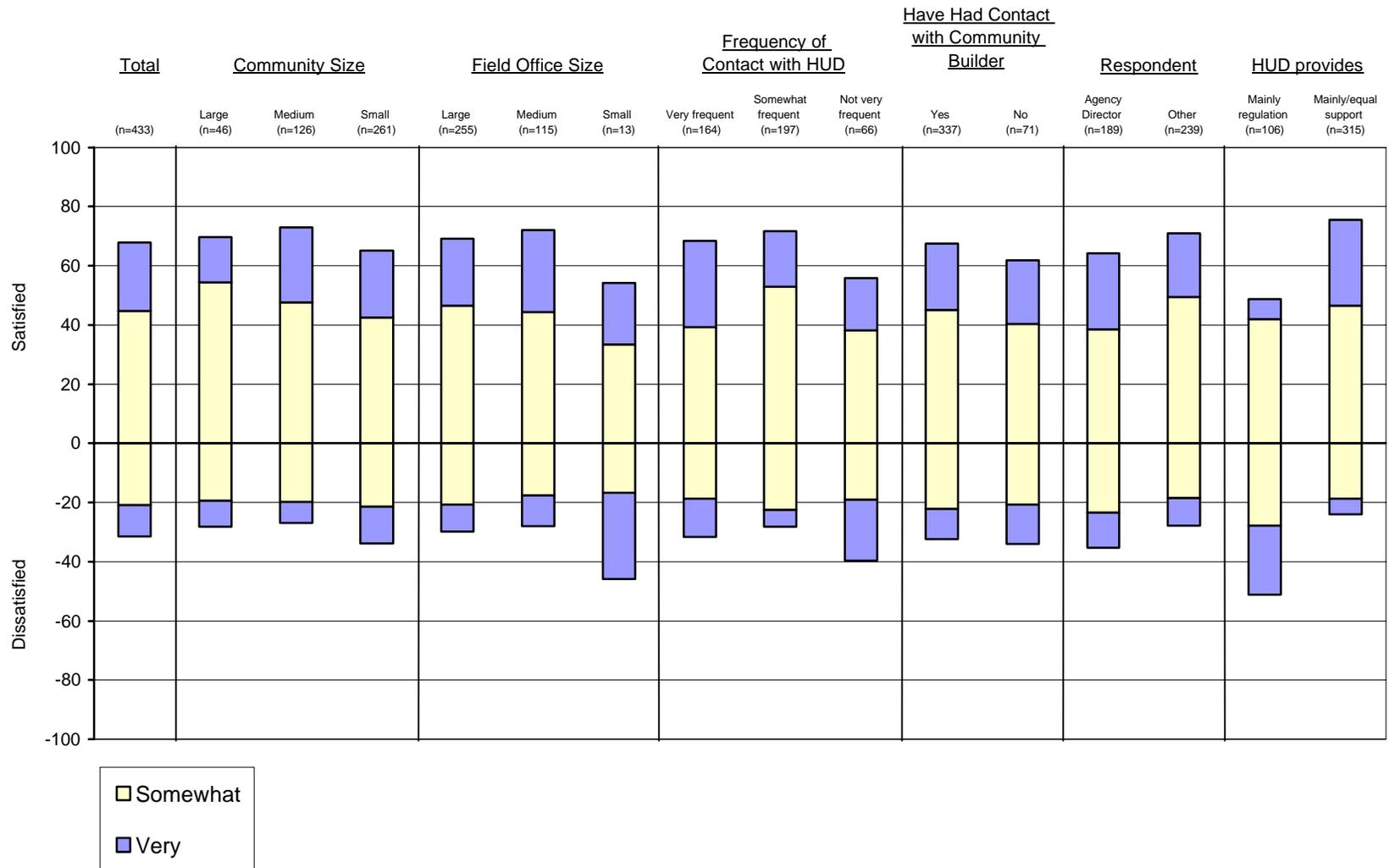
Question 4b: How satisfied or dissatisfied are you at the present point in time, in general, with the timeliness of the information you currently receive from HUD?



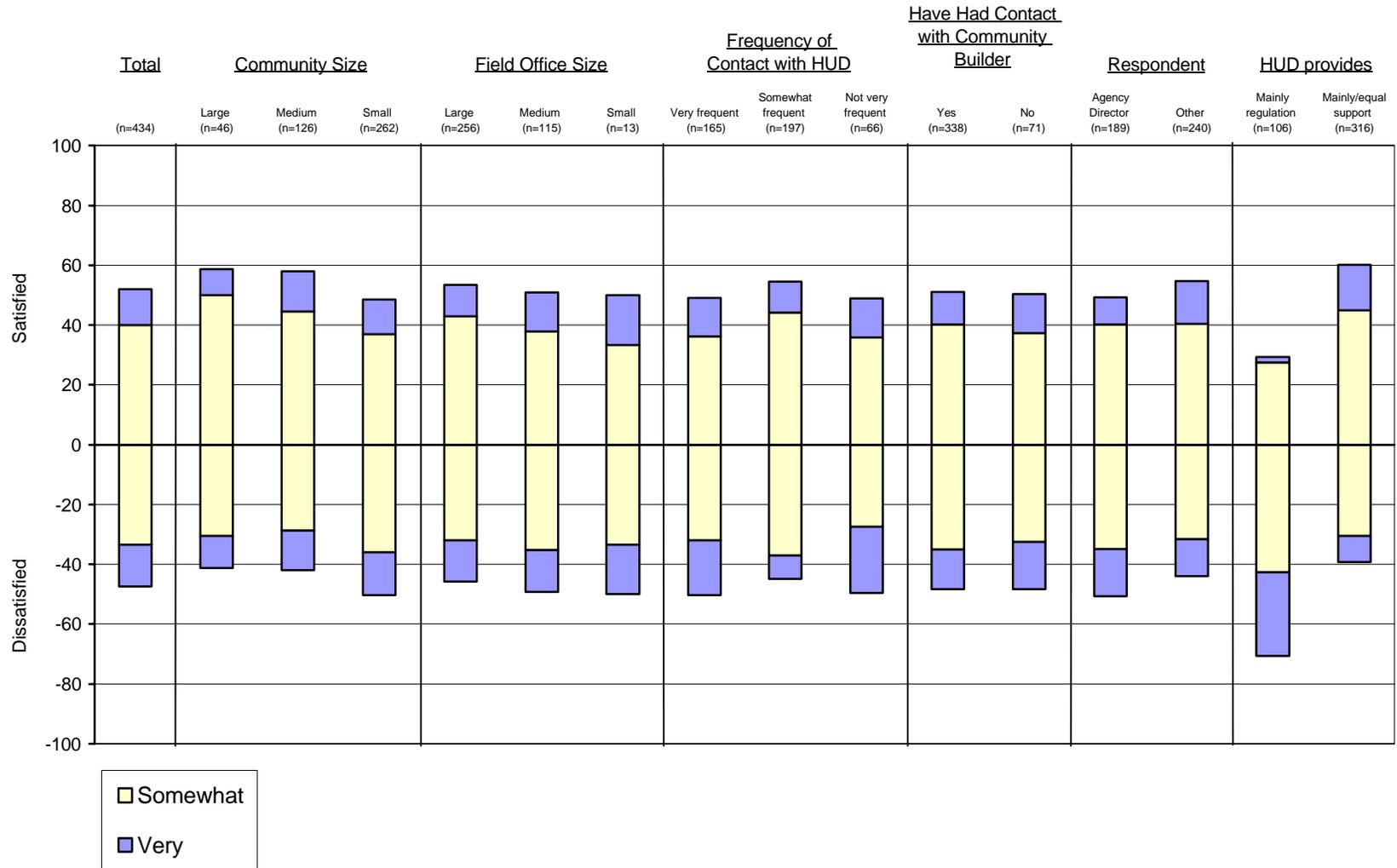
Question 4c: How satisfied or dissatisfied are you at the present point in time, in general, with the quality of guidance you currently get from HUD?



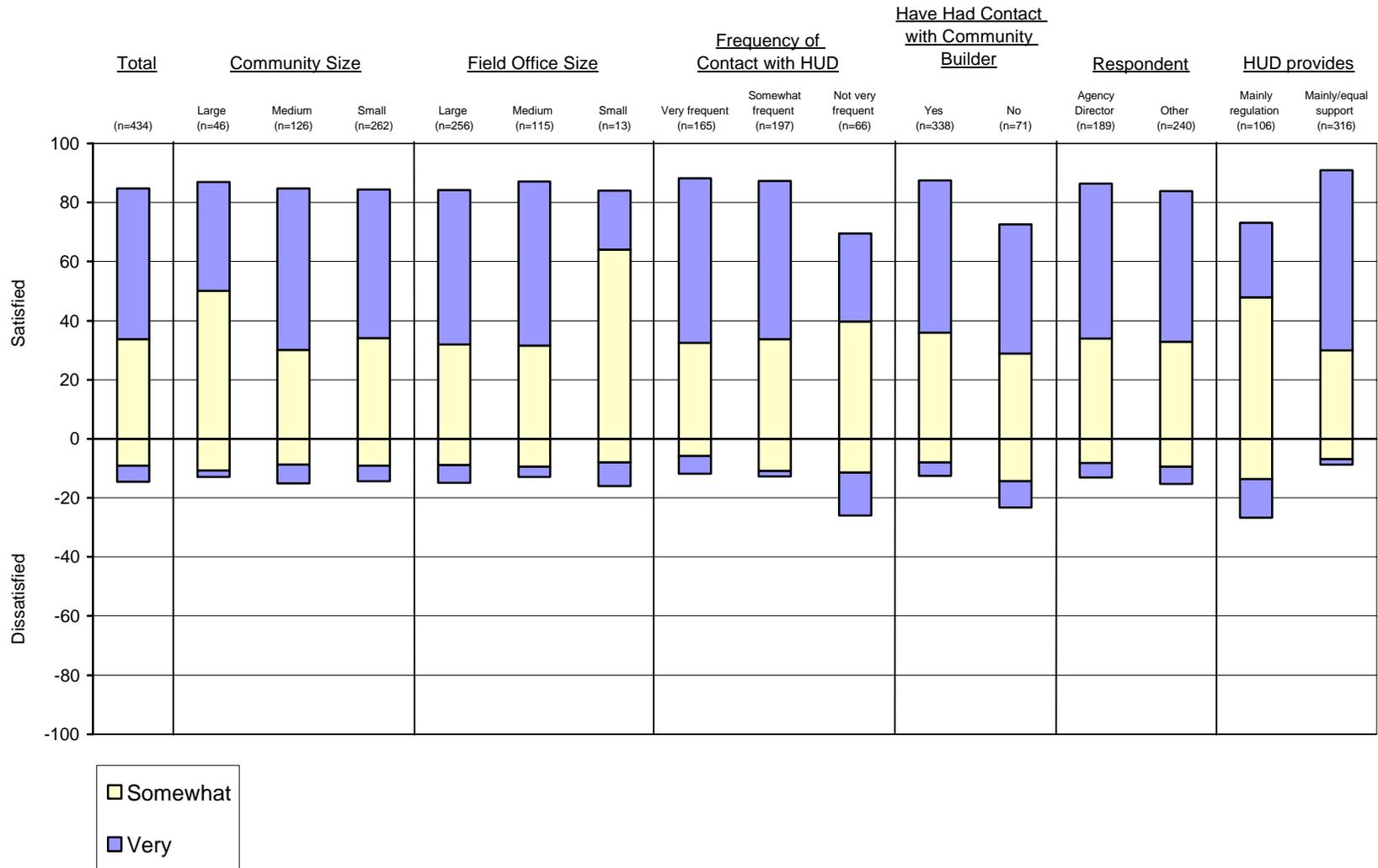
Question 4d: How satisfied or dissatisfied are you at the present point in time, in general, with the consistency of guidance you currently get from HUD?



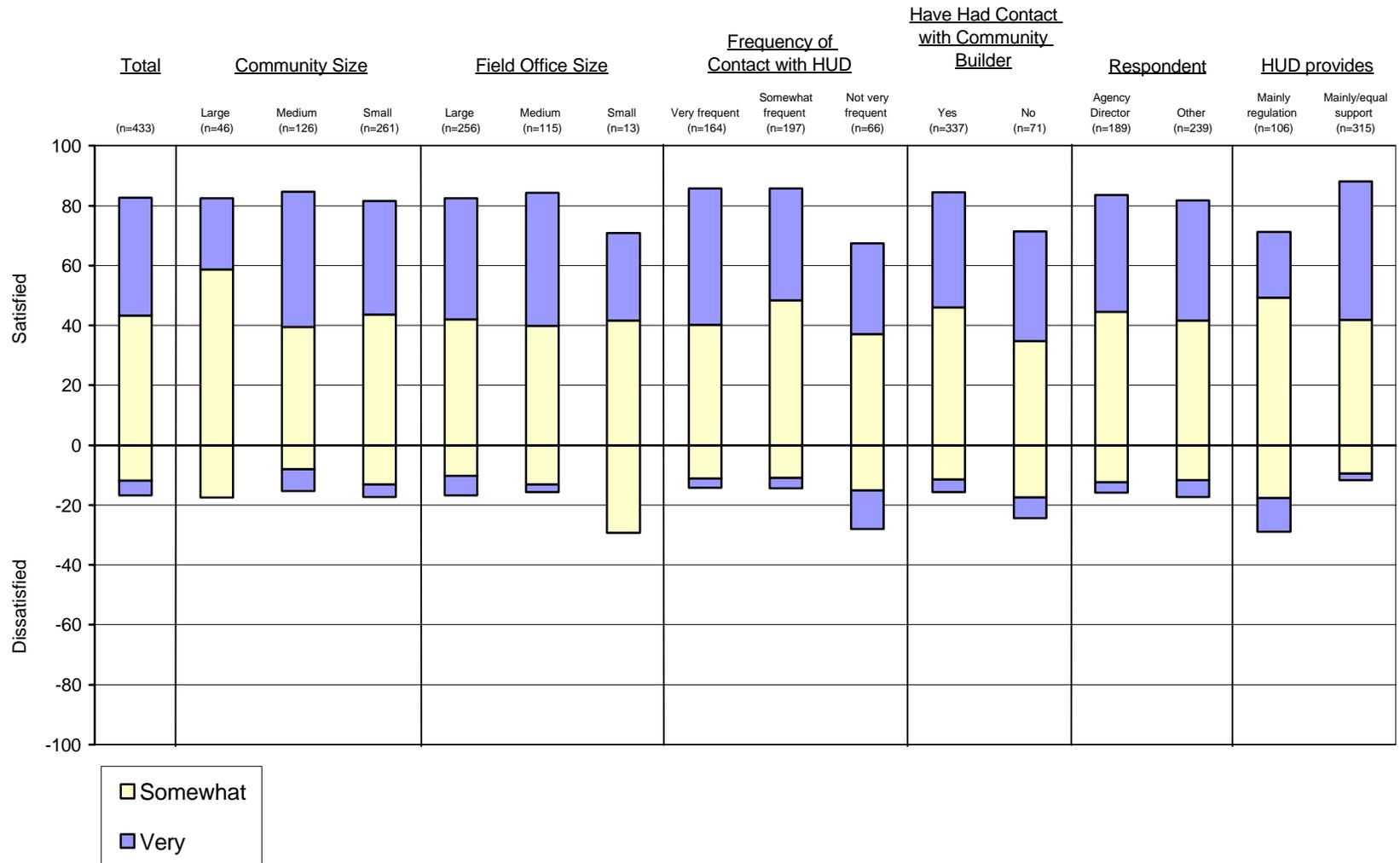
Question 4e: How satisfied or dissatisfied are you at the present point in time, in general, with the reasonableness of HUD rules and requirements that apply to your agency?



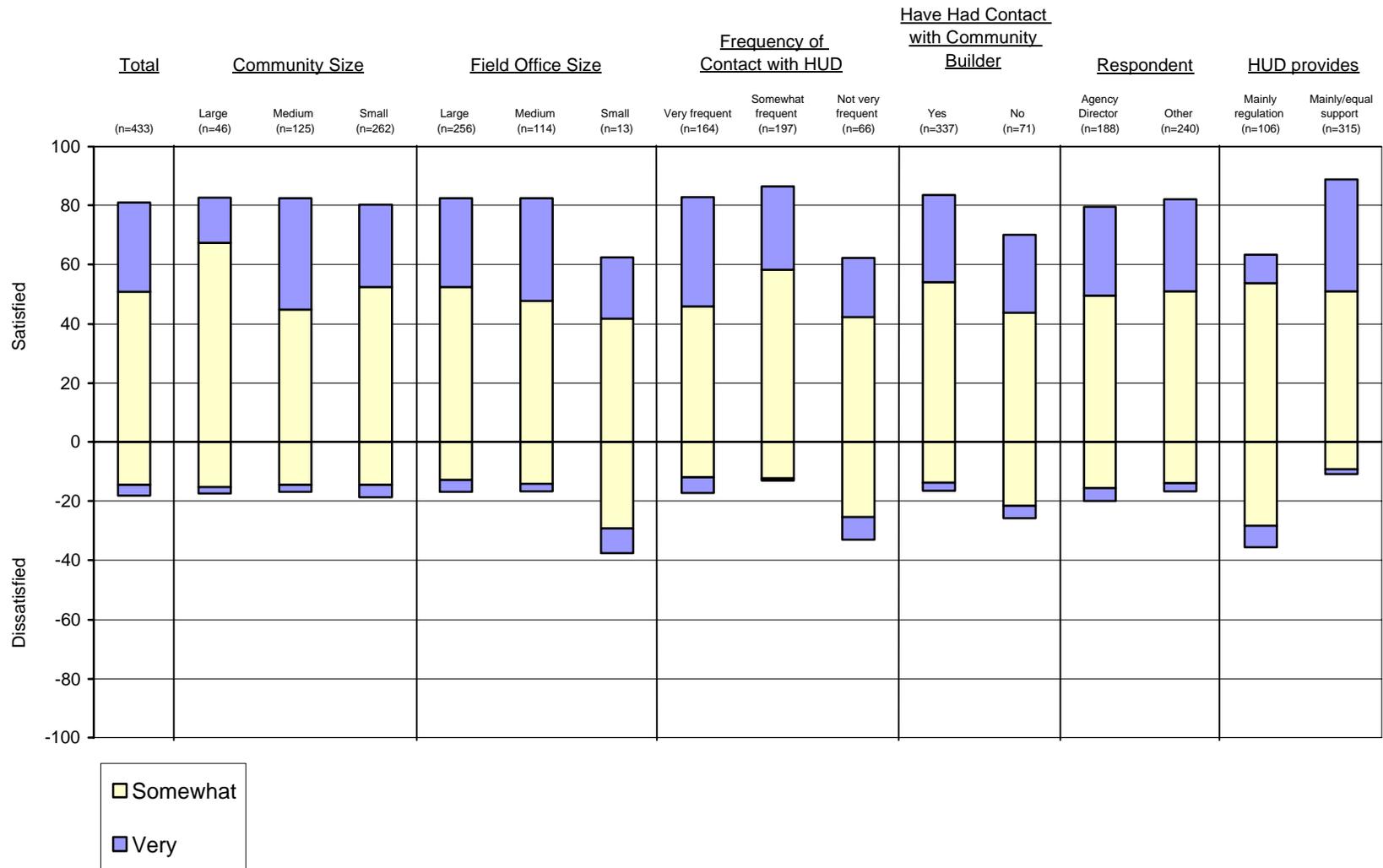
Question 4f: How satisfied or dissatisfied are you at the present point in time, in general, with the responsiveness of the people with whom you currently deal at HUD?



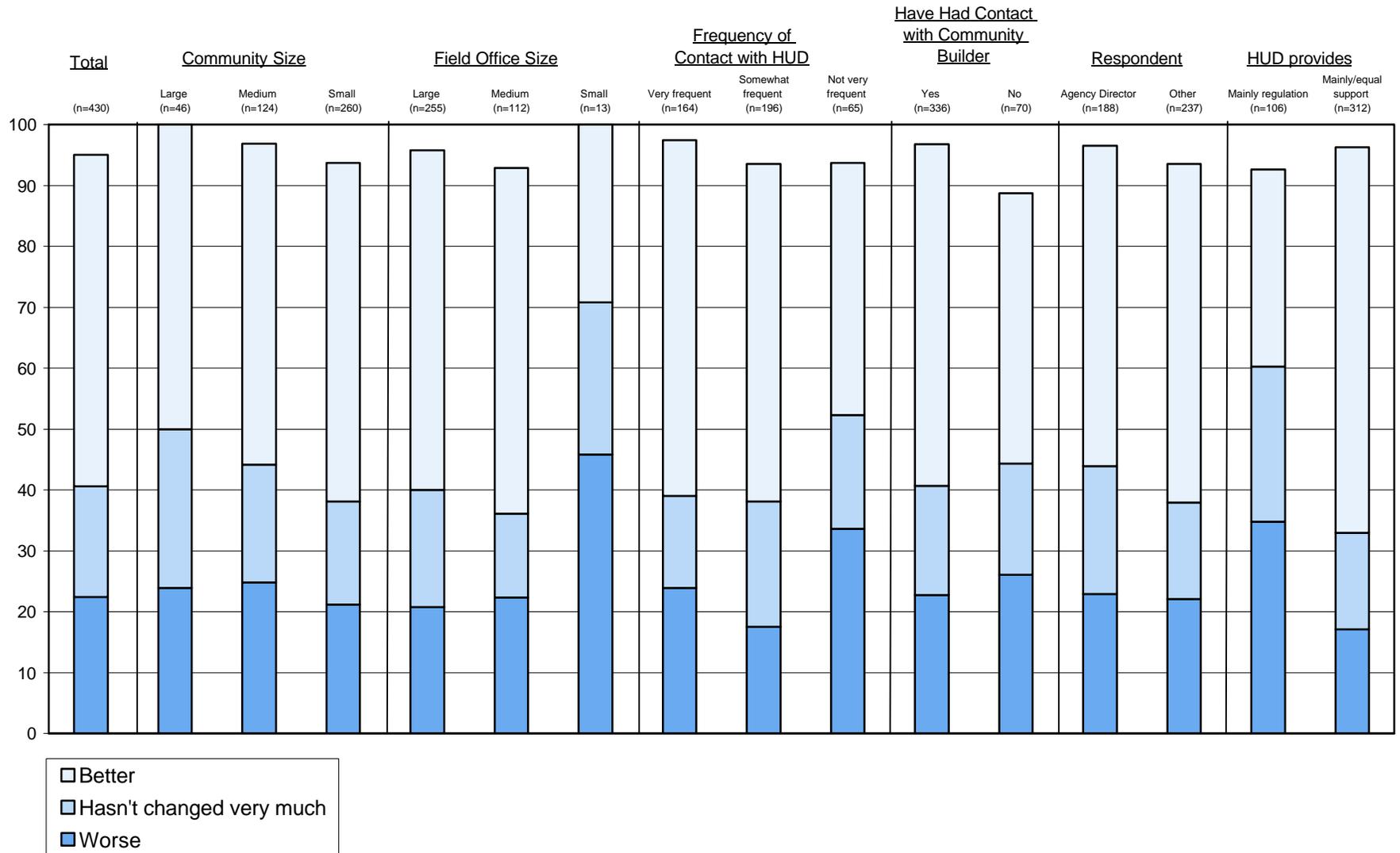
Question 4g: How satisfied or dissatisfied are you at the present point in time, in general, with the competence of the people with whom you currently deal at HUD?



Question 4h: How satisfied or dissatisfied are you at the present point in time, in general, with the overall quality of service you receive from HUD today?

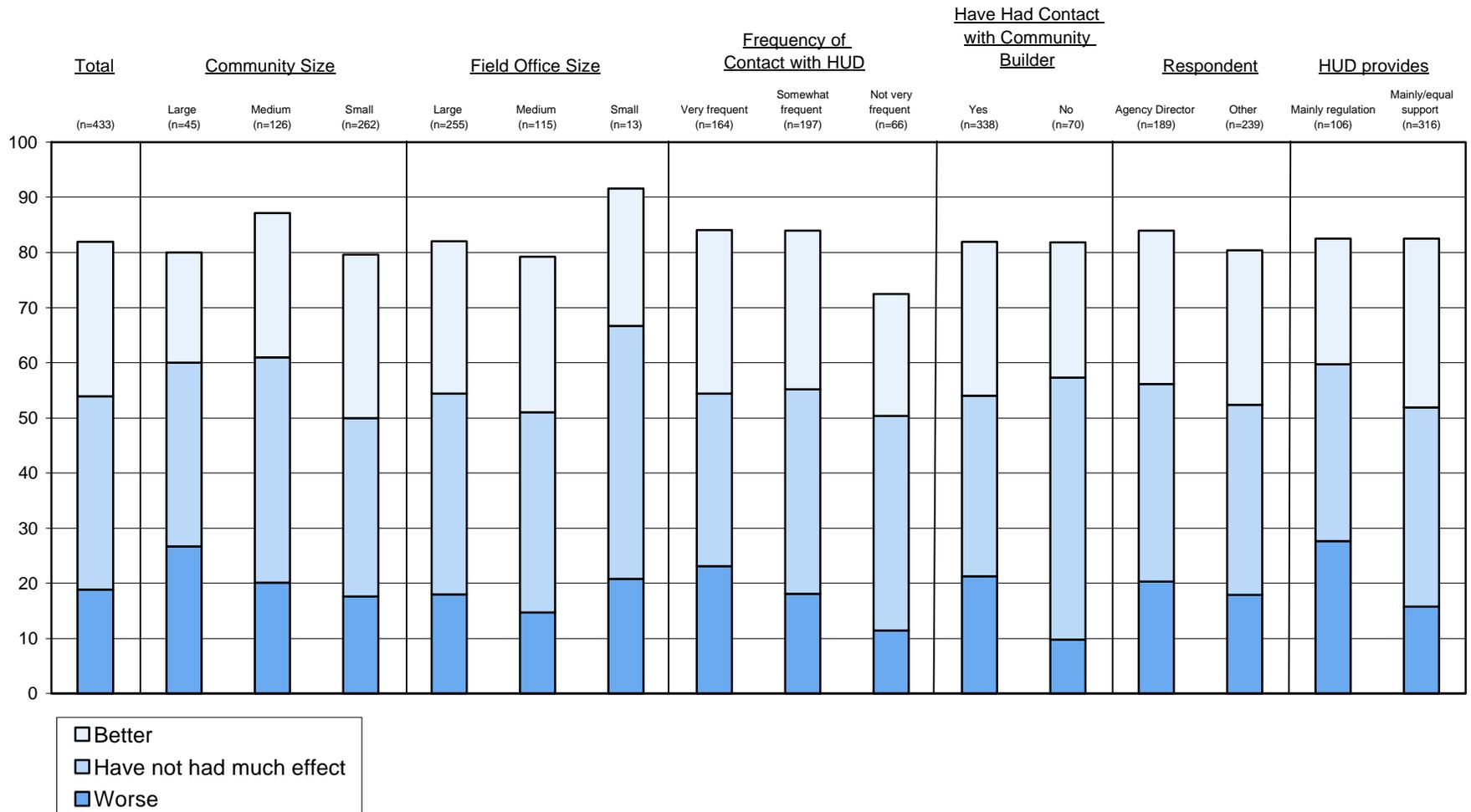


Question 5: Over the last several years, would you say the overall quality of service you received from HUD is generally getting much better, somewhat better, somewhat worse, much worse, or hasn't changed much?

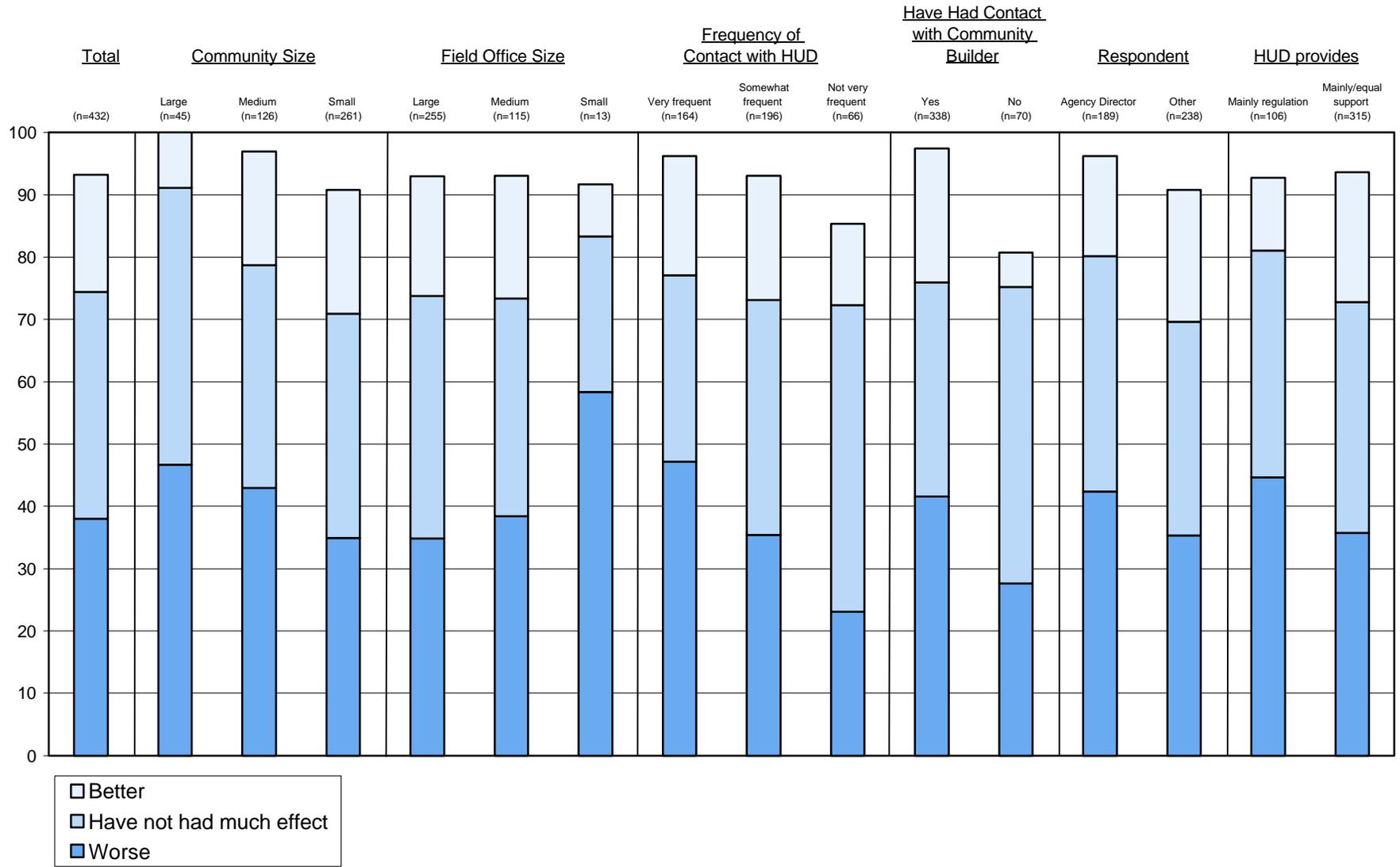


Management Changes

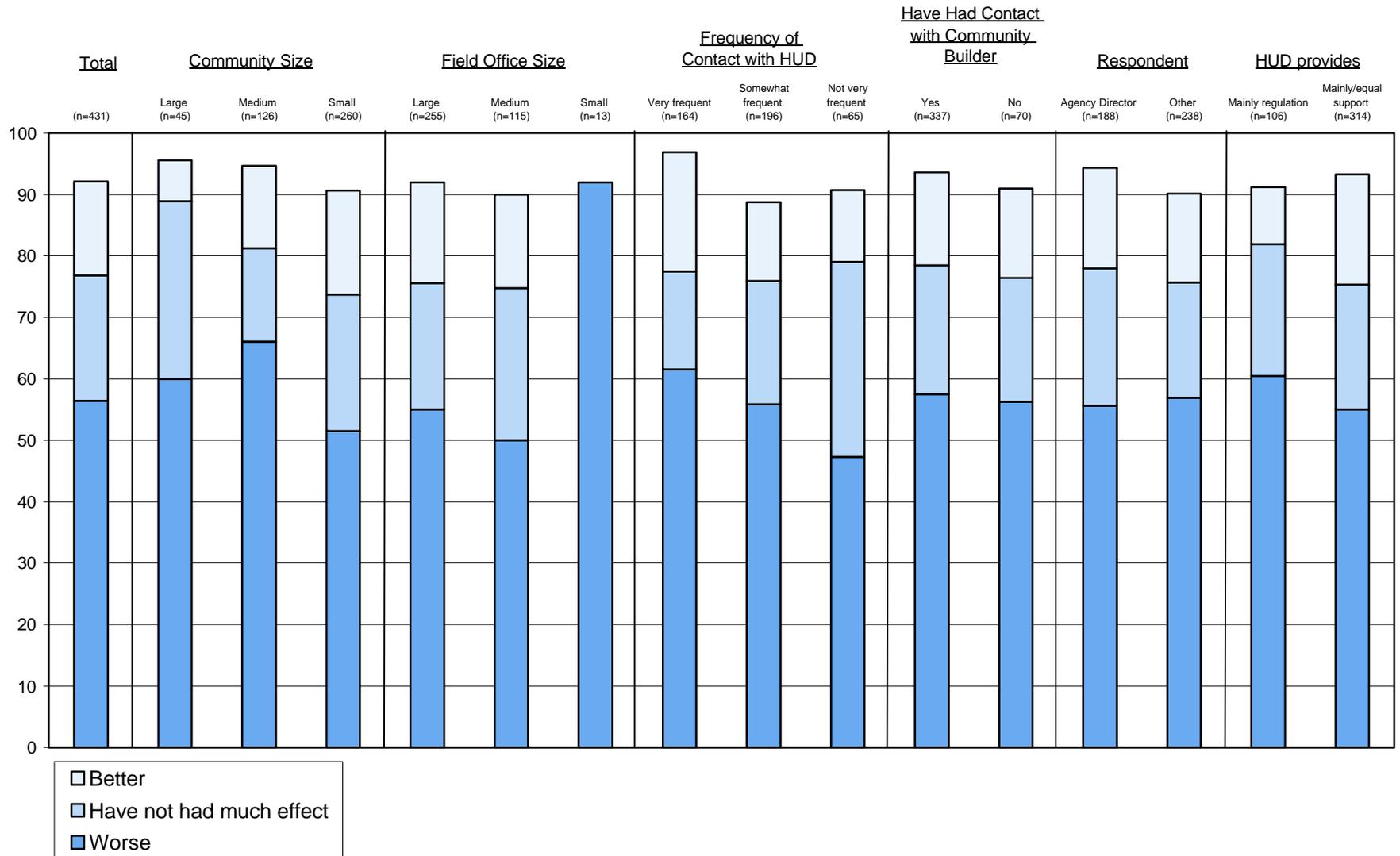
Question 7a: Would you say that the changes, over the last several years, in HUD's organizational structure, such as the establishment of new centers and hubs, have made HUD much better, somewhat better, somewhat worse, much worse, or have not had much effect?



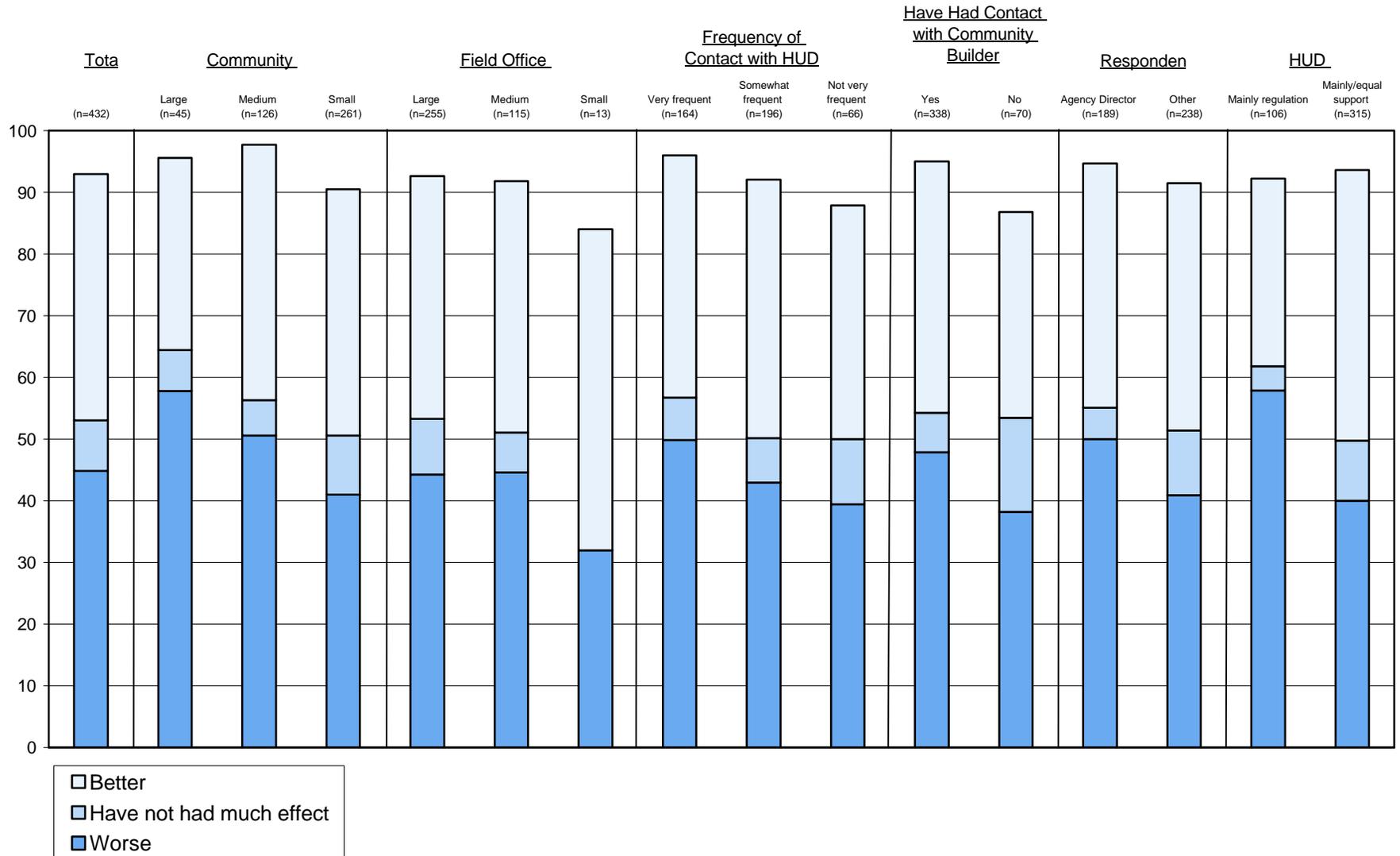
Question 7b: Would you say that the changes, over the last several years, in HUD functions, such as the establishment of the new Community Builder and Public Trust Officer functions, have made HUD much better, somewhat better, somewhat worse, much worse, or have not had much effect?



Question 7c: Would you say that the changes, over the last several years, in HUD's staffing, such as the overall reduction in staff, staffing reassignments, and retraining of HUD staff, have made HUD much better, somewhat better, somewhat worse, much worse, or have not had much effect?

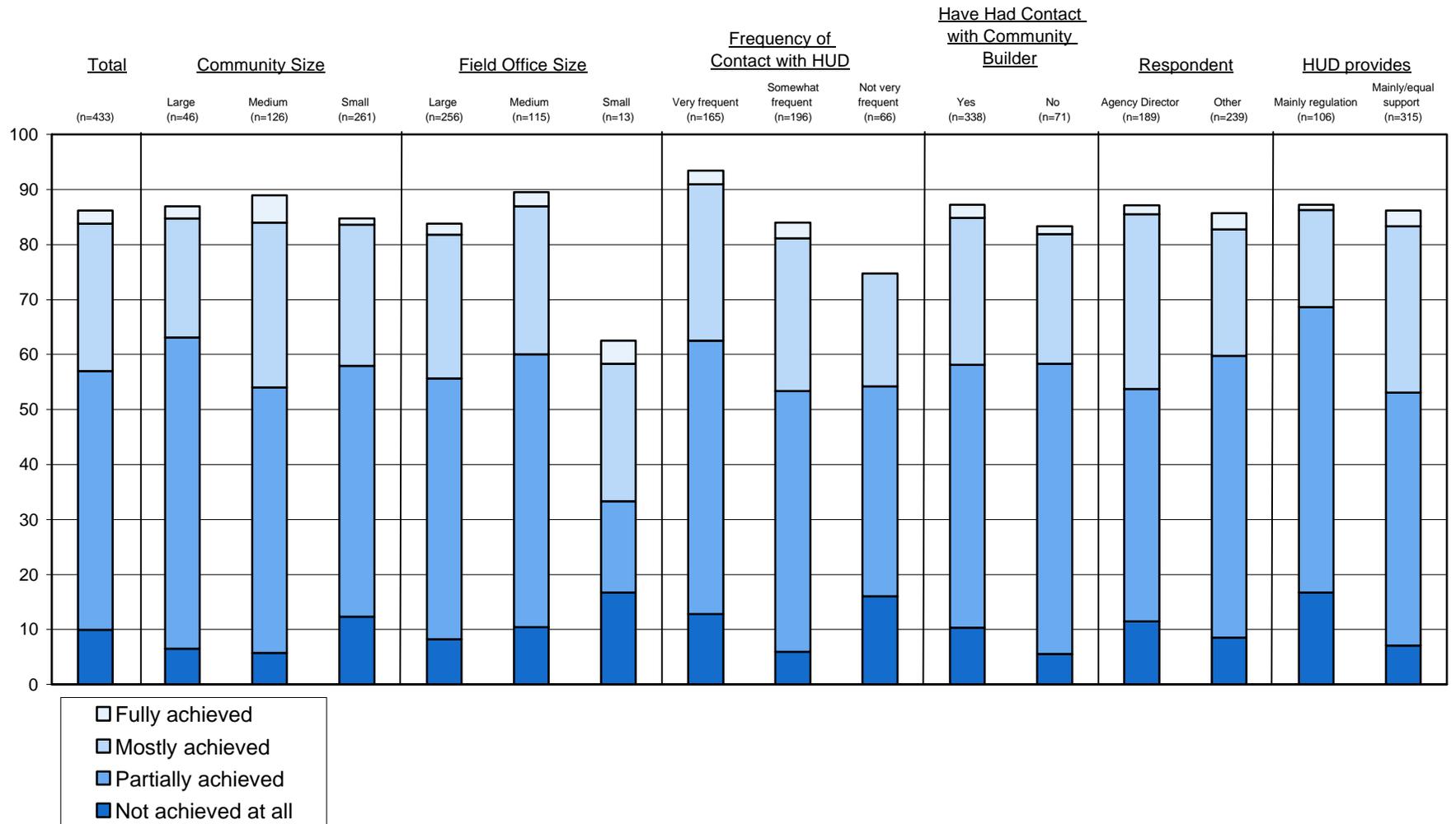


Question 7d: Would you say that the changes, over the last several years, in HUD's financial management systems, such as the creation of new systems and the consolidation of older ones, have made HUD much better, somewhat better, somewhat worse, much worse, or have not had much effect?

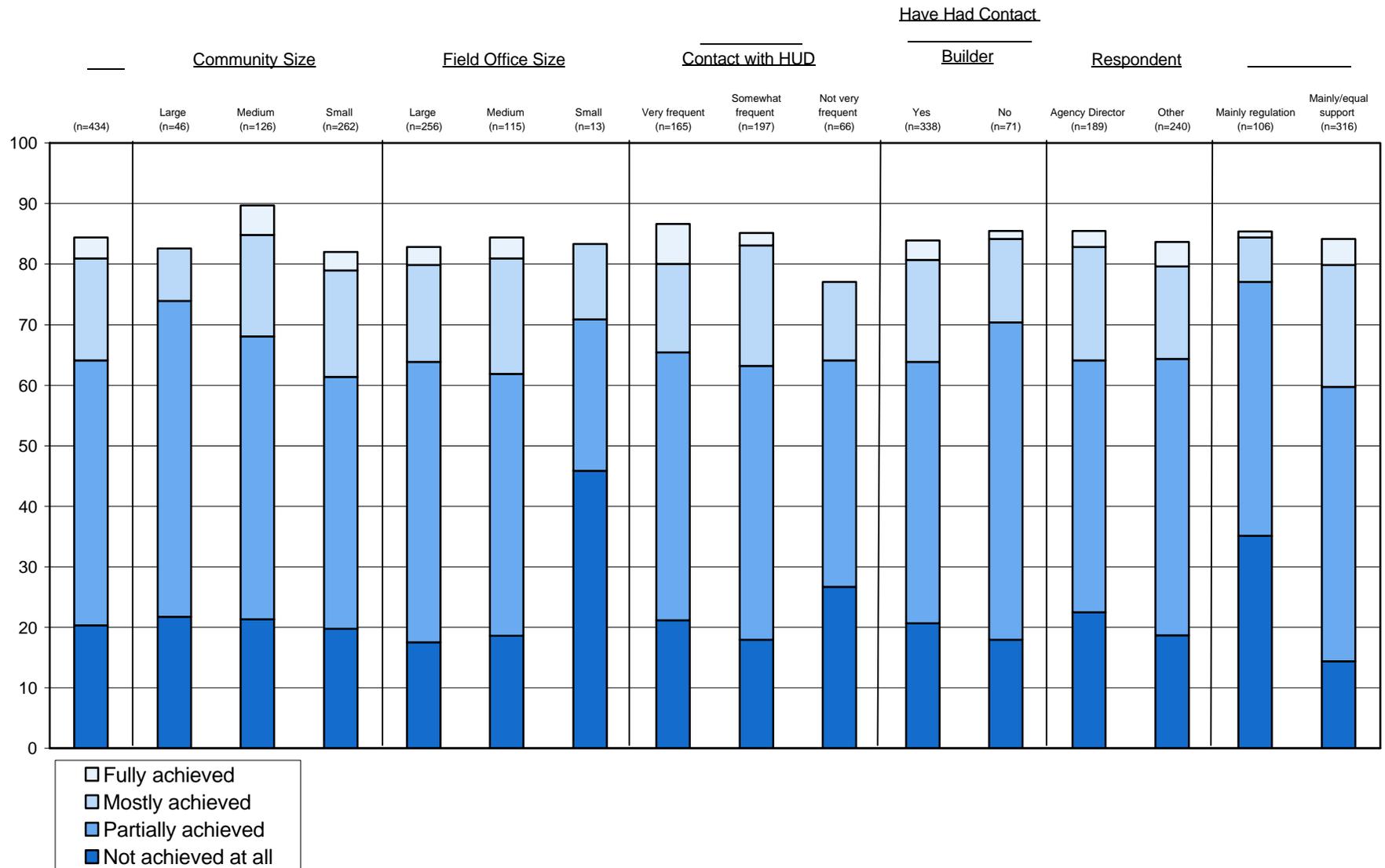


Achievement of Management Objectives

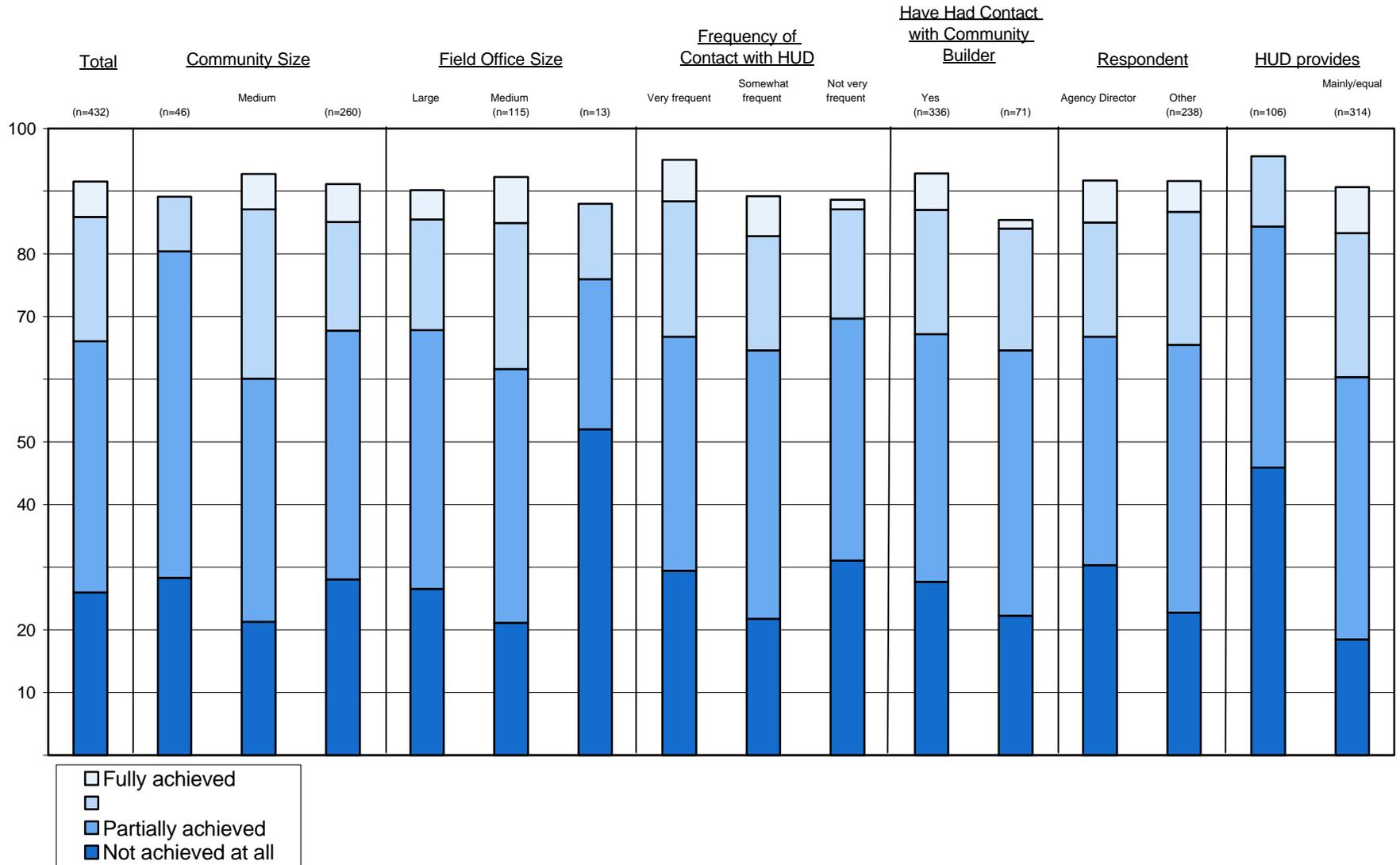
Question 8a: Please indicate the extent to which you believe the following HUD reform objective has been fully achieved, mostly achieved, partially achieved, or not achieved at all: To restore the public trust in HUD.



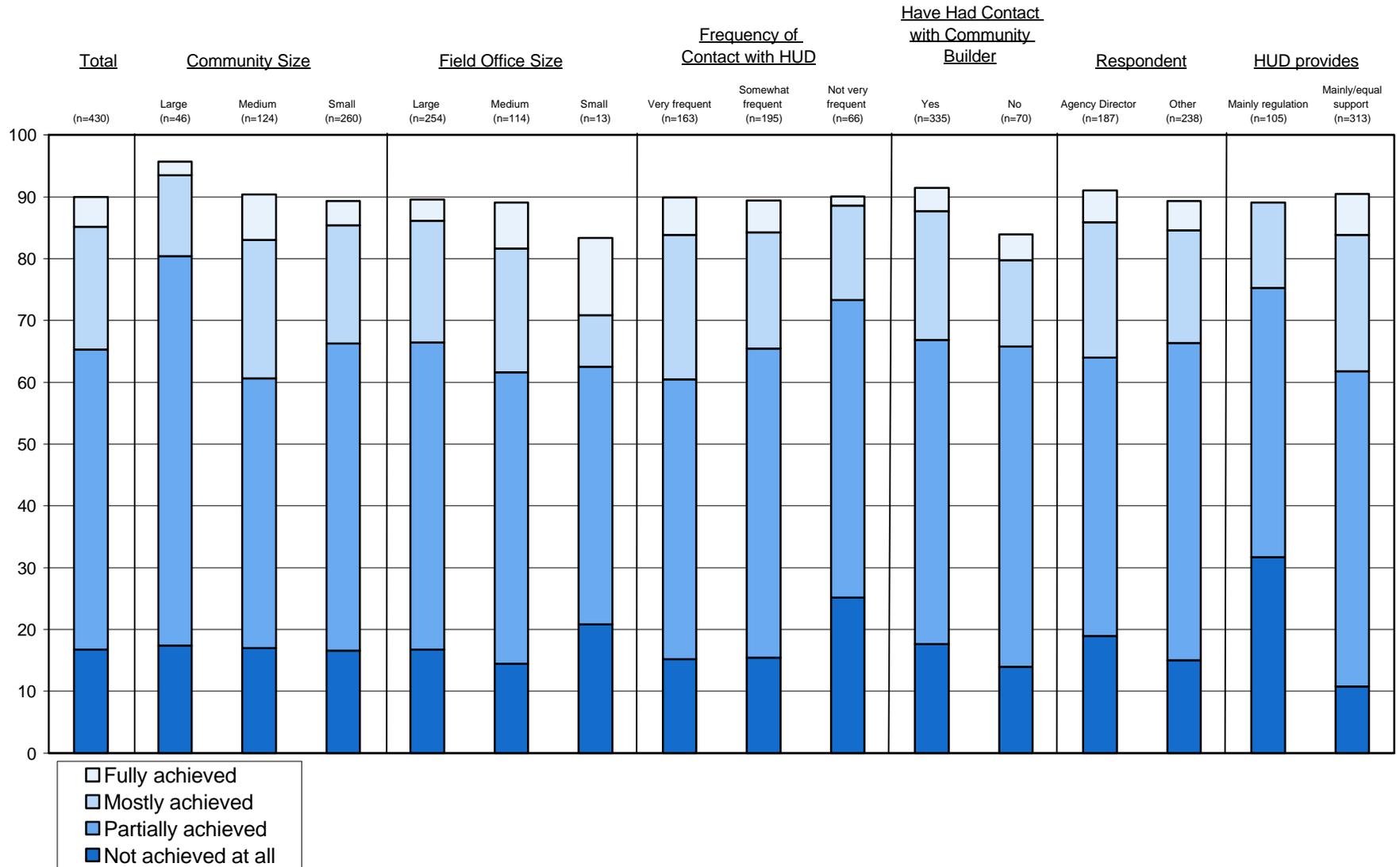
Question 8b:
achieved, partially achieved, or not achieved at all: To be "the best in the business."



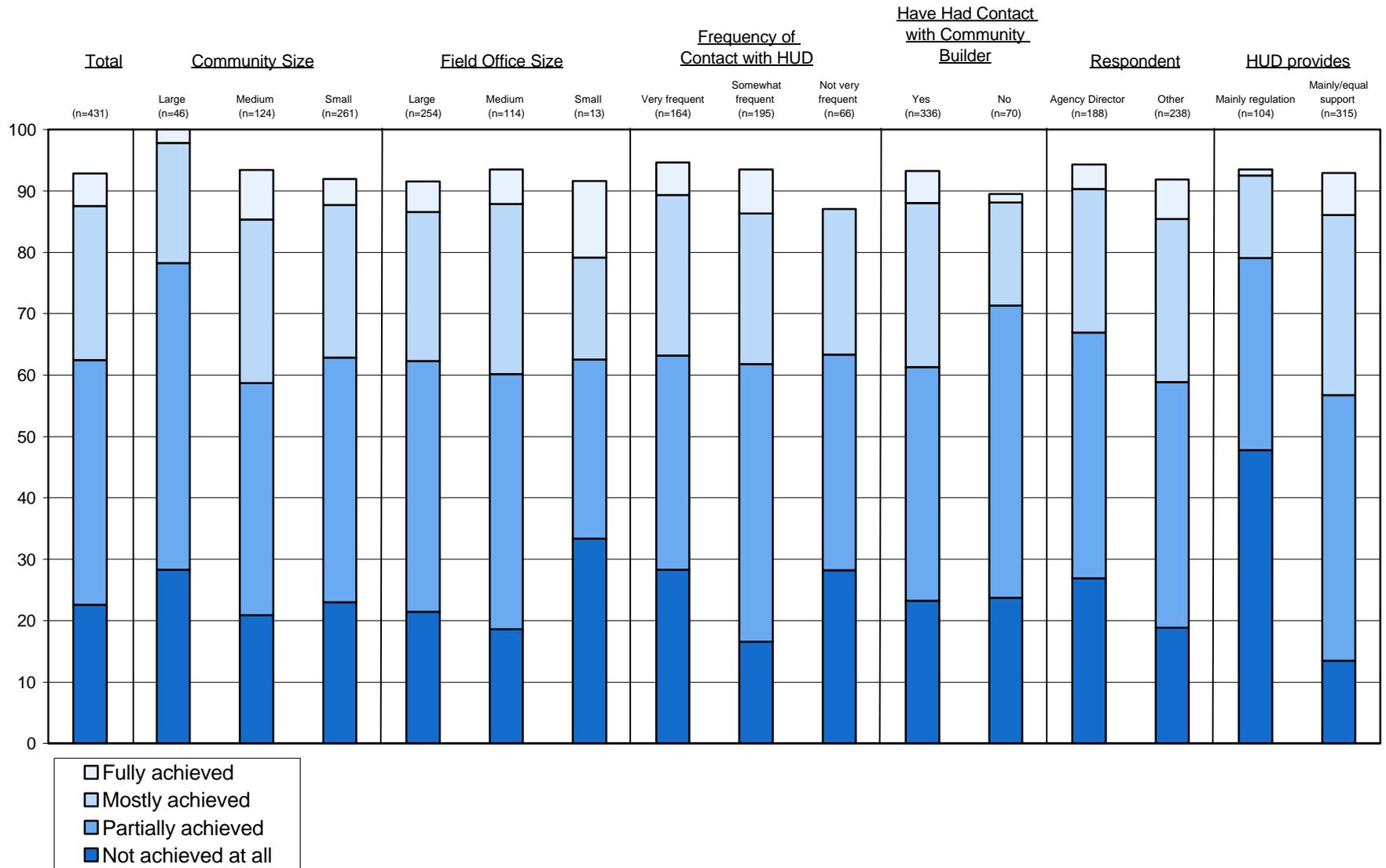
Question 8c: Please indicate the extent to which you believe the following HUD reform objective has been fully achieved, mostly achieved, partially achieved, or not achieved at all: To replace a top-down bureaucracy with a new customer-friendly structure.



Question 8d: Please indicate the extent to which you believe the following HUD reform objective has been fully achieved, mostly achieved, partially achieved, or not achieved at all: To instill an ethic of competence and excellence at HUD.

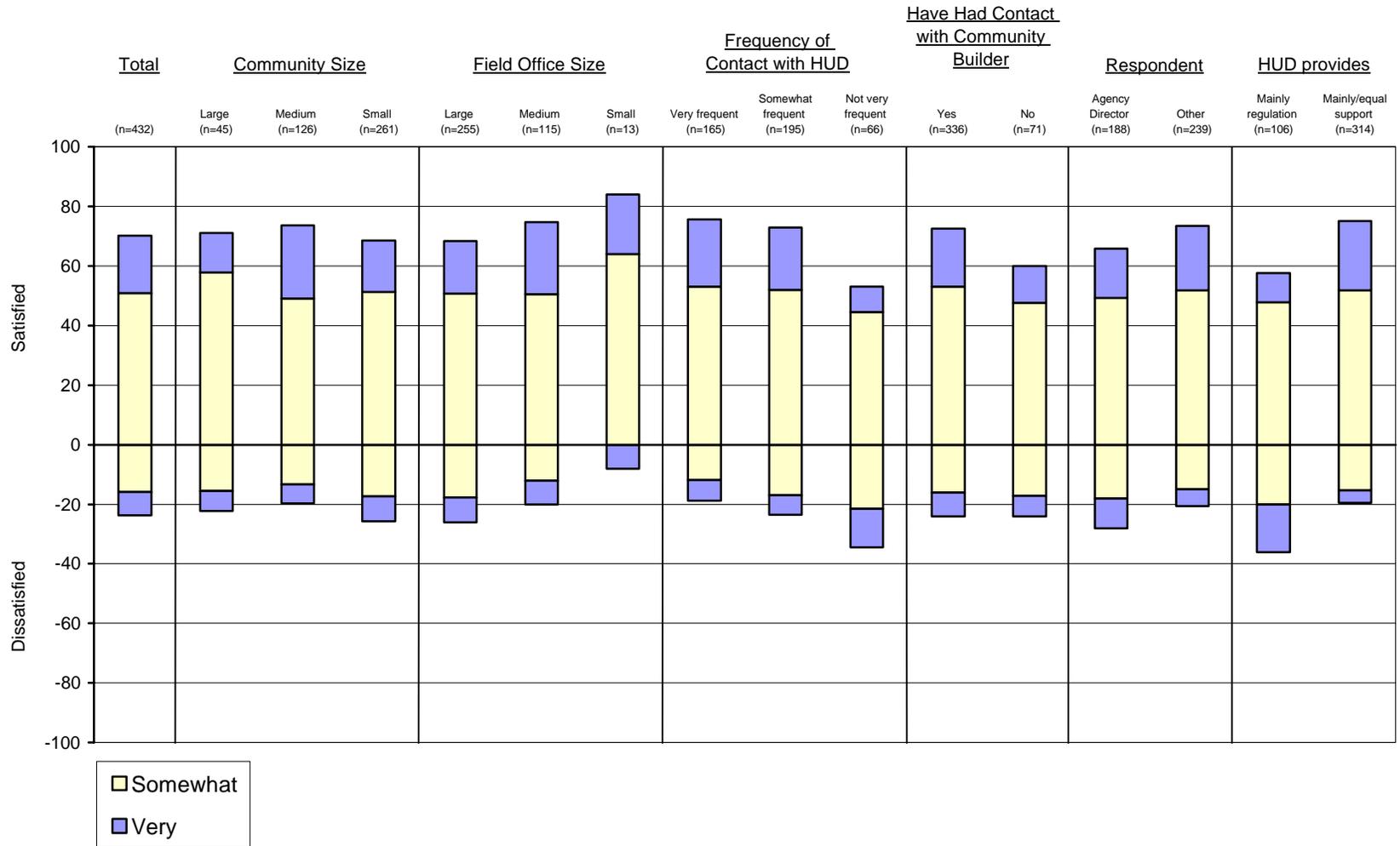


Question 8e: Please indicate the extent to which you believe the following HUD reform objective has been fully achieved, mostly achieved, partially achieved, or not achieved at all: To replace the emphasis on process with an emphasis on performance.

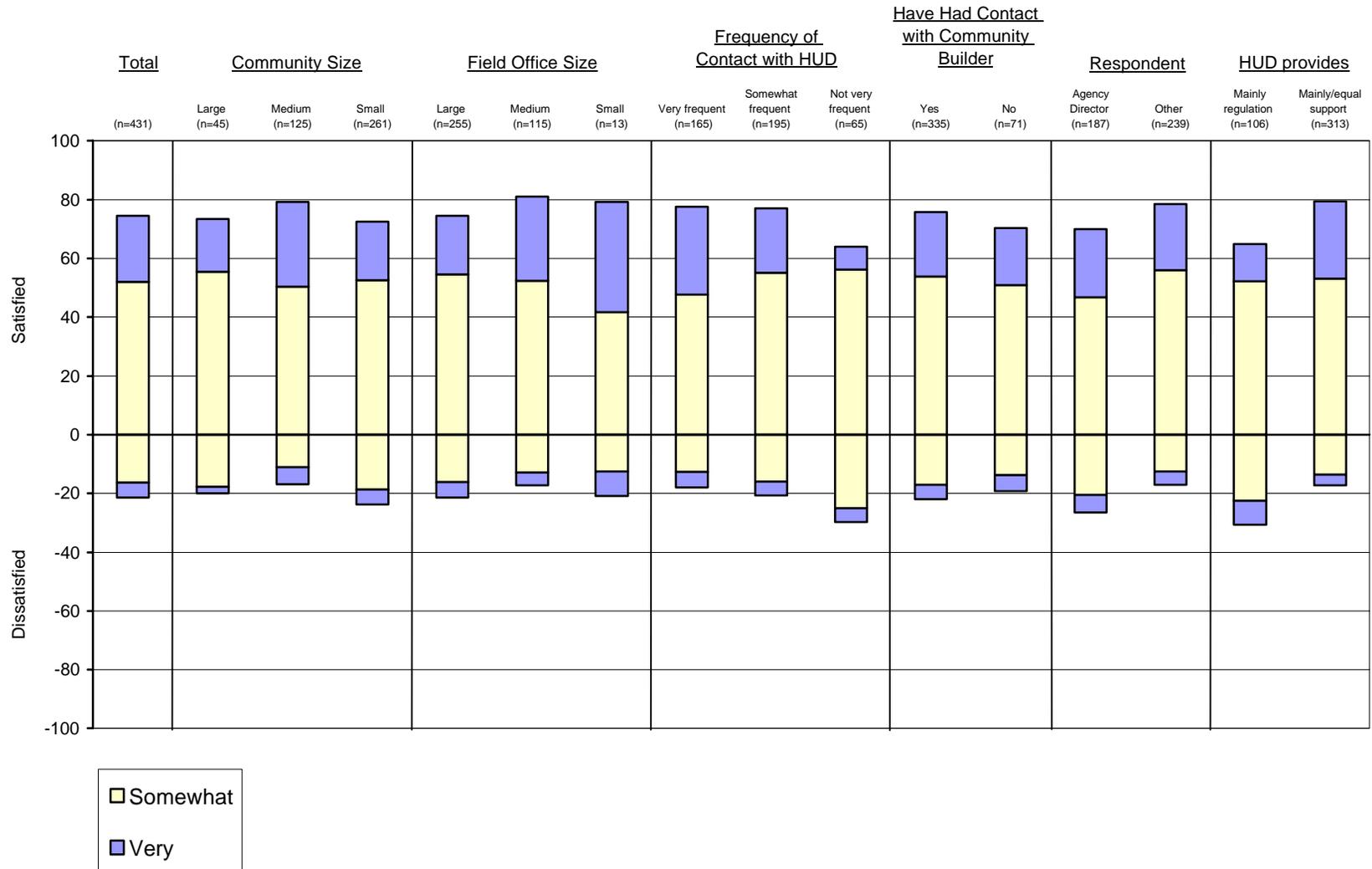


Questions Specific to CD Agency Partners

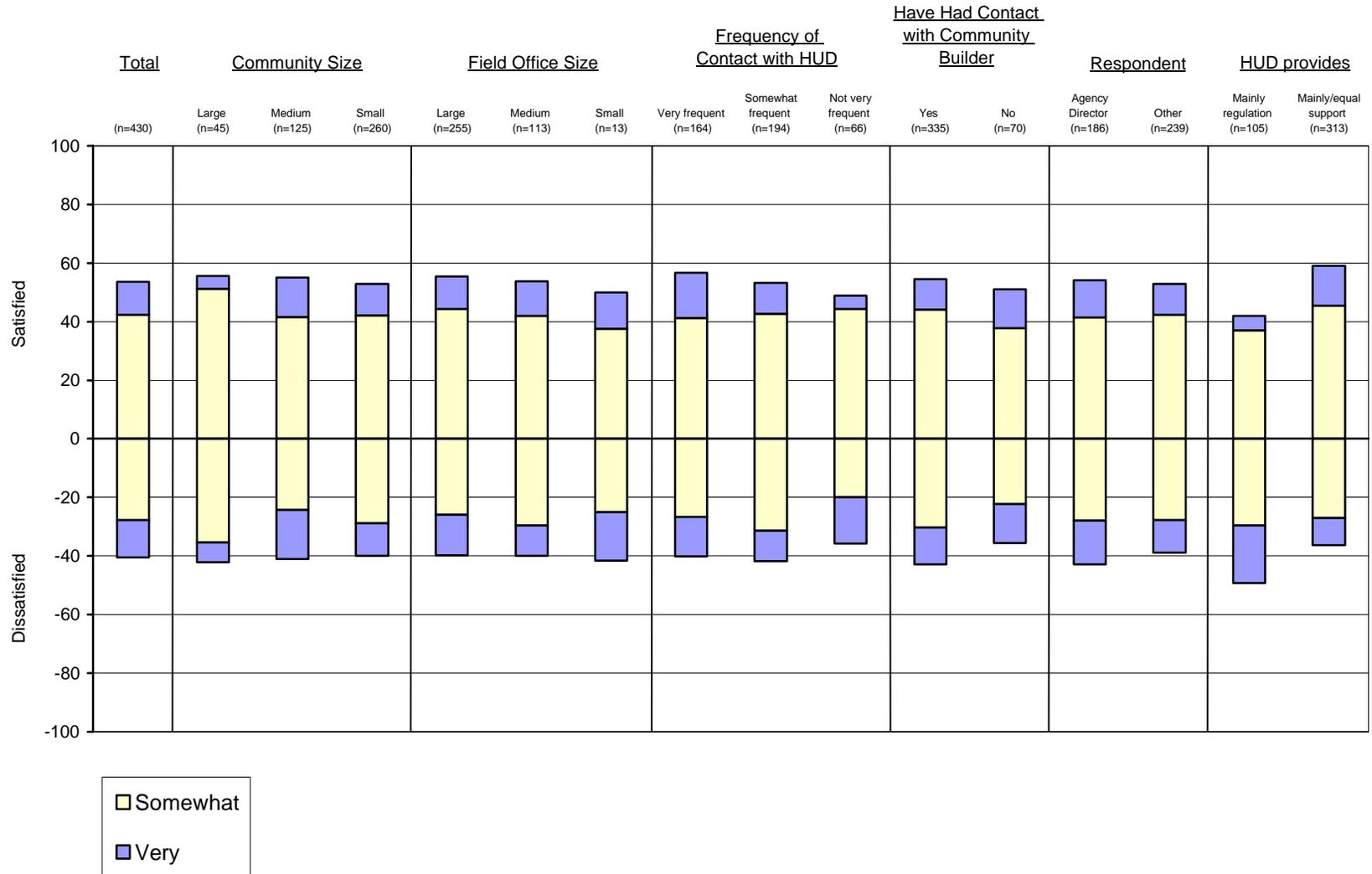
Question 9a: Please indicate your level of satisfaction with the following statement (Check "Not Applicable" if a situation does not apply to your agency): the overall quality of guidance and training you received in relation to the development of your most recent (three- or five-year) Consolidated Plan.



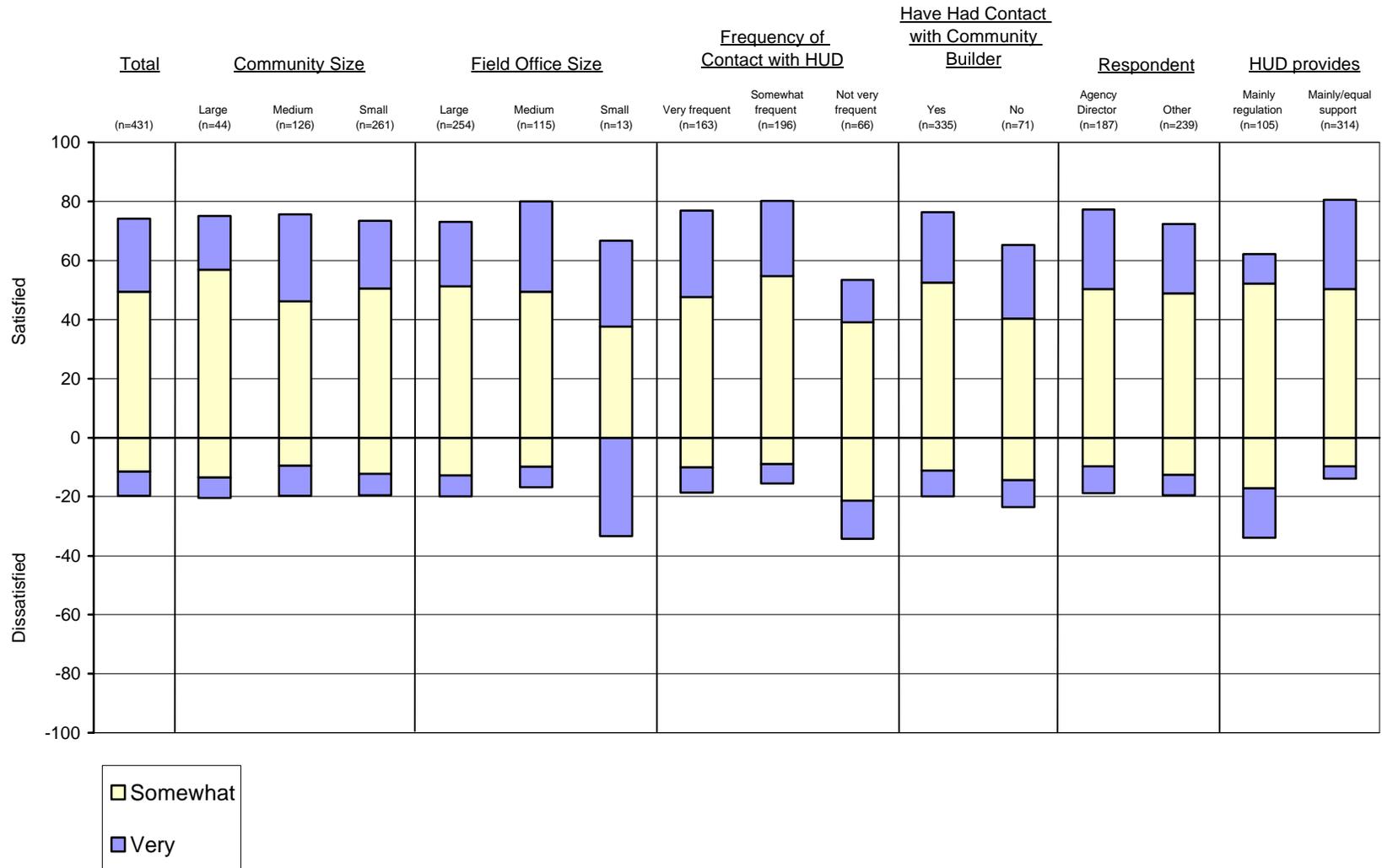
Question 9b: Please indicate your level of satisfaction with the following statement (Check "Not Applicable" if a situation does not apply to your agency): the overall quality of community development training and technical assistance provide to you over the past year or so.



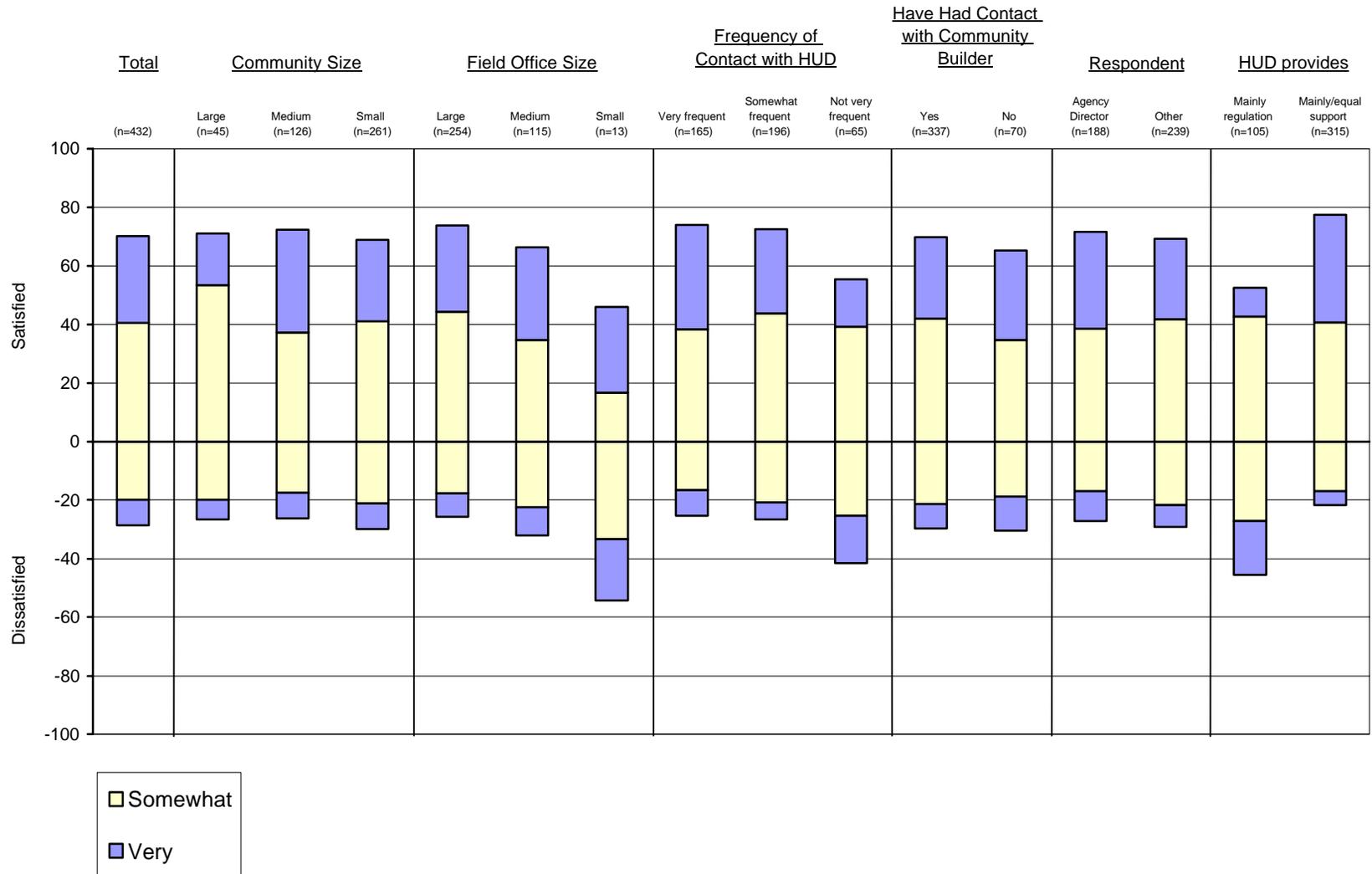
Question 9c: Please indicate your level of satisfaction with the following statement (Check "Not Applicable" if a situation does not apply to your agency): the process and instructions provided for developing your Consolidated Annual Performance Report (CAPER).



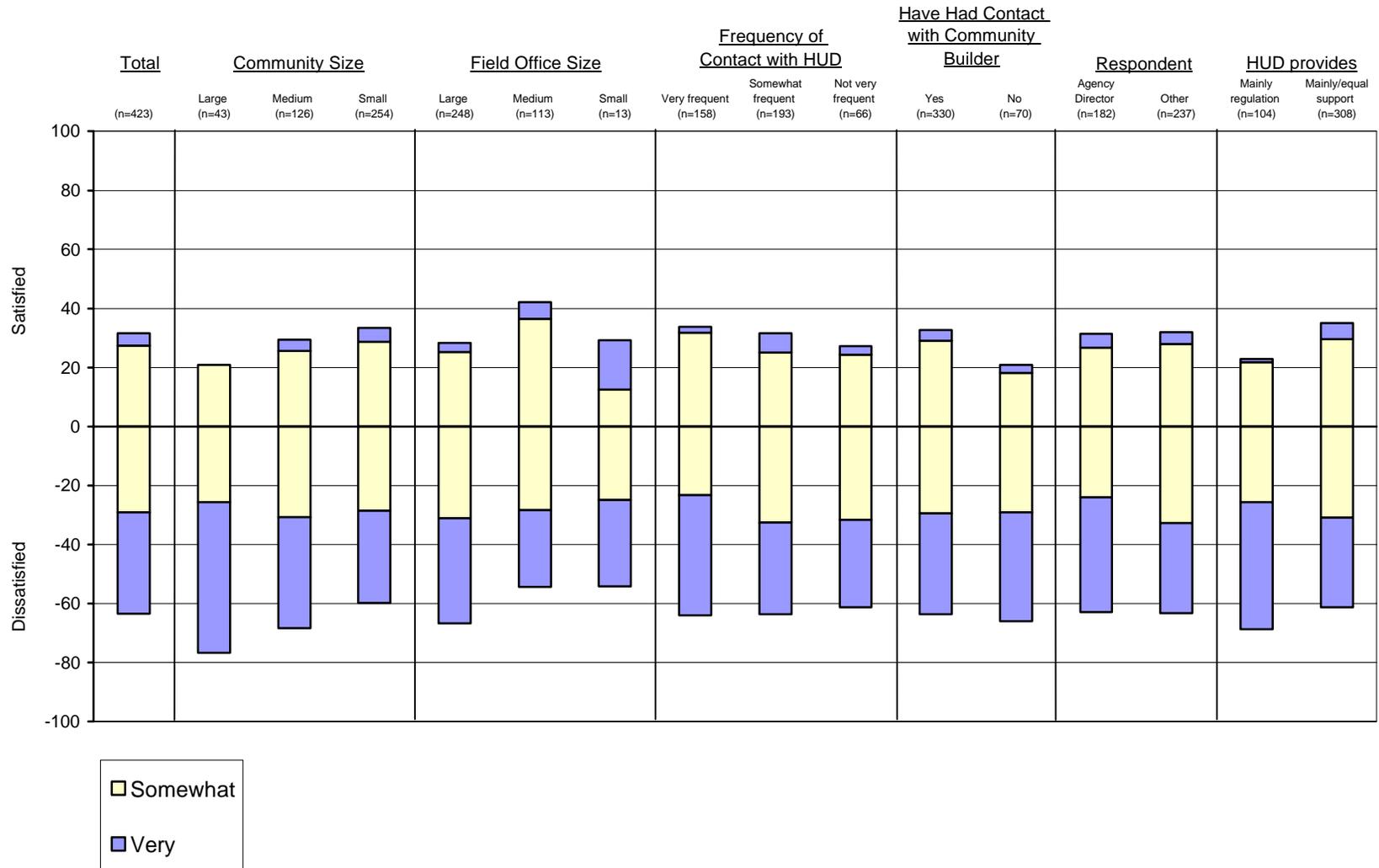
Question 9d: Please indicate your level of satisfaction with the following statement (Check "Not Applicable" if a situation does not apply to your agency): the overall quality of HUD's monitoring of your community development activities.



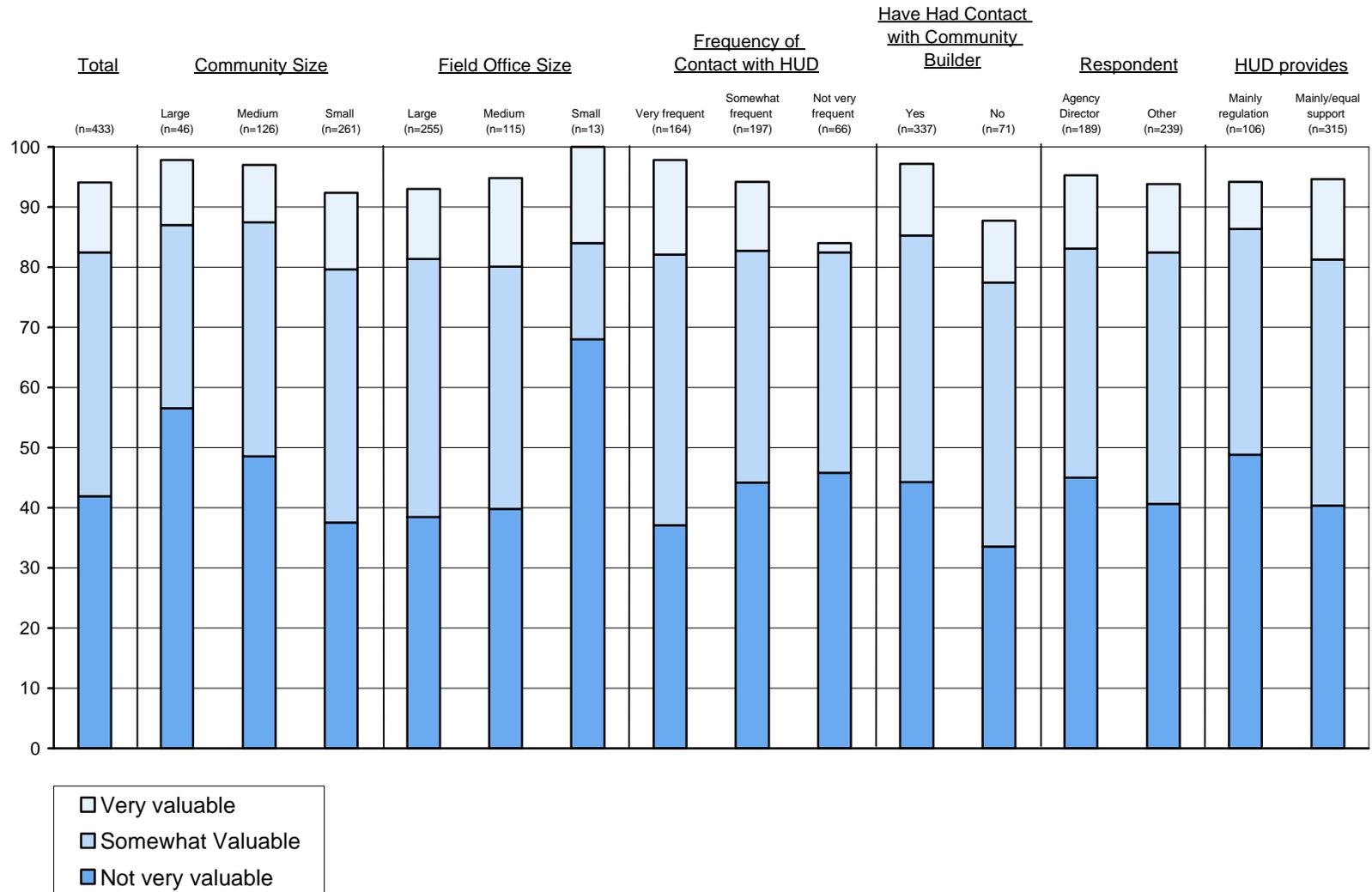
Question 9e: Please indicate your level of satisfaction with the following statement (Check "Not Applicable" if a situation does not apply to your agency): the ability of HUD field office personnel to consistently and reliably interpret regulations that pertain to your community development grants and programs.



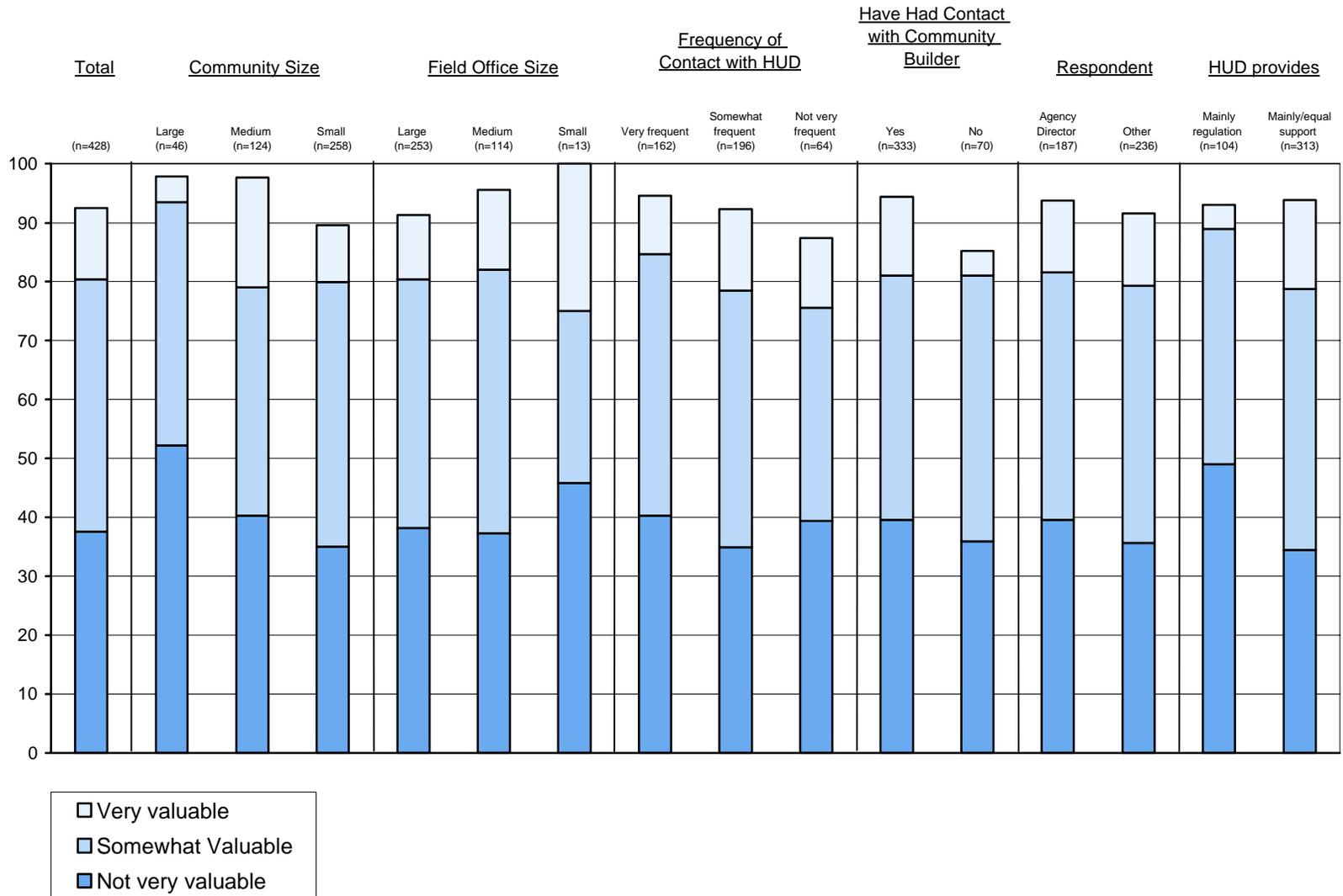
Question 9f: Please indicate your level of satisfaction with the following statement (Check "Not Applicable" if a situation does not apply to your agency): the progress HUD has made in developing the Integrated Disbursement and Information System (IDIS) or its successor, the Departmental Grants Management System (DGMS) (Consider such things as clarity of instructions, ease of use, usefulness, etc.).



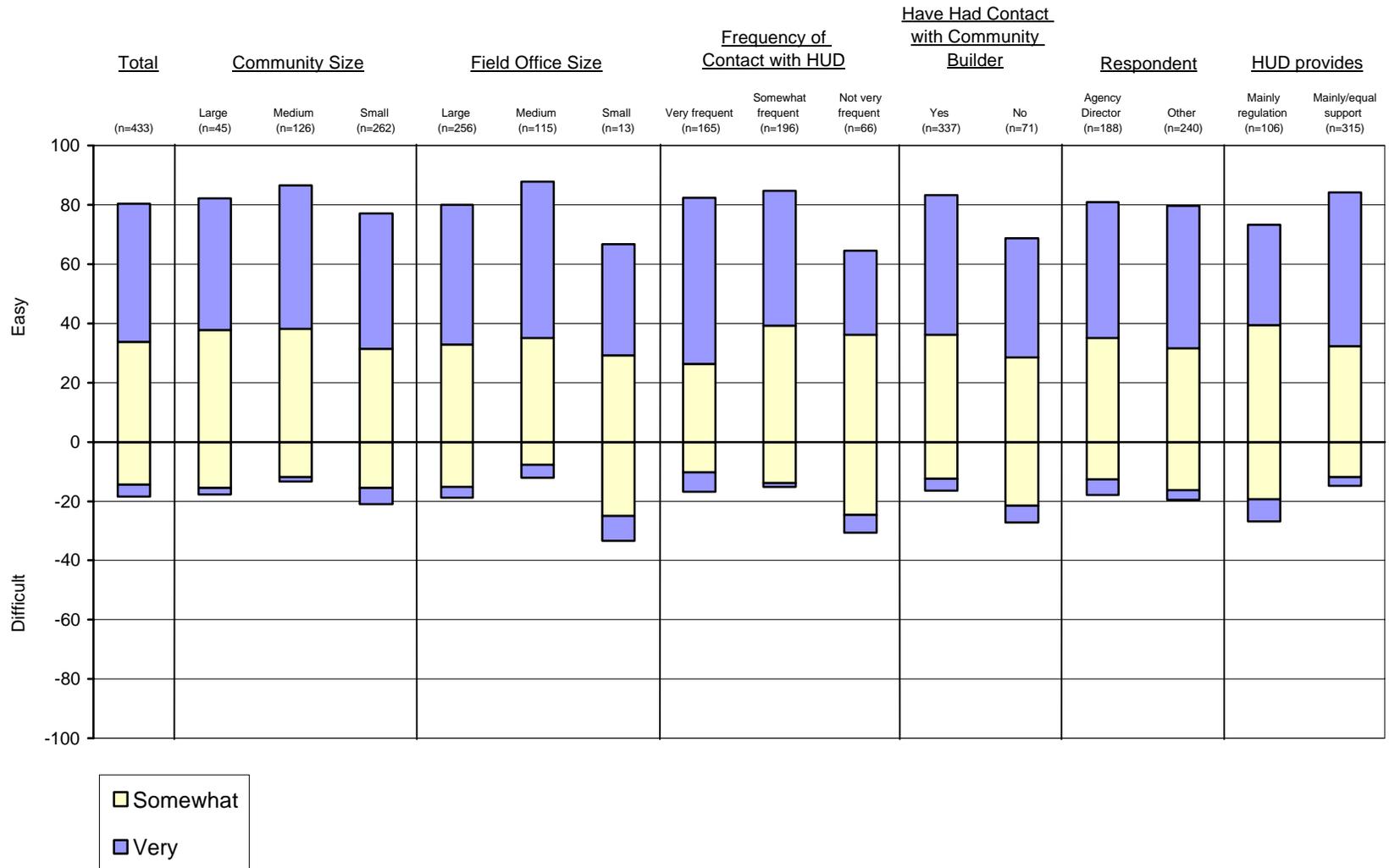
Question 10a: How valuable to you is HUD's Community 2020 planning software?



Question 10b: How valuable to you are HUD's "Best Practices" efforts and products?



Question 11: In recent months, how easy or difficult has it been for you to reach the people at HUD whom you need to contact?



Part 2: Evaluations of HUD By Mayoral Partners

Mayors and other chief elected officials of local governments partner with HUD through a range of programs and initiatives to promote various housing, community development, and fair housing objectives.¹ Mayors are in a unique position to look across the spectrum of HUD's multiple programs and operations.

HUD's mayoral partners exhibit high levels of overall satisfaction with the Department. In a few instances they express some dissatisfaction or concern, but these are the exception.

The sample. The sample consists of 524 mayors and others answering on their behalf. All mayors in cities with a population of 50,000 or more were surveyed. Based on the universe of 620 such mayors, the survey response rate is 85 percent.

Of the total number of respondents, 40 were interviewed by telephone; the remainder responded to a mailed survey. Twenty-two percent of the respondents were

mayors/town supervisors, 5 percent were deputy mayors/chiefs of staff/mayoral assistants, 6 percent were other members of the mayor's immediate office, 33 percent were other senior city officials, and 26 percent were city employees. Instructions accompanying the survey forms emphasized that, if the mayor could not personally respond to the survey, those answering should be authorized to respond on the mayor's behalf.

The HUD-partner relationship, and partners' overall performance evaluations. Approximately one-half of HUD's mayoral partners see the Department as equally supporting and regulating them, one-fourth see it as mainly supporting them, and one-fourth see it as mainly regulating them. Mayors offices in larger cities are somewhat more likely to see HUD primarily as regulator.

The large majority of mayoral partners are satisfied with HUD's programs, how HUD administers those programs, and how the Department performs overall. Those whose communities had less frequent contact with HUD over the last year or that had no contact with HUD's Community Builders are somewhat less satisfied than others, although the differences are not especially large. As with other HUD partners, the level of satisfaction is also somewhat lower for those who see HUD as primarily a regulator.

¹ Where there is no Mayor, this includes Town Supervisors, Council Presidents, Presidents of the Board of Trustees, Chairpersons of the Board of Trustees, Chairpersons of the Board of Selectmen, First Selectman, Township Commission Presidents, etc.

Evaluations of service quality. A large majority of mayoral partners is satisfied with the quality and the timeliness of information, as well as the quality and consistency of guidance, received from HUD. However, about one in four such partner is dissatisfied with each of the last three of these service characteristics.

Those whose communities had infrequent contact with HUD over the last year or that had no direct contact with a HUD Community Builder are somewhat less satisfied than others on these accounts. Also, on the issue of the timeliness of information provided by HUD, a higher proportion of mayors as compared to others who answered on their behalf are satisfied with HUD's performance. Finally, those who see HUD primarily as regulator are less satisfied than others, although the satisfaction level of the former is still relatively high.

About four of every five mayoral partners are satisfied with the responsiveness and competence of the people they deal with at HUD; moreover, 45 percent are very satisfied with the responsiveness of HUD's staff. Those whose communities had infrequent contact with HUD or no contact with a HUD Community Builder were somewhat less satisfied, however.

Compared to other aspects of their relationship with HUD, fewer mayoral partners are satisfied with the reasonableness of HUD's rules and requirements that apply to

their communities. Two of every five such partners—three of every five who represent large cities—express dissatisfaction. Also, 70 percent of those who see HUD as primarily regulating them express dissatisfaction with HUD's rules and requirements.

Finally, four of every five mayoral partners express satisfaction with the *overall* quality of service they receive from HUD. Partners who have infrequent contact with HUD, or who have not had direct contact with a HUD Community Builder, or who see HUD as primarily regulating them show somewhat lower levels of satisfaction, but still there are many more satisfied than dissatisfied partners even in these sub-groups. Also, a majority of mayoral partners conclude that, over the last several years, the overall quality of service they receive from HUD has been getting better. Again, those who have been in less frequent contact with HUD or who have not had direct contact with Community Builders are less likely than others to arrive at this conclusion.

Assessments of management changes. Mayoral partners differ about the effects of management changes made at HUD over the last several years. For example, over half of them believe that changes in HUD's functions have not had much effect, or have had a “somewhat” or “much” worse effect. Nearly half felt the same regarding changes in HUD's structure. Still, though, when factoring out those who do not believe there was an effect, more mayoral partners see

organizational structural changes (such as the establishment of new centers and hubs) and functional changes (such as the establishment of the Community Builder and Public Trust Officer functions) as having made HUD better than as having made HUD worse.

Of the four changes asked about, mayoral partners are most negative about staffing changes (such as the overall reduction in staff, staffing reassignments, and retraining of HUD staff). Two-thirds of them believe that changes involving staffing have had no effect and, of those who think they have had an effect, considerably more believe that they have made HUD worse than believe they have made HUD better.

Somewhat more mayoral partners believe that financial management system changes (such as the creation of new systems and the consolidation of older ones) have made HUD better than believe they have made HUD worse. A small but notable number of respondents submitted open-ended comments critical of HUD financial management systems, however.

Considerably more respondents believe that staffing changes (such as the overall reduction in staff, staffing reassignments, and retraining of HUD staff) have made HUD worse than believe they have made HUD better.

Higher proportions of mayoral partners who have had more frequent contact with HUD (compared with those who have had less contact), or of mayors themselves (compared to others responding on their behalf) positively evaluate HUD structural and functional changes. Also, those who deal with small HUD field offices are more positive in their evaluation of the impacts of HUD's organizational changes than those who deal with larger offices. Finally, mayors themselves are most positive than in their assessment of changes in HUD's financial management systems than other respondents who answered on their behalf.

Achievement of management reform objectives.

HUD's management reforms over the previous several years were an attempt to achieve certain objectives. Among them are the following:

- To restore the public trust in HUD;
- For HUD to be "the best in the business;"
- To replace a top-down bureaucracy at HUD with a new customer-friendly structure;
- To instill an ethic of competence and excellence at HUD; and

- To replace the emphasis on process at HUD with an emphasis on performance.

As of late-2000 and early-2001, a plurality of mayoral partners concluded that HUD's management reform objectives had been "partially" achieved, as opposed to "not achieved at all" or either "mostly" or "fully" achieved. Mayors who personally responded to the survey are more positive than are other respondents who answered on their behalf. For example, 54 percent of mayors say that HUD has mostly or fully achieved the objective of restoring the public trust in HUD, compared to 32 percent of non-mayors who responded to the mayors' survey. Thirty-eight percent of mayors say that HUD has mostly or fully achieved its objective of being "the best in the business," compared to 18 percent of others. And, 48 percent of mayors say that HUD has mostly or fully achieved the objectives of replacing "a top-down bureaucracy with a new customer-friendly structure" and instilling "an ethic of competence and excellence," compared with 28 percent of others.

Questions specifically designed for mayoral partners. HUD's mayoral partners were asked a series of questions specific to their communities' relationships to the Department. Their responses are as follows:

- Forty-four percent of HUD's mayoral partners describe their communities' current relations with

HUD as "very good," and an additional 47 percent describe them as good, for a total of 91 percent saying relations are positive. Six percent say the relationship is "poor" or "very poor." In contrast, 18 percent of those who believe HUD primarily regulates them judge their relations with HUD to be "poor" or "very poor," versus 2 percent of those who believe HUD mainly provides support or about equally provides support and regulation.

- Fifty-seven percent of HUD's mayoral partners believe that, over the last few years, their communities' relations with HUD have improved, only 8 percent believe they have worsened, and 30 percent say relations have not changed very much. The perception of improvement in relations is associated with frequency of contact with the Department: the less the contact, the more likely mayoral partners believe things have worsened. Also, those who believe that HUD mainly provides regulation to their communities are less likely than others to see any improvement in relations.
- Mayoral partners were asked the extent to which HUD's Community Builders had been in contact with them or with other senior officials within the last year or so. Twenty-two percent say "yes, frequently," 34 percent say "yes, occasionally," 22

percent say "yes, at least once," and 11 percent say "not at all." Occasional or frequent contact seems to have occurred more so in larger than smaller cities and for those who deal with smaller as opposed to larger HUD field offices.²

- Forty percent of mayoral partners say that HUD's Community Builders helped them and their communities to take better advantage of federal government programs and resources than had been the case prior to the establishment of Community Builders; 42 percent said that this was not the case. Mayors were more likely than other respondents who answered on their behalf to say that Community Builders helped them.
- Thirty-four percent of mayoral partners say that the addition of HUD's Community Builders improved HUD's overall service to them and their communities compared to what it had been prior to the establishment of Community Builders; 46 percent said this was not the case. In addition, a small but notable number of mayoral partners submitted open-ended comments critical of the Community Builders program.

² It should be noted that, at the time, some of the smaller HUD field offices were staffed by only Community Builders as opposed to other (Public Trust Officer) staff.

- Sixty-four percent of mayoral partners say that HUD's requirement that they prepare a Consolidated Plan has helped them and their communities to better meet their housing and community development needs than had previously been the case; 24 percent say this is not the case. Those partners who believe HUD primarily regulates them are somewhat more negative than others with respect to this requirement.
- Forty percent of mayoral partners say that HUD's Community 2020 mapping software has helped them and their communities to better understand and assess their housing and community development needs than had previously been the case; 24 percent say this is not the case.
- Finally, 77 percent of mayoral partners report that HUD's Web site, including the Elected Officials page, has been useful to them and their communities in keeping abreast of HUD resources, programs, and events; only 7 percent say otherwise.

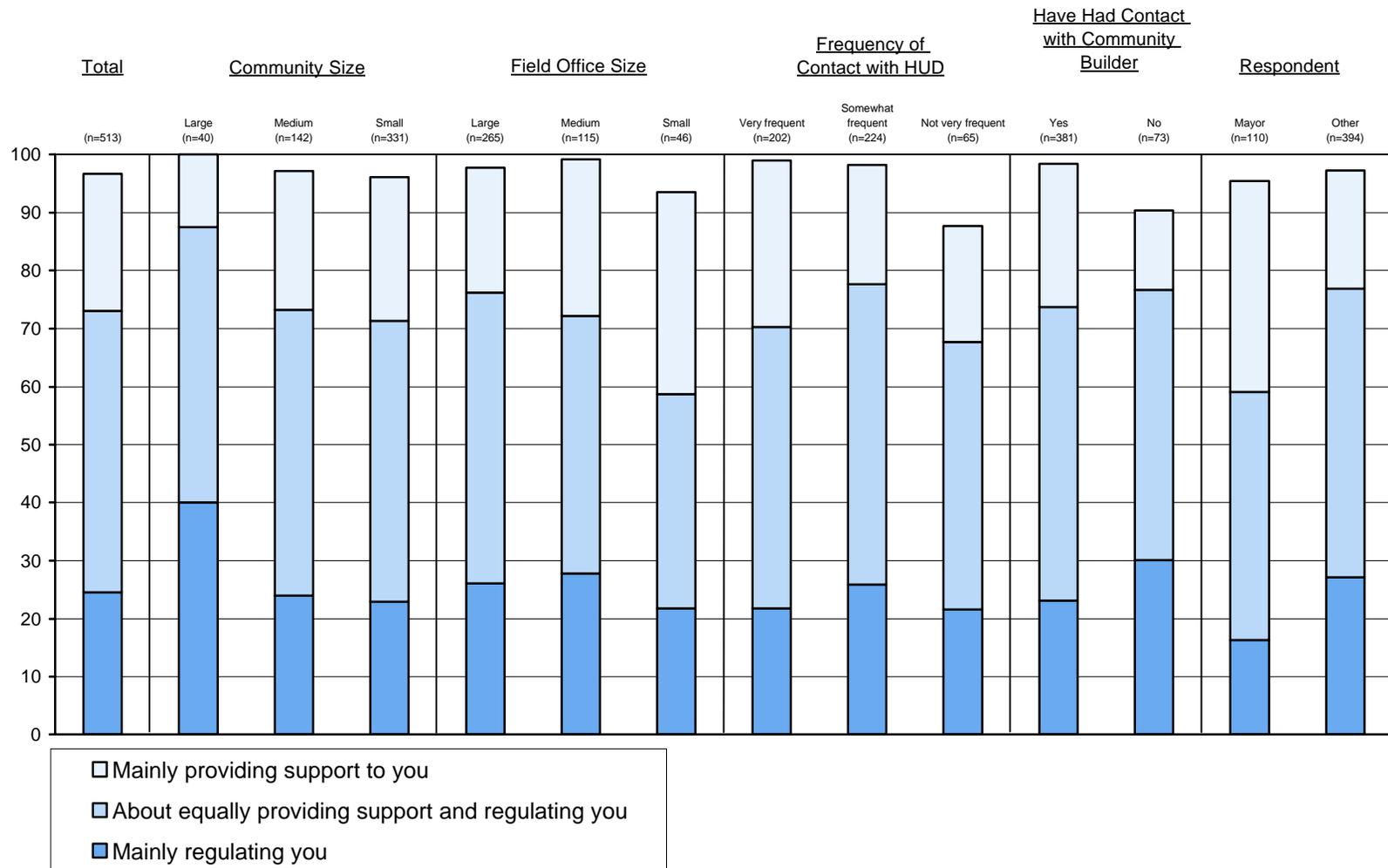
Open-ended comments provided by respondents.

At the end of the survey, respondents were given an opportunity to provide additional comments about HUD, in their own words. Thirty-five percent of mayoral partners chose

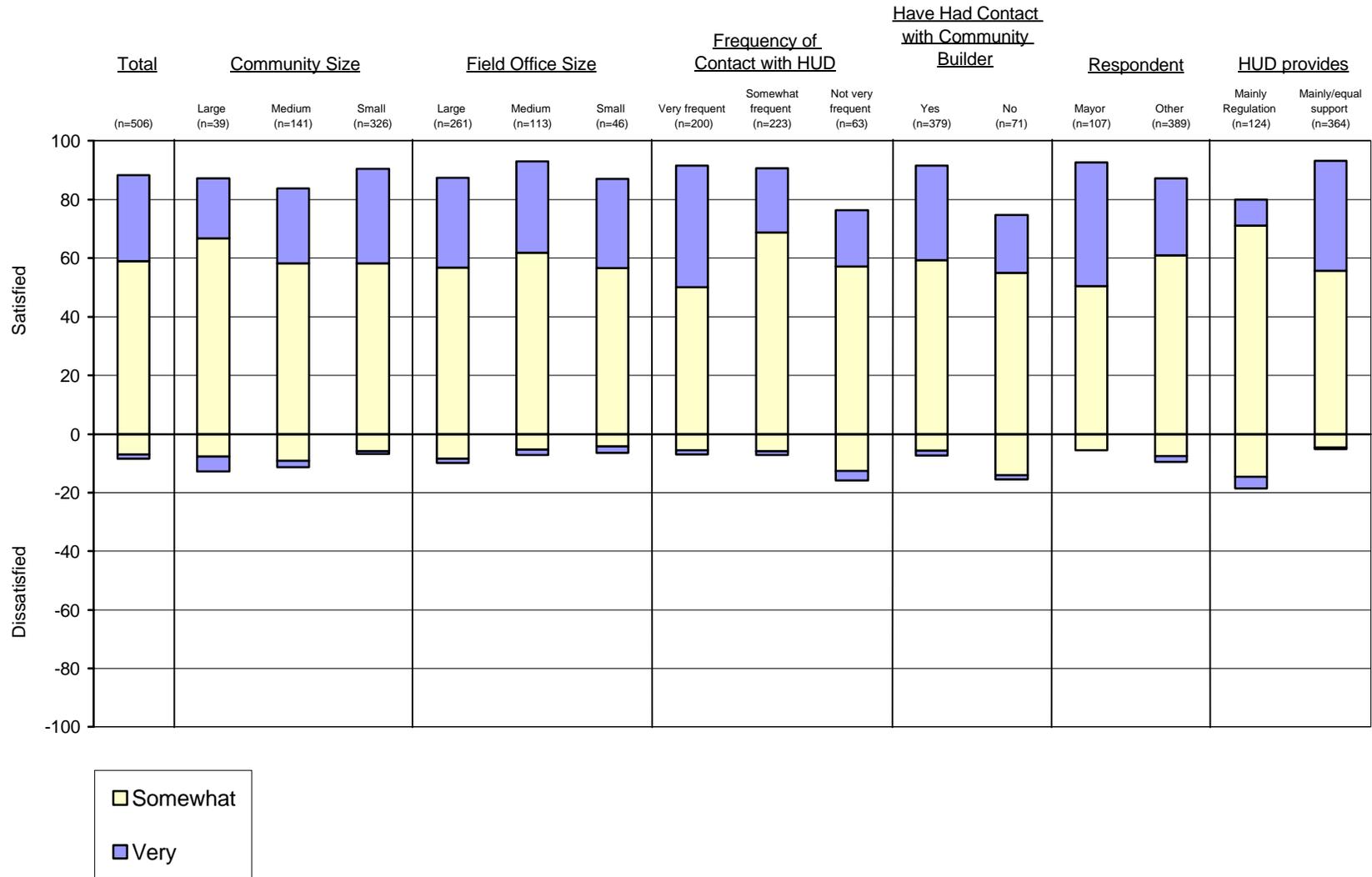
to do so, and those who did made three times as many negative as positive remarks. Negative comments focused on problems with the Community Builders program, recent changes in staffing, and criticism of the IDIS system. Some mayoral partners were also critical of what they see as HUD's overly regulatory focus in dealing with communities. Positive comments were predominantly complimentary of HUD's field office staff; partners were pleased with the helpfulness and knowledge of the staff.

Overall Performance

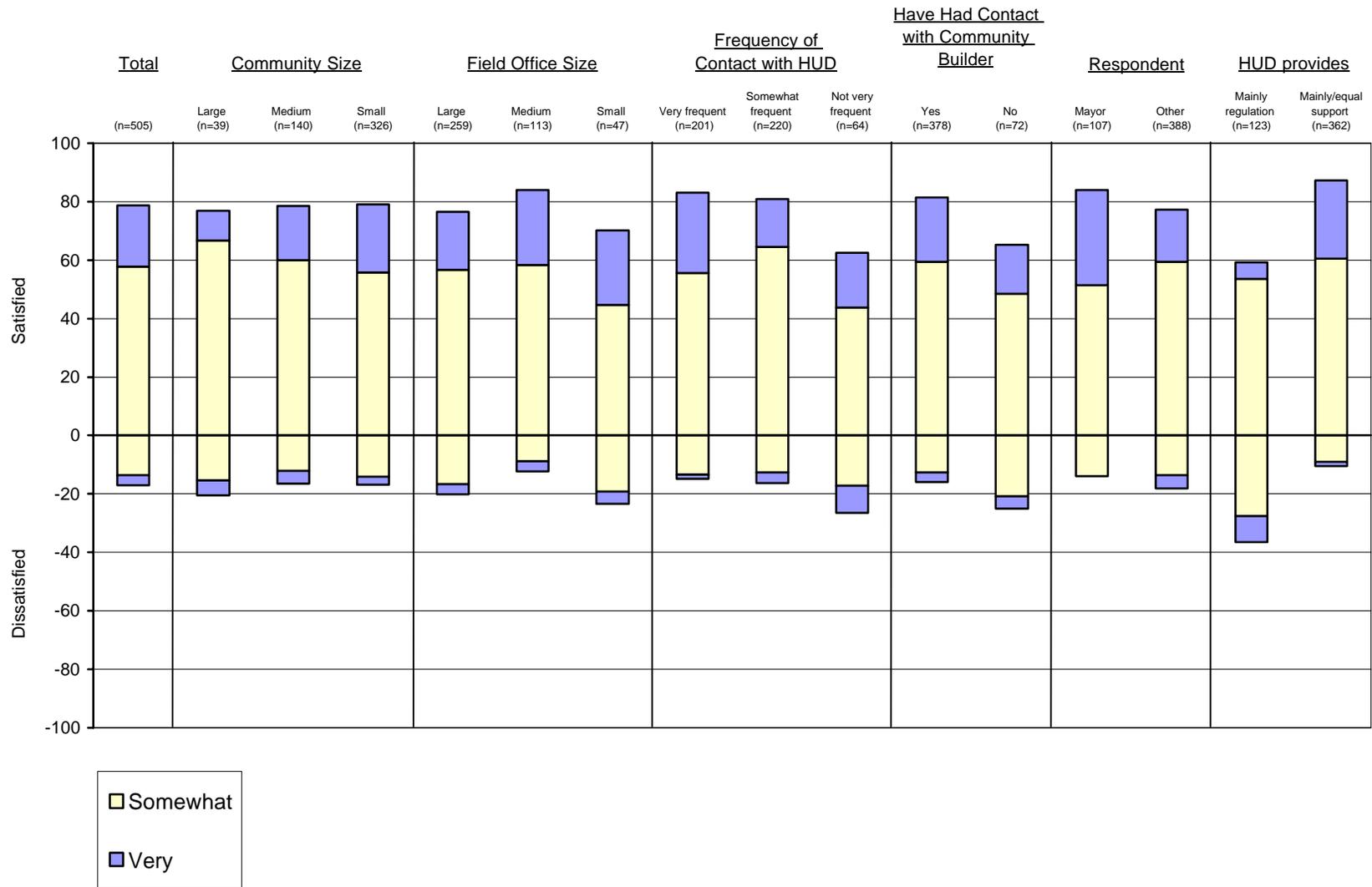
Question 6: HUD has several different responsibilities. On one hand, it provides various forms of support (for example, funding, technical assistance, information) and, on the other, it has a regulatory responsibility (that is, it makes rules, assures compliance with those rules, does assessments). In your community's relationship with HUD, would you say HUD is mainly providing support to you, about equally providing support and regulating you, or mainly regulating you?



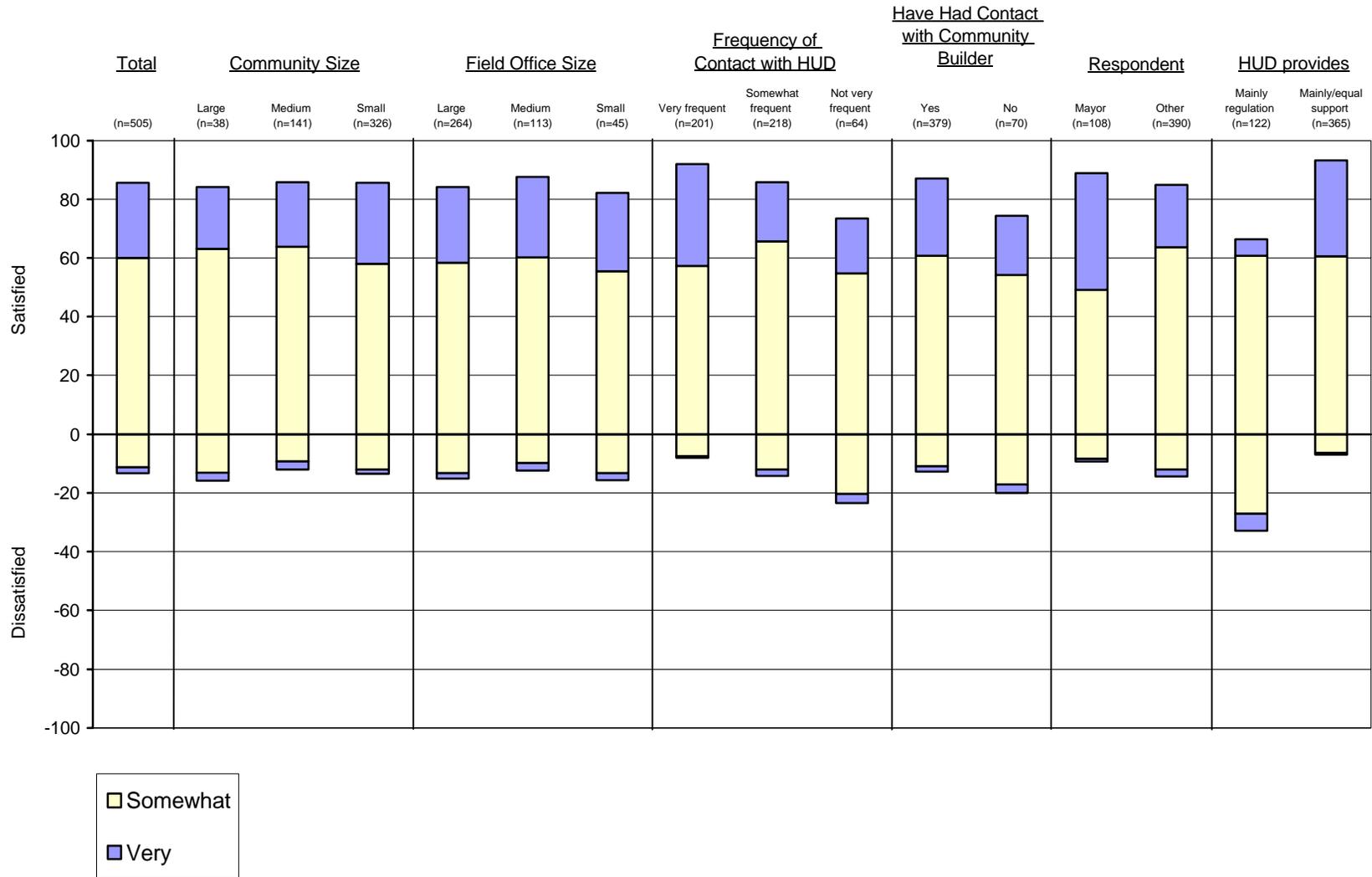
Question 3a: Thinking separately about the HUD programs with which you currently deal and about how HUD runs those programs, how satisfied or dissatisfied are you, in general, with the HUD programs you currently deal with?



Question 3b: Thinking separately about the HUD programs with which you currently deal and about how HUD runs those programs, how satisfied or dissatisfied are you, in general, with the way HUD currently runs those programs?

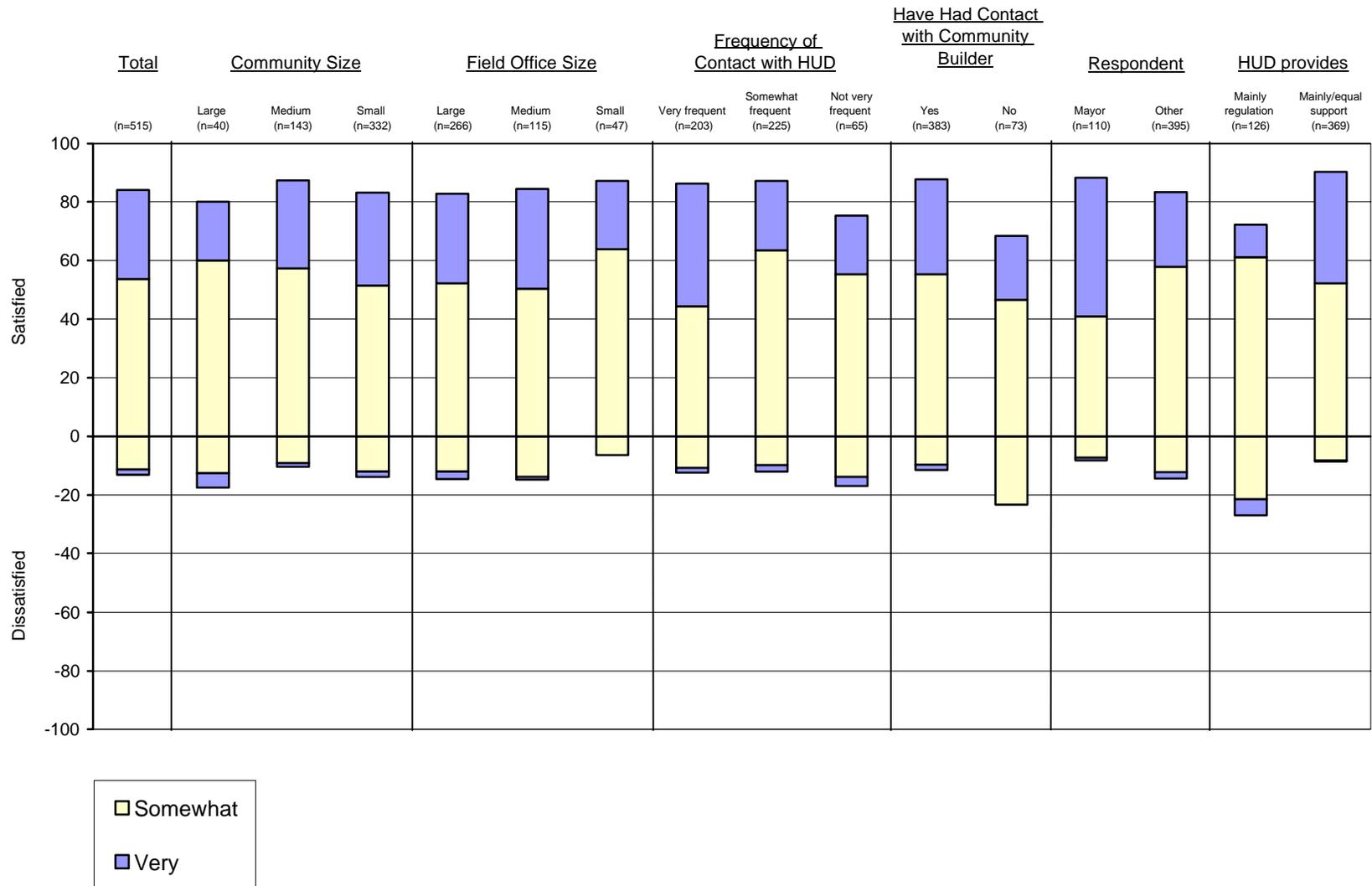


Question 13: At present, taking everything into consideration, how satisfied or dissatisfied are you with HUD's overall performance?

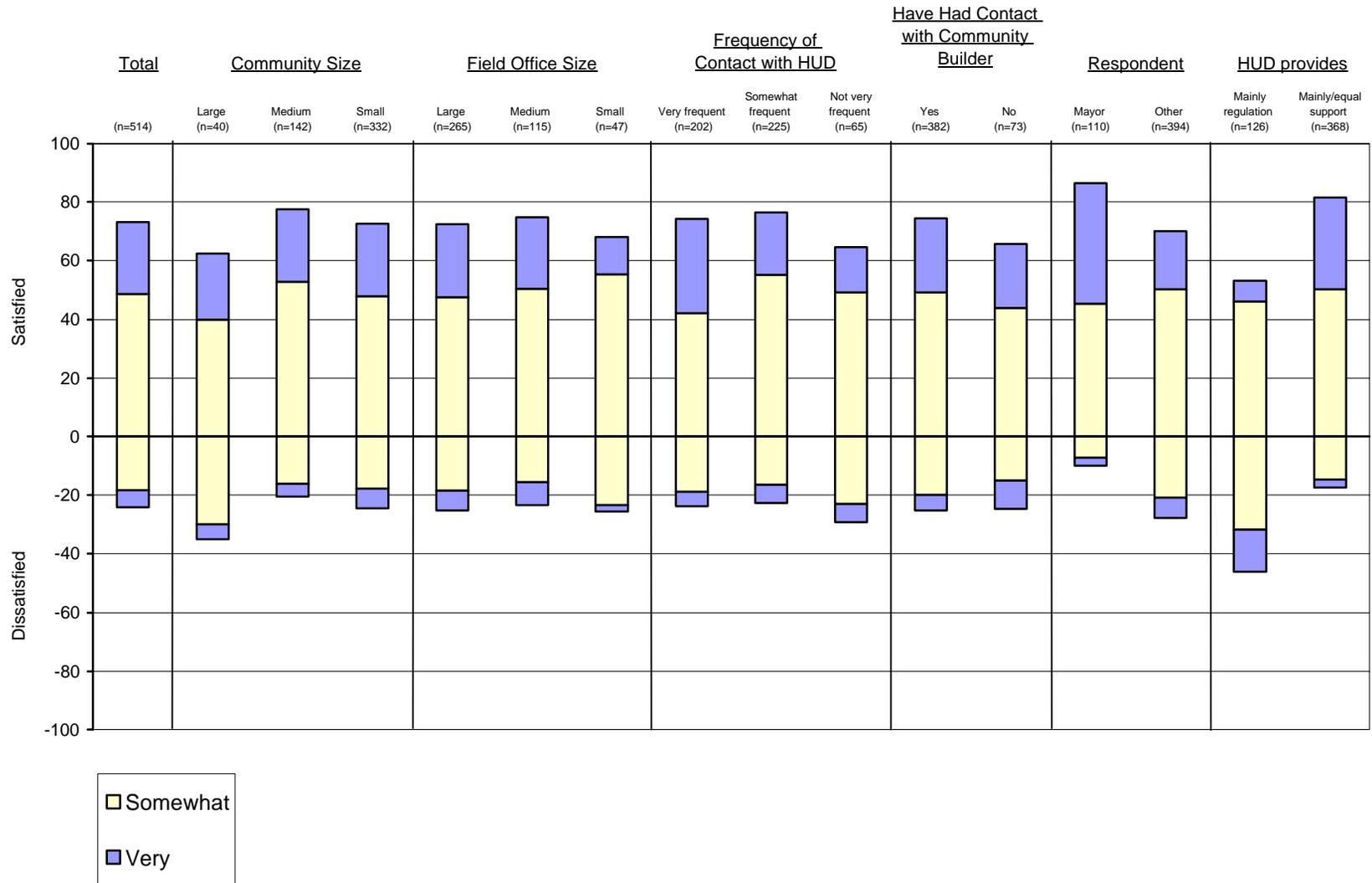


Service Quality

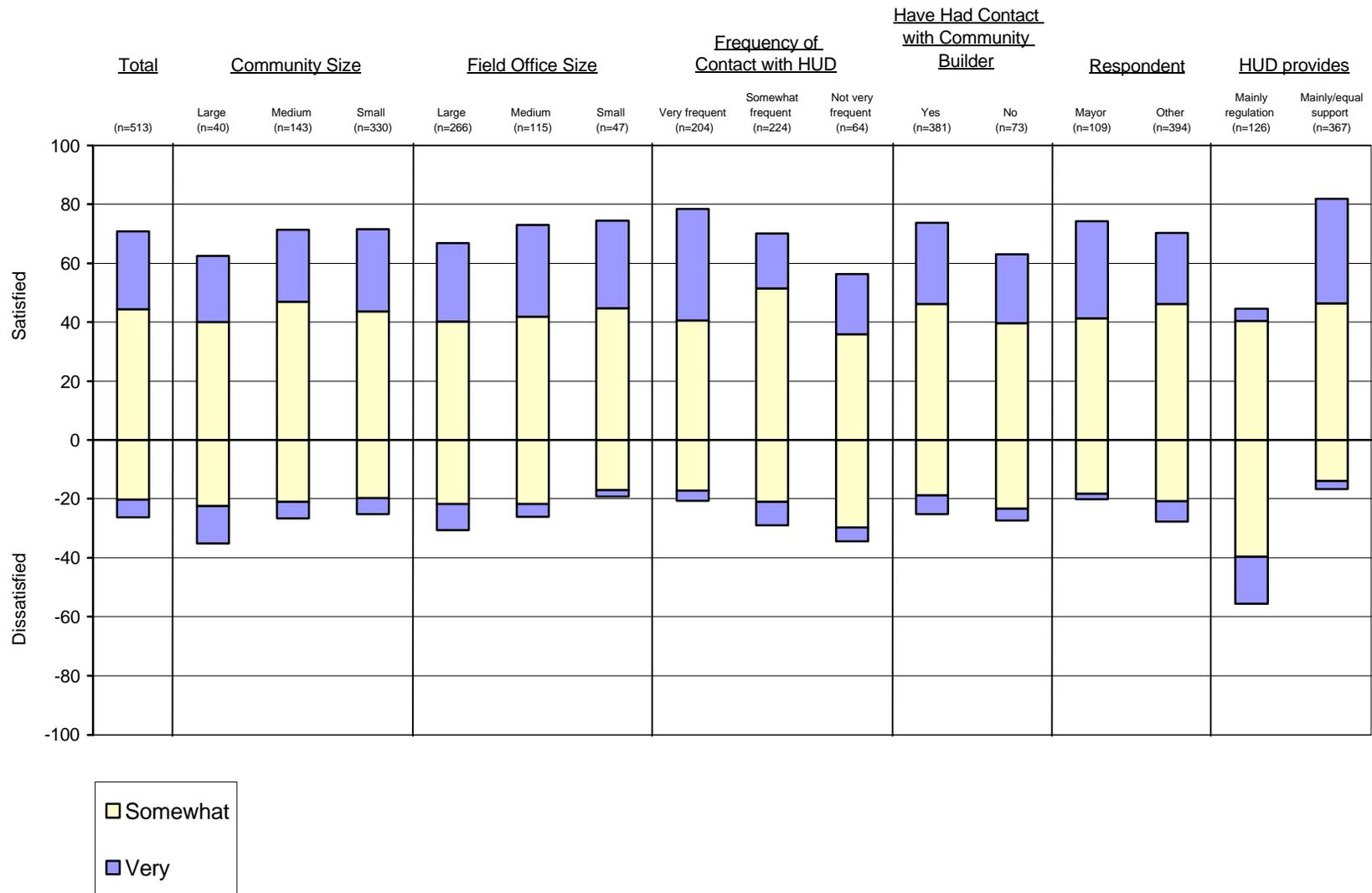
Question 4a: How satisfied or dissatisfied are you at the present point in time, in general, with the quality of the information you currently receive from HUD?



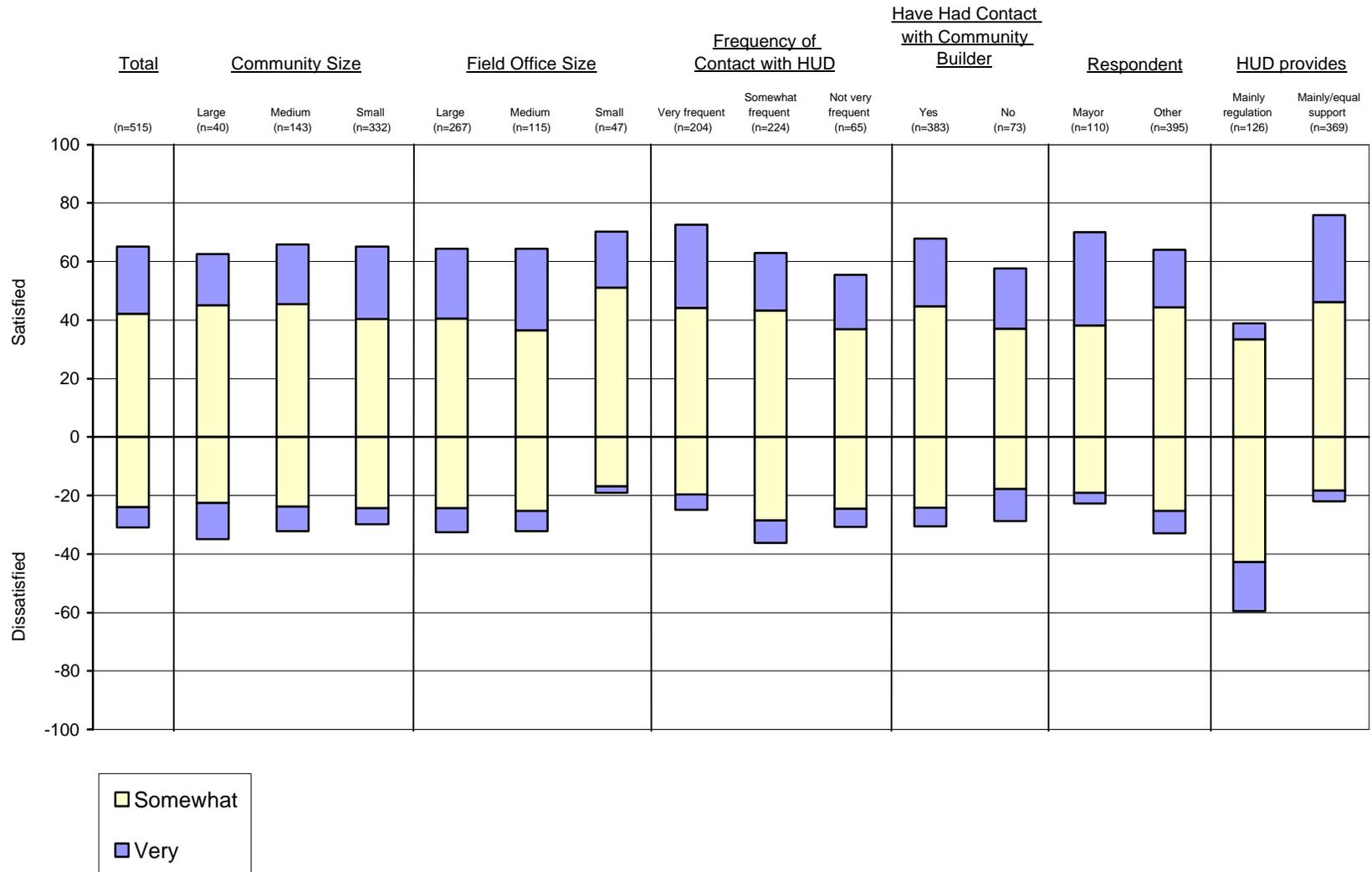
Question 4b: How satisfied or dissatisfied are you at the present point in time, in general, with the timeliness of the information you currently receive from HUD?



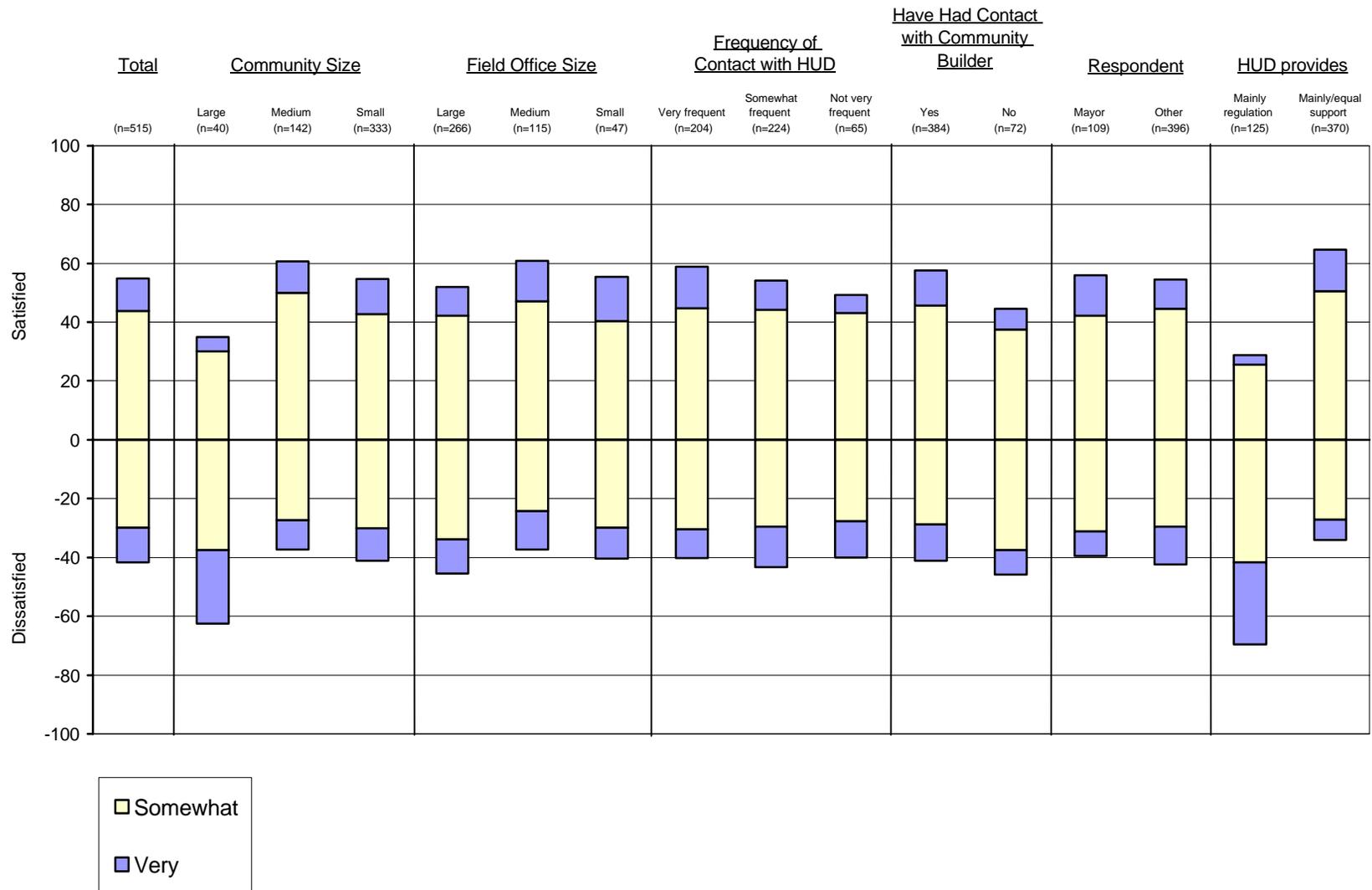
Question 4c: How satisfied or dissatisfied are you at the present point in time, in general, with the quality of guidance you currently get from HUD?



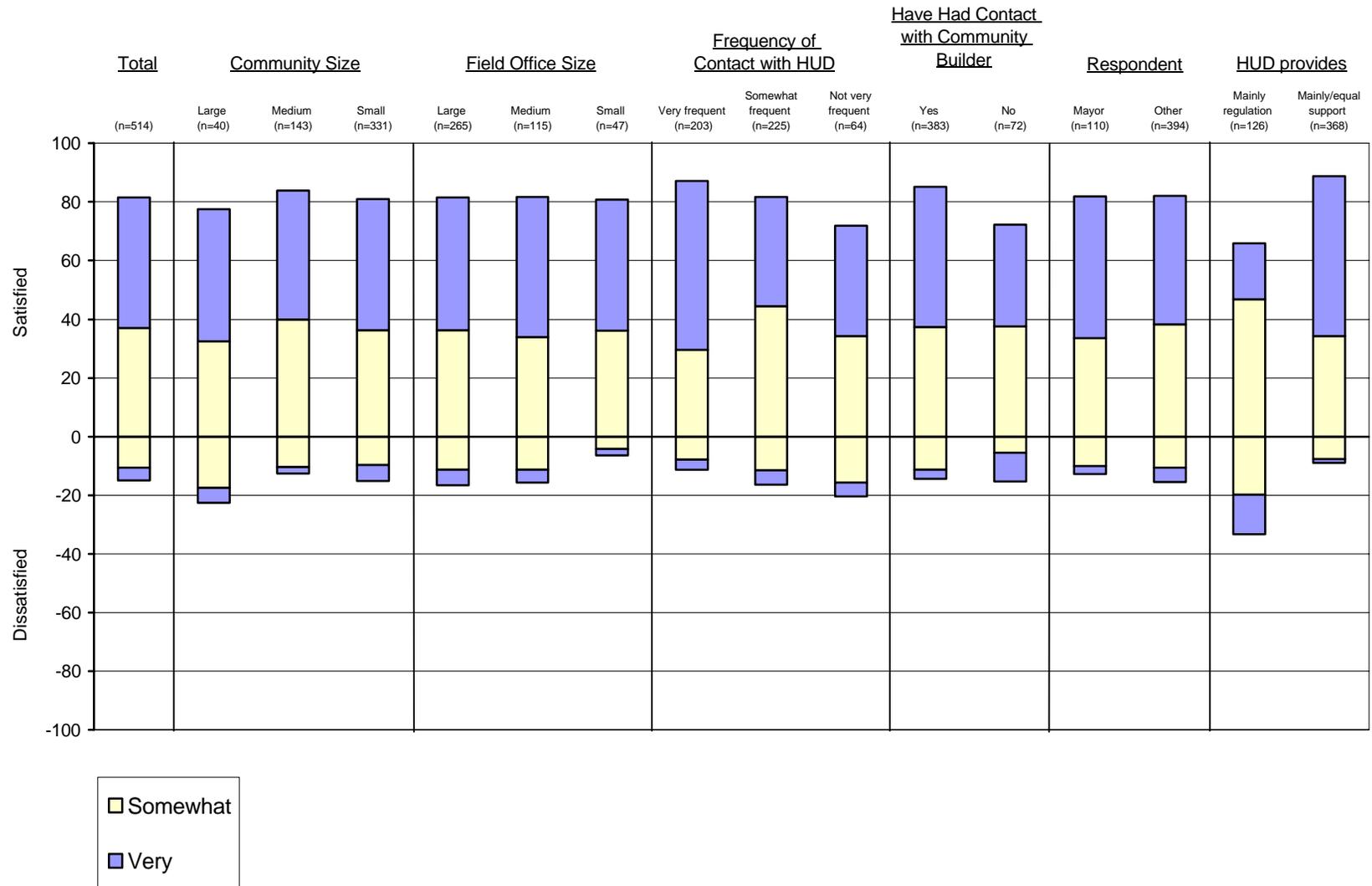
Question 4d: How satisfied or dissatisfied are you at the present point in time, in general, with the consistency of guidance you currently get from HUD?



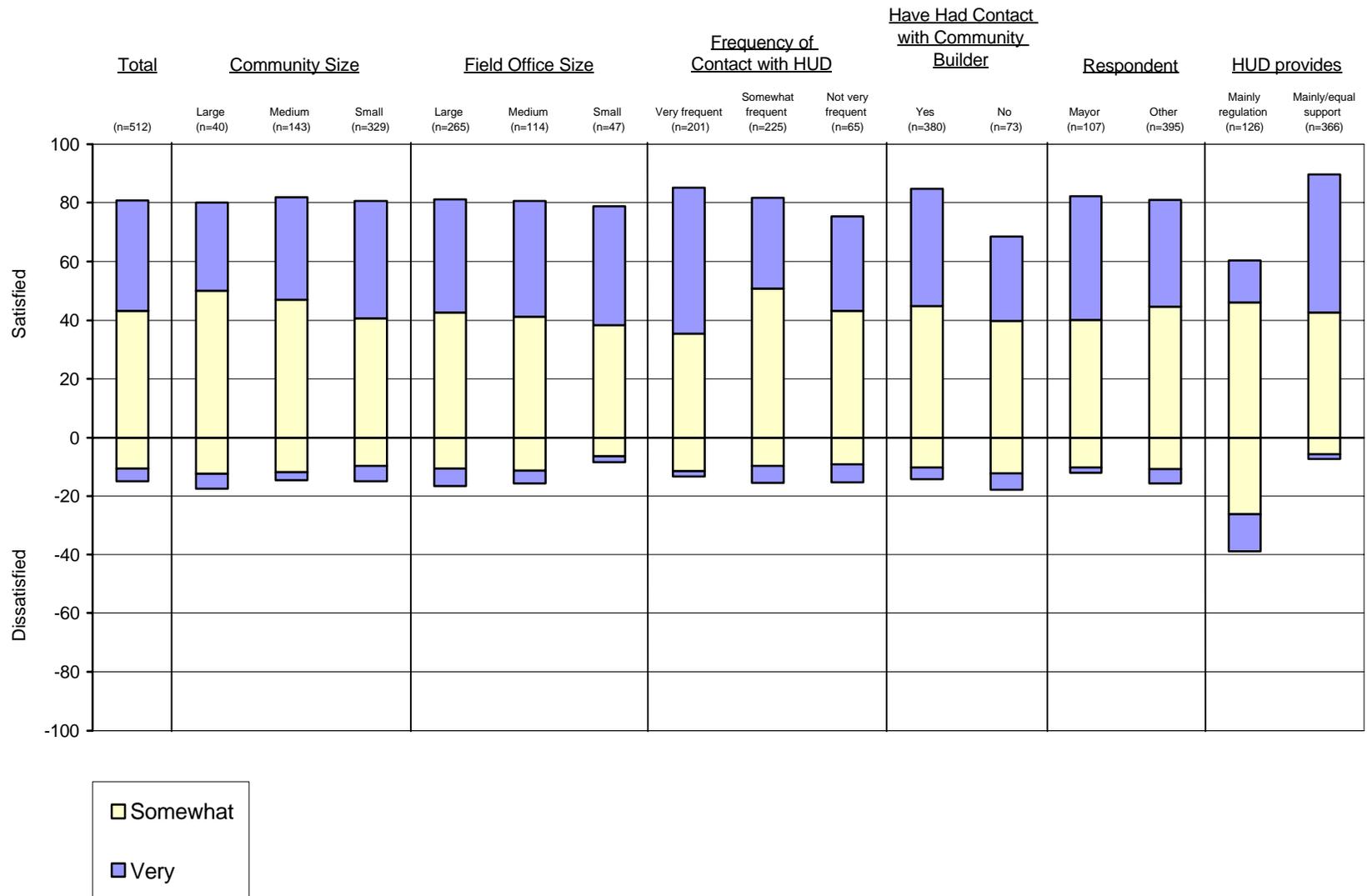
Question 4e: How satisfied or dissatisfied are you at the present point in time, in general, with the reasonableness of HUD rules and requirements that apply to your community?



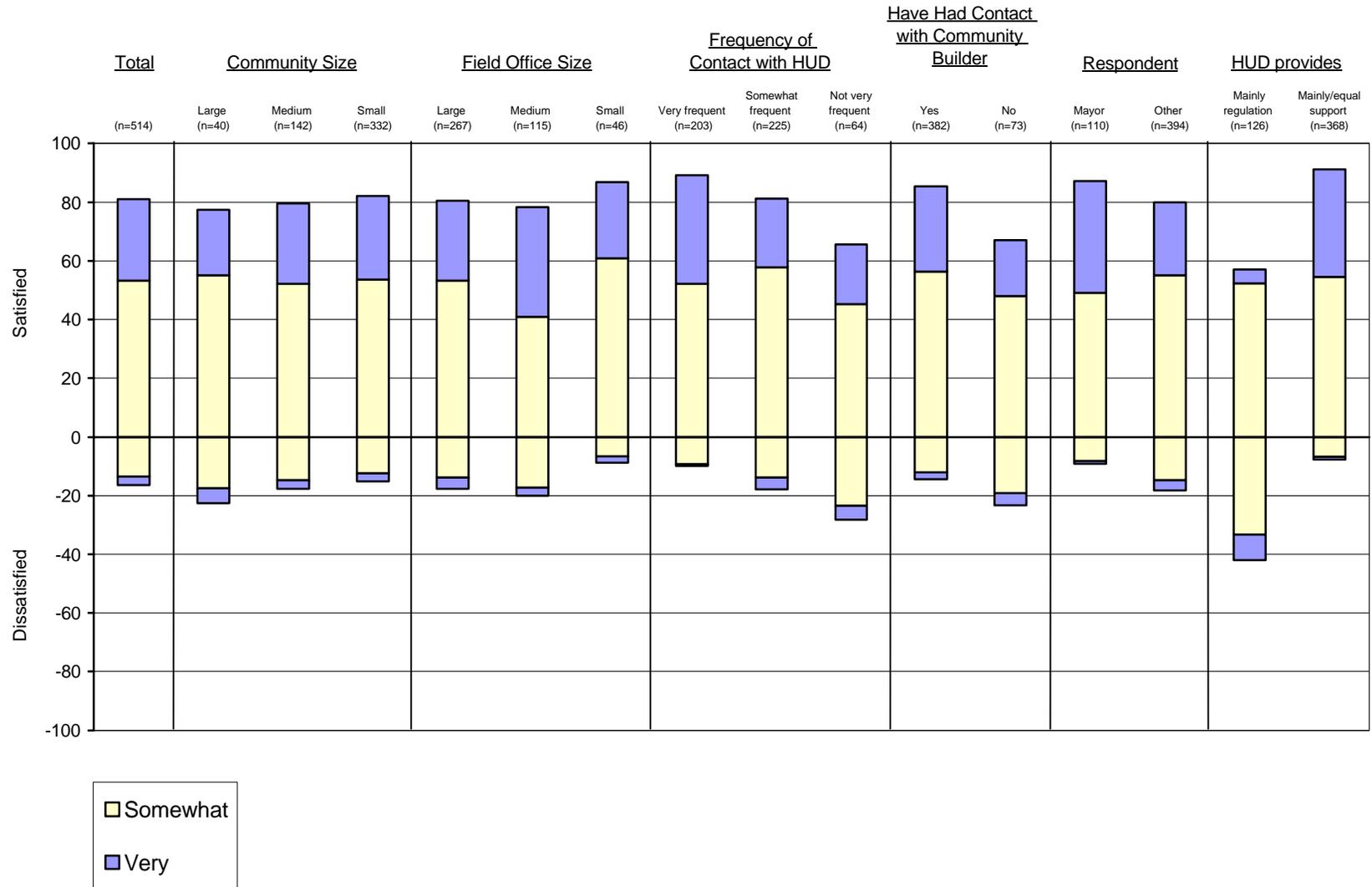
Question 4f: How satisfied or dissatisfied are you at the present point in time, in general, with the responsiveness of the people with whom you currently deal at HUD?



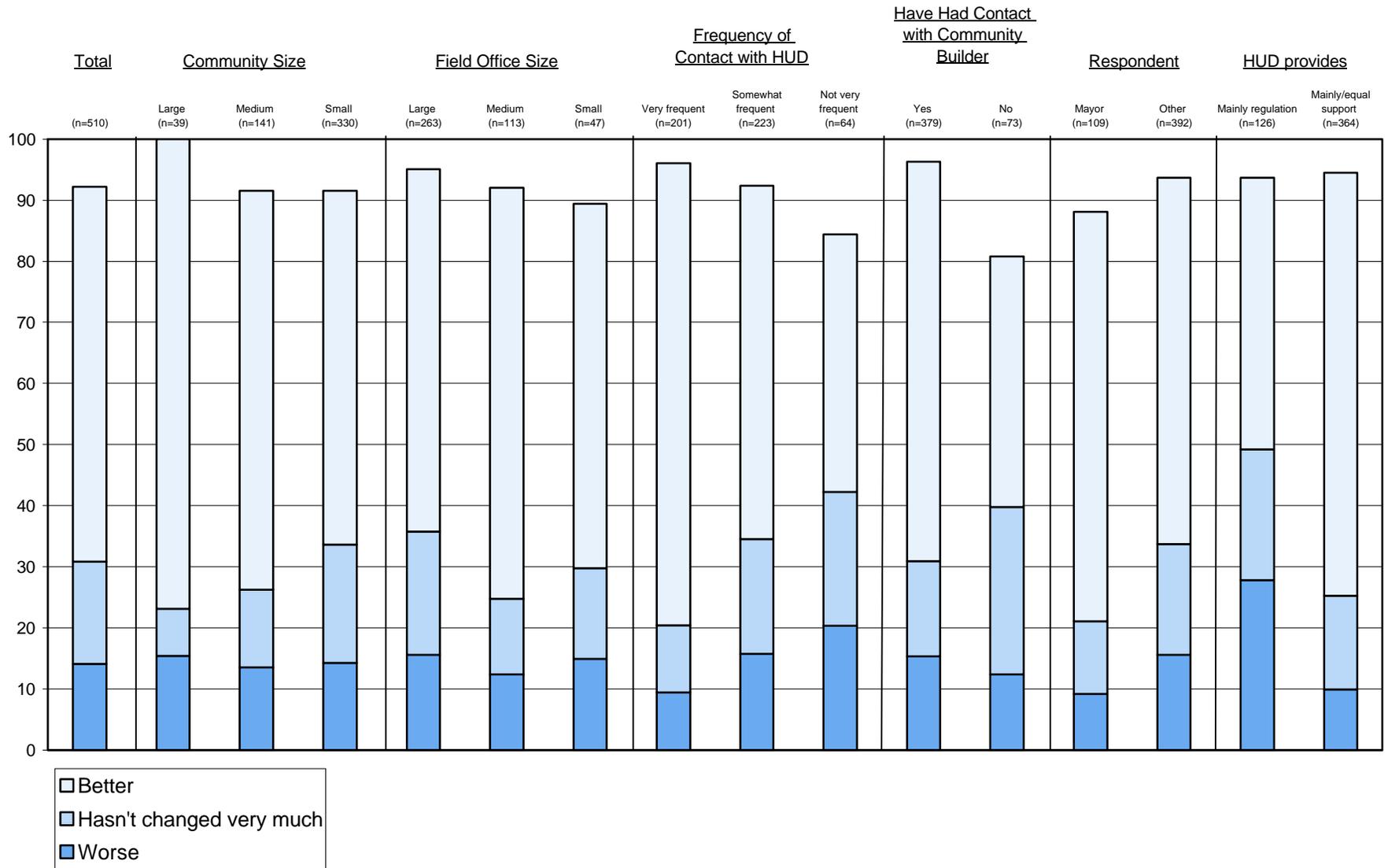
Question 4g: How satisfied or dissatisfied are you at the present point in time, in general, with the competence of the people with whom you currently deal at HUD?



Question 4h: How satisfied or dissatisfied are you at the present point in time, in general, with the overall quality of service you receive from HUD today?

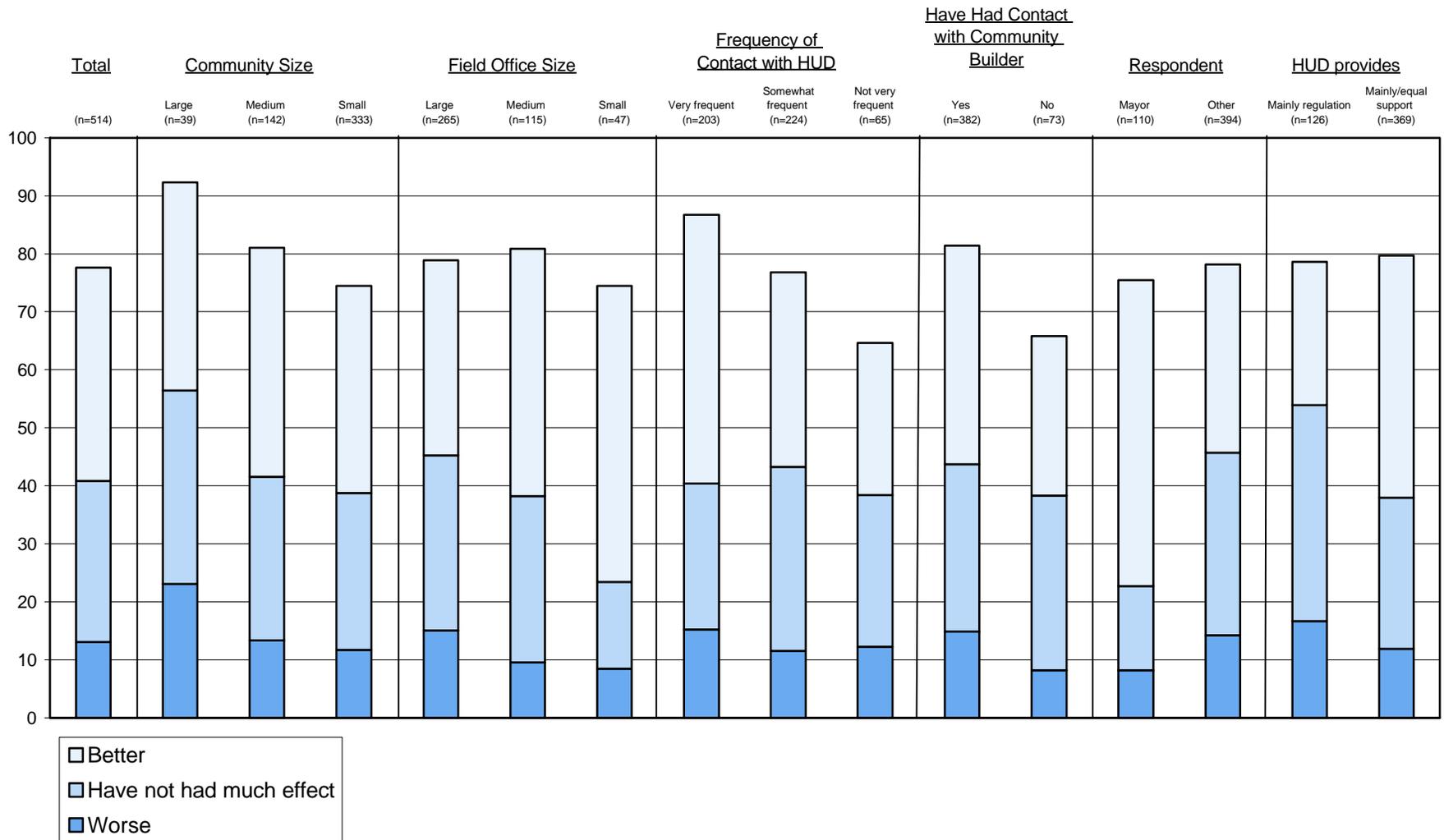


Question 5: Over the last several years, would you say the overall quality of service you received from HUD is generally getting much better, somewhat better, somewhat worse, much worse, or hasn't changed much?

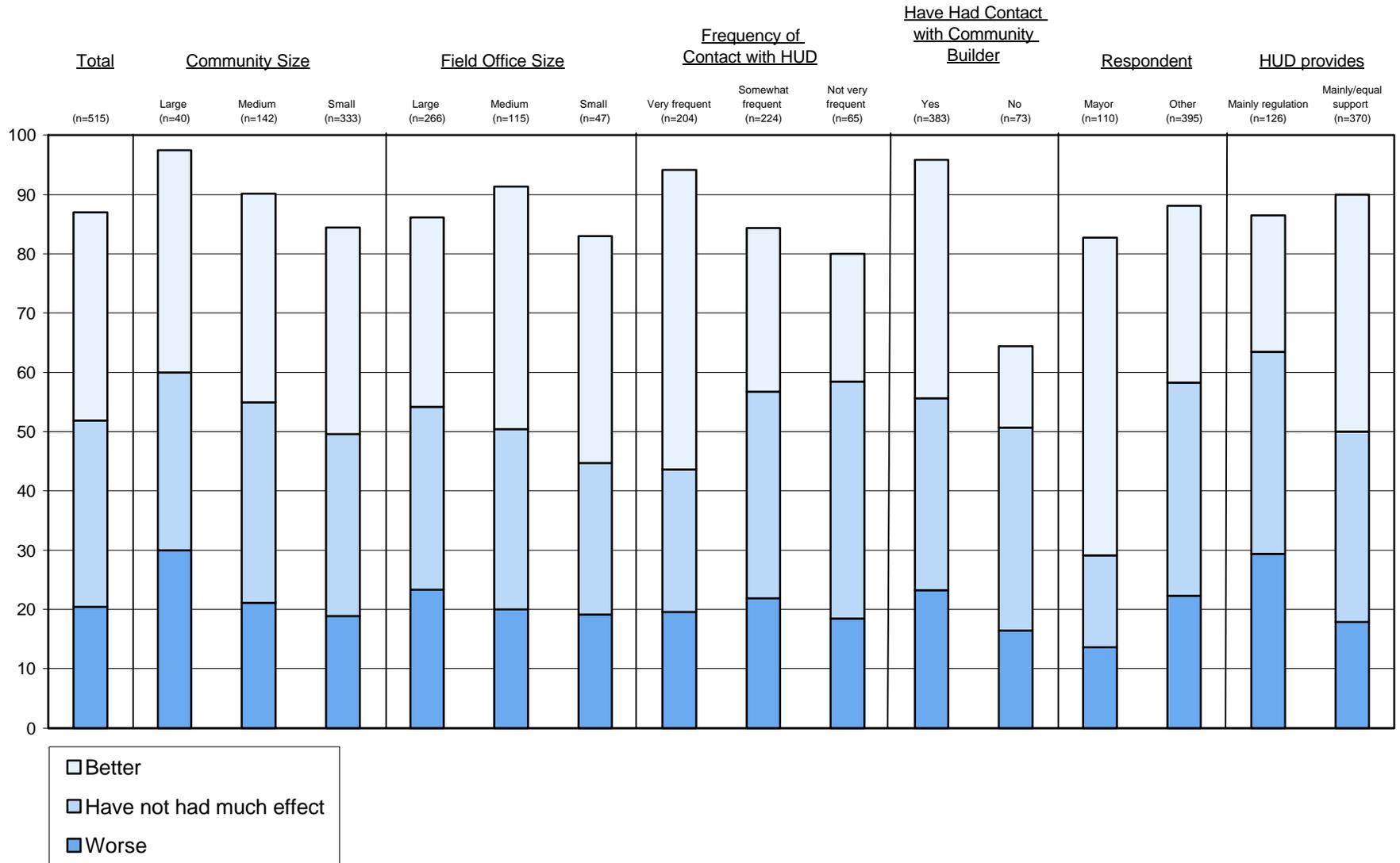


Management Changes

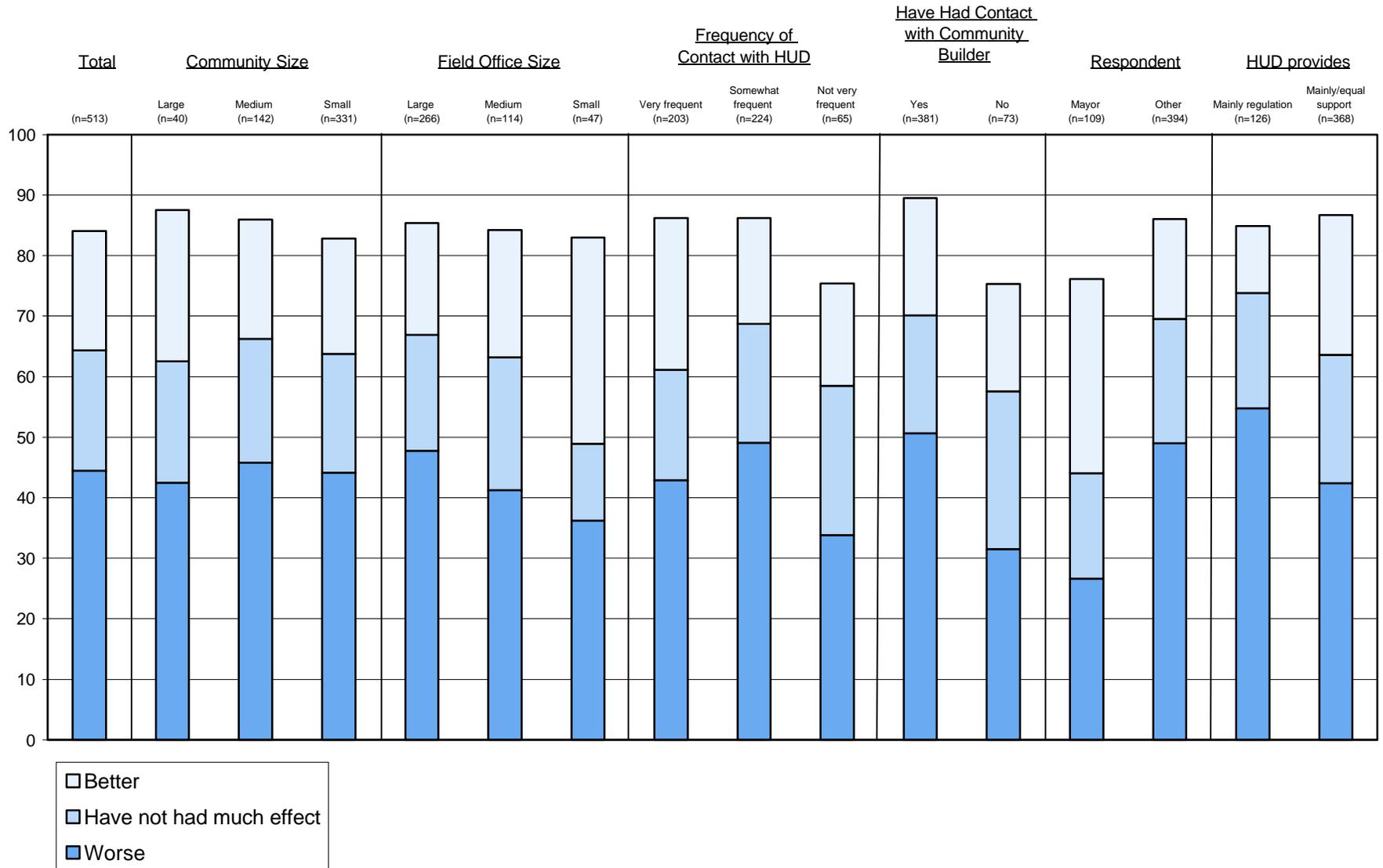
Question 7a: Would you say that the changes, over the last several years, in HUD's organizational structure, such as the establishment of new centers and hubs, have made HUD much better, somewhat better, somewhat worse, much worse, or have not had much effect?



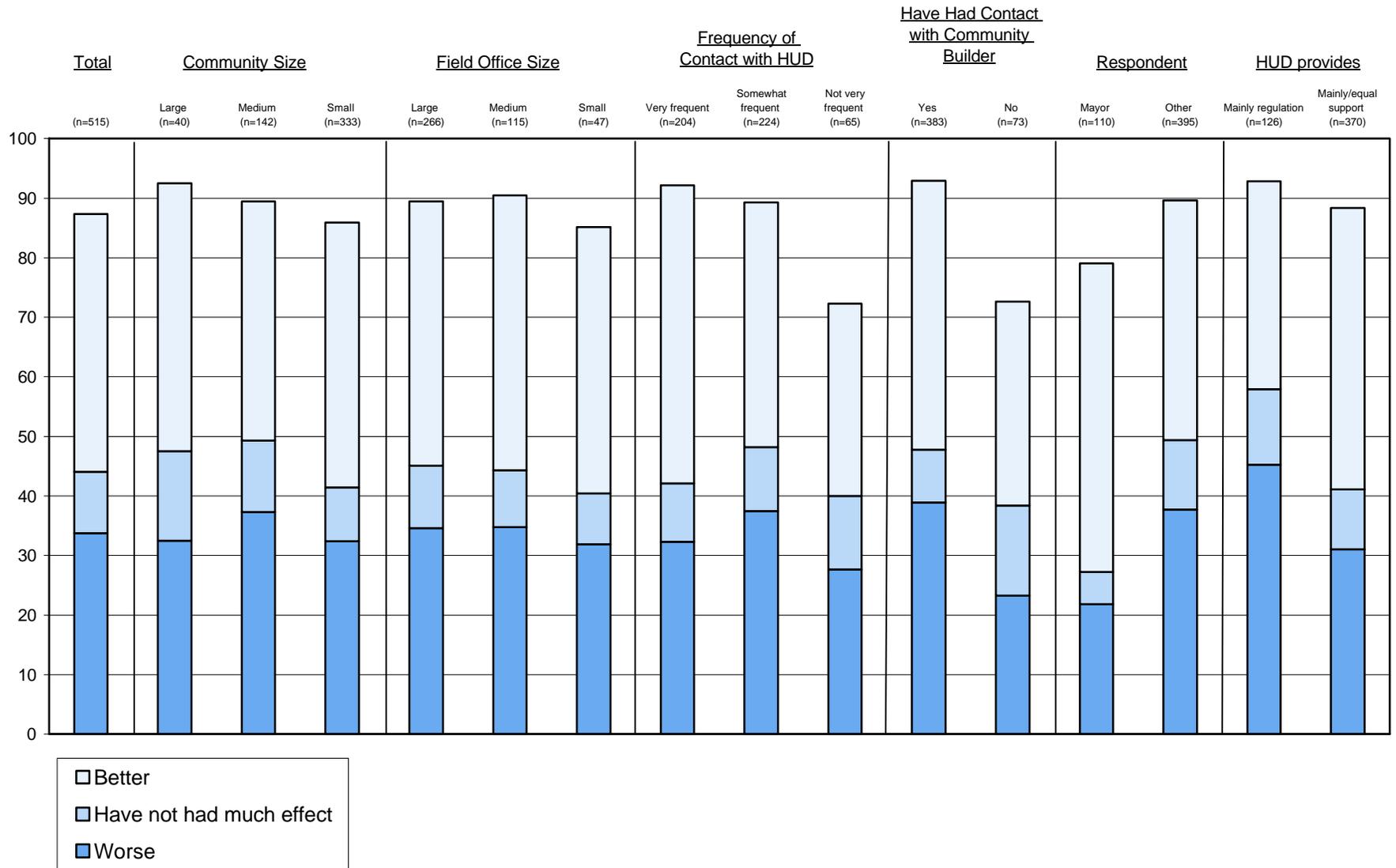
Question 7b: Would you say that the changes, over the last several years, in HUD functions, such as the establishment of the new Community Builder and Public Trust Officer functions, have made HUD much better, somewhat better, somewhat worse, much worse, or have not had much effect?



Question 7c: Would you say that the changes, over the last several years, in HUD's staffing, such as the overall reduction in staff, staffing reassignments, and retraining of HUD staff, have made HUD much better, somewhat better, somewhat worse, much worse, or have not had much effect?

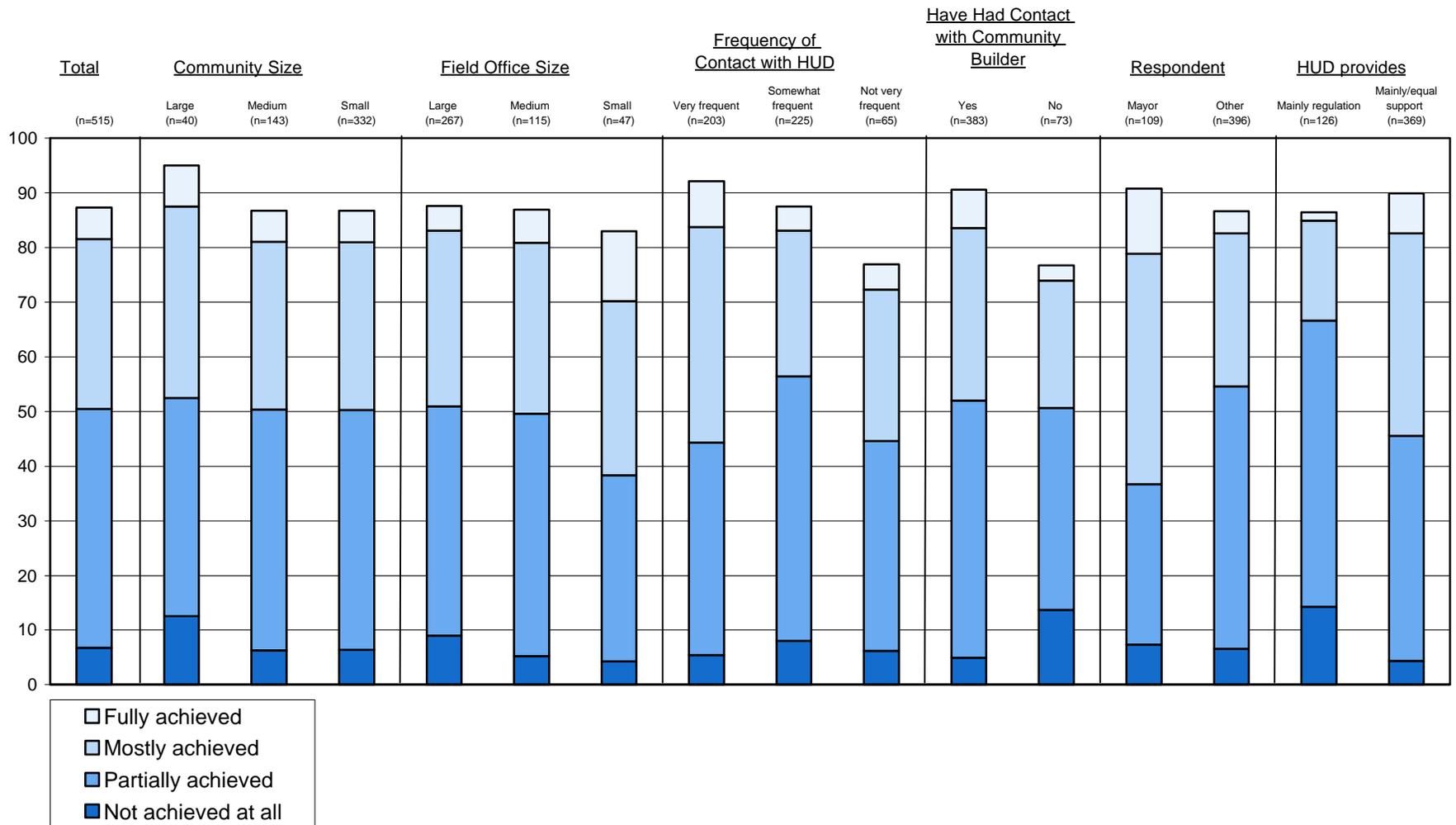


Question 7d: Would you say that the changes, over the last several years, in HUD's financial management systems, such as the creation of new systems and the consolidation of older ones, have made HUD much better, somewhat better, somewhat worse, much worse, or have not had much effect?

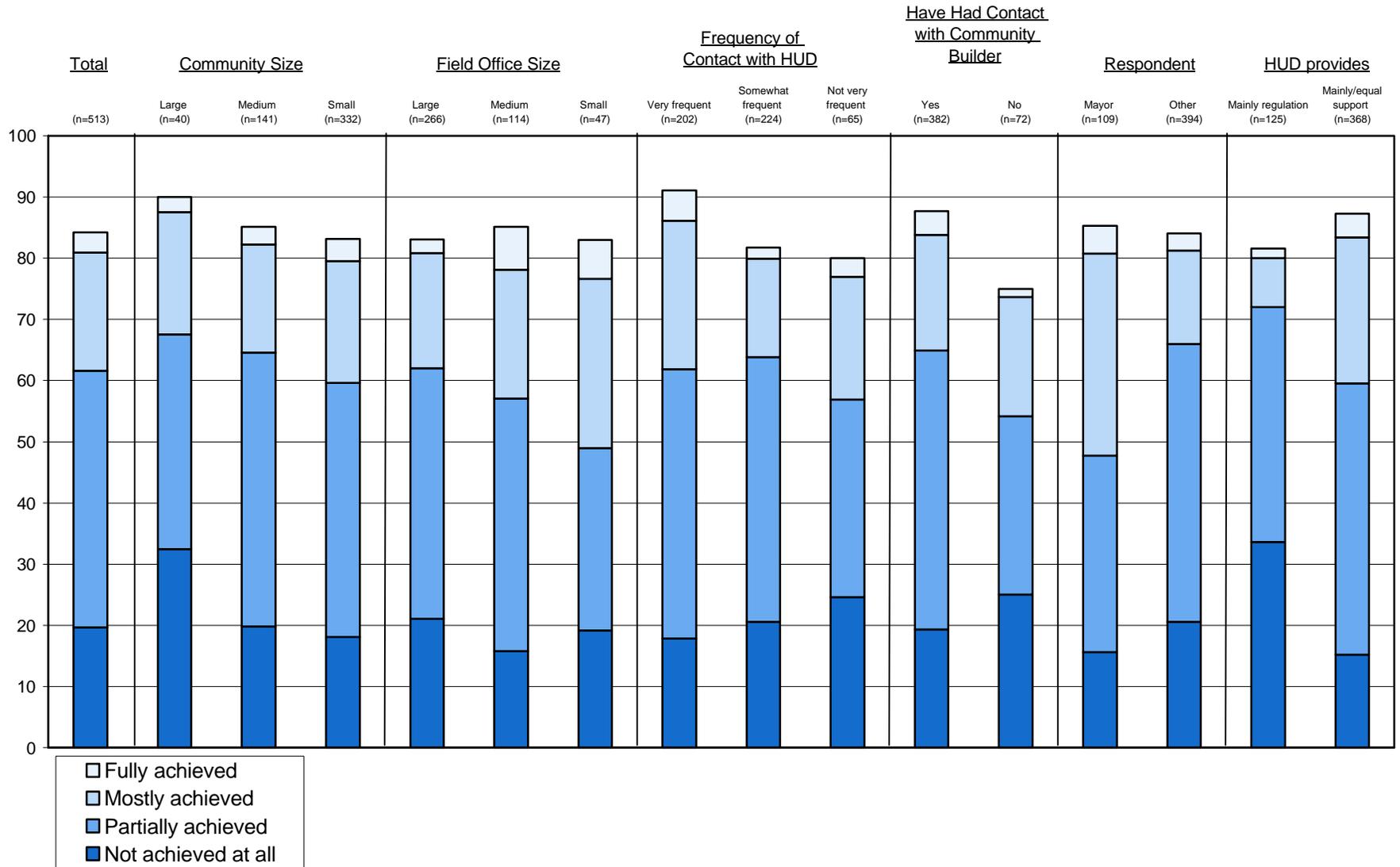


Achievement of Management Objectives

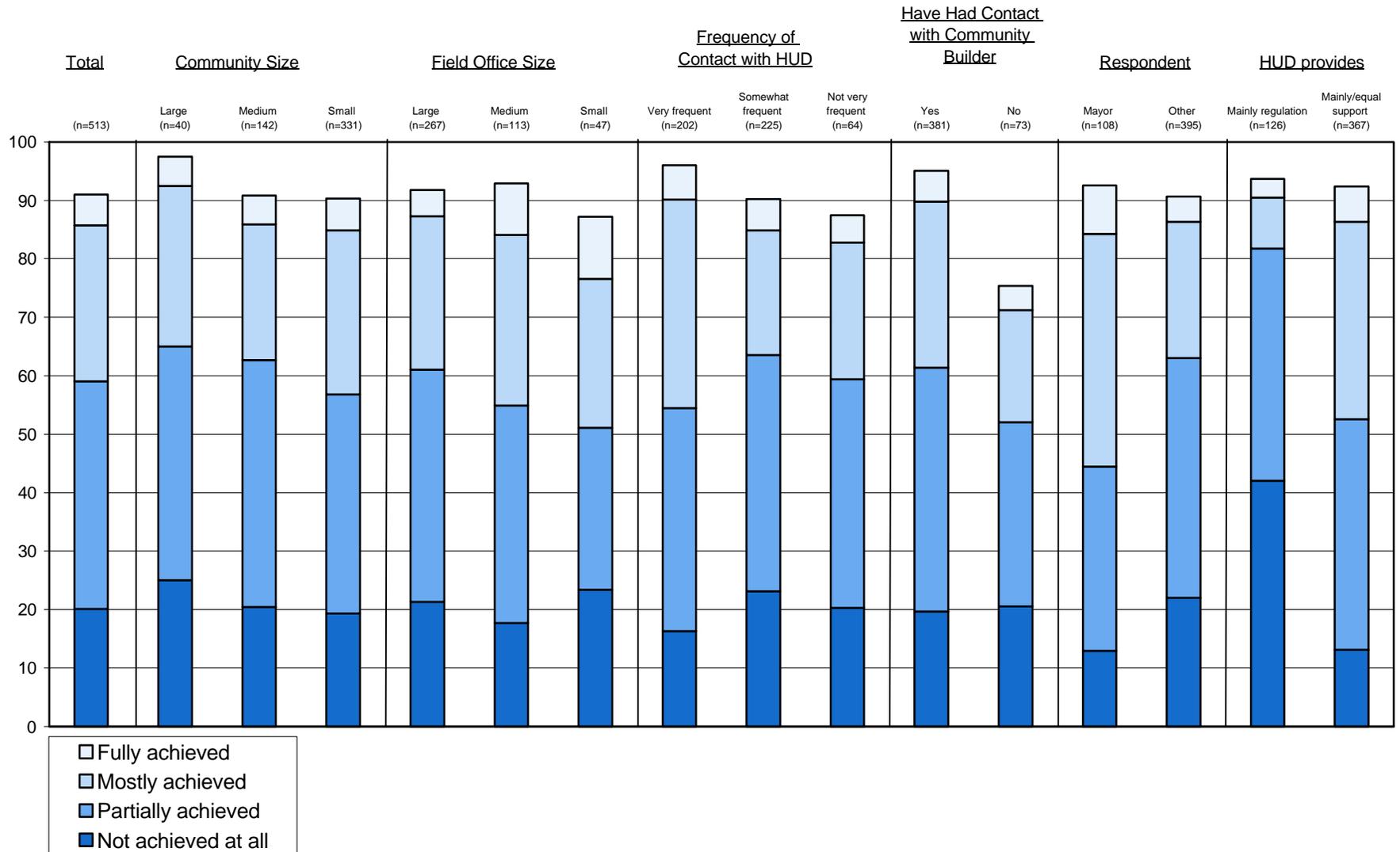
Question 8a: Please indicate the extent to which you believe the following HUD reform objective has been fully achieved, mostly achieved, partially achieved, or not achieved at all: To restore the public trust in HUD.



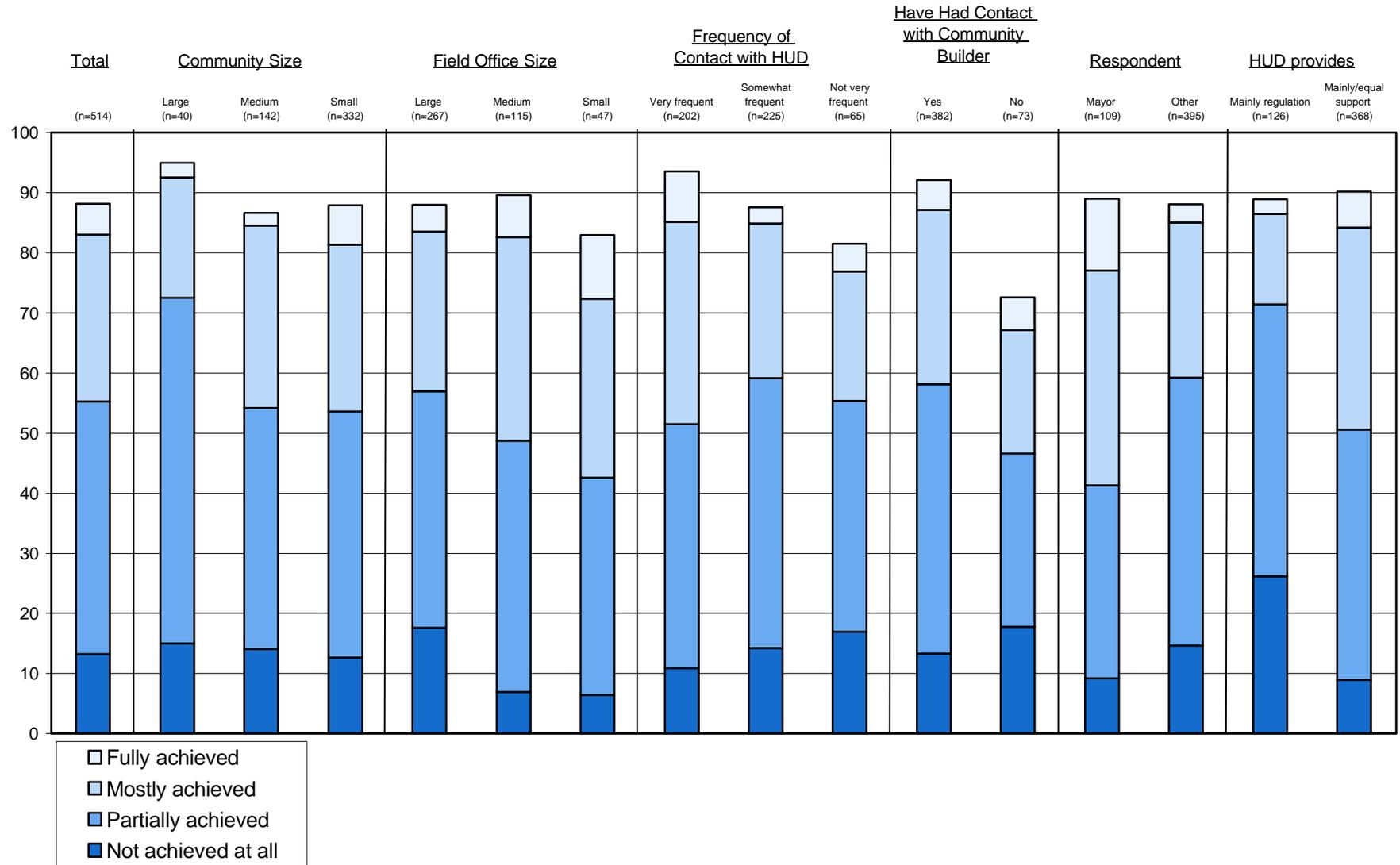
Question 8b: Please indicate the extent to which you believe the following HUD reform objective has been fully achieved, mostly achieved, partially achieved, or not achieved at all: To be "the best in the business."



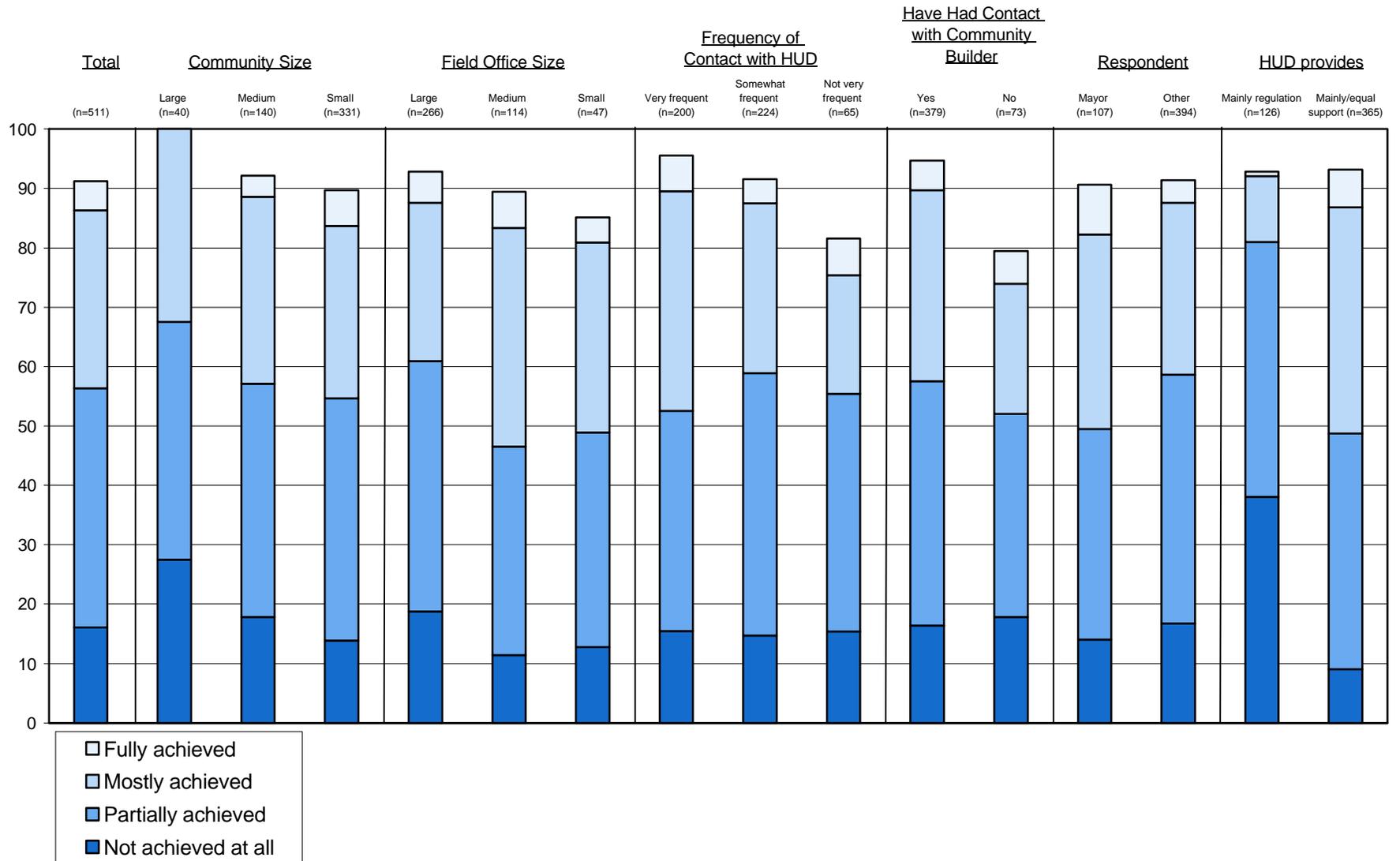
Question 8c: Please indicate the extent to which you believe the following HUD reform objective has been fully achieved, mostly achieved, partially achieved, or not achieved at all: To replace a top-down bureaucracy with a new customer-friendly structure.



Question 8d: Please indicate the extent to which you believe the following HUD reform objective has been fully achieved, mostly achieved, partially achieved, or not achieved at all: To instill an ethic of competence and excellence at HUD.

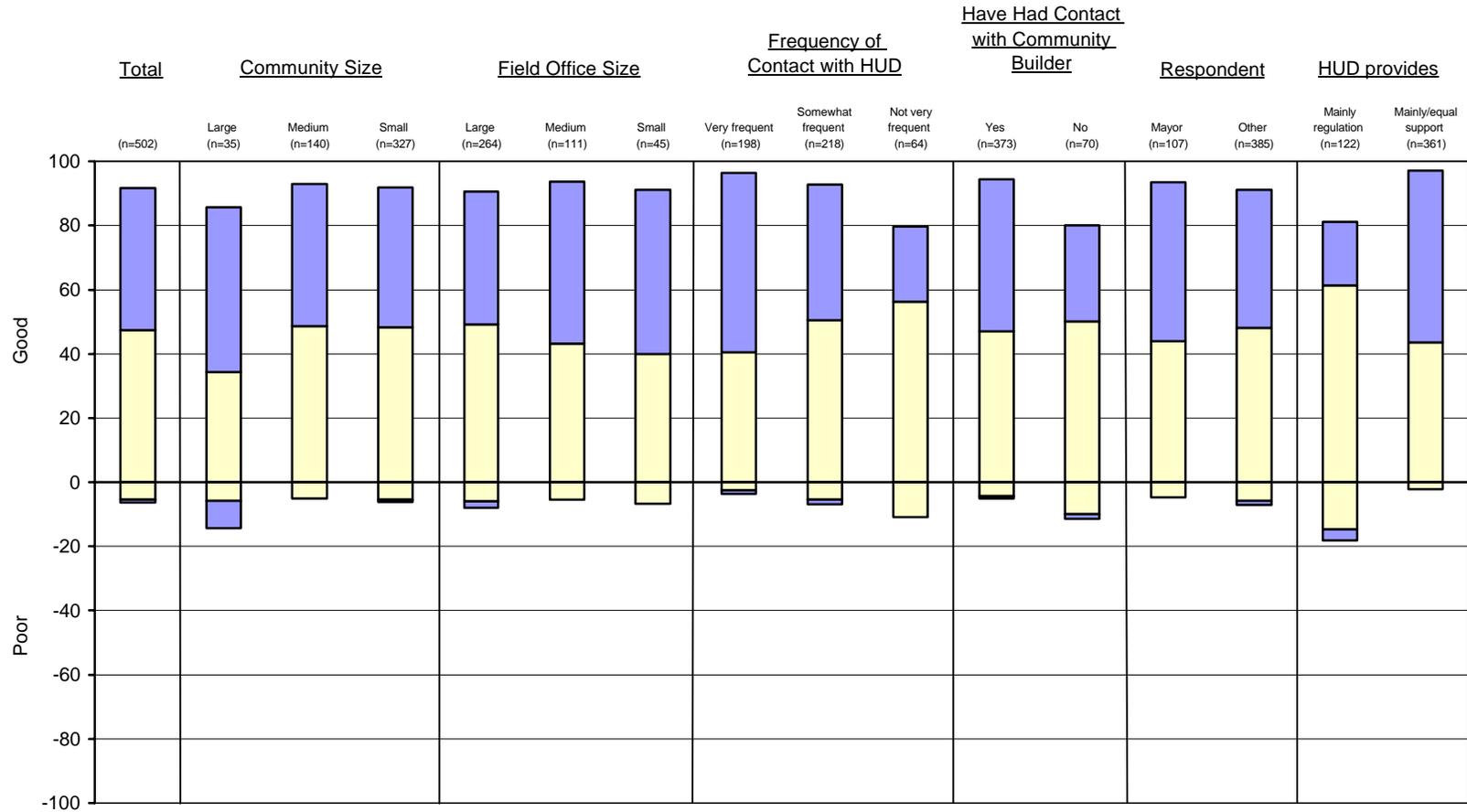


Question 8e: Please indicate the extent to which you believe the following HUD reform objective has been fully achieved, mostly achieved, partially achieved, or not achieved at all: To replace the emphasis on process with an emphasis on performance.

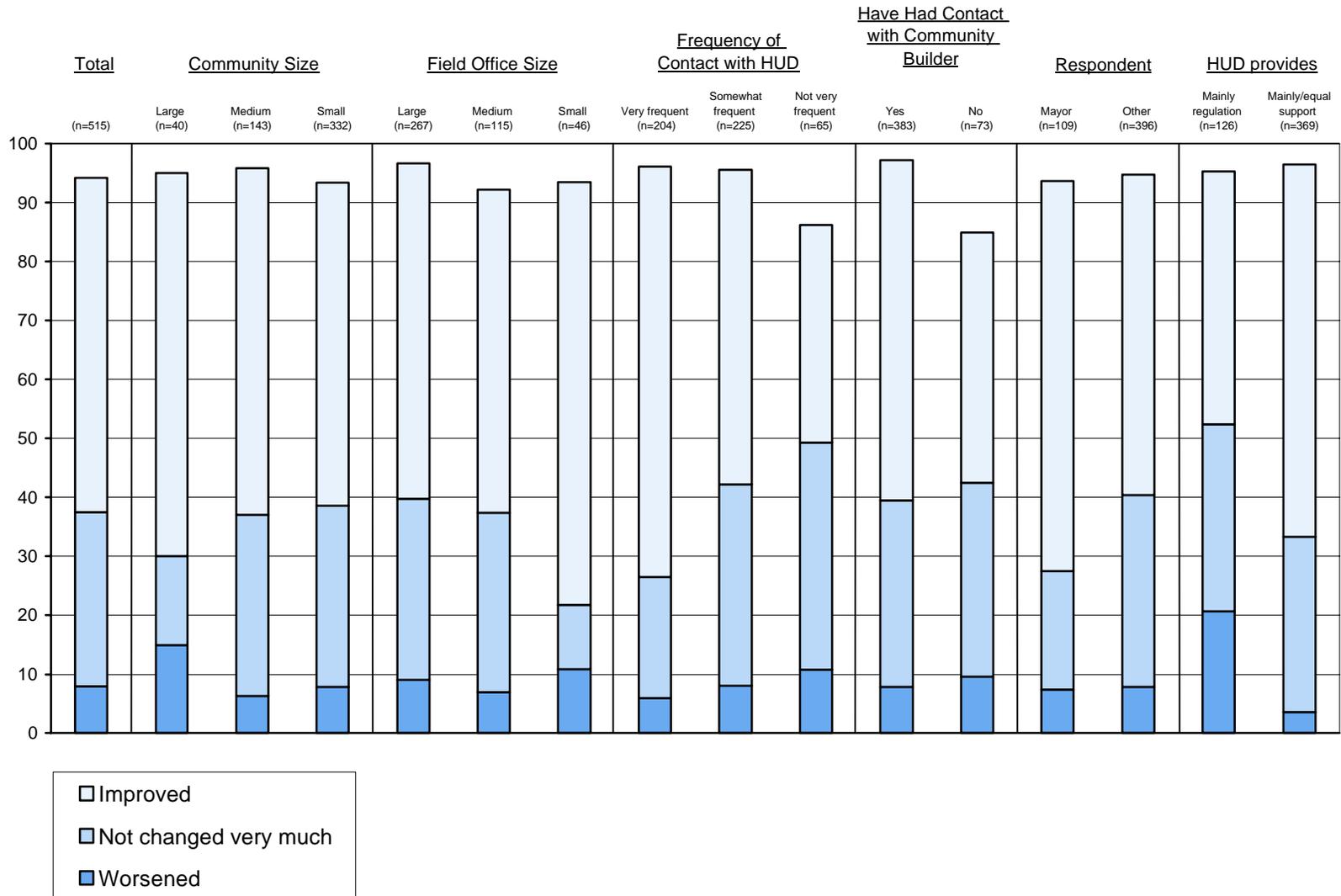


Questions Specific to Mayoral Partners

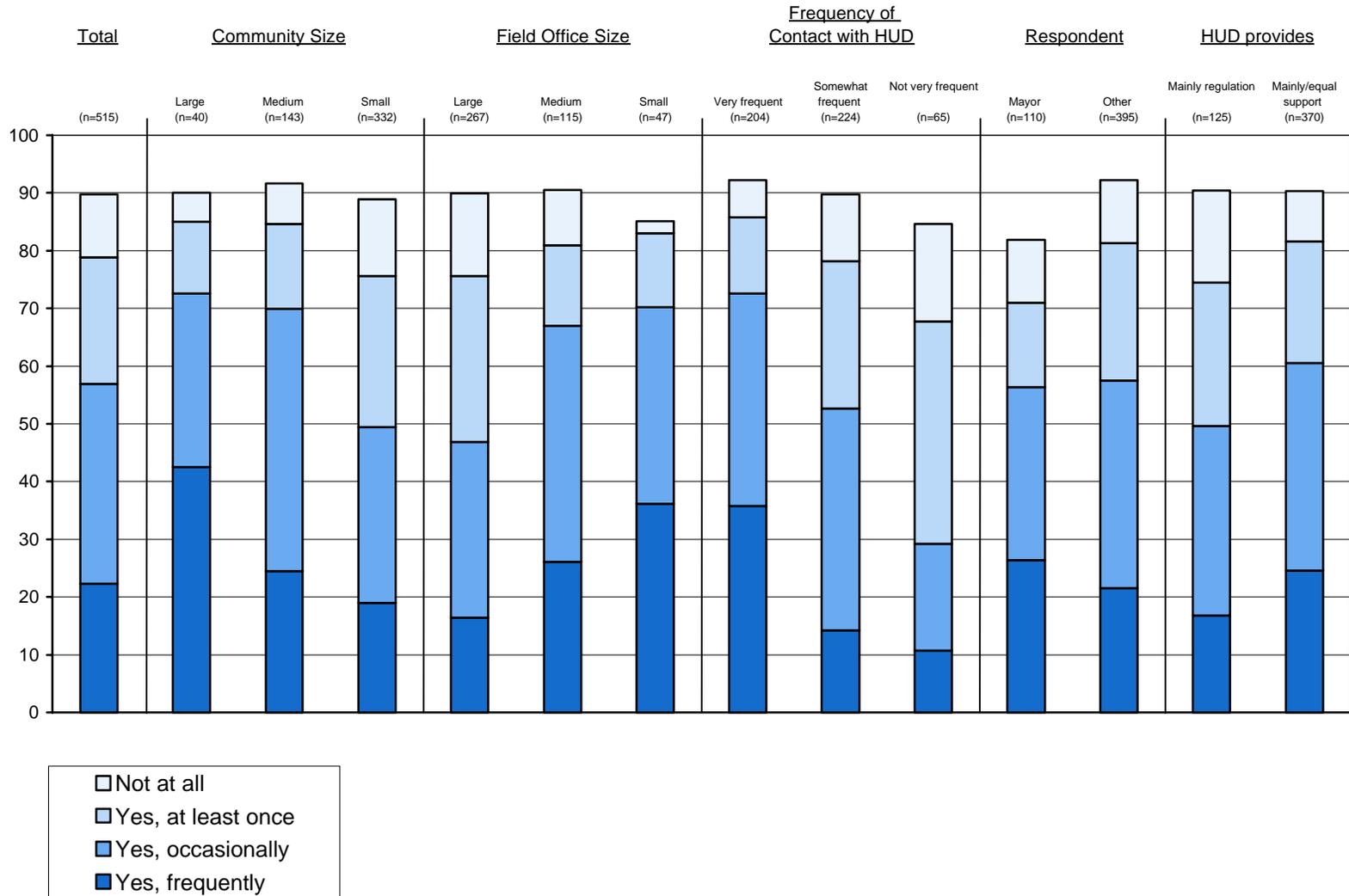
Question 9: In general, would you describe your community's current relations with HUD as being very good, good, poor or very poor?



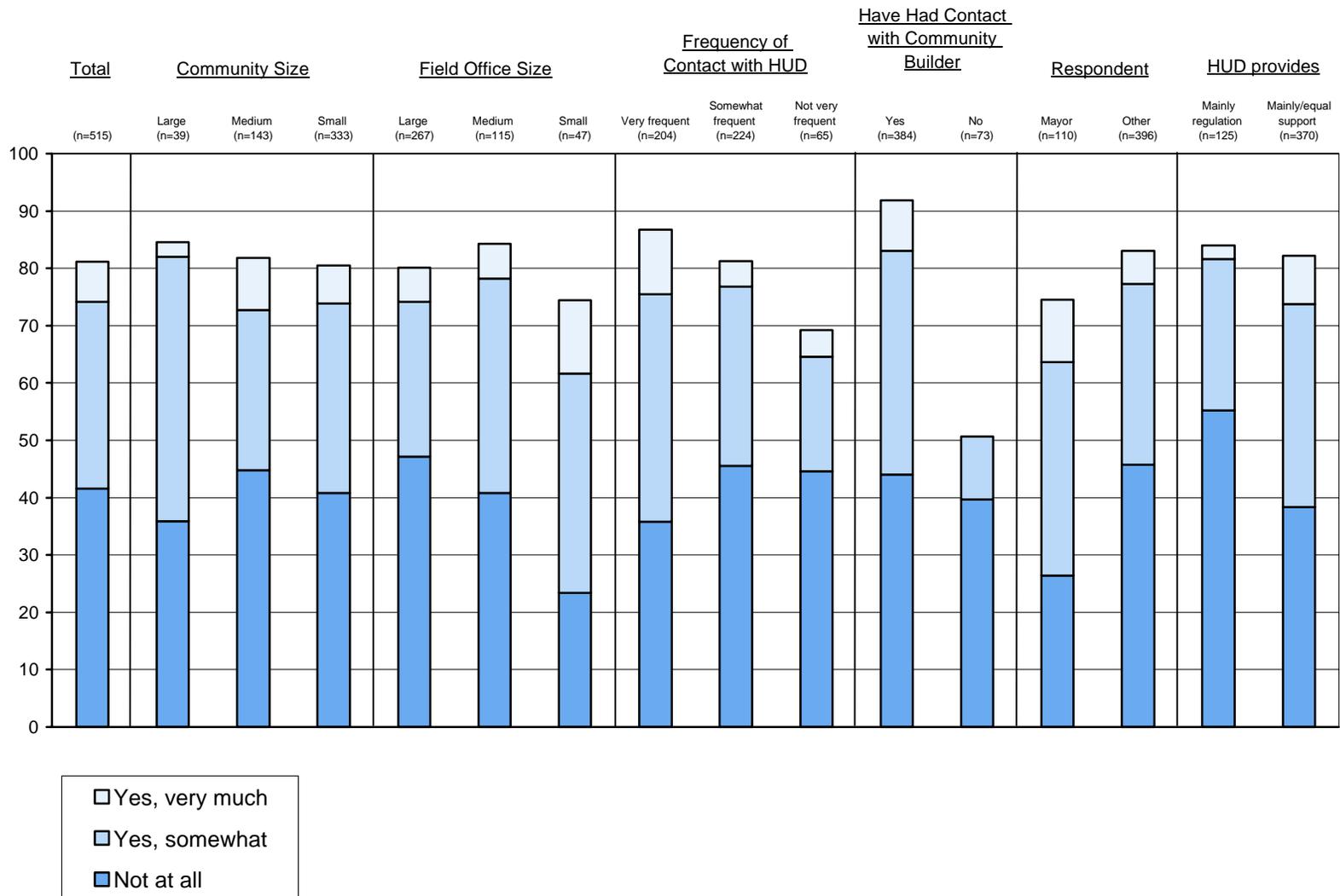
Question 10: Over the last few years, would you say your community's relations with HUD have improved substantially, improved somewhat, worsened somewhat, worsened substantially, or would you say they have not changed very much?



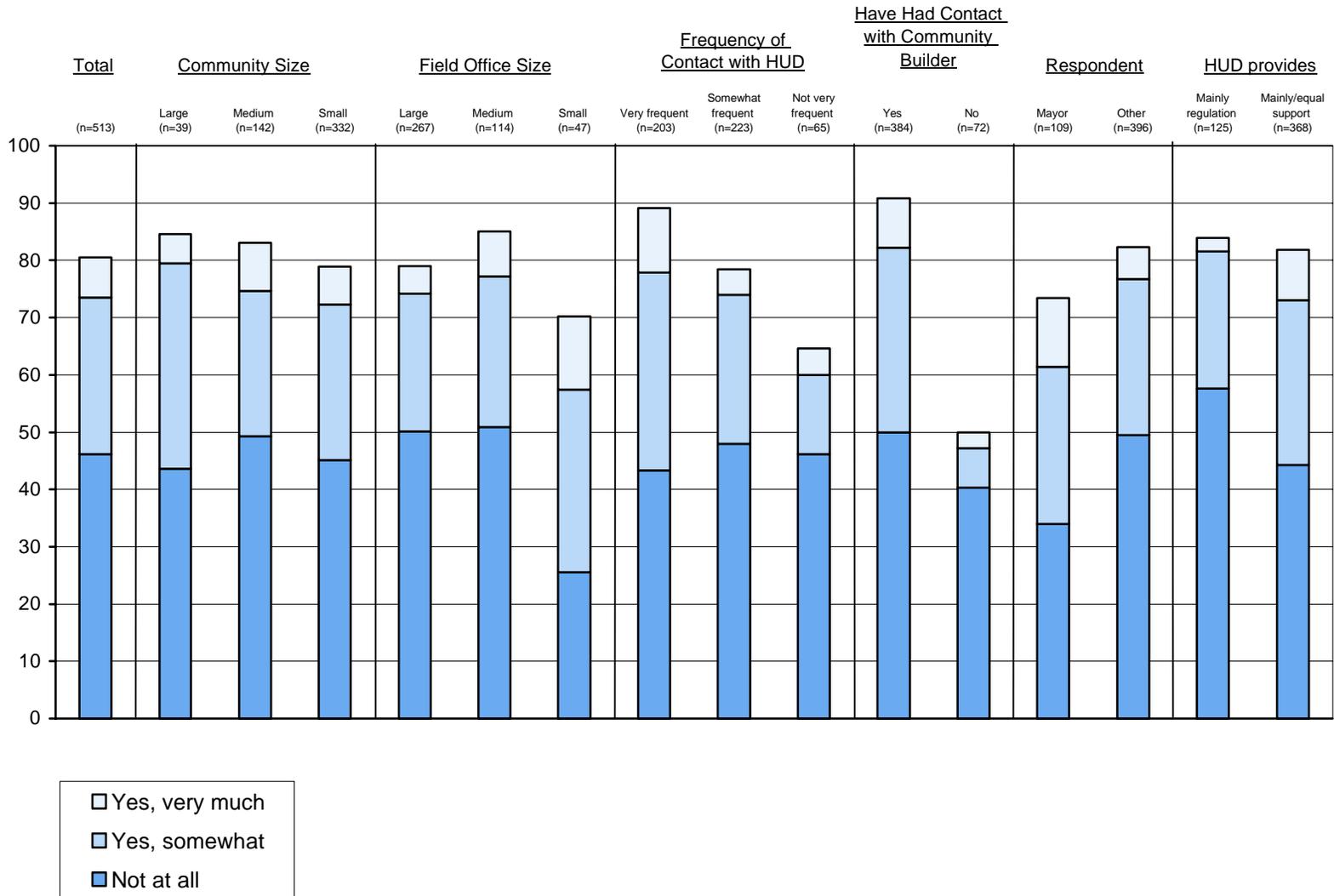
Question 11: Has one or more of HUD's Community Builders been in contact with you or other senior officials of your community within the last year or so?



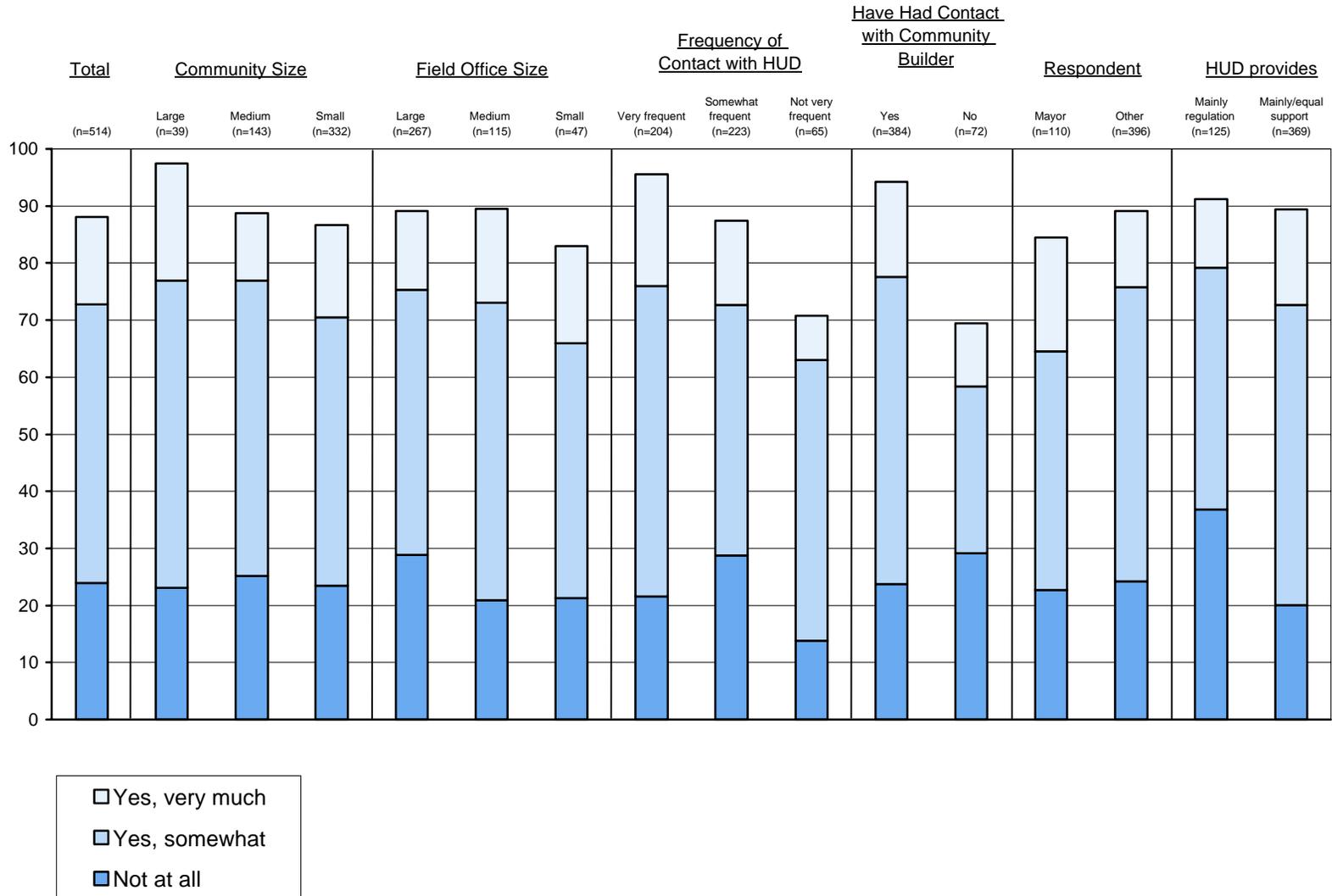
Question 12a: Please indicate your level of agreement with the following statement regarding HUD's services or requirements (Check "Not Applicable" if a situation does not apply to your community): HUD's Community Builders have helped our office and our community to take better advantage of federal government programs and resources than had been the case prior to the establishment of Community Builders.



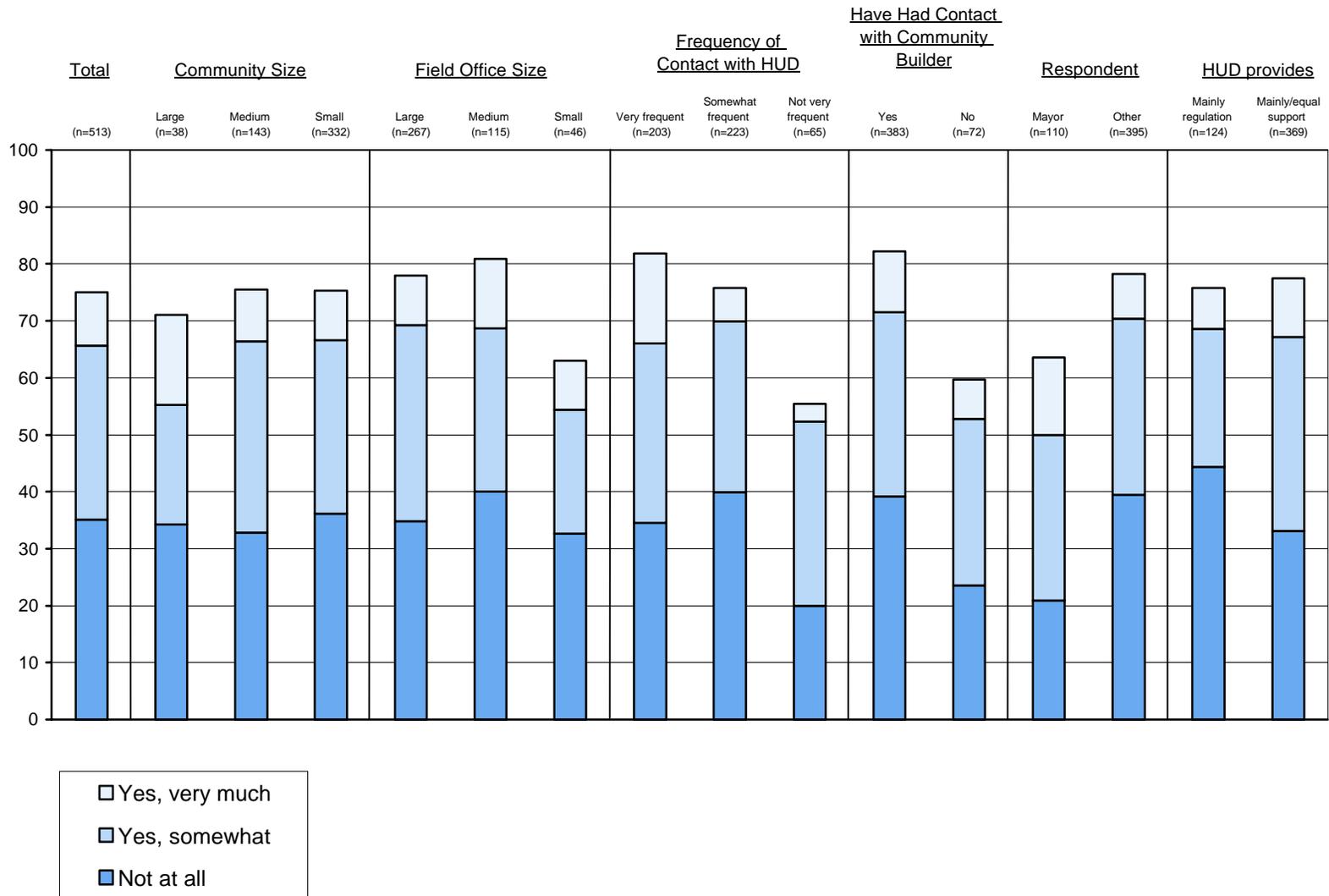
Question 12b: Please indicate your level of agreement with the following statement regarding HUD's services or requirements (Check "Not Applicable" if a situation does not apply to your community): the addition of HUD's Community Builders has improved HUD's overall service to our office and our community compared to what it had been prior to the establishment of Community Builders.



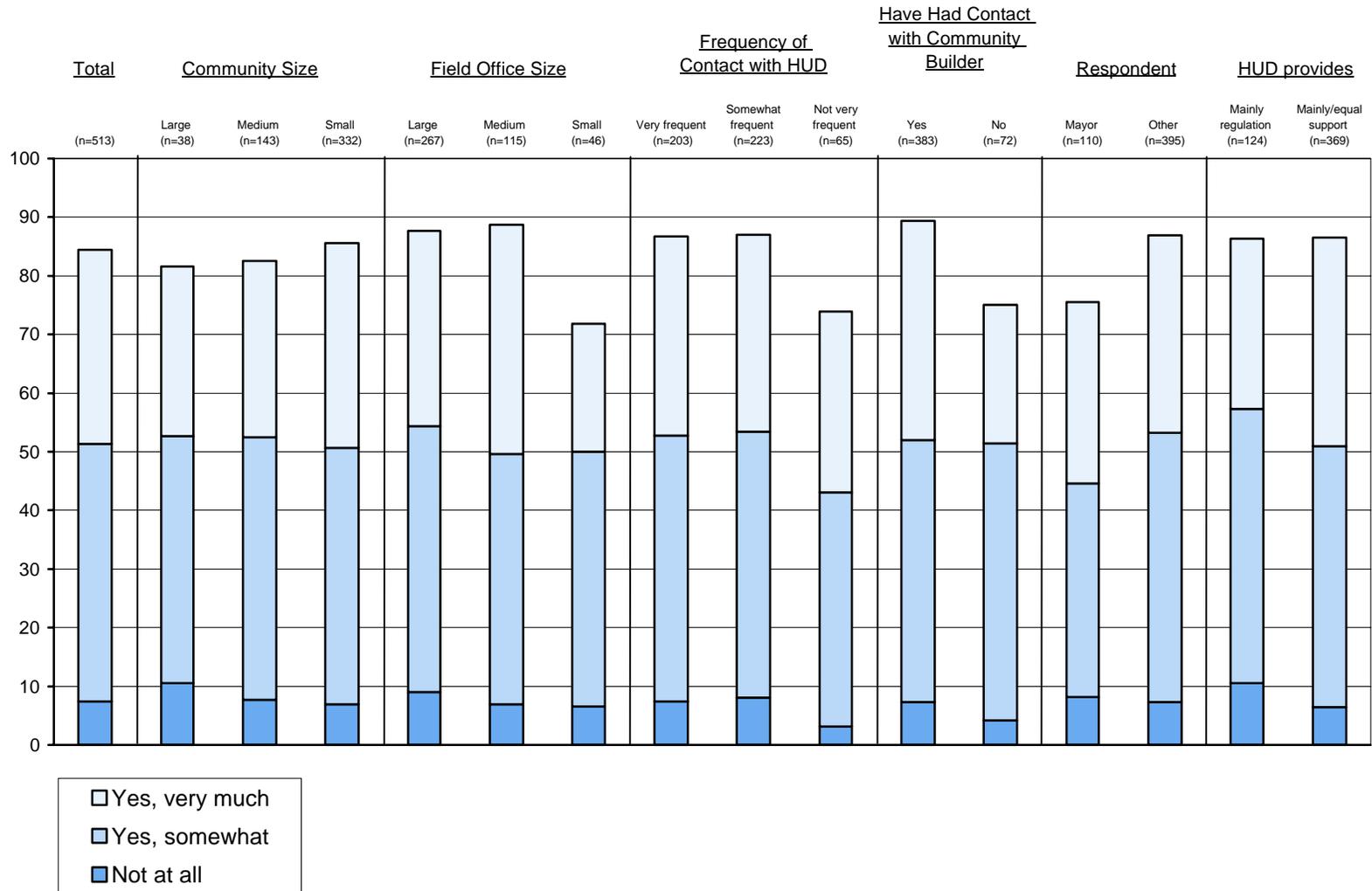
Question 12c: Please indicate your level of agreement with the following statement regarding HUD's services or requirements (Check "Not Applicable" if a situation does not apply to your community): HUD's requirement that we prepare a Consolidated Plan has helped our office and our community to better meet our housing and community development needs than had previously been the case.



Question 12d: Please indicate your level of agreement with the following statement regarding HUD's services or requirements (Check "Not Applicable" if a situation does not apply to your community): HUD's Community 2020 mapping software has helped our office and our community to better understand and assess our housing and community development needs than had previously been the case.



Question 12e: Please indicate your level of agreement with the following statement regarding HUD's services or requirements (Check "Not Applicable" if a situation does not apply to your community): HUD's Web site - including the Elected Officials page - has been useful to our office and our community in keeping abreast of HUD resources, programs, and events.



Part 3: Evaluations of HUD By Public Housing Agency (PHA) Partners

HUD's Public Housing Agency (PHA) partners are public entities created by local levels of government, through state-enabling legislation, to implement HUD's public housing program. There are some 3,400 PHAs throughout the nation that manage about 1.3 million units of conventional public housing and administer the Section 8 Existing certificate and voucher program.¹

On most of the issues covered by the partners' surveys, HUD's Public Housing Agency partners report the highest level of dissatisfaction of all of the groups surveyed. Indeed, as customer surveys generally go, the level of dissatisfaction expressed by PHA partners is extraordinary. While there are some exceptions to this—such as respondents' ratings of the people with whom they deal at HUD—over one-third of Public Housing partners convey dissatisfaction on most of their ratings, and on well over half of them at least 50 percent express dissatisfaction. In addition, a very high percentage of respondents (52 percent) provided open-ended comments at the end of the questionnaire—83

percent of them involving a complaint that appeared significant. For a sizeable portion of this partner group, therefore, the critique of HUD is certainly distressing and, for some, the pattern of responses and commentary indicates acute disaffection.

Because of the level of dissatisfaction communicated by PHA partners—and the tone of many of their comments at the end of the survey—somewhat more detail is presented for this group's responses than for others. This is meant to help the Department focus on those aspects of their partner relationships with PHAs that seem most in need of repair.

The sample. The sample consists of 407 PHA directors and other officials answering on their behalf.² To assure the inclusion of a reasonable size sub-sample of large PHAs, the sample was stratified by size. The 50 largest PHAs were all included. All others that own and manage 100 or more units of conventional public housing were sampled on a (random) equal-probability basis. Sample weights were then applied so that the full sample would appropriately represent the universe of all PHAs that own more than 100 units.

¹ Most PHAs are small, managing less than 200 units but (in 1992) 66 percent of all public housing units were managed by only 4 percent of all PHAs. See *Public Housing Authority*, Willem van Vliet— (ed.), *The Encyclopedia of Housing* (Sage: Thousand Oaks, 1998), pp. 446-447.

² Eight additional survey forms were returned, bringing the sample to 415 (an 83 percent response rate), but these respondents had removed the identification numbers necessary to assure that duplicate surveys were not received inadvertently from the same persons or agencies. These 8 additional forms, therefore, were not included in the data set; open-ended comments from these respondents were, however, reviewed and are included in Exhibit 3.3.1.

Based on an initial sample of 500 PHAs, the effective response rate is 81 percent; the total response rate is 83 percent if the survey forms with deleted identification numbers are included. Ninety percent of the largest PHAs responded to the survey.

Of the total number of respondents, 57 were interviewed by telephone; the remainder responded to the mail survey. Eight-eight percent of the respondents were Public Housing Agency directors; 5 percent were deputy directors; and 5 percent were other agency senior officials and employees.³ Instructions accompanying the survey forms emphasized that, if the director could not personally respond to the survey, those answering should be in a position to respond on the director's behalf.

The HUD-partner relationship, and partners' overall performance evaluations. A substantial proportion of HUD's PHA partners (43 percent) report that HUD's relationship to them mainly involves regulation; 41 percent see HUD's role as about equally supportive and regulatory, and 12 percent say HUD mainly provides support to them. Large PHA partners are considerably more likely than others to view HUD as mainly a regulator: 52 percent of them see the relationship this way as compared to 40 percent of small PHA partners and 47 percent of medium-size PHA partners.

A majority of PHA partners indicate dissatisfaction with the way HUD "currently runs" its programs—with 58 percent saying they are either somewhat or very dissatisfied (including 25 percent saying they are very dissatisfied). When asked about HUD's "overall performance," a substantial proportion also expresses dissatisfaction. (Thirty-two percent say they are "somewhat dissatisfied" and 24 percent say they are "very dissatisfied.") Only 8 percent are "very satisfied." A larger proportion of respondents who work with small HUD field offices are dissatisfied (71 percent) than those who are served by large and medium-size field offices (54 percent).

PHA partners are considerably more satisfied with HUD's programs than with the way they are run: 59 percent report being satisfied compared to 38 percent who are not. Small-sized PHA partners (those that own/administer a combination of 100-499 conventional public housing units or Section 8 certificates/vouchers) are considerably more dissatisfied with Departmental programs than either partners representing medium (500-7199) or large PHAs (over 7,200 units). The percentages reporting dissatisfaction for large, medium and small agencies are 27/30/44 percent, respectively. Also, substantially larger percentages of PHA partners who deal with small HUD field offices report dissatisfaction on these questions. This may be the case because size of PHA is closely related to size of the field office, and small PHA partners report many additional

³ Two percent of respondents did not report their title.

problems caused by the added technological and resource burden they perceived in HUD's new procedures.

Satisfaction levels differ greatly by whether PHAs report that HUD's relationship to the PHA is mainly regulatory or one that involves either mainly support or an equal mixture of support and regulation. One-half of those partners reporting that HUD mainly regulates them say they are dissatisfied, as compared to 24 percent who say HUD's role involves mainly support or support and regulation equally. When asked about the way HUD runs the programs, 76 percent of those saying that HUD mainly regulated them indicate dissatisfaction, as compared to 40 percent who say HUD's role was either mainly support or about equally support and regulation.

Evaluations of service quality. Substantial majorities of PHA partners give satisfactory ratings to the HUD staff with whom they work—presumably in HUD field offices—with respect to the following characteristics:

- The responsiveness of HUD personnel (70 percent are satisfied; 30 percent are dissatisfied)
- The competence of HUD personnel (67 percent are satisfied; 33 percent are dissatisfied).

Although the satisfaction ratings are high by comparison to other service quality ratings, it should be noted that the level of

dissatisfaction is still quite high, both absolutely and in comparison to other HUD partner groups.

On most other service dimensions, exceptionally large proportions of PHA partners report dissatisfaction; indeed, the proportion reporting being "very" rather than "somewhat" dissatisfied is also very high—often larger than 25 percent. (In the following list, the first number is the percentage of respondents reporting being either "very" or "somewhat" dissatisfied; the second number is only that percentage reporting being "very" dissatisfied.) Majorities, or near-majorities say they are dissatisfied with the following service characteristics.

- The quality of the information received (46/17);
- The timeliness of the information received (63/25);
- The quality of the guidance received (57/27);
- The consistency of the guidance received (58/29);
- The reasonableness of HUD rules and requirements (76/44).

There is little difference in satisfaction levels across sizes of PHAs. Only with respect to satisfaction with the quality of the information received from HUD are substantial

differences observed. The percentages reporting dissatisfaction for large, medium, and small PHAs, respectively, are 38/45/48. Satisfaction levels across PHA partners served by large and medium-size field offices are also quite similar. On a number of service dimensions, however, responses from partners served by small field offices are significantly different from those served by large and medium-sized offices. The former give substantially worse ratings—by 10 percentage points or more—on the following characteristics, which are abbreviated from the labels used above:

- Overall quality of information from HUD
- Quality of guidance from HUD
- Overall quality of the service from HUD

Very large differences occur in the responses of those who report that HUD's role is mainly regulatory, as distinct from either mainly providing support or about equal amounts of support and regulation—on each of these service quality questions. As expected, those who report HUD's role as mainly regulatory are far more dissatisfied with all these service characteristics. Those PHA partners seeing HUD's role as mainly providing support or about equal amounts of support and regulation are considerably more favorable to these characteristics. Except for "reasonableness of HUD

rules and requirements," a majority of the partners who see HUD's role as mainly providing support or about equal amounts of support and regulation are satisfied with these other quality characteristics.

Assessment of management changes. Asked about recent changes in HUD's organizational structure, functions, staffing, and financial management systems, substantially more PHA partners claim that the changes have made HUD worse than better. The difference between the proportion of those saying the management changes have made things worse as opposed to better in all cases varied between 15 and 62 percentage points. The latter involves partners' assessments of changes in HUD staffing, "such as the overall reduction in staff, staffing reassignments, and retraining of HUD staff."

Compared to partners in large PHAs, substantially higher percentages of those in both medium and small-sized PHAs believe that recent changes in HUD staffing and financial management systems are for the worse. When the percentages of those reporting that things have gotten worse are subtracted from those reporting things have gotten better, a measure of net change, the following are the net change scores:

- For staffing changes, the net score is -46 for large PHAs, -64 for medium-sized PHAs, and -61 for

small PHAs. Thus, all sub-groups report that the changes were for the worse, and by a considerable percentage of partners.

- For financial management system changes, the net score is +13 for large PHAs, -20 for medium-sized PHAs, and -25 for small PHAs. Thus, higher percentages of the large PHAs report that the changes were an improvement, unlike medium and small PHAs.

On each of these four management change questions, there are substantial differences between the responses of PHA partners who say that HUD's role is mainly regulatory as distinct from those who say HUD's role either mainly involves provision of support or equal amounts of support and regulation. Compared to others, much higher proportions of those seeing HUD's role as mainly regulatory consider HUD's management changes to have been for the worse.

Achievement of management reform objectives. HUD's management reforms over the previous several years were an attempt to achieve certain objectives. Among them are the following:

- To restore the public trust in HUD;
- For HUD to be "the best in the business;"

- To replace a top-down bureaucracy at HUD with a new customer-friendly structure;
- To instill an ethic of competence and excellence at HUD; and
- To replace the emphasis on process at HUD with an emphasis on performance.

As of late-2000 and early-2001, PHA partners gave the most positive rating to HUD's effort to restore the public trust; 65 percent said that it had been at least partly achieved, while 30 percent said it had not been achieved at all. Lesser majorities claim at least partial achievement of the other objectives, with at least 40 percent saying they had not been achieved at all.

On each of these five reform objectives there are major differences between the responses of those see HUD as mainly regulating as distinct from other roles. The former are considerably less enthusiastic about HUD's progress. Other than attempts to restore public trust in HUD, majorities of PHA partners did not believe any of the other four objectives had been at all achieved.

Questions specifically designed for PHA partners.

PHA partners were asked about the extent to which, once fully implemented, the following changes to HUD's systems or

methods would be an improvement over previous systems and methods;

- The new Public Housing Assessment System (PHAS);
- The physical inspections performed by HUD's new Real Estate Assessment Center (REAC);
- The new electronic financial reporting system developed by REAC.

The electronic financial reporting system achieved support, but not the other two systems. Indeed, the fact that so few PHA directors see any improvement associated with the PHAS or with REAC's physical inspection regimen is striking. In the following, the first number is the sum of the percent of respondents reporting that the change either "definitely" or "probably" will be an improvement; the second number is the percent reporting that the change will likely "not at all" be an improvement:

- The extent to which the new PHAS is an improvement: 41/56 percent;
- The extent to which the new physical inspections process performed by HUD's Real Estate

Assessment Center is an improvement: 30/69 percent;

- The extent to which the new electronic financial reporting system to HUD's REAC is an improvement: 58/40 percent.

Findings on other questions that are specific to the Public Housing program are as follows:

- Asked about the effect that HUD's requirements to prepare a 5-year plan and an annual plan will have on the people served by PHAs, 59 percent believe they will have no impact; 33 percent say they will have a "generally positive impact;" and 6 percent say they will have a "generally negative impact."
- Sixty-three percent of PHA partners are satisfied with the ability of HUD field office personnel to interpret—consistently and reliably—Departmental policies and regulations that pertain to their agency's grants and programs, and 36 percent are dissatisfied. This relatively high level of satisfaction is another indication that PHA partners give generally positive ratings to HUD staff as opposed to most other aspects of their relationship with the Department, although a 38 percent dissatisfaction level still leaves much room for improvement.

- Forty percent of PHA partners are satisfied with the progress HUD has made in developing the Multifamily Tenant Characteristics System, compared to 58 percent who are dissatisfied.
- Forty-seven percent of PHA partners are satisfied with HUD's capacity to monitor and provide oversight of their agencies' activities, compared to 51 percent who are dissatisfied.
- Thirty percent of PHA partners say HUD's capacity to monitor and provide oversight of Public Housing Agencies is generally getting better, while 46 percent say it is generally getting worse.
- Thirty-nine percent of PHA partners claim that the different functions and responsibilities of the several new HUD offices and centers with which they may have to work are somewhat or very clear, but 59 percent say they are somewhat or very unclear.
- Thirty-nine percent of PHA partners report that the "efforts and products" of HUD's "Best Practices" efforts are either somewhat or very valuable, but 53 percent say they are not very valuable.

Probably of particular concern in the above figures is the lack of satisfaction with HUD's monitoring and oversight activities, seeming to confirm the lack of satisfaction reported above with PHAS and REAC.

Small-size PHA partners are substantially more negative than either those representing large or medium-size PHAs towards the new PHAS and the electronic reporting system. For PHAS, 60 percent of small PHAs report that it is "not at all" an improvement, versus about 50 percent for the larger PHAs. For the electronic financial reporting system, 47 percent of small PHA partners report that it is "not at all" an improvement, versus about 19 percent of large and 32 percent of medium-size PHAs.

Few differences exist between PHA partners who deal with large HUD field offices and those who deal with medium-size offices, but there are some differences between the former and those who deal with small offices. Although only 9 percent of PHAs in the sample deal with small HUD offices,⁴ the dissatisfaction ratings of such are at least 10 percentage points higher than those served by other sized offices with respect to the following:

- The progress HUD has made in developing MTCS;

⁴ Because only 35 of sampled PHA respondents deal with small HUD offices, these results should be used with caution—i.e., taken only as suggestive until further information can be brought to bear.

- HUD's capacity to monitor and provide oversight of the PHA activities;
- Whether this capacity is getting better or worse; and
- The clarity of HUD's new functions and responsibilities.

There is one exception to the above. Higher proportions of PHA partners served by large HUD field offices, compared to those served by medium or small ones, report dissatisfaction with the ability of field office personnel to consistently and reliably interpret policies and regulations—46 percent, as compared to 29 percent and 34 percent for partners served by medium and small offices, respectively.

Other sub-group differences. The frequency of PHA partners' contact with HUD over the last year seems to make some difference in their evaluations of HUD. On many questions, a higher proportion of those indicating they had somewhat frequent contact with HUD give positive ratings than do those who had very frequent contact, on the one hand, or not very frequent contact, on the other. Why this is the case, however, is not evident in the data.

Nearly nine of every ten respondents to the partner survey are directors of their Housing Agencies, with the

remainder being other agency officials and employees. On almost all the rating questions, much higher percentages of directors express dissatisfaction than do others who answered on their behalf. For most such questions, the difference in dissatisfaction levels between directors and others is at least 15 percentage points. Small differences are present only on: the quality of guidance obtained from HUD; the responsiveness and competence of HUD staff; whether HUD provides support or regulation; satisfaction with HUD's field office personnel's ability to interpret policies and regulations; and the clarity of HUD's new organizational structure.

Fifty-two percent of PHA partners had direct contact with HUD's Community Builders over the last year, while others did not. Generally, the responses of those who had such contacts are quite similar to those who did not. There are some differences, however. A somewhat higher level of satisfaction is reported by those who had direct contact with respect to:

- The HUD programs their agency deals with;
- Success in restoring the public trust in HUD;
- Whether PHAS is an improvement;
- Whether electronic financial reporting to HUD is an improvement; and

- The impact of HUD's requirements for PHA plans on PHA customers.

Conversely, a somewhat higher frequency of dissatisfaction is reported by those who had direct contact when it comes to:

- Changes in HUD's organizational structure;
- Success in replacing a top-down bureaucracy with a new customer-friendly structure;
- The extent to which HUD's capacity to monitor and provide oversight was getting better or worse; and
- Changes in HUD functions—such as the “establishment of the new Community Builder and Public Trust Officer functions.”

Open-ended comments provided by respondents.

As previously indicated, 52 percent of survey respondents provided written or oral comments at the conclusion of the survey, 83 percent of which were both negative and appeared significant. Thus, 43 percent of all respondents took extra time to complain about one or another aspect of their relationship with HUD. However, a substantial number of respondents (25 percent of those who provided comments and 13 percent of all

respondents) made a point of complementing the HUD field office personnel with whom they deal.

Given the high level of dissatisfaction exhibited by HUD's Public Housing partners, an extended summary of their responses is provided below and in Exhibit 3.3.1. This level of detail is presented to better understand the nature of the relationship issues that exist between HUD and its Public Housing partners—as seen from their perspective.

The following are the principal categories of comment:

- The most frequent comment made was positive: many respondents (54 responses) complimented the HUD field office staff with whom they work.
- The most frequent complaint concerned the excessive burden placed on PHAs in combination with inadequate resources provided by HUD—especially to accomplish new tasks (47 responses). A similar problem identified was lack of enough skilled HUD staff to assist the PHAs (31 responses).
- Many PHA partners commented on the need for better information on policy and program changes, and complained that local offices are “left out of the loop” by HUD's Central Office (42 responses).

- Many PHA partners commented that HUD's changes are made too quickly, with overly short deadlines and inadequate testing before full implementation (40 responses).
- Closely related to this were complaints about the quality of the technology implemented by HUD (35 responses). An additional 5 PHA partners complained that HUD was not recognizing PHA technology limitations. These appear to be overlapping issues.
- A number of PHA partners complained about the data collection and analysis procedures at HUD, reflecting on the quality of the instruments themselves and unfair scoring (26 responses).
- Finally, a number of PHA partners complained about REAC not being helpful and, at times, threatening them or being rude (23 responses).

**Exhibit 3.3.1. A Catalog of Open-ended Comments
Provided By PHA Partners***

Comments		Number of Mentions	Percent (based on 415 total respondents)**
Complimentary***			
1.	Field/area office personnel are helpful	54	13
Complaints****			
1.	Need for training of PHA staff	10	2
2.	Better information needed on changes; communication problems with HUD; too many changes; field offices out of the loop	42	10
3.	Not recognizing special difficulties that small PHAs have	16	4
4.	Changes made too quickly; overly short deadlines; changing regulations; need for testing before full implementation	40	10
5.	Lack of enough skilled, quality HUD staff	31	8
6.	Excessive burden; excessive implementation costs; inadequate resources to do required reporting; bad regulations; duplication	47	11

7.	HUD technology problems*****	35	8
8.	Inadequacy of data collection instruments; need for refinements in the physical inspection coverage; need for better instructions on data to be collected (especially financial forms); unfair scoring/ratings	26	6
9.	Excessive regulations; HUD staff too focused on regulating and not enough on assisting to find solutions	12	3
10.	Delays in responding to PHAs' queries and requests	10	2
11.	REAC not helpful; threatening/punitive/rude	23	6
12.	Insensitivity to PHA industry's concerns; PHAs not treated as partners; HUD does not work well with PHAs	15	4
13.	General mistrust of HUD and HUD's central leadership, Central Office staff weaknesses; too much central control	18	4

*Included are items of concern to at least 10 respondents. Some overlap occurs among the categories.

**This incorporates 8 respondents who removed identification numbers from their survey forms and, as a result, were not included in the data set. See footnote 37.

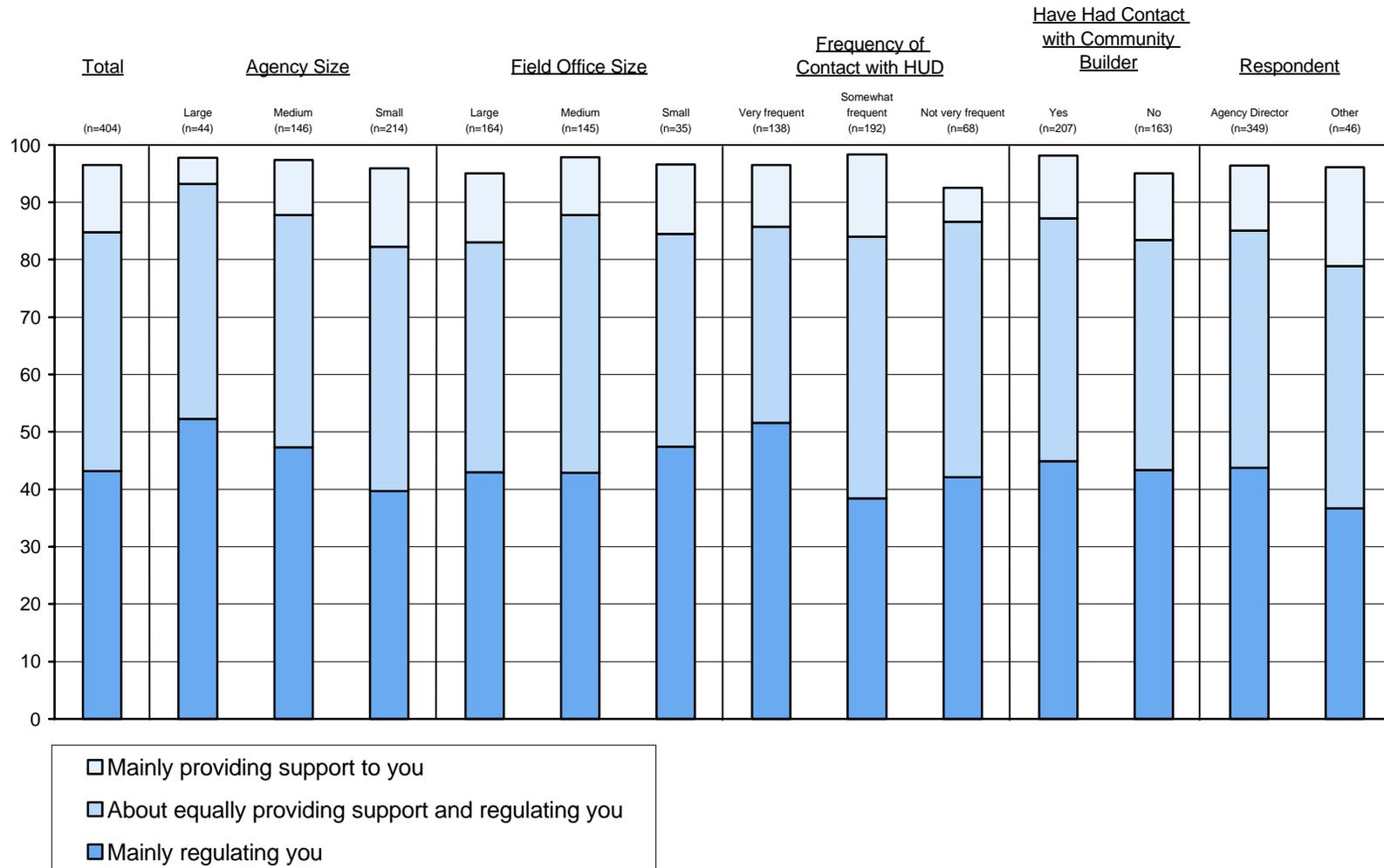
***In addition, six respondents volunteered other positive comments.

****Of the 415 PHA respondents to the survey, 178 (43 percent) provided negative comments.

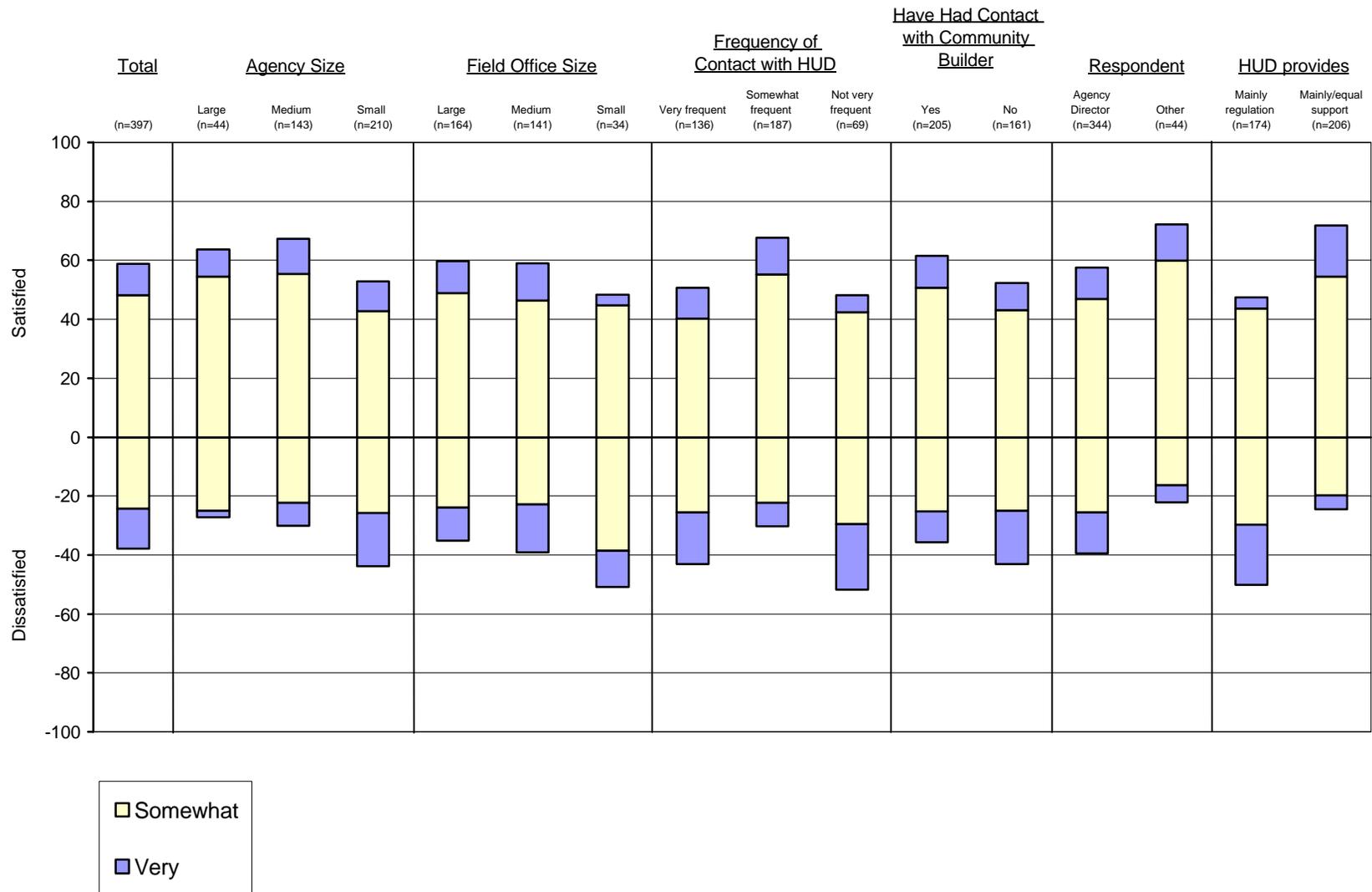
*****Five additional respondents complained that HUD did not recognize PHA technology limitations.

Overall Performance

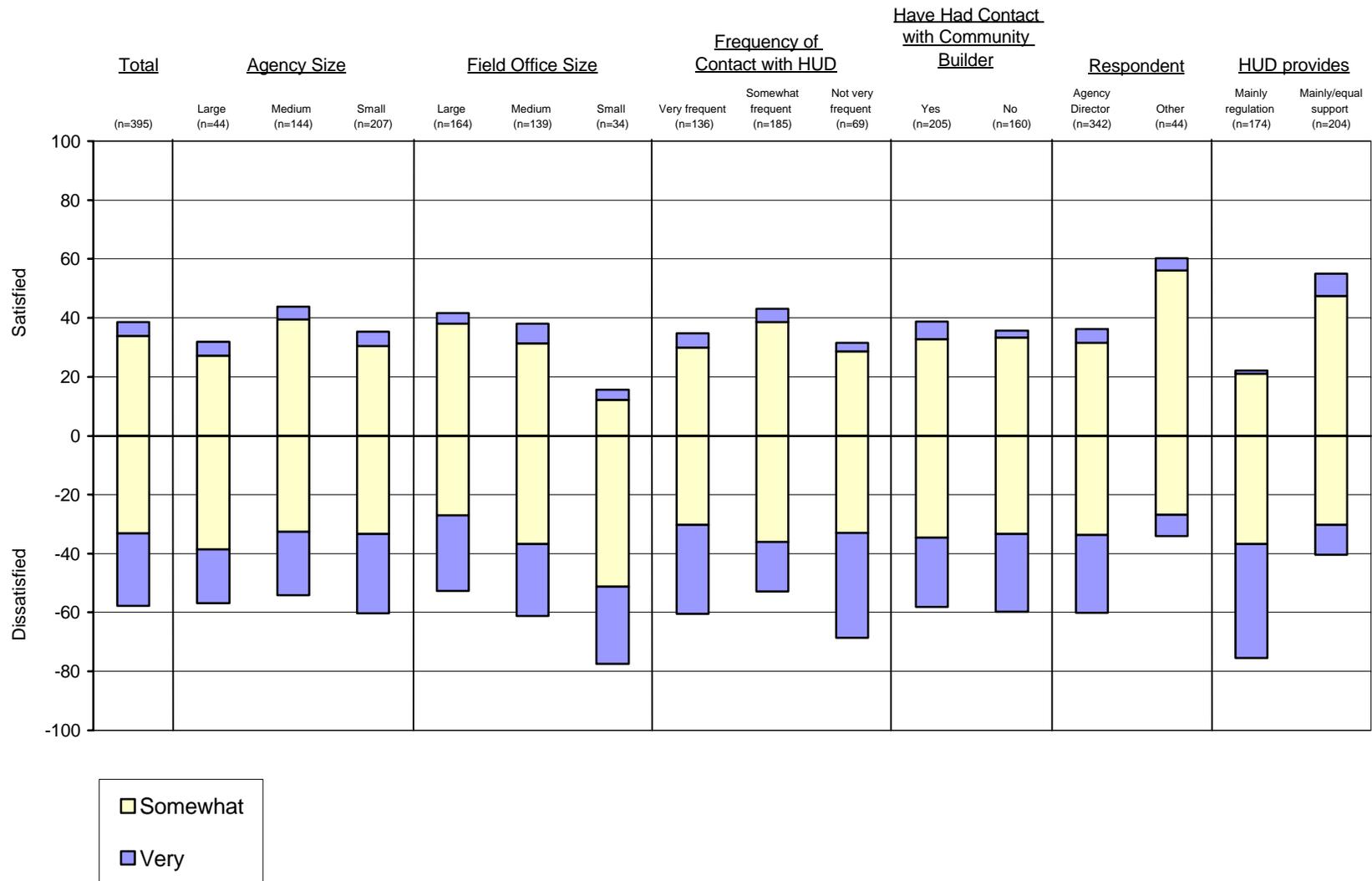
Question 6: HUD has several different responsibilities. On one hand, it provides various forms of support (for example, funding, technical assistance, information) and, on the other, it has a regulatory responsibility (that is, it makes rules, assures compliance with those rules, does assessments). In your agency's relationship with HUD, would you say HUD is mainly providing support to you, about equally providing support and regulating you, or mainly regulating you?



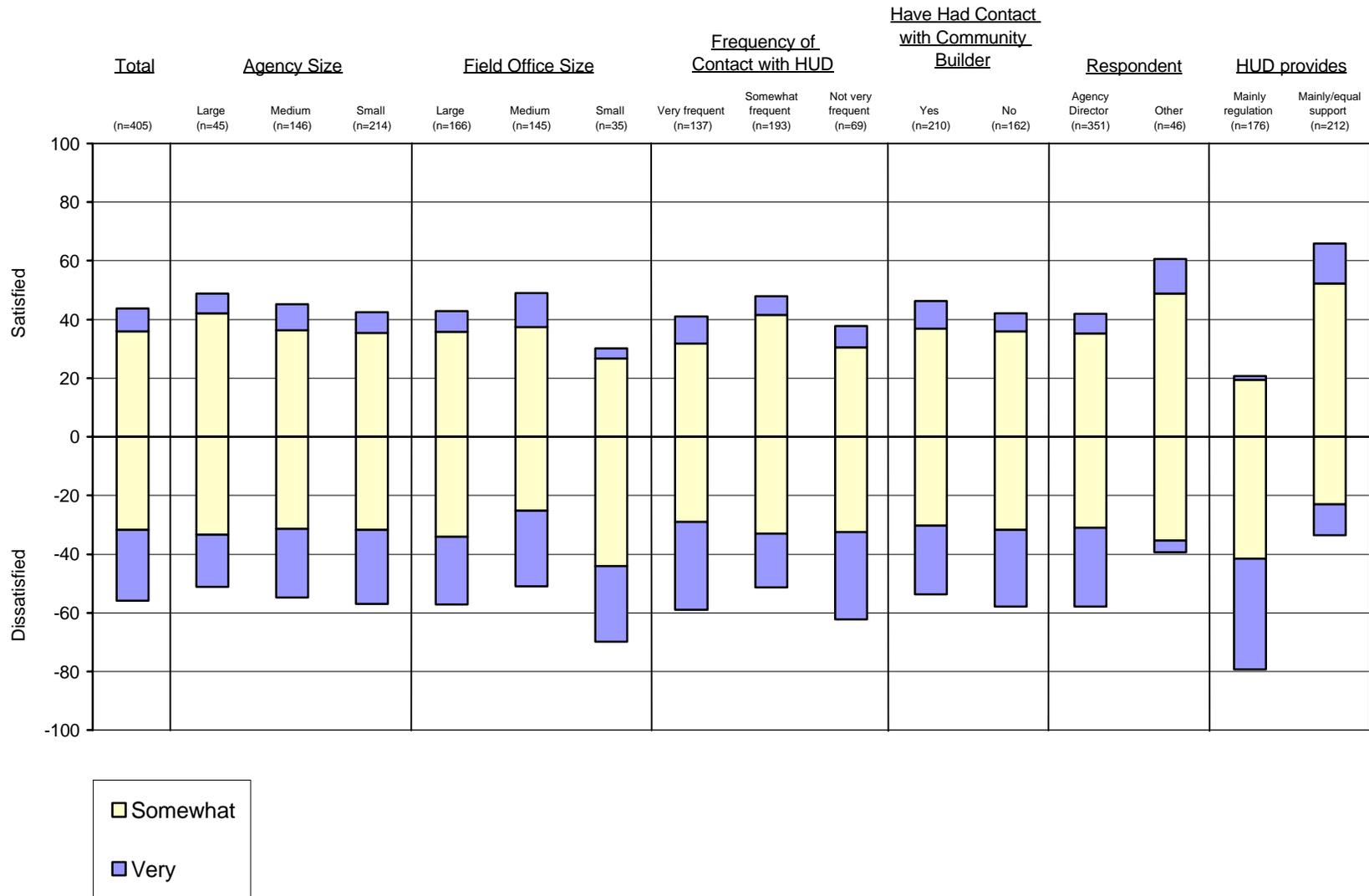
Question 3a: Thinking separately about the HUD programs with which you currently deal and about how HUD runs those programs, how satisfied or dissatisfied are you, in general, with the HUD programs you currently deal with?



Question 3b: Thinking separately about the HUD programs with which you currently deal and about how HUD runs those programs, how satisfied or dissatisfied are you, in general, with the way HUD currently runs those programs?

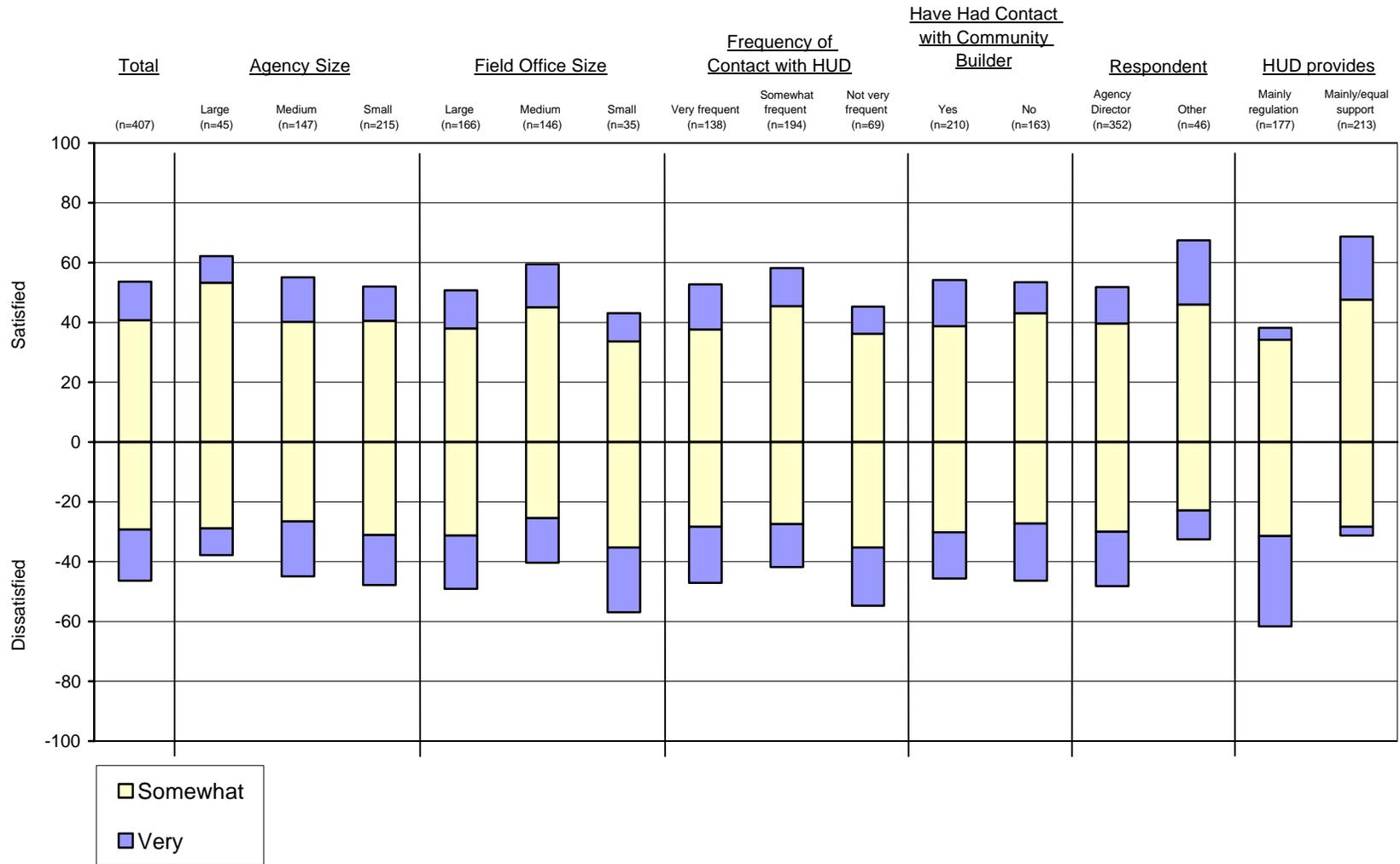


Question 15: At present, taking everything into consideration, how satisfied or dissatisfied are you with HUD's overall performance?

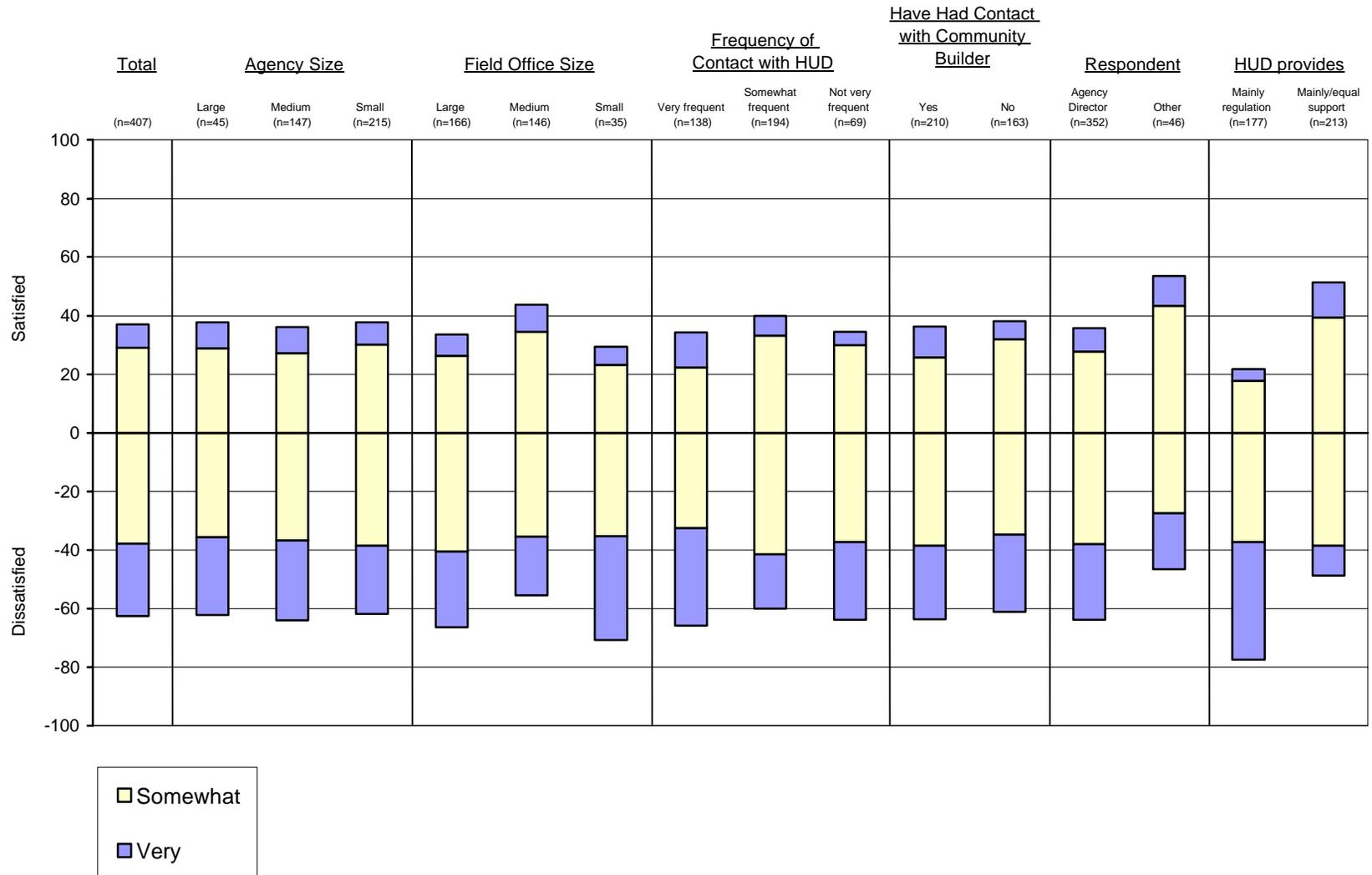


Service Quality

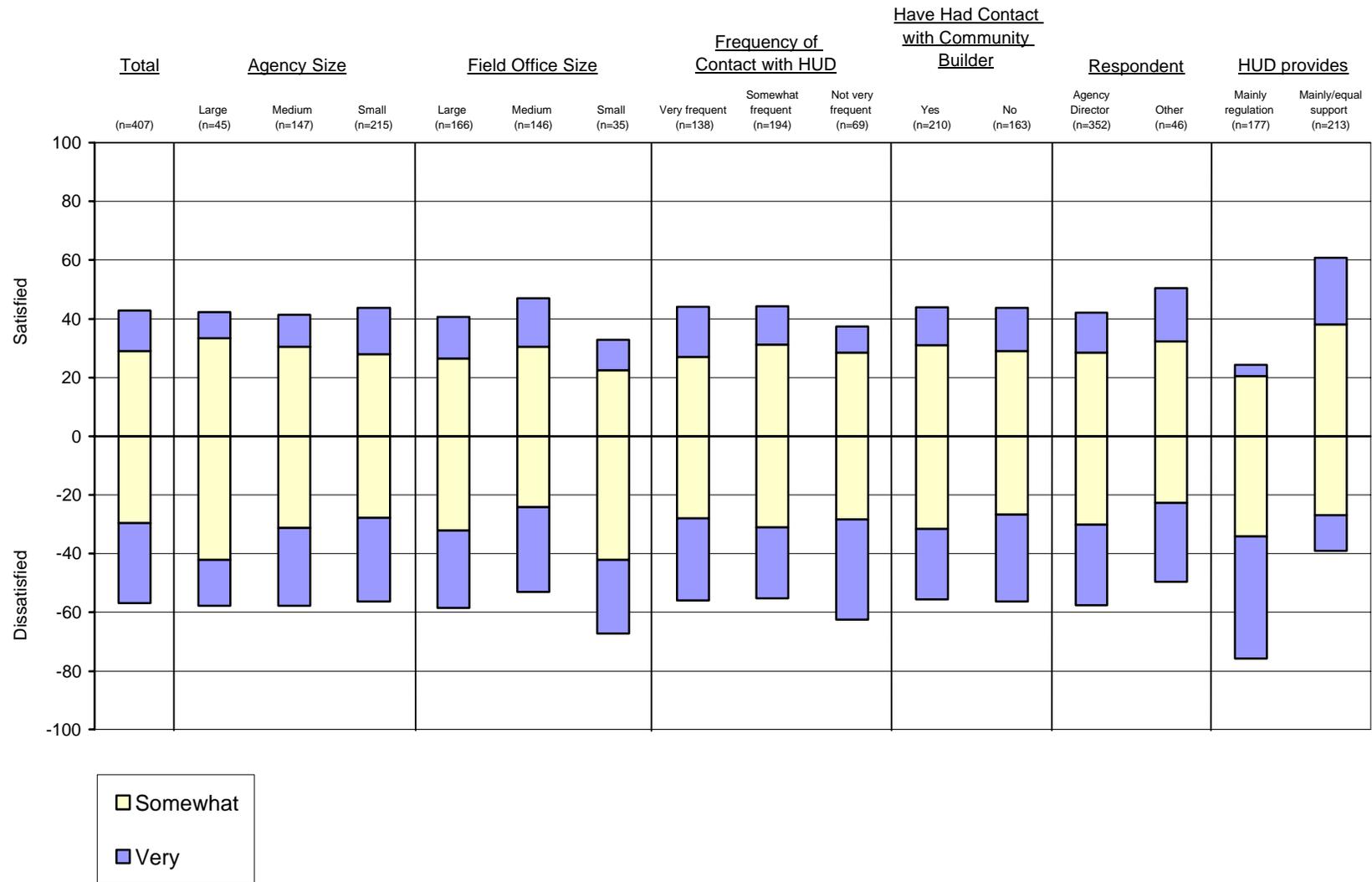
Question 4a: How satisfied or dissatisfied are you at the present point in time, in general, with the quality of the information you currently receive from HUD?



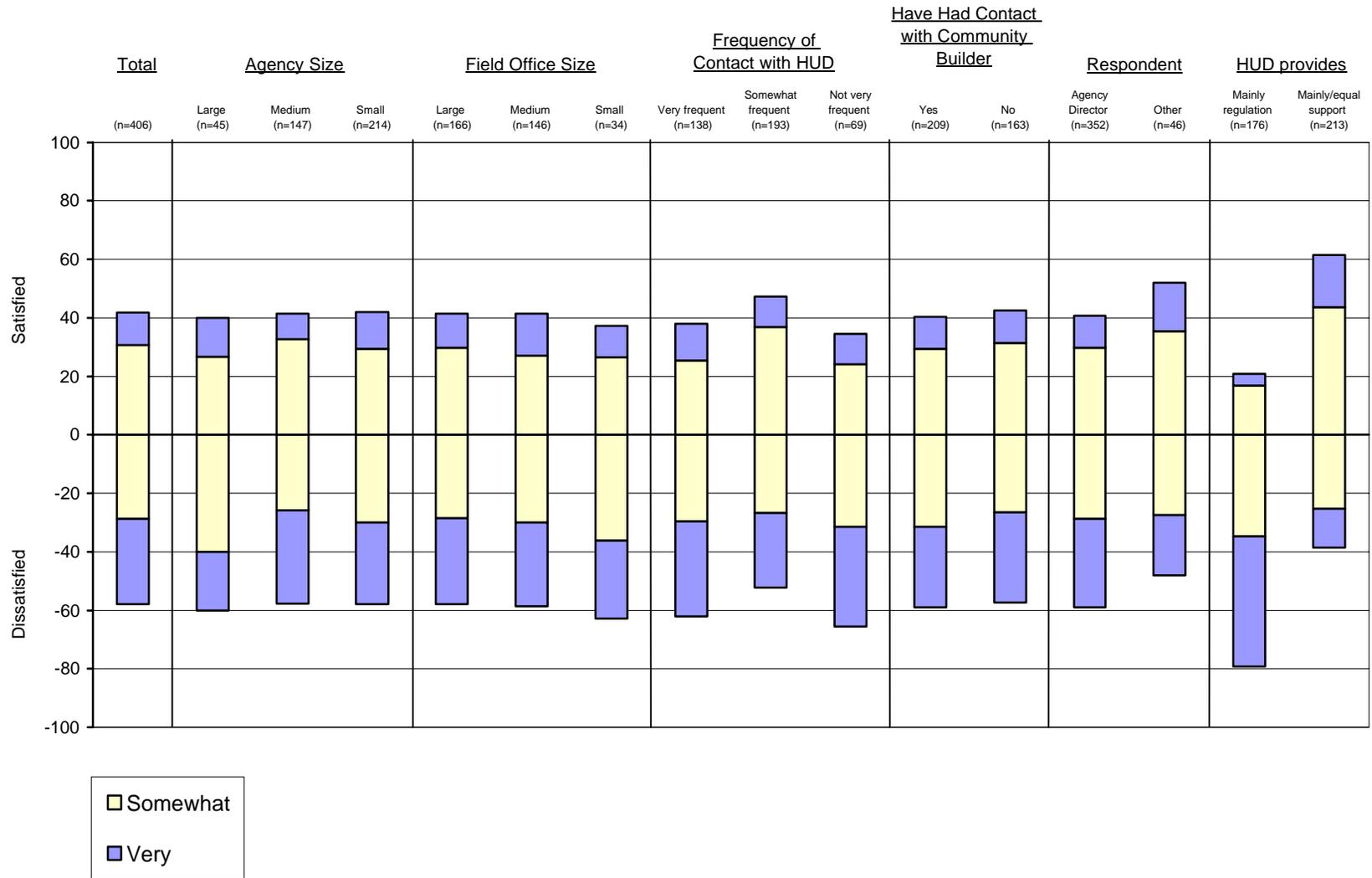
Question 4b: How satisfied or dissatisfied are you at the present point in time, in general, with the timeliness of the information you currently receive from HUD?



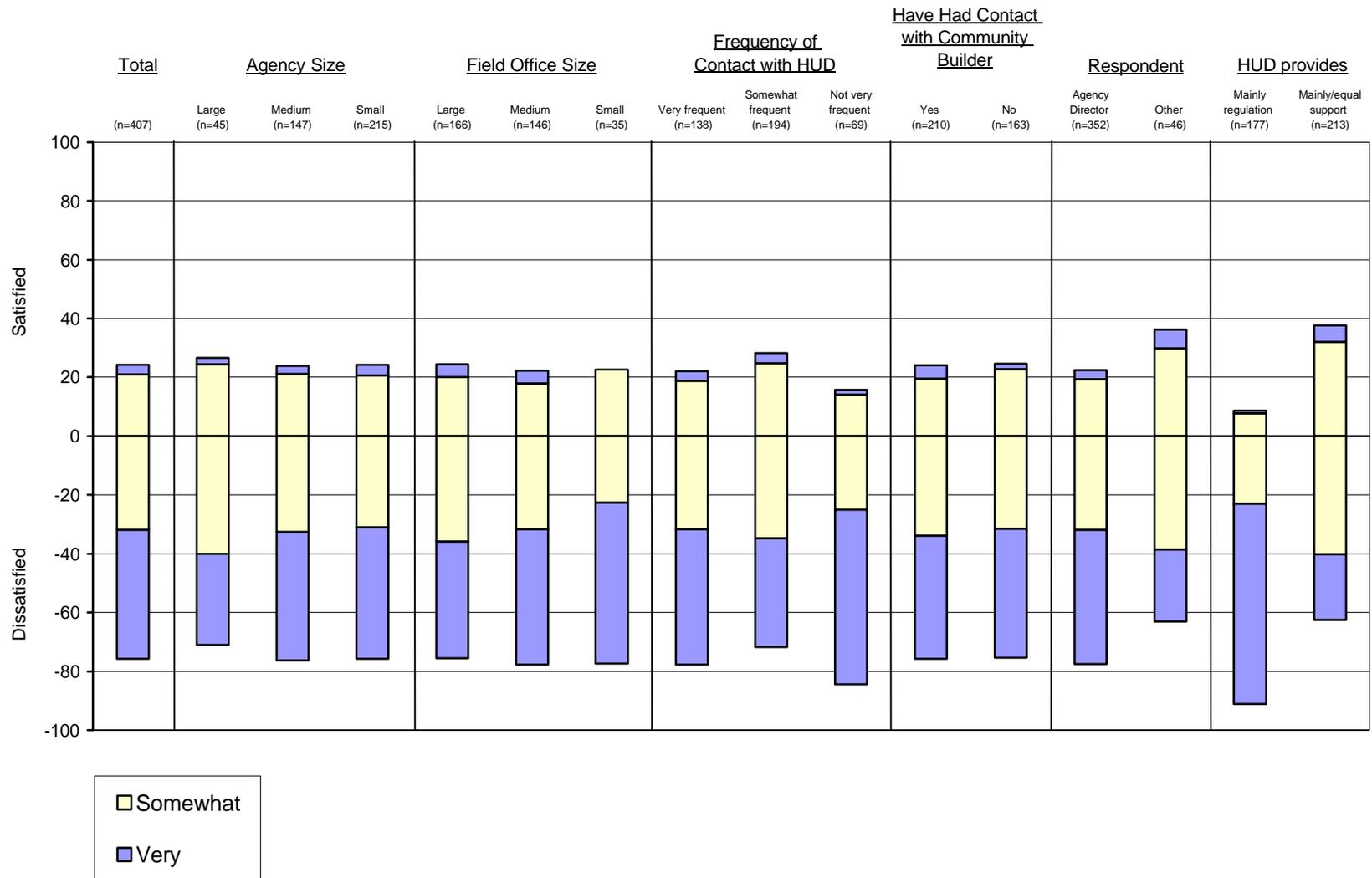
Question 4c: How satisfied or dissatisfied are you at the present point in time, in general, with the quality of guidance you currently get from HUD?



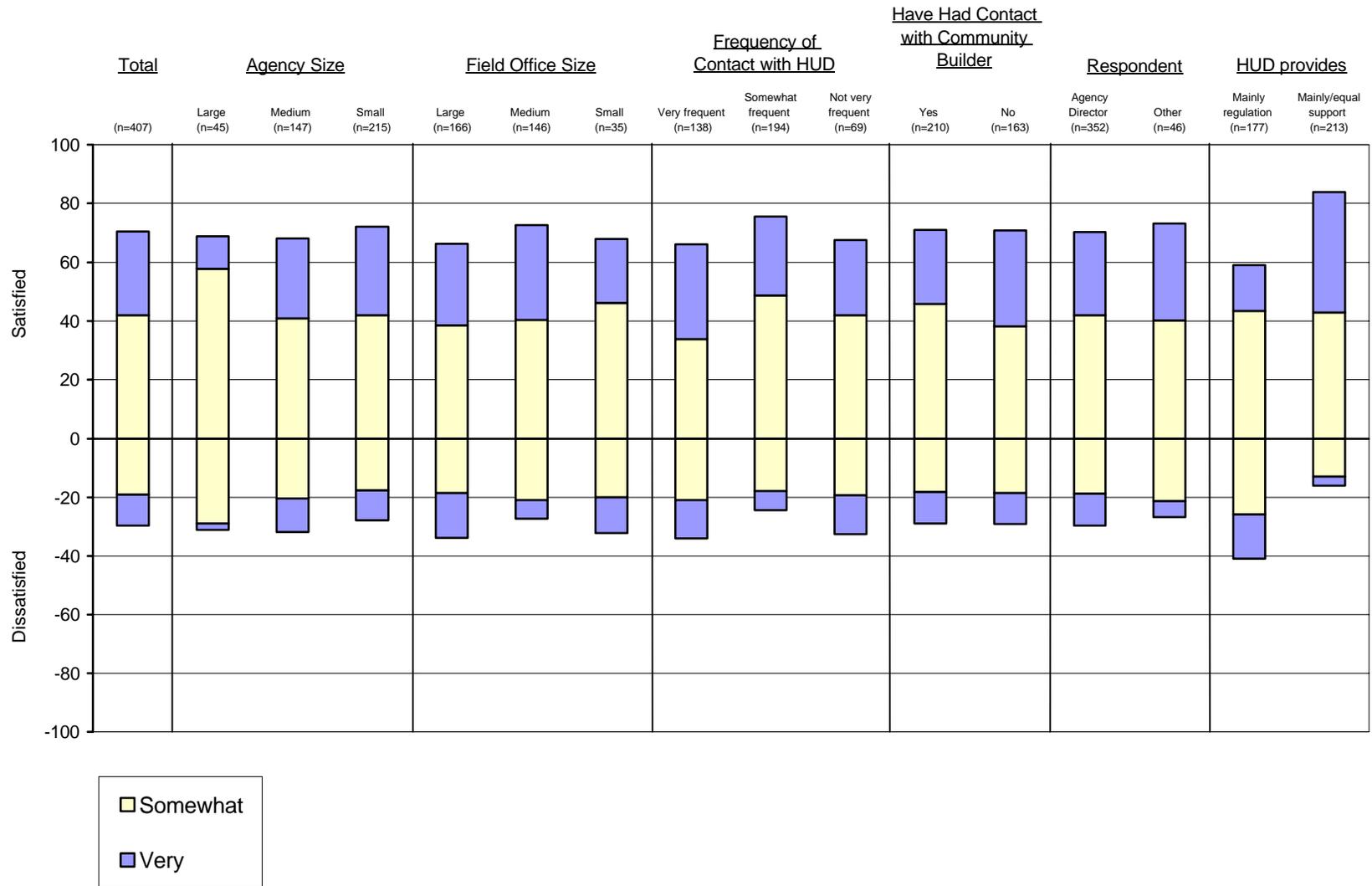
Question 4d: How satisfied or dissatisfied are you at the present point in time, in general, with the consistency of guidance you currently get from HUD?



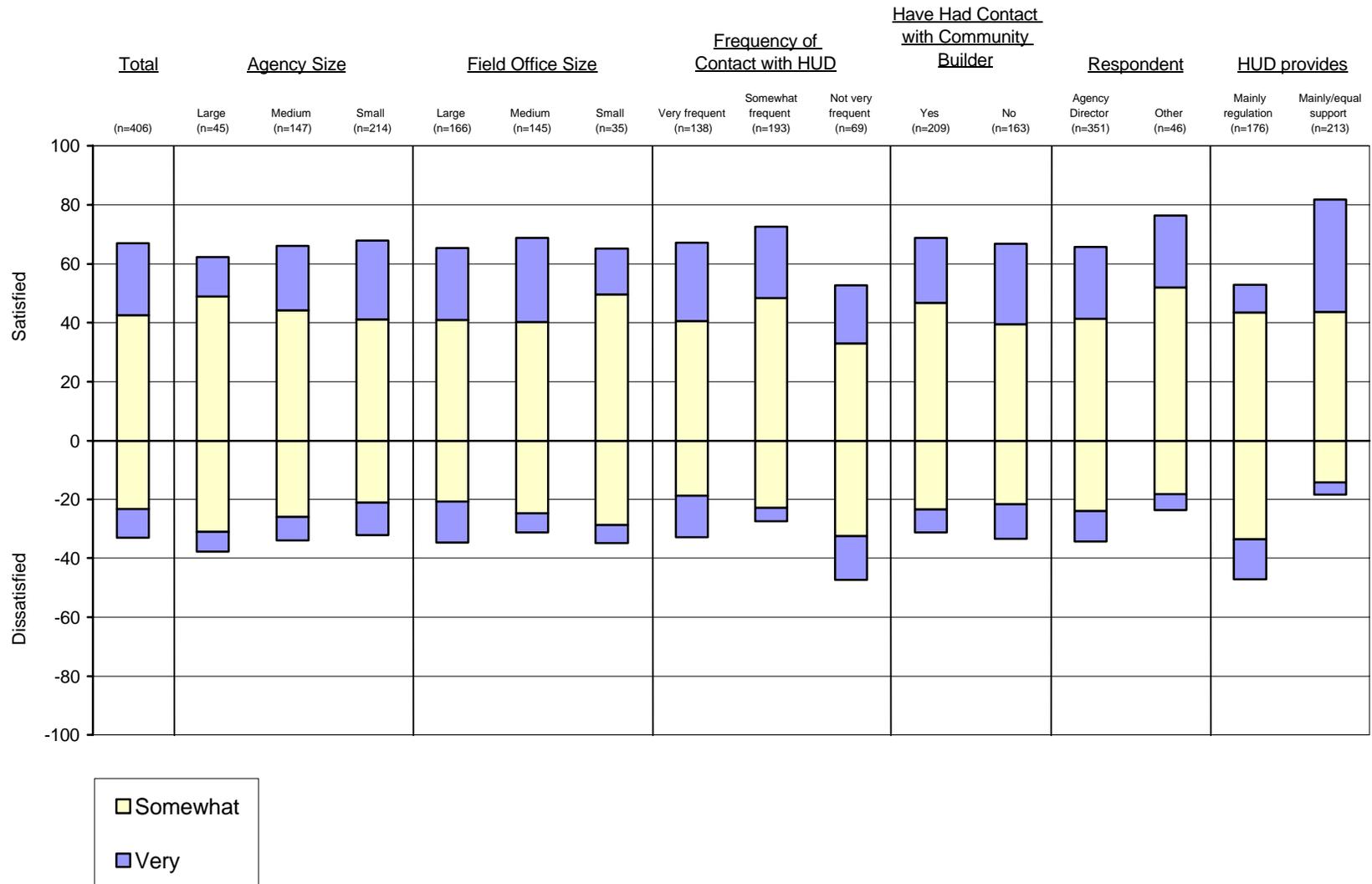
Question 4e: How satisfied or dissatisfied are you at the present point in time, in general, with the reasonableness of HUD rules and requirements that apply to your agency?



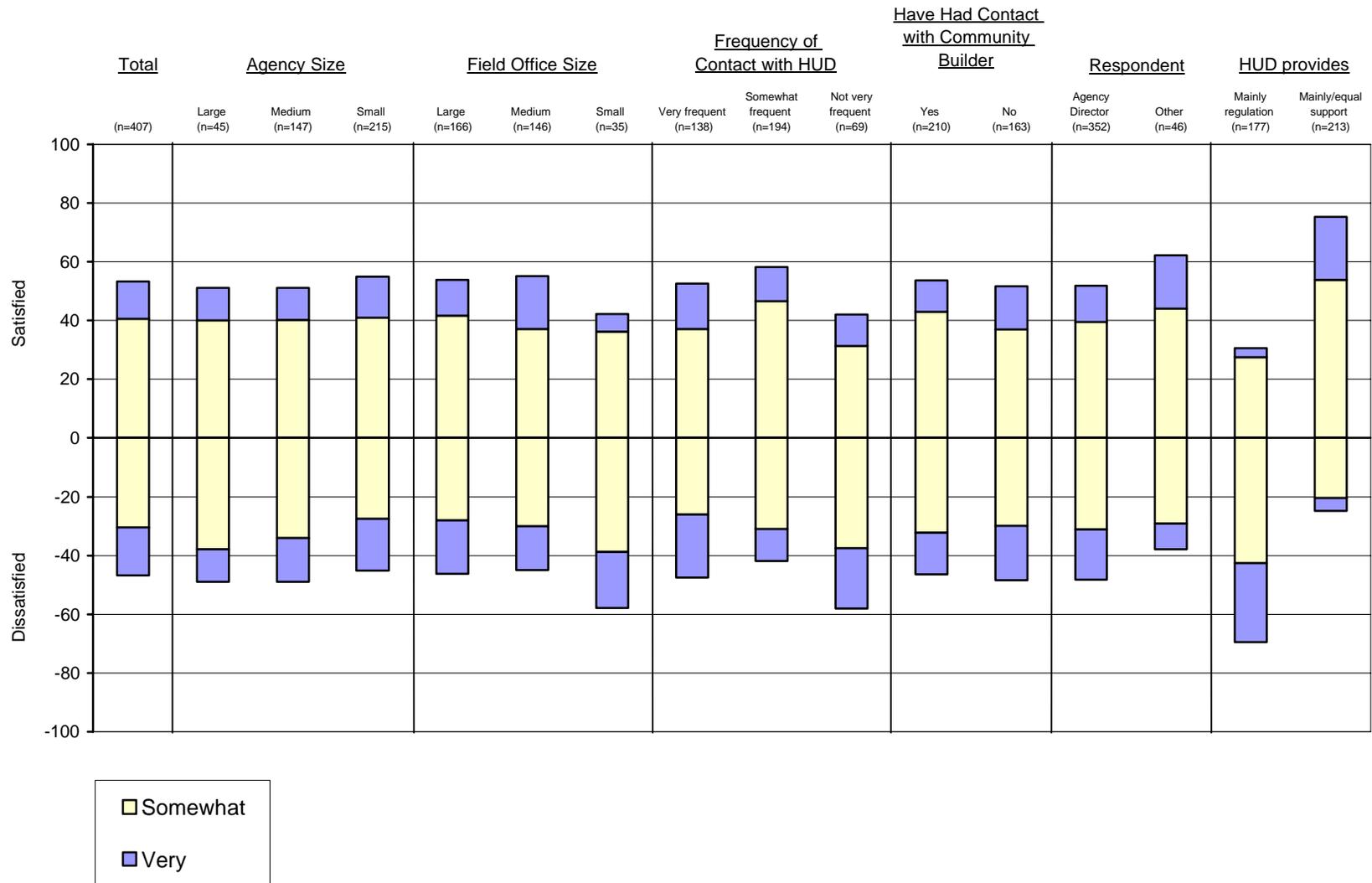
Question 4f: How satisfied or dissatisfied are you at the present point in time, in general, with the responsiveness of the people with whom you currently deal at HUD?



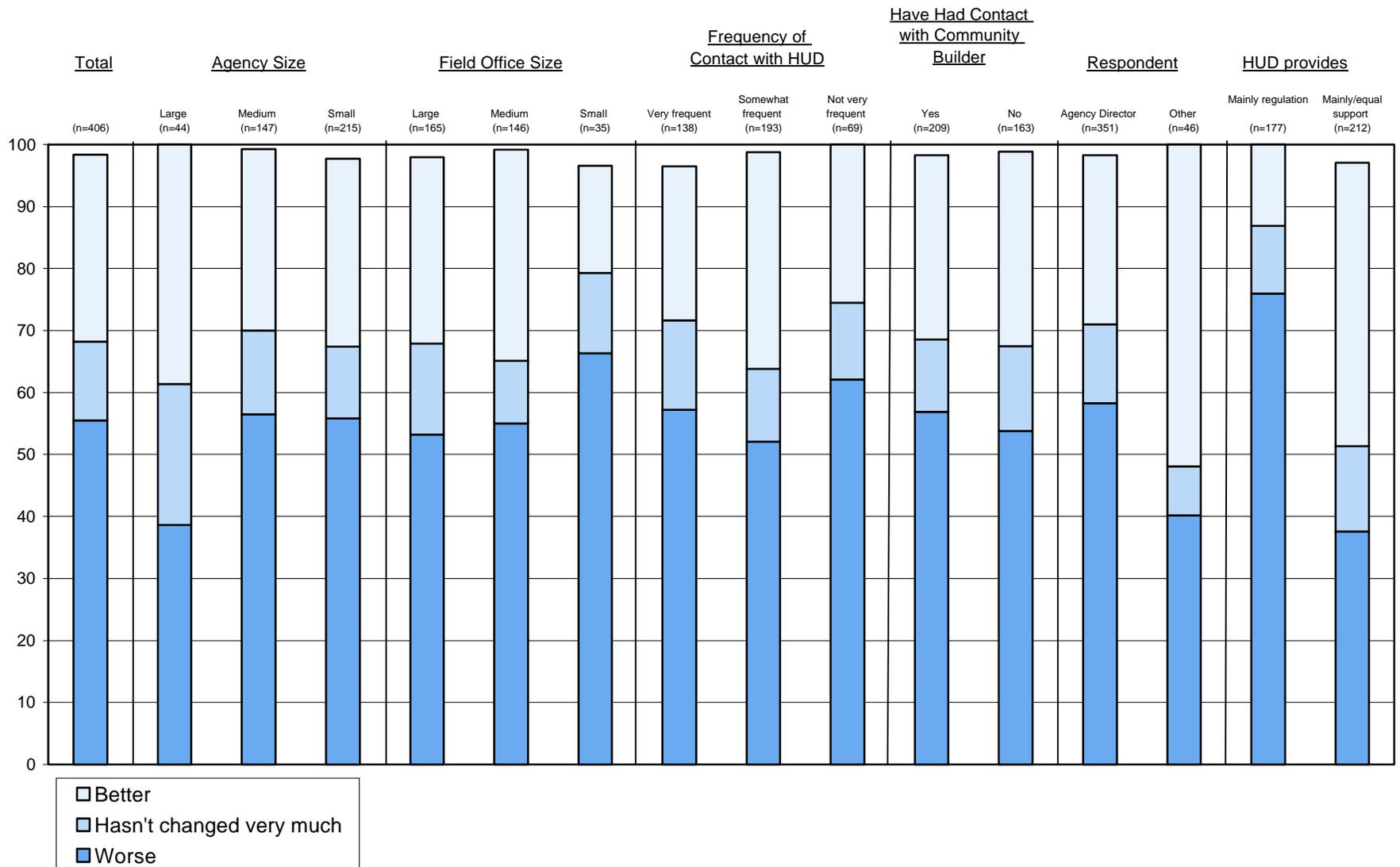
Question 4g: How satisfied or dissatisfied are you at the present point in time, in general, with the competence of the people with whom you currently deal at HUD?



Question 4h: How satisfied or dissatisfied are you at the present point in time, in general, with the overall quality of service you receive from HUD today?

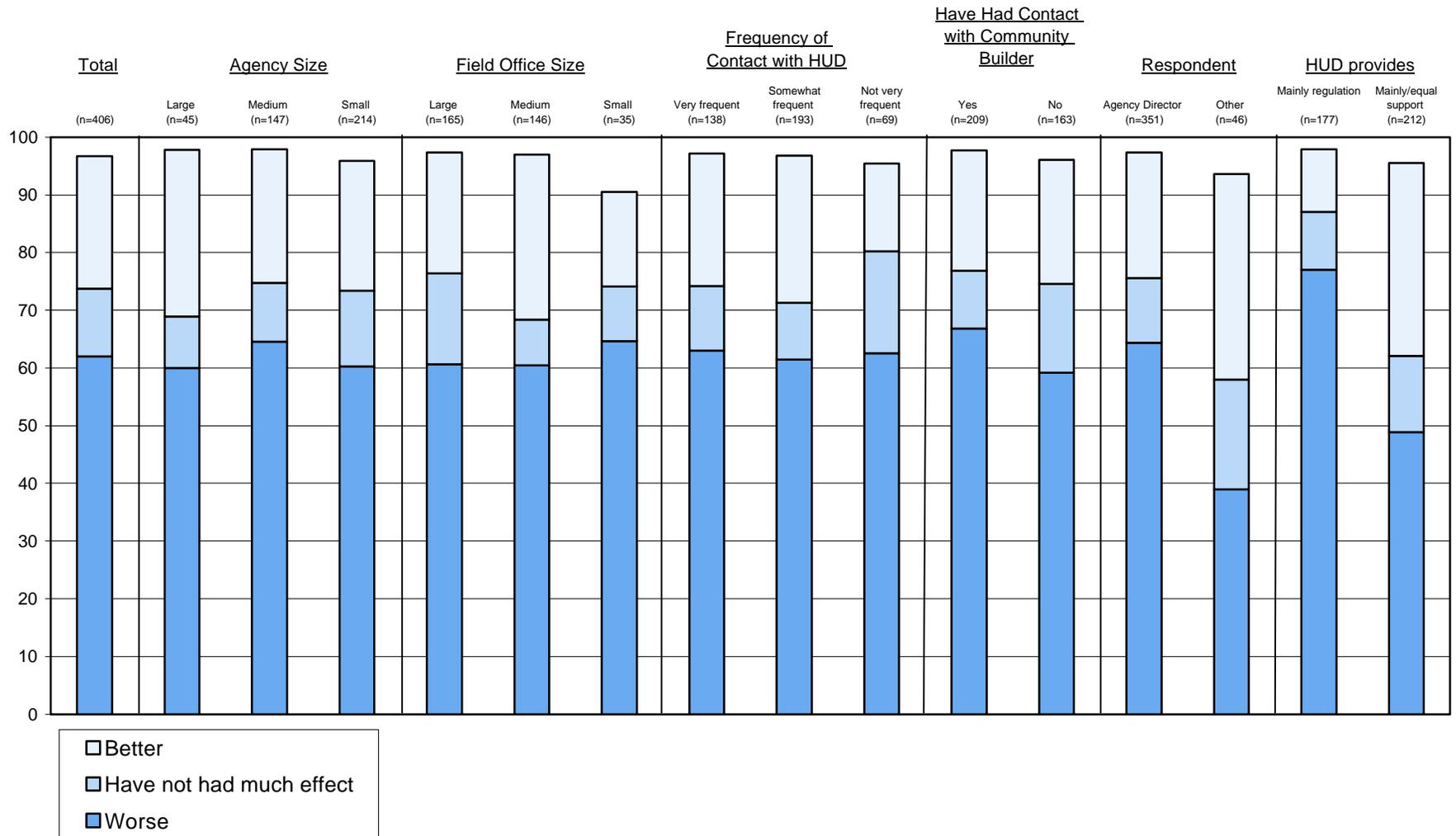


Question 5: Over the last several years, would you say the overall quality of service you received from HUD is generally getting much better, somewhat better, somewhat worse, much worse, or hasn't changed much?

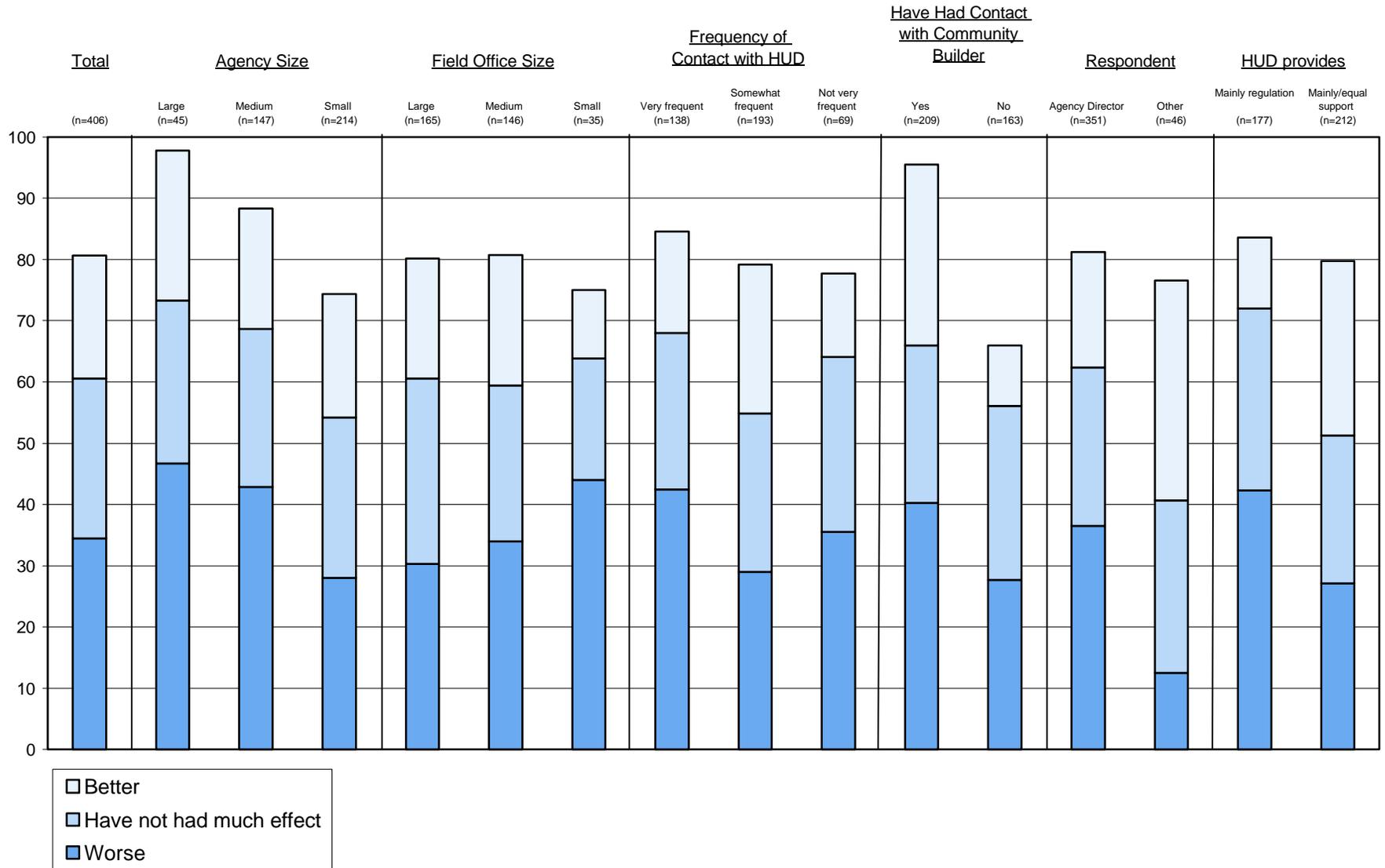


Management Changes

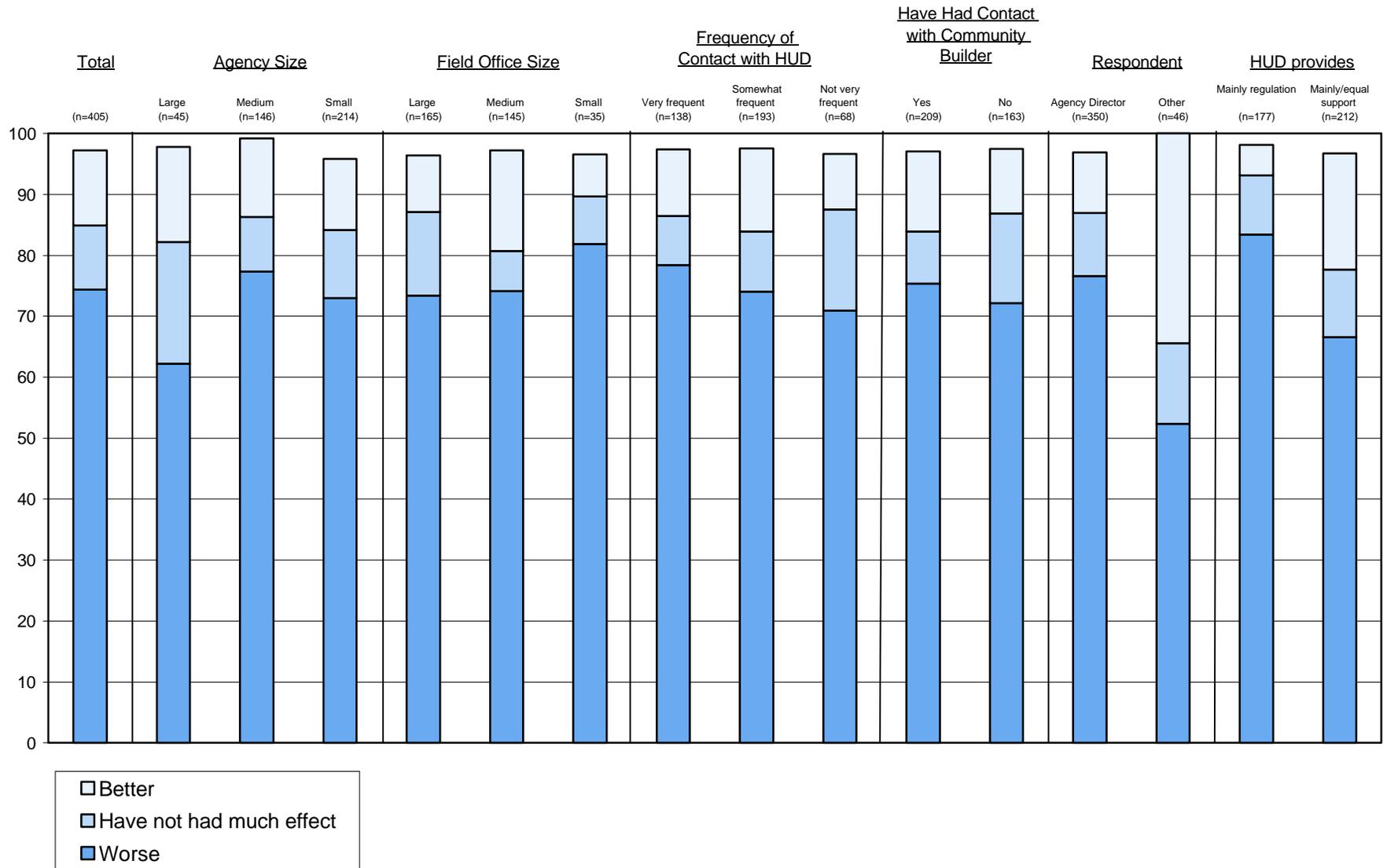
Question 7a: Would you say that the changes, over the last several years, in HUD's organizational structure, such as the establishment of new centers and hubs, have made HUD much better, somewhat better, somewhat worse, much worse, or have not had much effect?



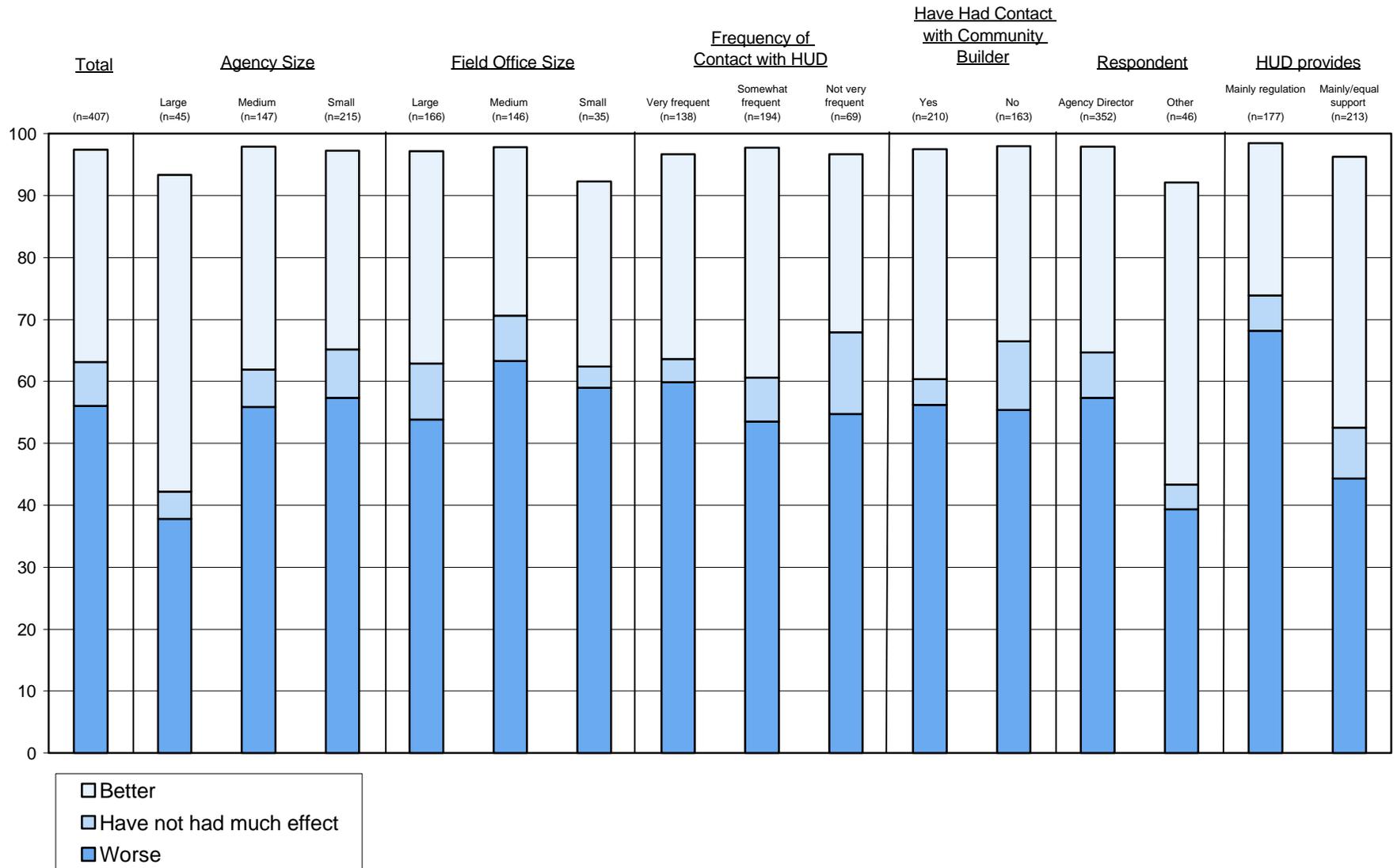
Question 7b: Would you say that the changes, over the last several years, in HUD functions, such as the establishment of the new Community Builder and Public Trust Officer functions, have made HUD much better, somewhat better, somewhat worse, much worse, or have not had much effect?



Question 7c: Would you say that the changes, over the last several years, in HUD's staffing, such as the overall reduction in staff, staffing reassignments, and retraining of HUD staff, have made HUD much better, somewhat better, somewhat worse, much worse, or have not had much effect?

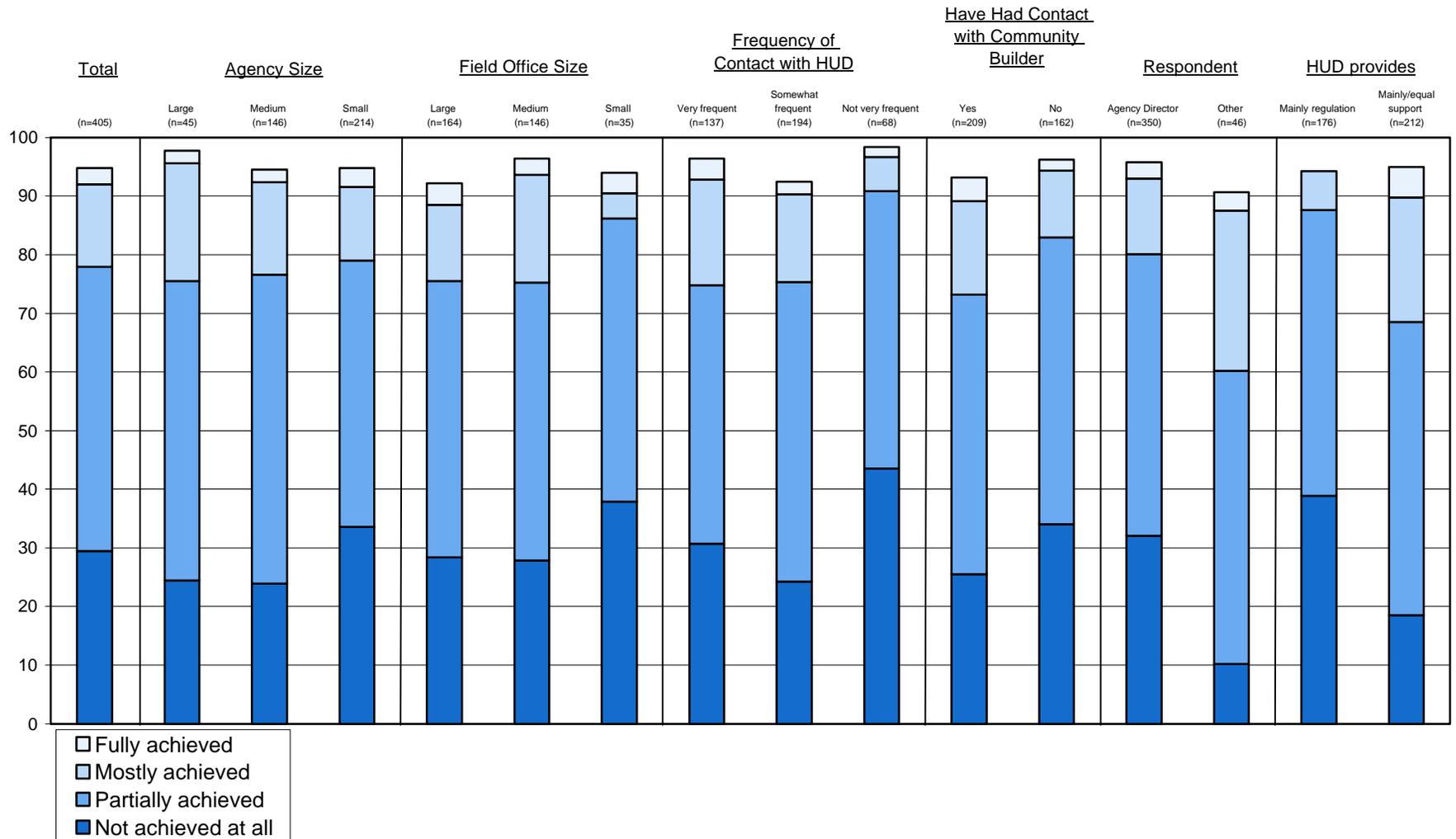


Question 7d: Would you say that the changes, over the last several years, in HUD's financial management systems, such as the creation of new systems and the consolidation of older ones, have made HUD much better, somewhat better, somewhat worse, much worse, or have not had much effect?

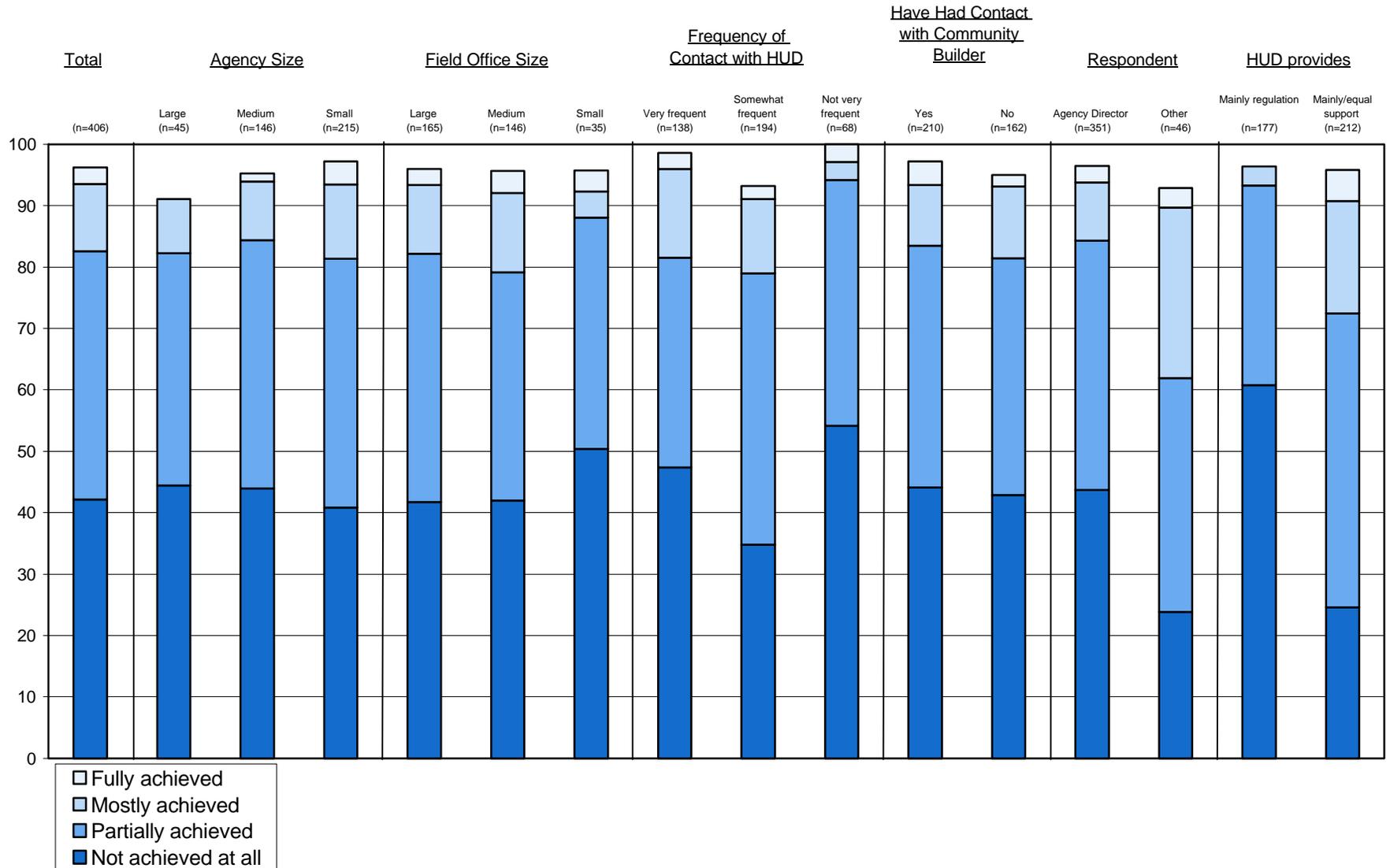


Achievement of Management Objectives

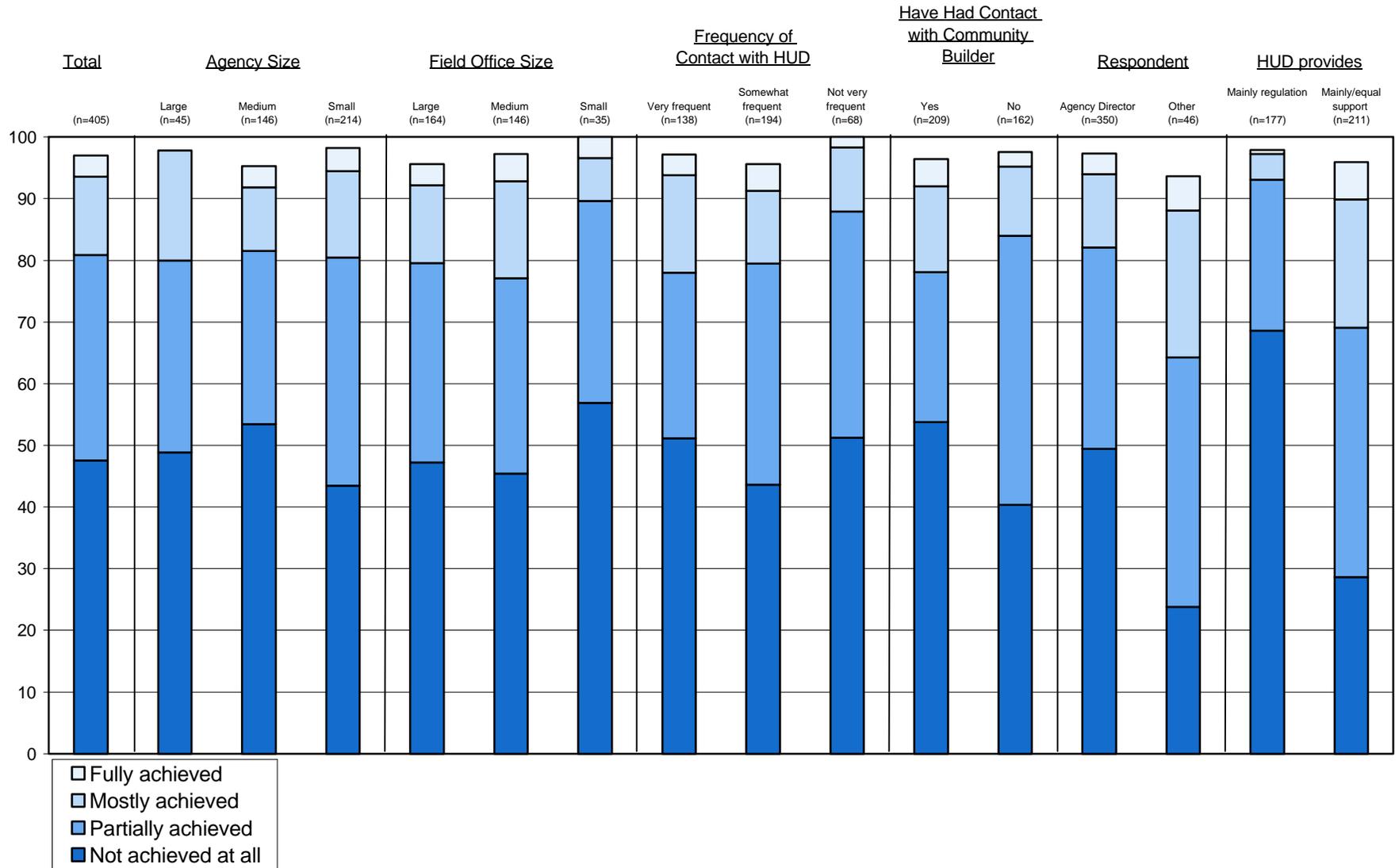
Question 8a: Please indicate the extent to which you believe the following HUD reform objective has been fully achieved, mostly achieved, partially achieved, or not achieved at all: To restore the public trust in HUD.



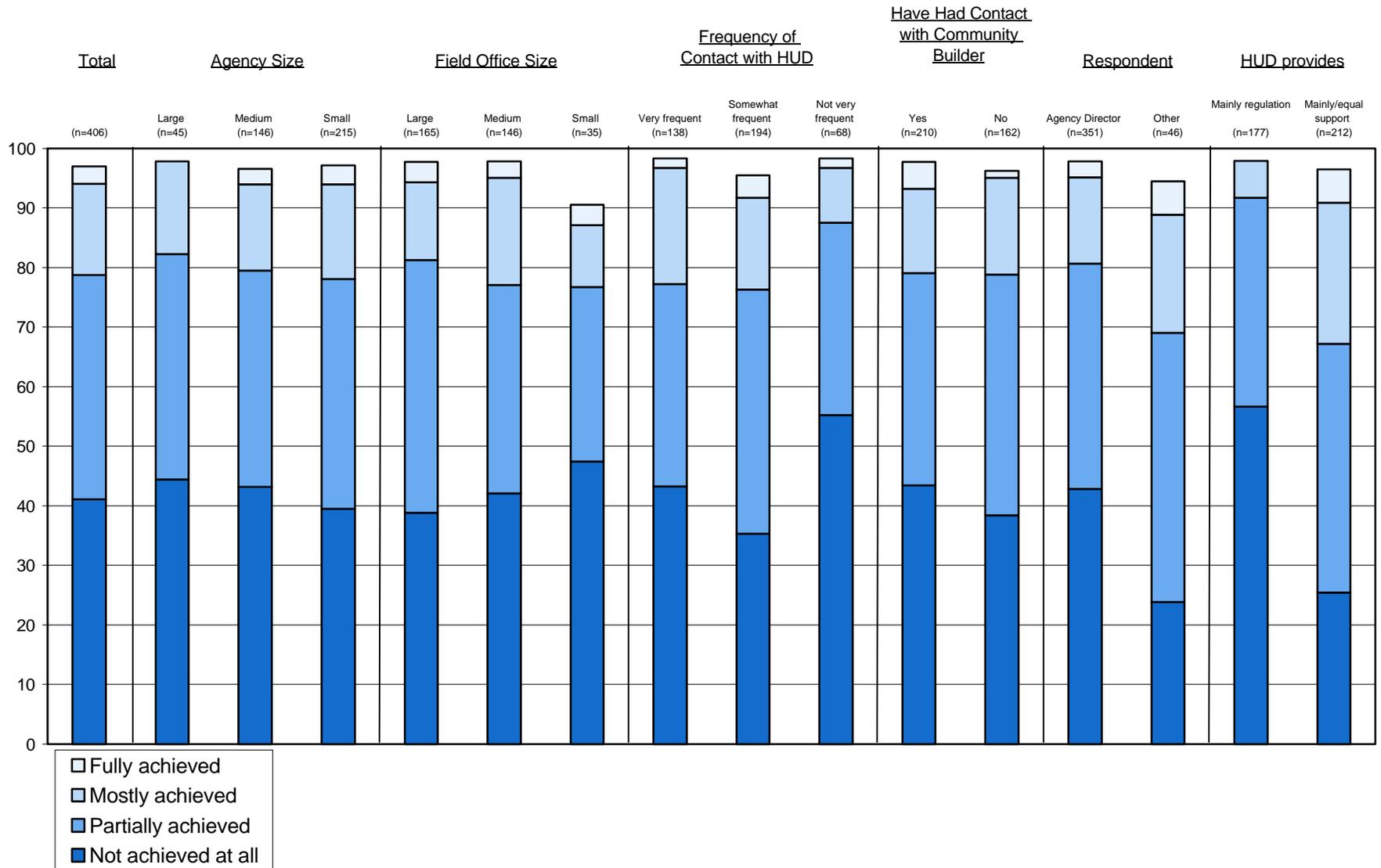
Question 8b: Please indicate the extent to which you believe the following HUD reform objective has been fully achieved, mostly achieved, partially achieved, or not achieved at all: To be "the best in the business."



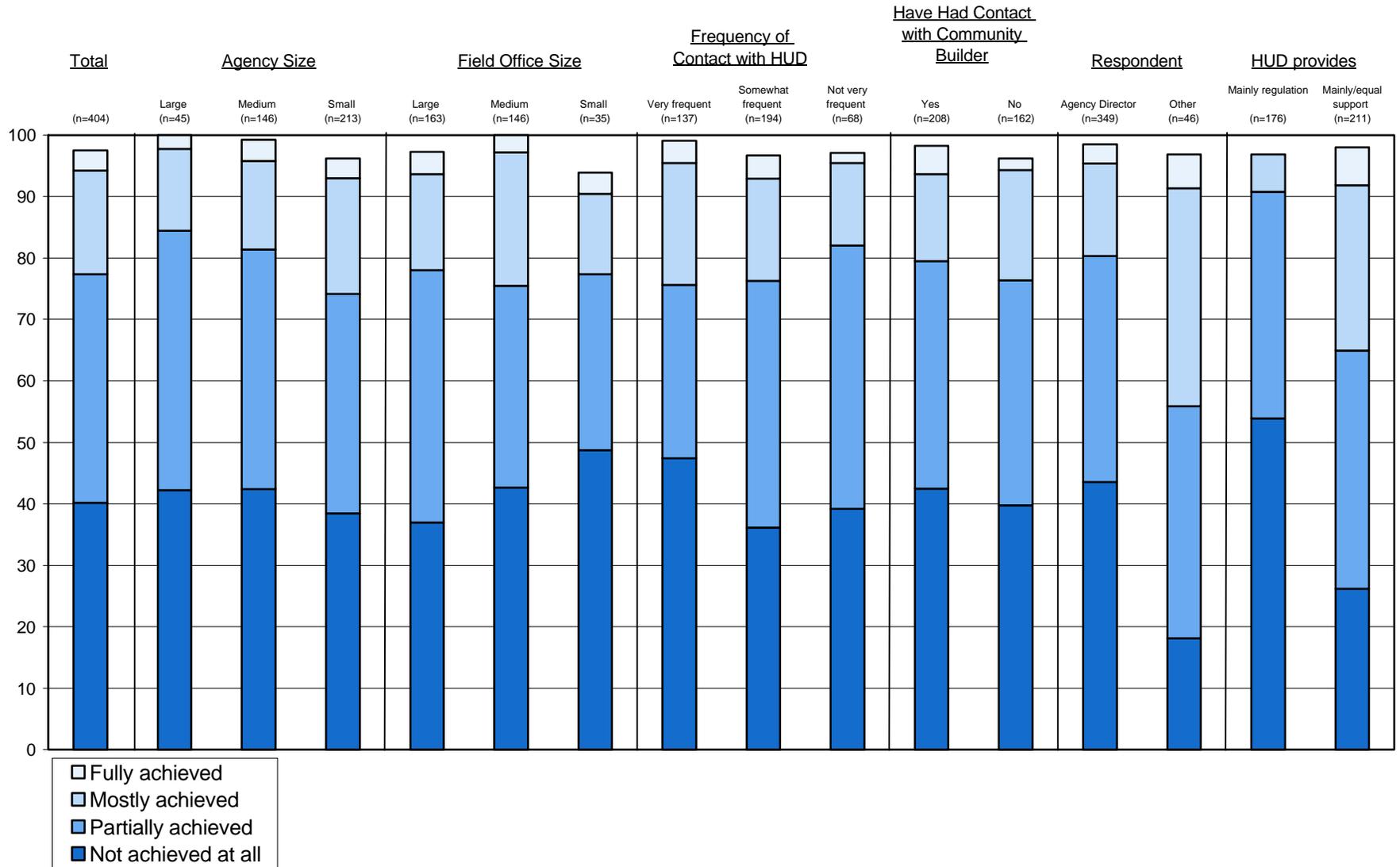
Question 8c: Please indicate the extent to which you believe the following HUD reform objective has been fully achieved, mostly achieved, partially achieved, or not achieved at all: To replace a top-down bureaucracy with a new customer-friendly structure.



Question 8d: Please indicate the extent to which you believe the following HUD reform objective has been fully achieved, mostly achieved, partially achieved, or not achieved at all: To instill an ethic of competence and excellence at HUD.

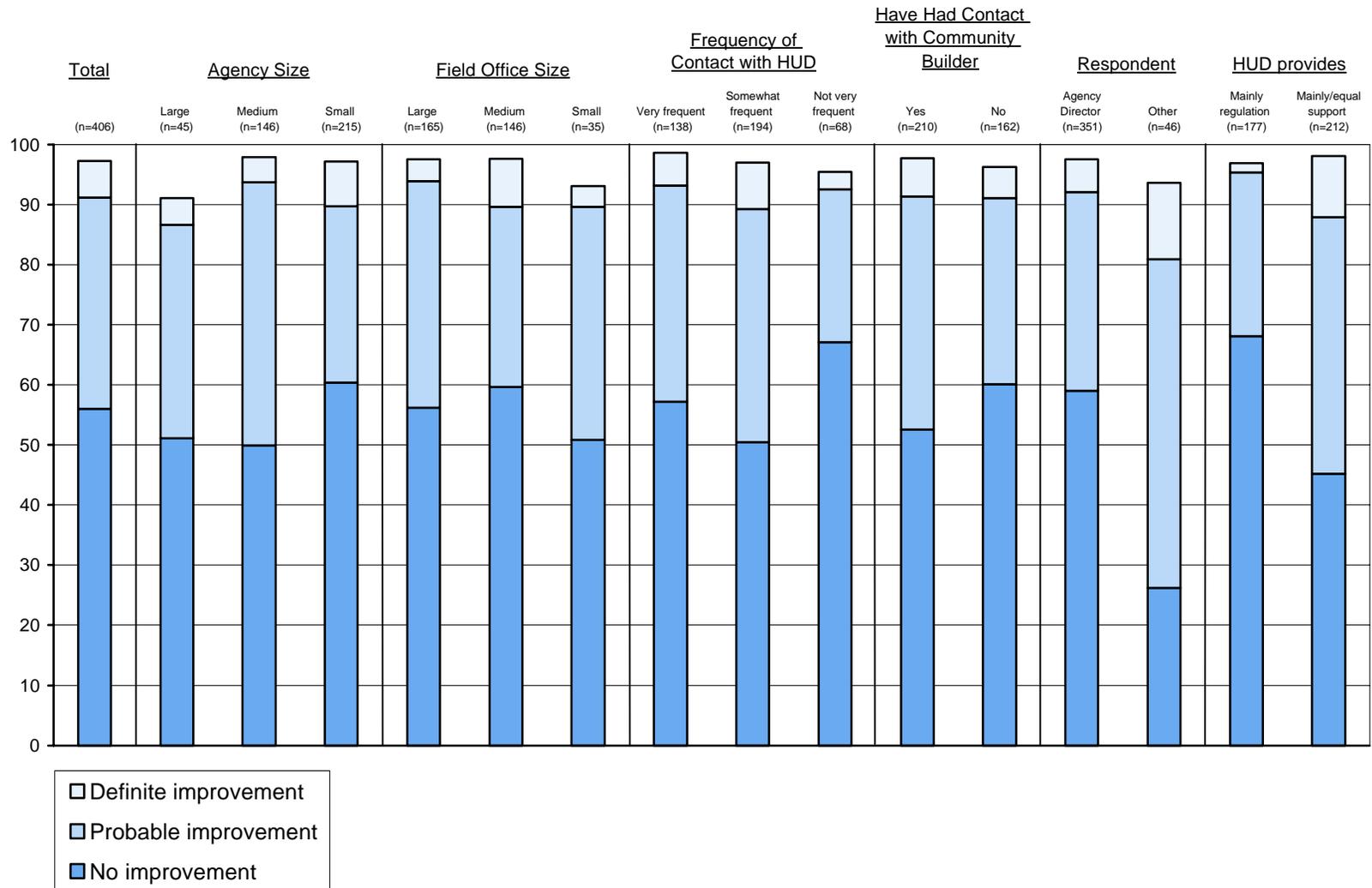


Question 8e: Please indicate the extent to which you believe the following HUD reform objective has been fully achieved, mostly achieved, partially achieved, or not achieved at all: To replace the emphasis on process with an emphasis on performance.

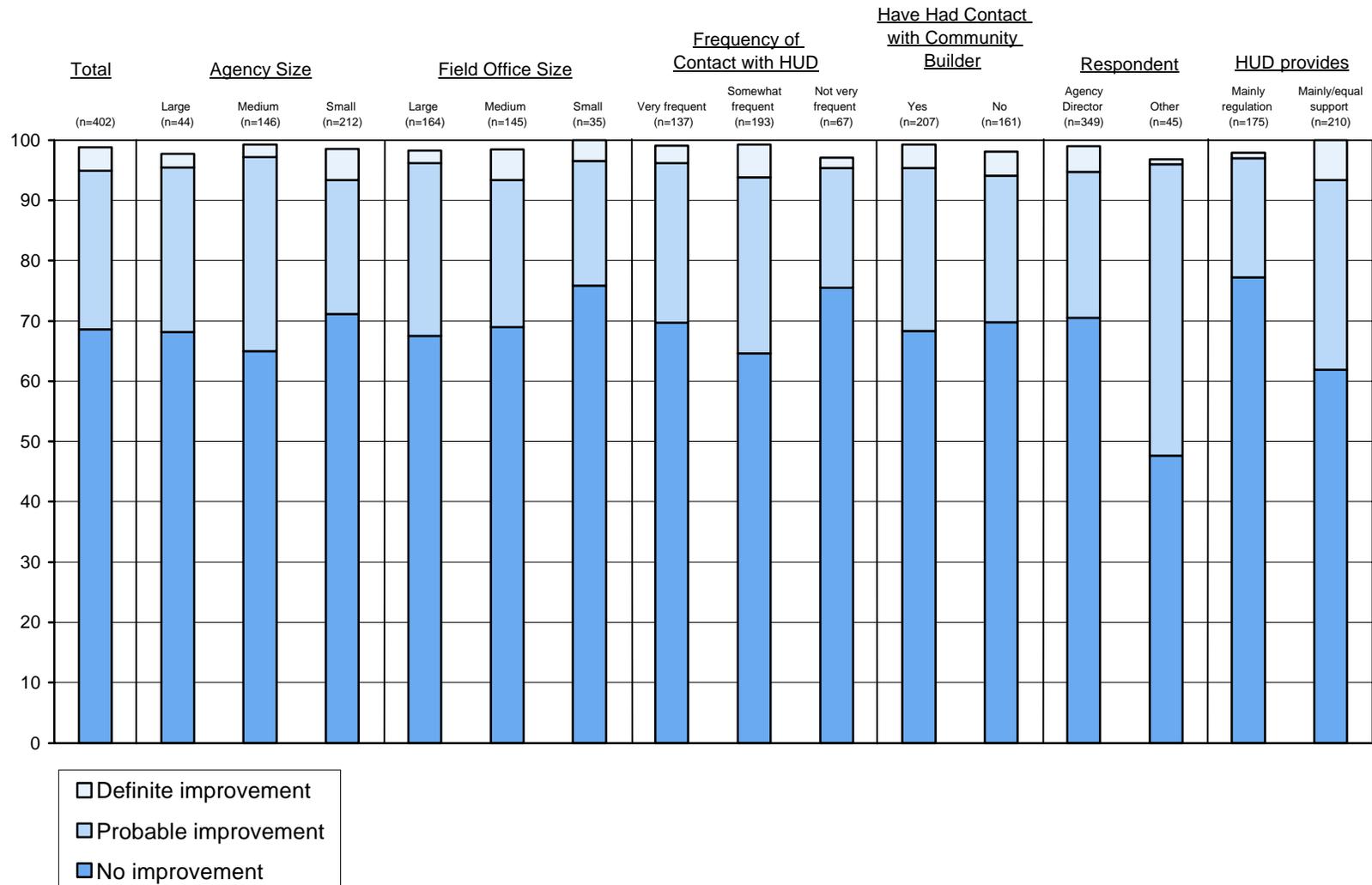


Questions Specific to PHA Partners

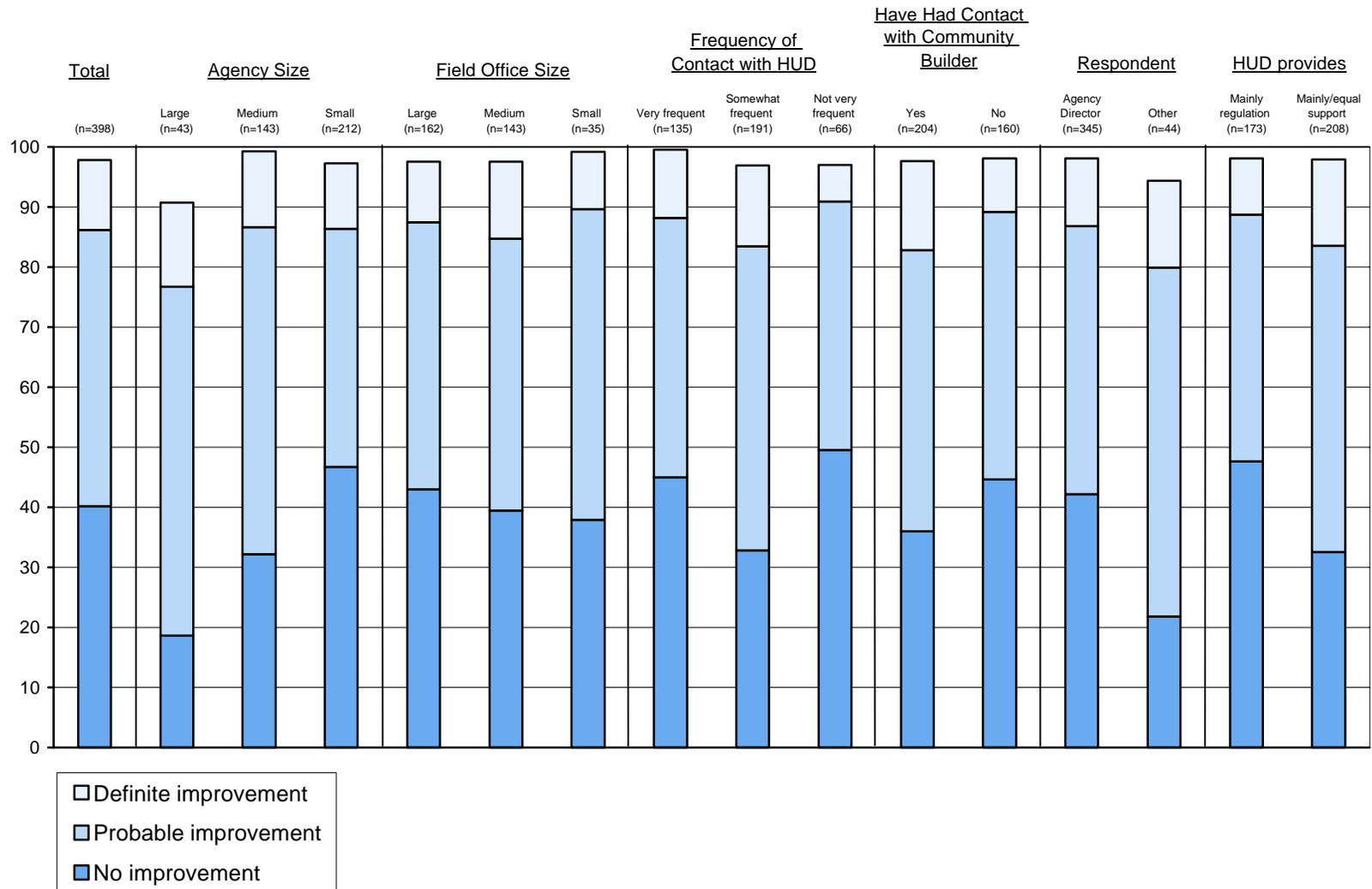
Question 9a: Once fully implemented, do you expect the following changes to HUD's systems or methods to be an improvement over previous systems/methods used by HUD (Check "Not Applicable" if a situation does not apply to your agency): the new Public Housing Assessment System (PHAS) for assessing housing agencies).



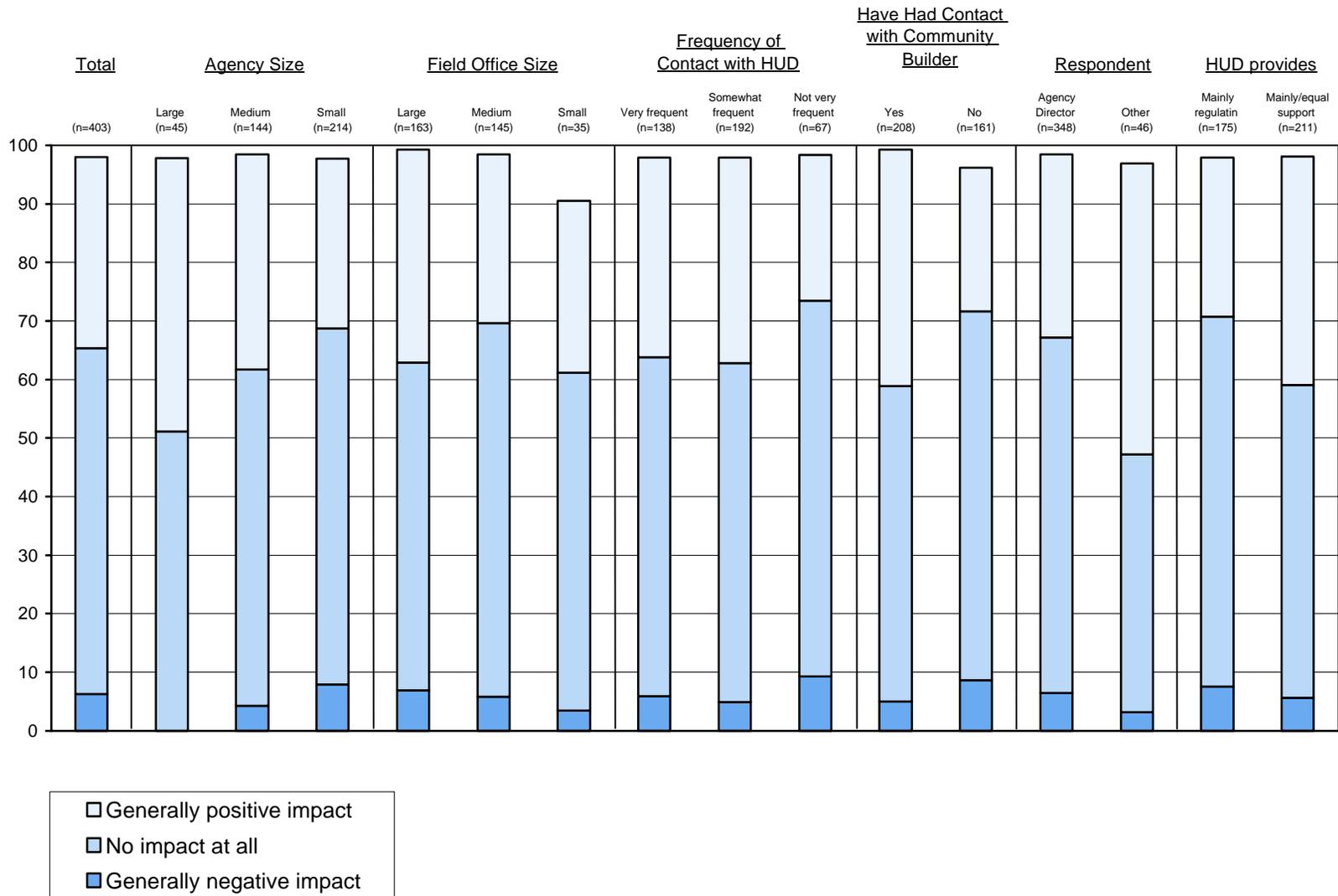
Question 9b: Once fully implemented, do you expect the following changes to HUD's systems or methods to be an improvement over previous systems/methods used by HUD (Check "Not Applicable" if a situation does not apply to your agency): the physical inspections performed by HUD's Real Estate Assessment Center (REAC).



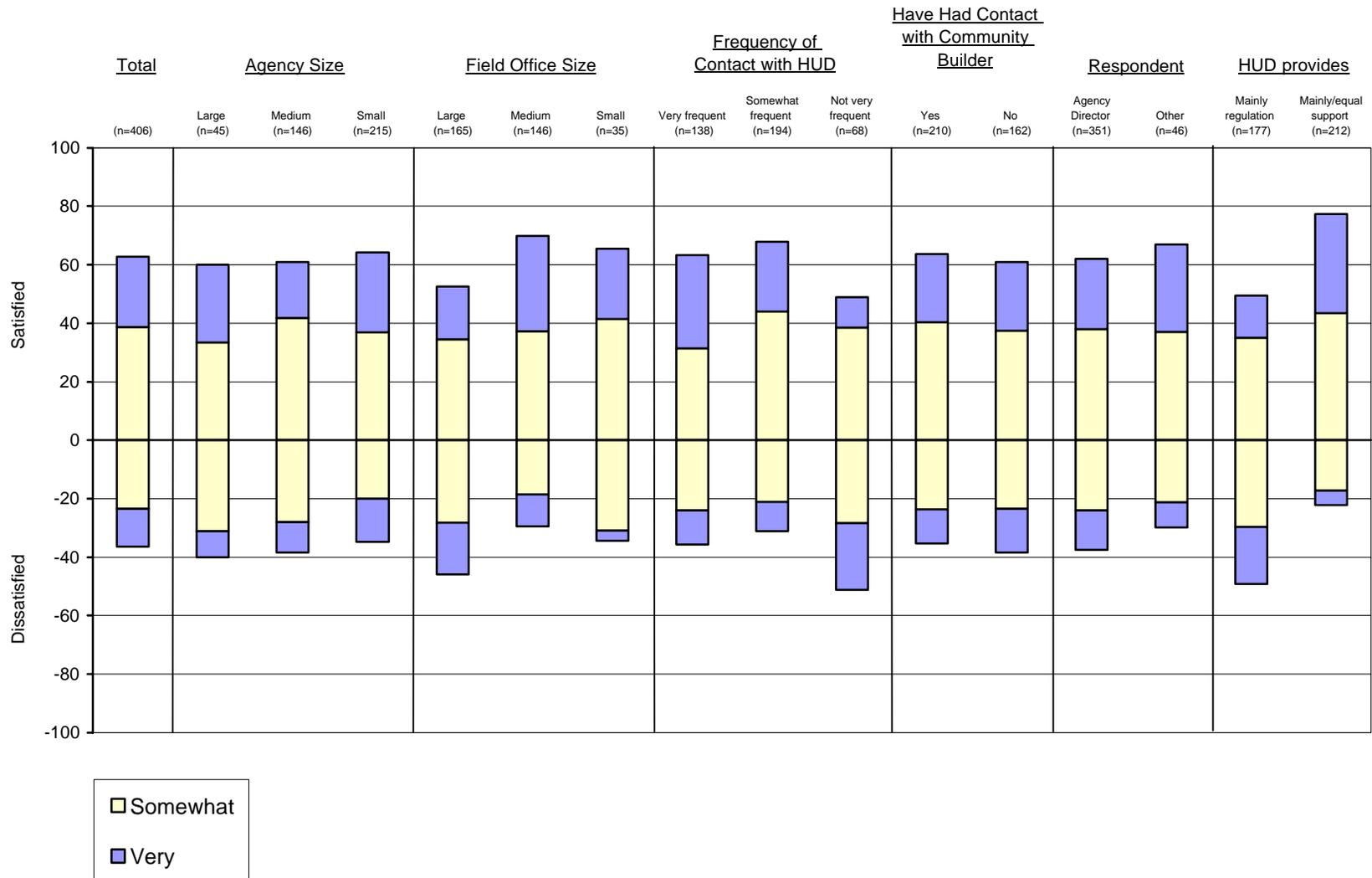
Question 9c: Once fully implemented, do you expect the following changes to HUD's systems or methods to be an improvement over previous systems/methods used by HUD (Check "Not Applicable" if a situation does not apply to your agency): electronic financial reporting to HUD's Real Estate Assessment Center (REAC).



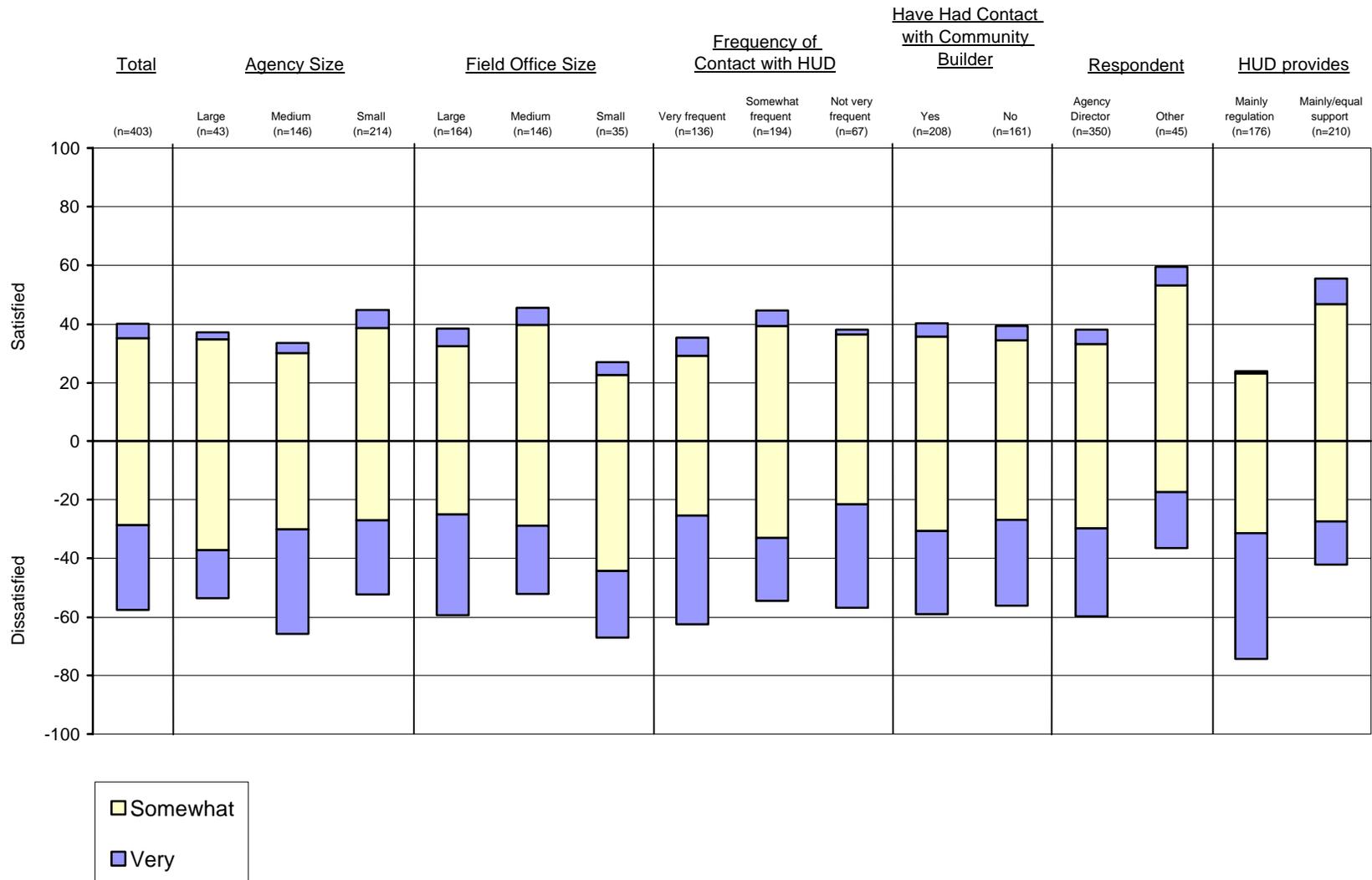
Question 10: Would you say that HUD's requirements that you prepare a 5-Year Plan and an Annual Plan (PHA Plans) will generally have a positive or negative impact on the people served by your Housing Agency, or will they have no impact at all?



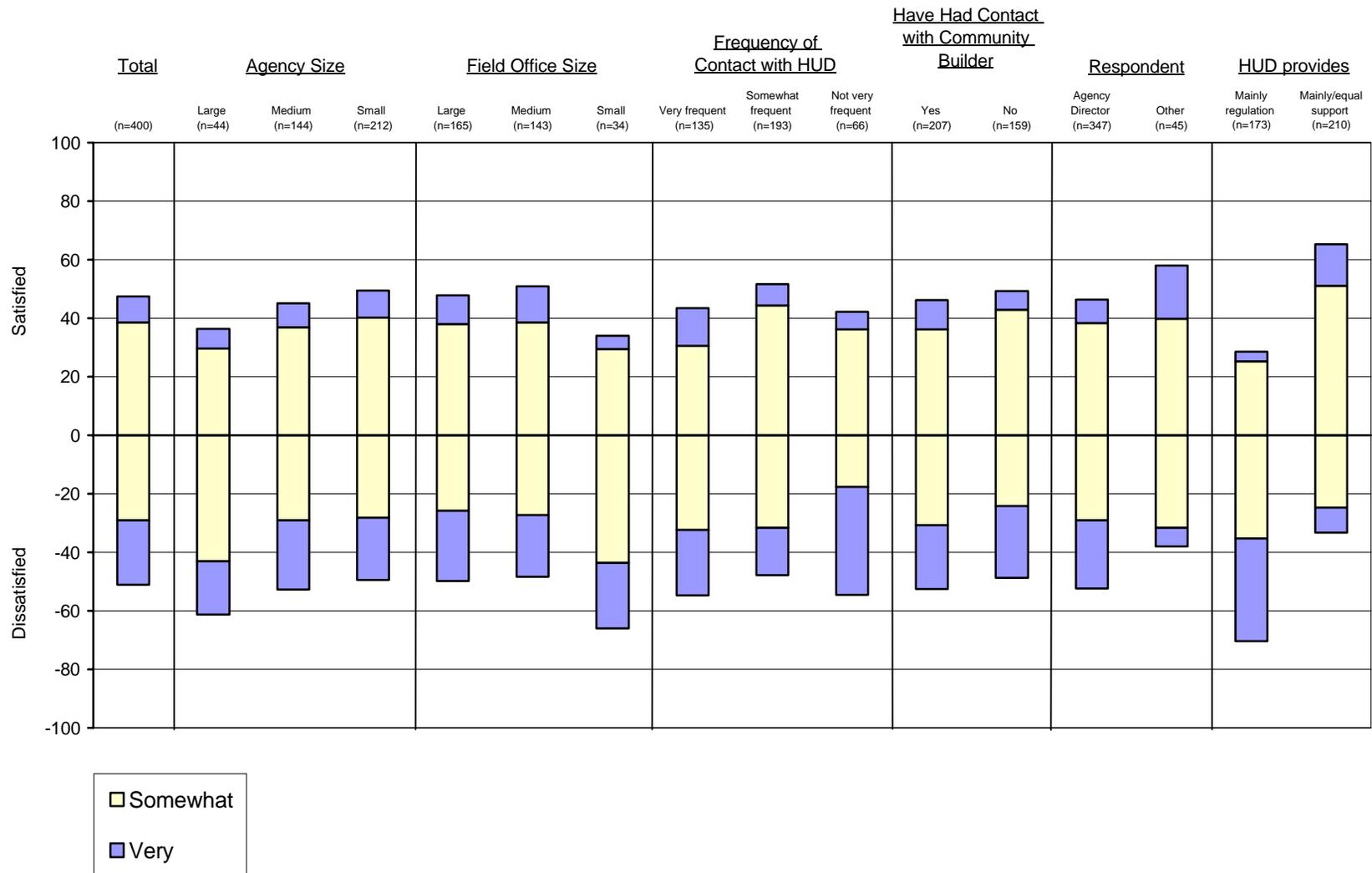
Question 11a: Please indicate your level of satisfaction with the following as it relates to your agency (Check "Not Applicable" if a situation does not apply to your agency): the ability of HUD field office personnel to consistently and reliably interpret policies and regulations that pertain to your agency's grants and programs.



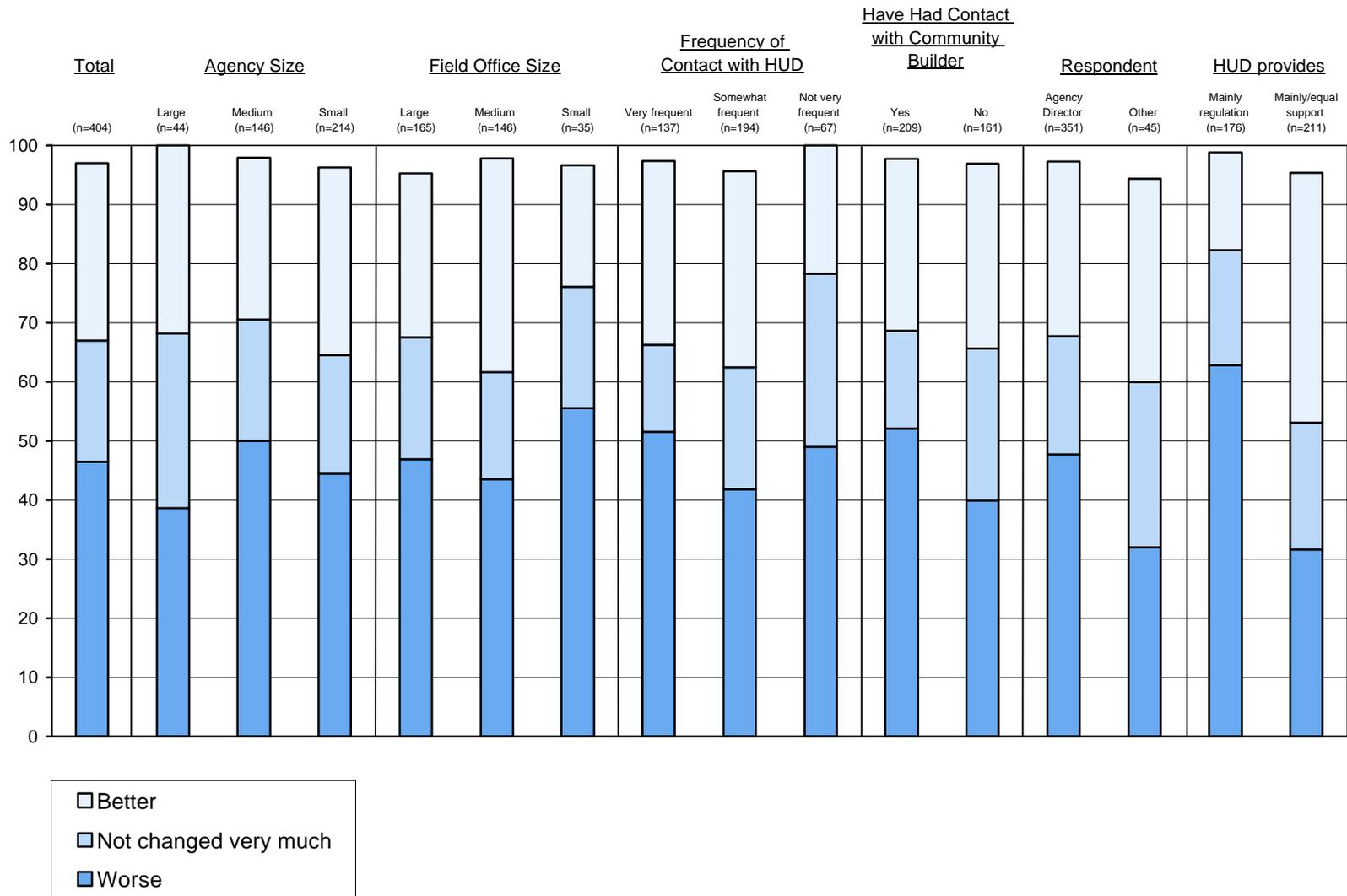
Question 11b: Please indicate your level of satisfaction with the following as it relates to your agency (Check "Not Applicable" if a situation does not apply to your agency): the progress HUD has made in developing the Multifamily Tenant Characteristics System (MTCs)? (Consider such things as its ease of use, usefulness, appropriateness of data collected, etc.)



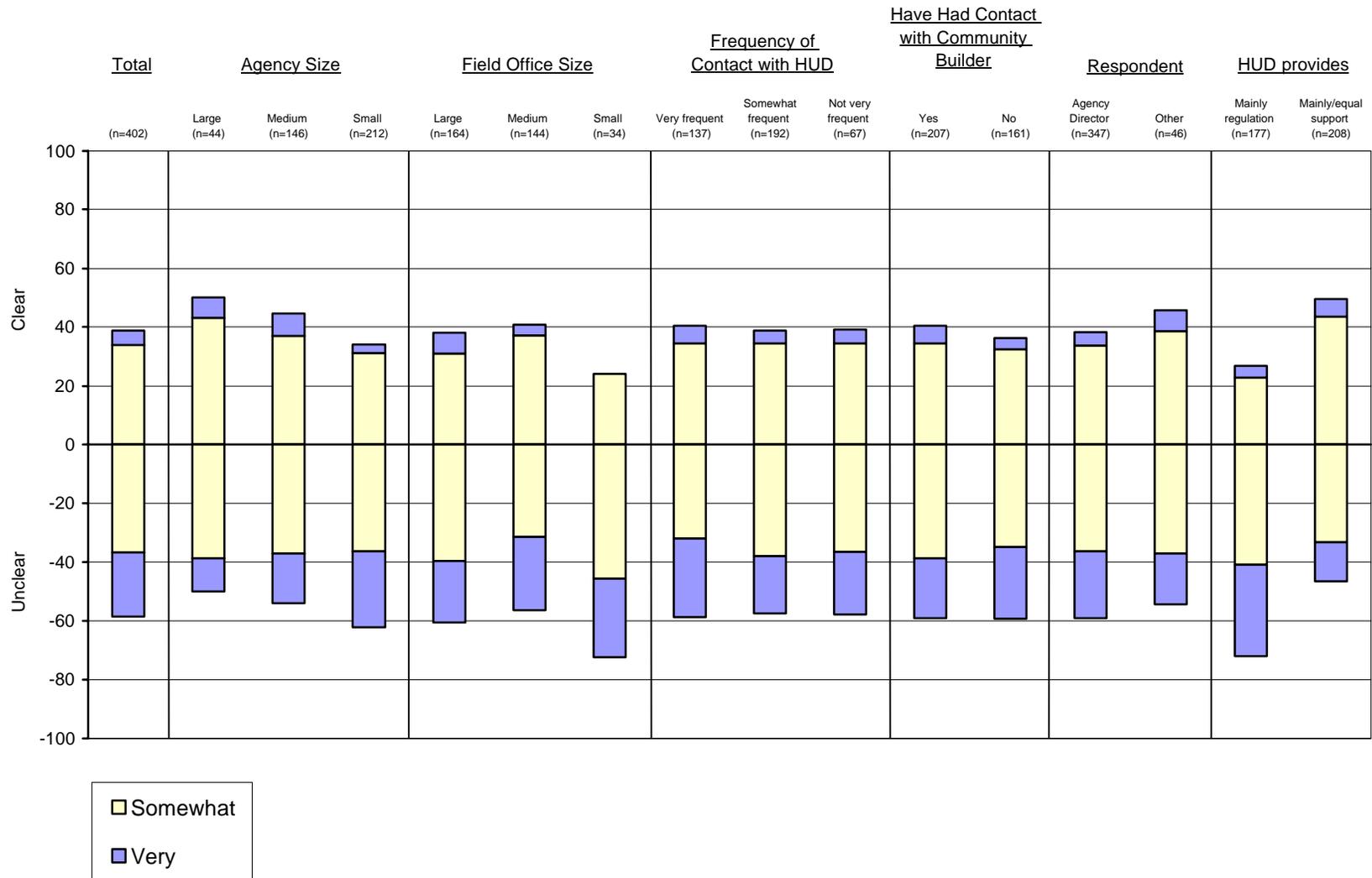
Question 11c: Please indicate your level of satisfaction with the following as it relates to your agency (Check "Not Applicable" if a situation does not apply to your agency): HUD's current capacity to monitor and provide oversight of your agency's activities.



Question 12: Over the last several years, would you say HUD's capacity to monitor and provide oversight of your agency's activities is generally getting much better, somewhat better, somewhat worse, much worse or has not changed very much?



Question 13: Under HUD's new organizational structure, housing agencies may have to work with several HUD offices and centers for various purposes. Are the different functions and responsibilities of these offices and centers very clear, somewhat clear, somewhat unclear or very unclear?



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Part 4: Evaluations of HUD By Fair Housing (FHAP) Agency Partners

HUD's Fair Housing Assistance Program (FHAP) partners are state and local government agencies that administer and enforce state and local laws and ordinances certified by HUD to be substantially equivalent to the Federal Fair Housing Act. HUD provides such agencies with support for complaint processing, training, data, and information systems designed to further fair housing within their jurisdictions.

FHAP partners exhibit high levels of overall satisfaction with the Department. In a few instances they show dissatisfaction or concern, but these are clearly the exception.

The sample. Of the universe of 85 FHAP agencies nationwide, 78 responded to the survey—constituting a 92 percent response rate. Thirteen were interviewed by telephone; the remainder returned a mailed survey form. Sixty-seven percent of the respondents were agency directors; 4 percent were deputy directors; 18 percent were other senior agency officials; and 11 percent were agency employees or others. Instructions accompanying the survey forms emphasized that, if the director could not personally respond to the survey, those answering should be in a position to respond on the director's behalf.

The HUD-partner relationship, and partners' overall performance evaluations. Sixty-two percent of HUD's FHAP agency partners see the Department as equally supporting and regulating them and 30 percent see it as mainly supporting them—the highest proportion of any of the groups surveyed. Only 5 percent see HUD as mainly a regulator.

FHAP partners show high levels of overall satisfaction with the Department. Eighty-five percent of them are satisfied with HUD's programs, 68 percent are satisfied with the way HUD administers them, and 82 percent are satisfied with how the Department performs overall.

Evaluations of service quality. Most (85%) FHAP partners are satisfied with the quality of information they receive from HUD, although somewhat fewer (67%) are satisfied with the timeliness of that information. Those who are in very frequent contact with HUD, however, are more likely to be satisfied with the timeliness of the information they receive than those who are in less frequent contact.

Seventy-eight percent of FHAP partners are satisfied with the quality of guidance they get from HUD, and 68 percent are satisfied with the consistency of that guidance.

Most FHAP partners are generally satisfied with the responsiveness and competence of the people they deal with at HUD; moreover, over 40 percent of them say they are very

satisfied. Those who have frequent contact with the Department are also more likely to be satisfied with HUD staff than those who have less frequent contact.

In absolute terms and relative to other partner groups, FHAP partners are quite positive when it comes to evaluating the reasonableness of HUD rules and requirements that apply to them. Seven of every 10 are satisfied, a higher level than for any other group surveyed.

Finally, 83 percent of FHAP partners express satisfaction with the *overall* quality of service they receive from HUD, and 72 percent say that service has gotten better over the last several years. Only 18 percent say service quality has not changed very much, and 5 percent claim it has gotten worse.

Assessments of management changes. FHAP partners have different reactions to the management changes made at HUD over the last several years—those that involved structural, functional, staffing, and financial management systems. Between one-fourth and one-third of the partners do not believe such changes have had much effect, and some others are either not aware of the changes or are not sure about their effects. Of those who see some impact, however, more believe the changes are for the better than believe they are for the worse.

Compared to other types of changes, somewhat more FHAP partners believe that structural changes to HUD have improved the agency, but the differences are not large. With respect to staffing changes, those who see the effects of the changes are split as to whether they have made HUD better or worse.

In general, those partners who have frequent contact with HUD are more likely than those with less frequent contact to positively assess the management changes that have occurred.

Achievement of management reform objectives. HUD's management reforms over the previous several years were an attempt to achieve certain objectives. Among them are the following:

- To restore the public trust in HUD;
- For HUD to be "the best in the business;"
- To replace a top-down bureaucracy at HUD with a new customer-friendly structure;
- To instill an ethic of competence and excellence at HUD; and

- To replace the emphasis on process at HUD with an emphasis on performance.

As of late-2000 and early-2001, a plurality of FHAP agency partners concluded that three of HUD's management-reform objectives had been at least "mostly" achieved, and two of them had been "partially" achieved. Few such partners (16 percent or less) believed that the objectives had not been achieved at all.

Those reform objectives judged to be closer to goal achievement than others involve the attempt to restore the public trust in HUD, the attempt to be "the best in the business," and the attempt to instill an ethic of competence and excellence at HUD. Compared to other partner groups, FHAP agency partners are more positive about HUD's success in achieving its management reform objectives.

Questions specifically designed for FHAP partners.

HUD's FHAP partners were asked a series of questions specific to their agencies' relationship to the Department. Their responses are as follows:

- Eighty-five percent of FHAP partners are very satisfied with the quality of HUD program training and technical assistance provided them over the past year or so, with 44 percent "very" satisfied.

- Seventy-two percent of FHAP partners are satisfied with the timeliness of grant agreement payments made to their agencies; 41 percent are very satisfied. By comparison, 22 percent are dissatisfied, with 14 percent saying they are very dissatisfied. Those who are in frequent contact with HUD are more likely to be satisfied than those who are in less frequent contact.
- Seventy-four percent of FHAP agency partners are satisfied with HUD's current capacity to respond to fair housing complaints; a simple majority (51 percent) is "somewhat," as opposed to "very" satisfied. These partners also believe that HUD's response capacity has gotten better over the last several years: 62 percent say it has become better, 10 percent say it has become worse, and 17 percent say it has not changed very much. Partners who have been in frequent contact with HUD are more likely to see improvement than those who have been in less frequent contact.
- Asked whether, more broadly, FHAP partners think HUD's capacity to enforce fair housing laws over the last several years has changed, 16 percent say "no," while 78 percent believe it has. Seventy-three percent of such partners say HUD's enforcement capacity has improved, while only 5 percent claim it

has declined. Again, those who have been in frequent contact with HUD are more likely to see improvement than those who have been in less frequent contact.

- Eighty-two percent of FHAP partners report that the level of technical assistance currently provided to them by HUD in support of their agencies' responsibility for responding to fair housing complaints is adequate; 15 percent say it is not.
- Eighty percent of FHAP partners judge HUD's Internet Web site devoted to Fair Housing and Equal Opportunity to be useful; 10 percent say it is not very useful, while 8 percent have not used the site.
- Finally, 39 percent of FHAP agency partners believe the outreach functions performed by HUD's Community Builders contributed to a heightened awareness of fair housing protections and remedies. In contrast, 30 percent say this had not occurred at all, 19 percent did not know, and 12 percent were not aware of the Community Builder function. Partners who had some contact with a Community Builder are more likely to judge the function as having made a positive contribution: 48 percent of those with had direct contact over the

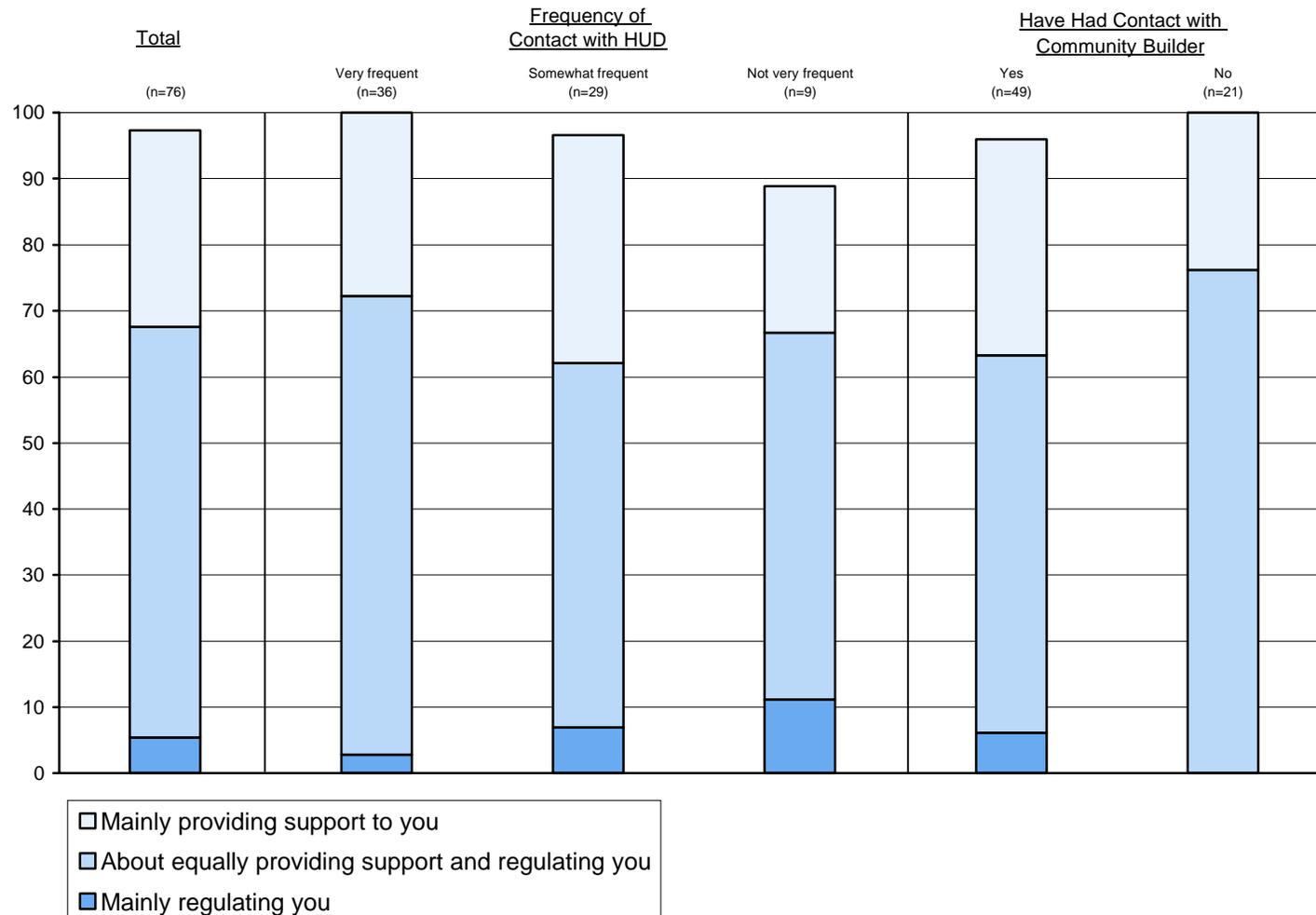
past year see some benefit compared to 29 percent of those who had no contact.

Open-ended comments provided by respondents.

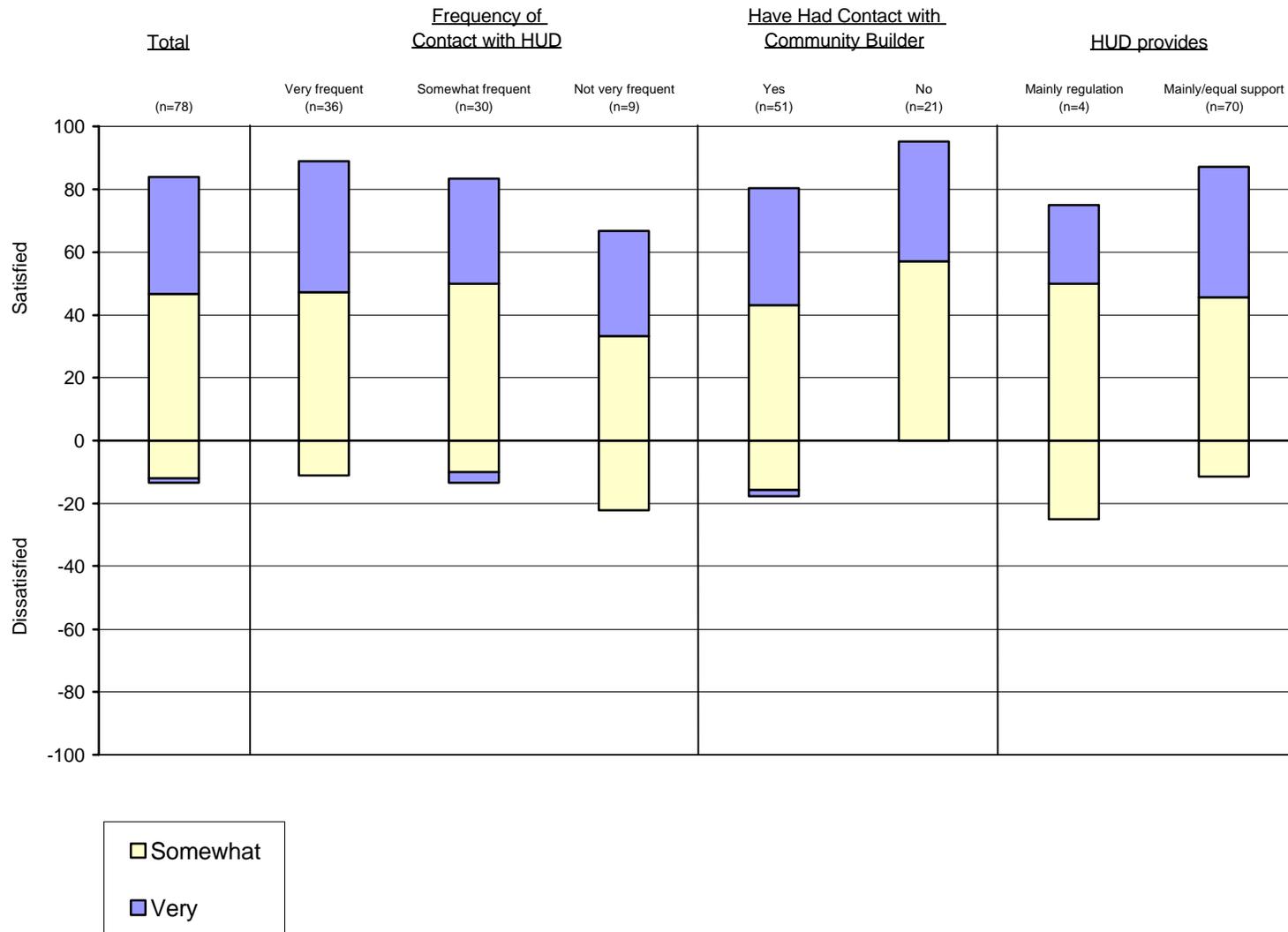
At the end of the survey, respondents were given an opportunity to provide additional comments in their own words, and 38 percent of FHAP Agency partners chose to do so. The comments were a mix of positive (36 percent) and negative (64 percent) feedback. One-half of the positive comments were complimentary of HUD field offices, one-fourth of them praised recent improvements in HUD's relationship with its customers, and the remainder involved various other issues. Negative comments consisted of criticism of HUD for not being user friendly or for being unresponsive, concern about HUD staffing levels, and allegations that HUD was too bureaucratic.

Overall Performance

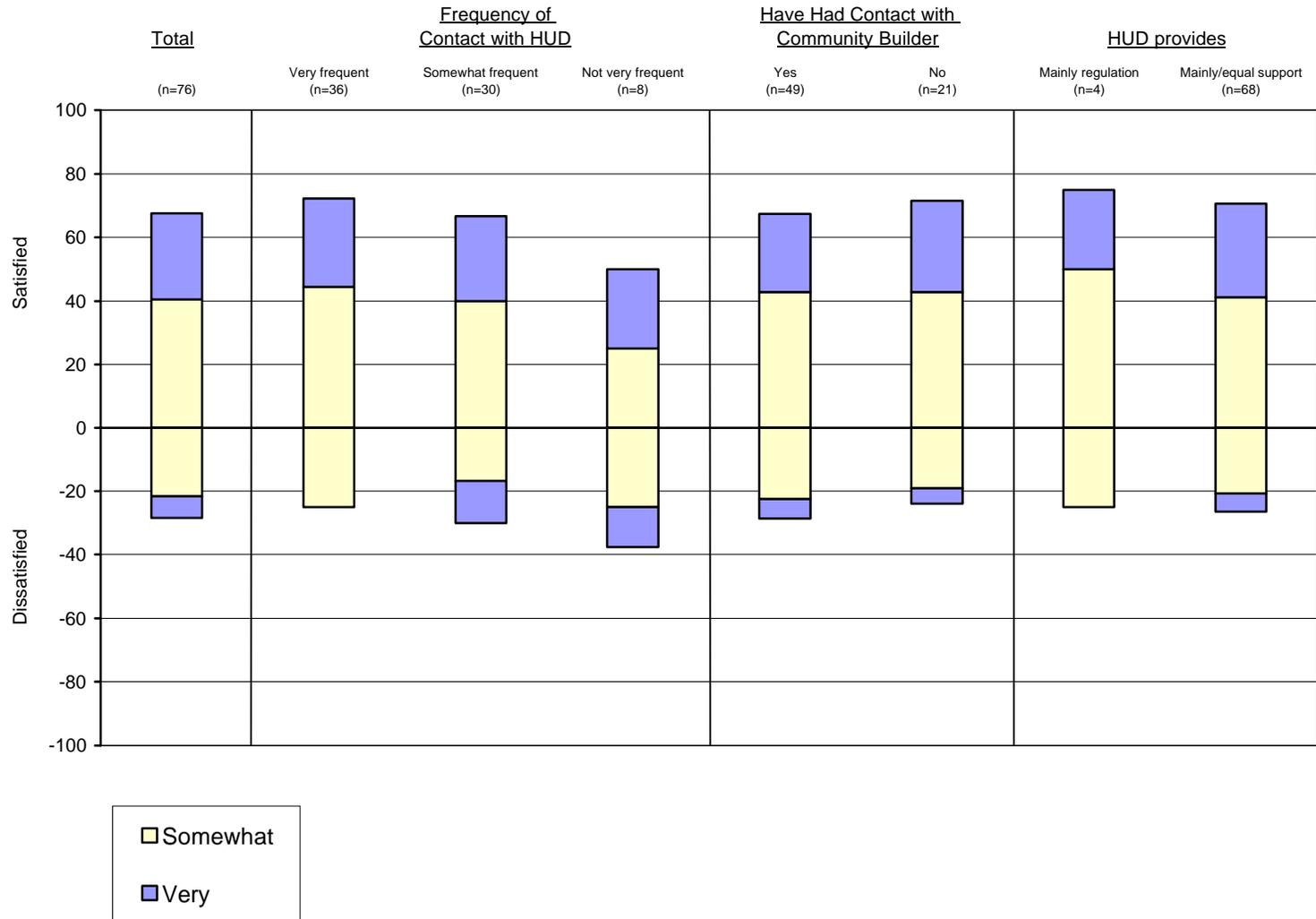
Question 6: HUD has several different responsibilities. On one hand, it provides various forms of support (for example, funding, technical assistance, information) and, on the other, it has a regulatory responsibility (that is, it makes rules, assures compliance with those rules, does assessments). In your agency's relationship with HUD, would you say HUD is mainly providing support to you, about equally providing support and regulating you, or mainly regulating you?



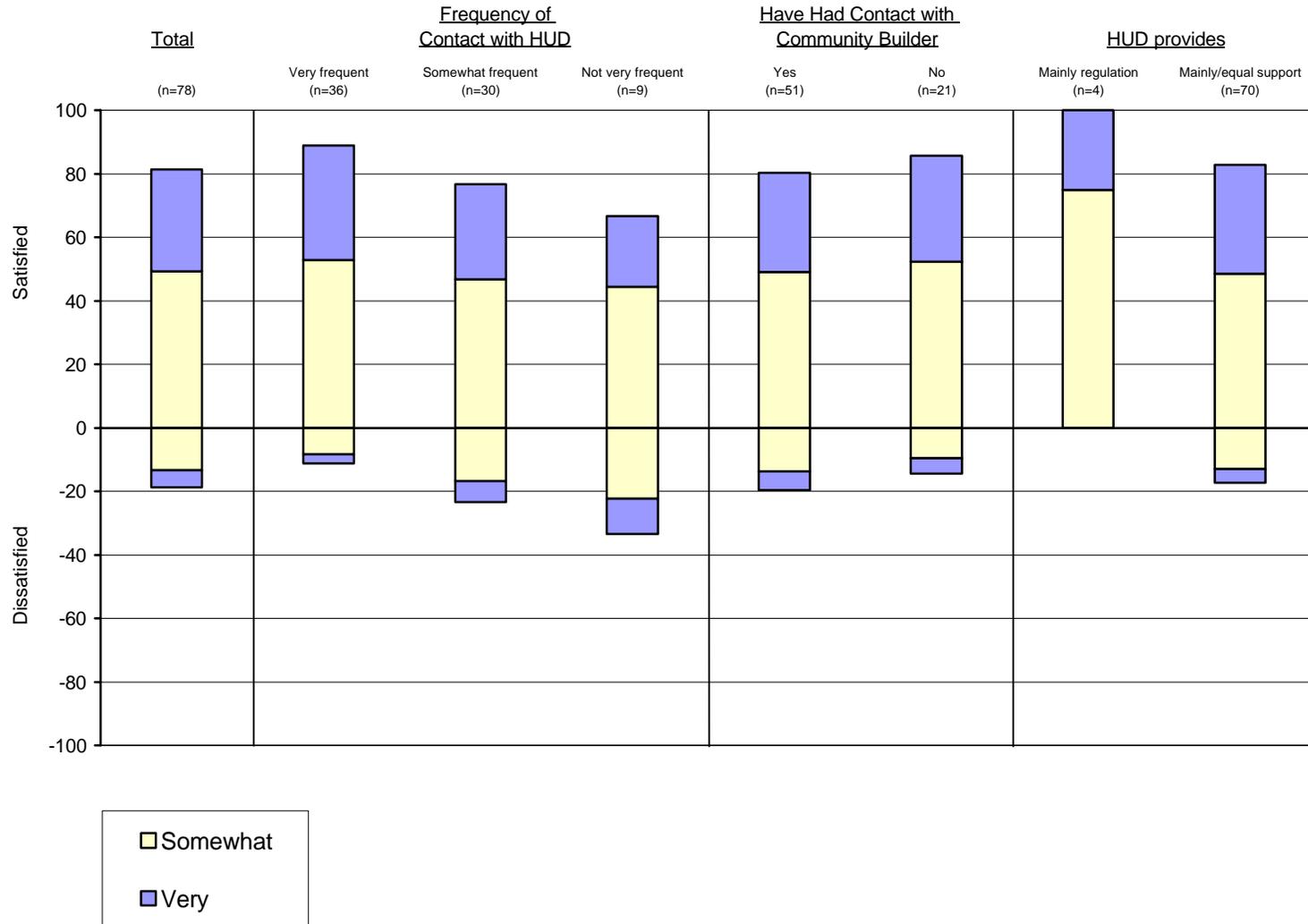
Question 3a: Thinking separately about the HUD programs with which you currently deal and about how HUD runs those programs, how satisfied or dissatisfied are you, in general, with the HUD programs you currently deal with?



Question 3b: Thinking separately about the HUD programs with which you currently deal and about how HUD runs those programs, how satisfied or dissatisfied are you, in general, with the way HUD currently runs those programs?

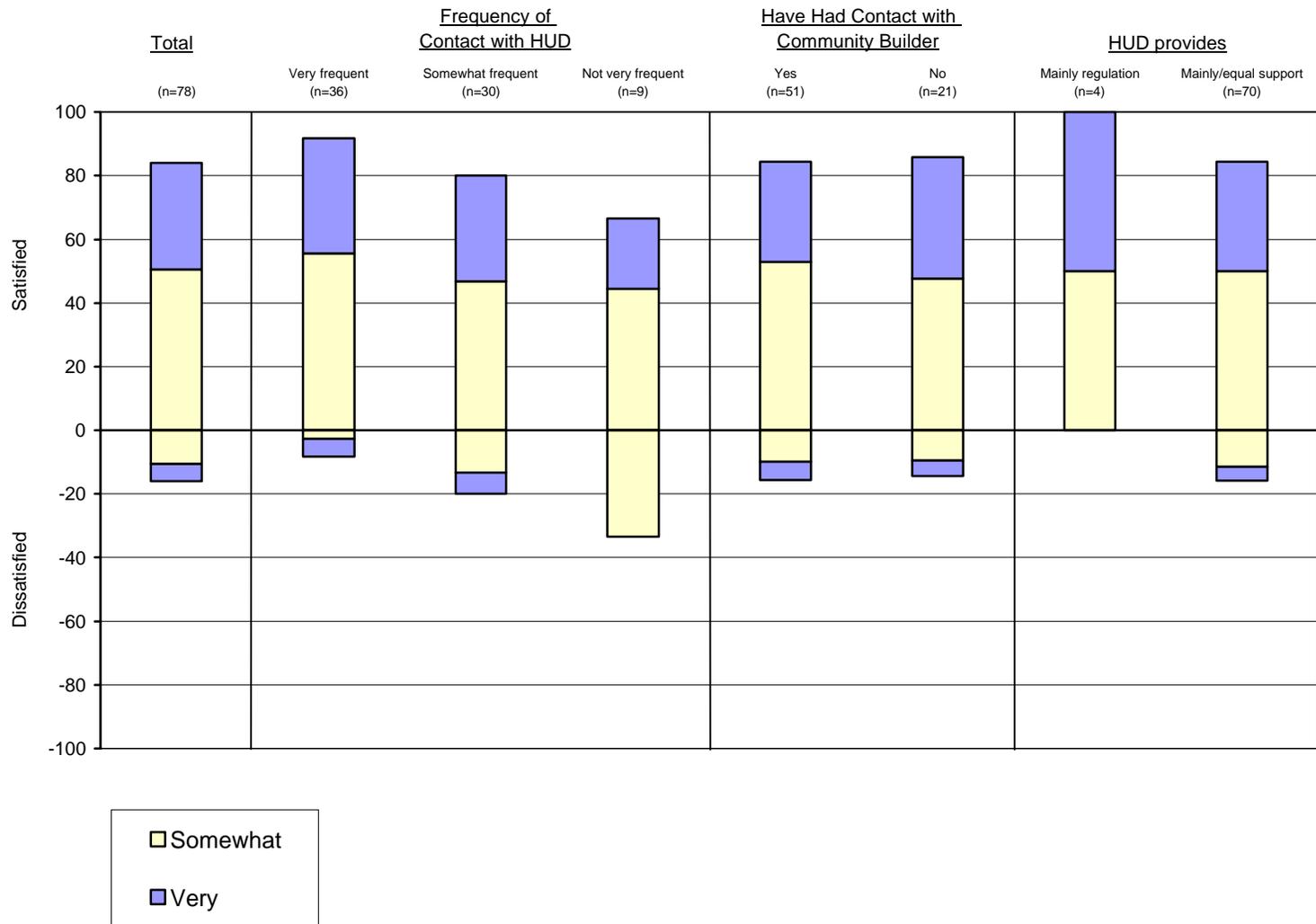


Question 15: At present, taking everything into consideration, how satisfied or dissatisfied are you with HUD's overall performance?

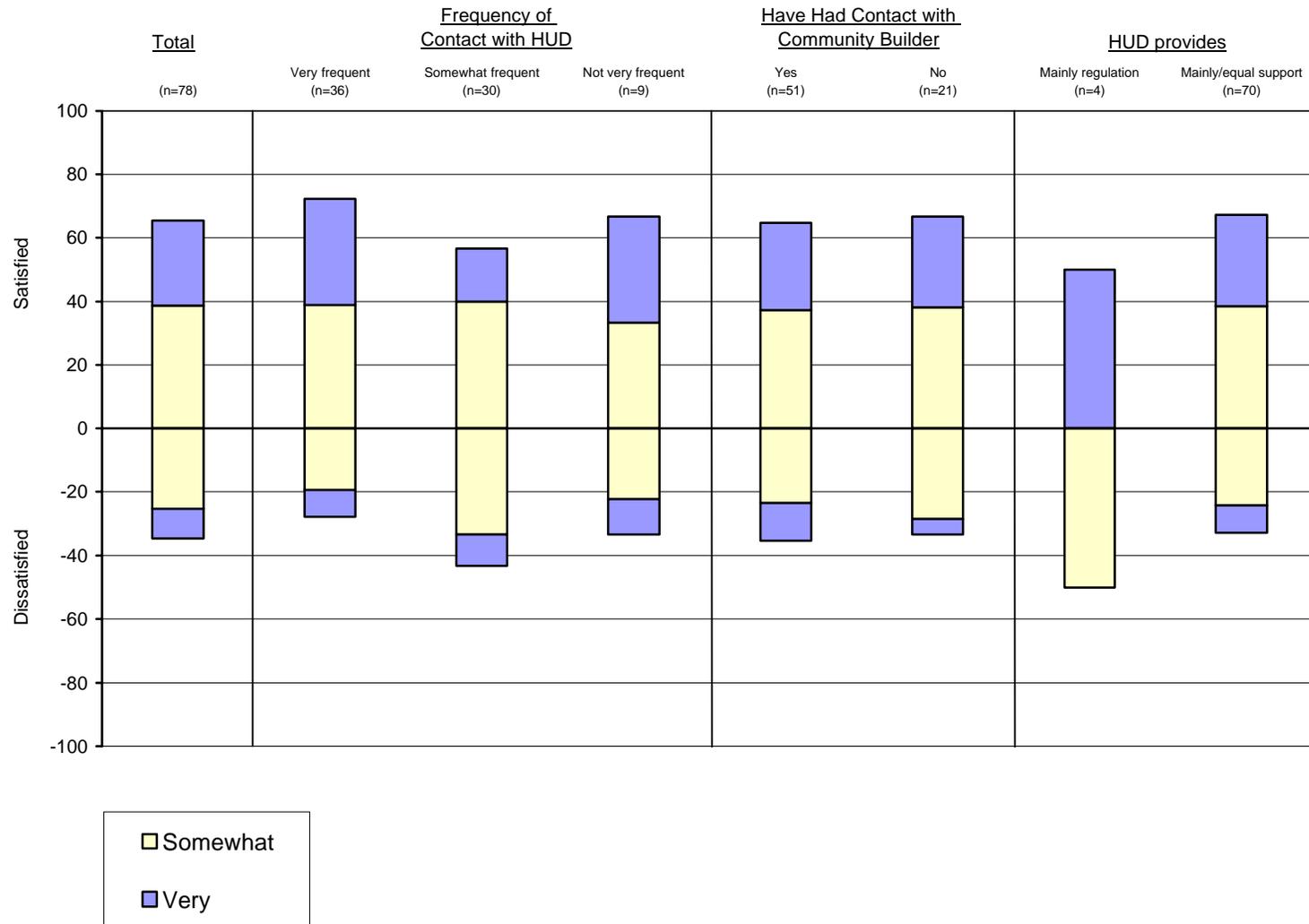


Service Quality

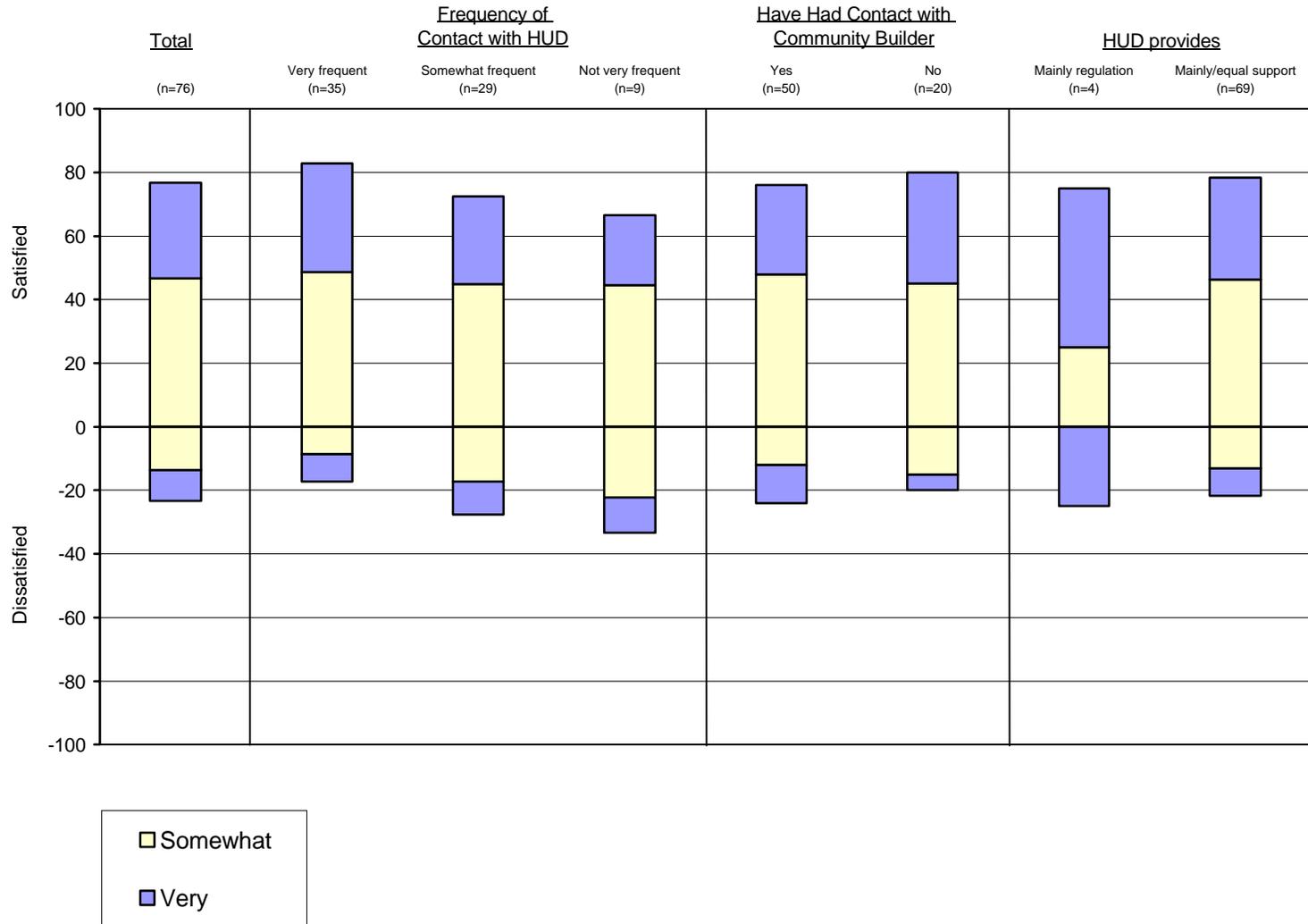
Question 4a: How satisfied or dissatisfied are you at the present point in time, in general, with the quality of the information you currently receive from HUD?



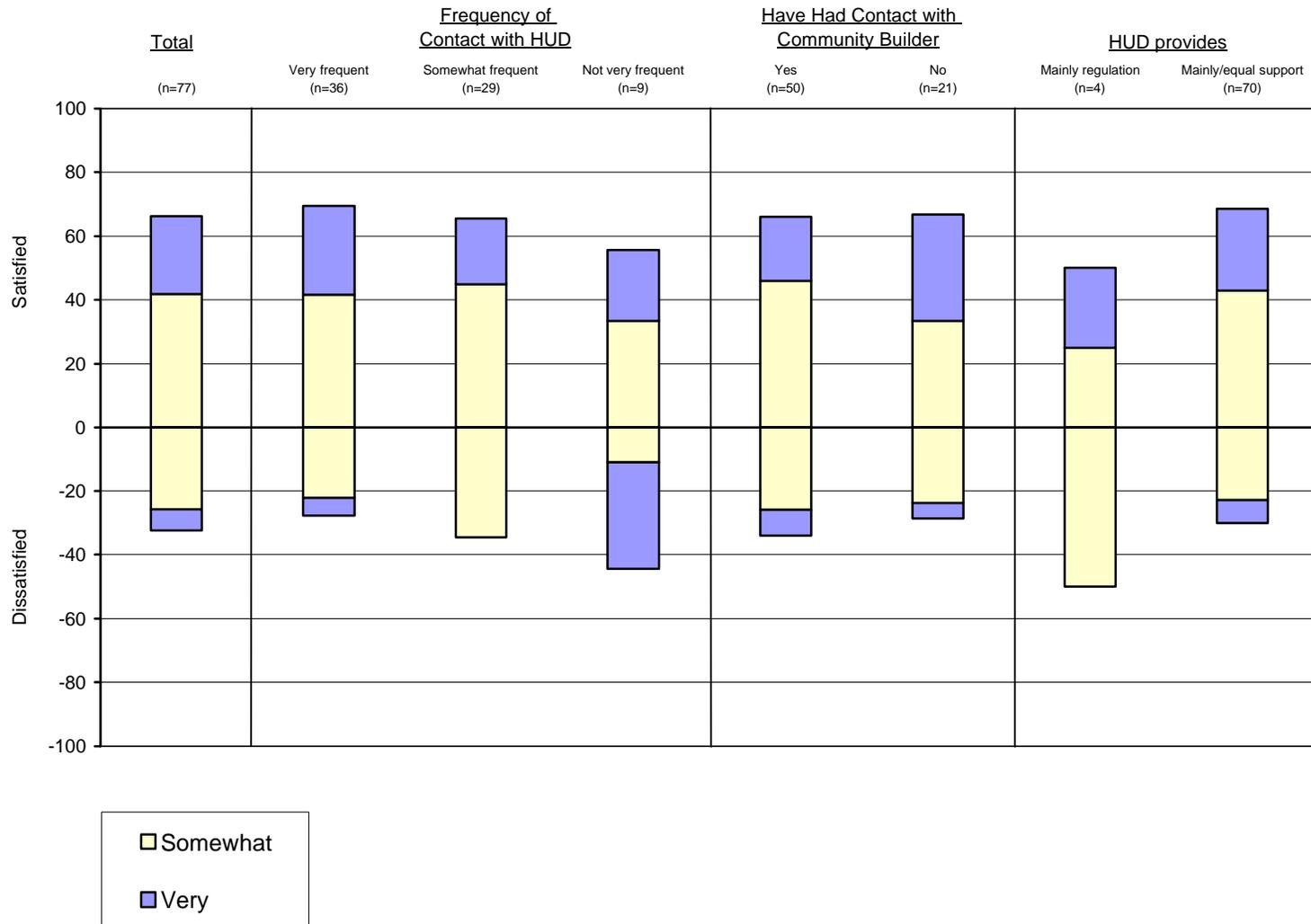
Question 4b: How satisfied or dissatisfied are you at the present point in time, in general, with the timeliness of the information you currently receive from HUD?



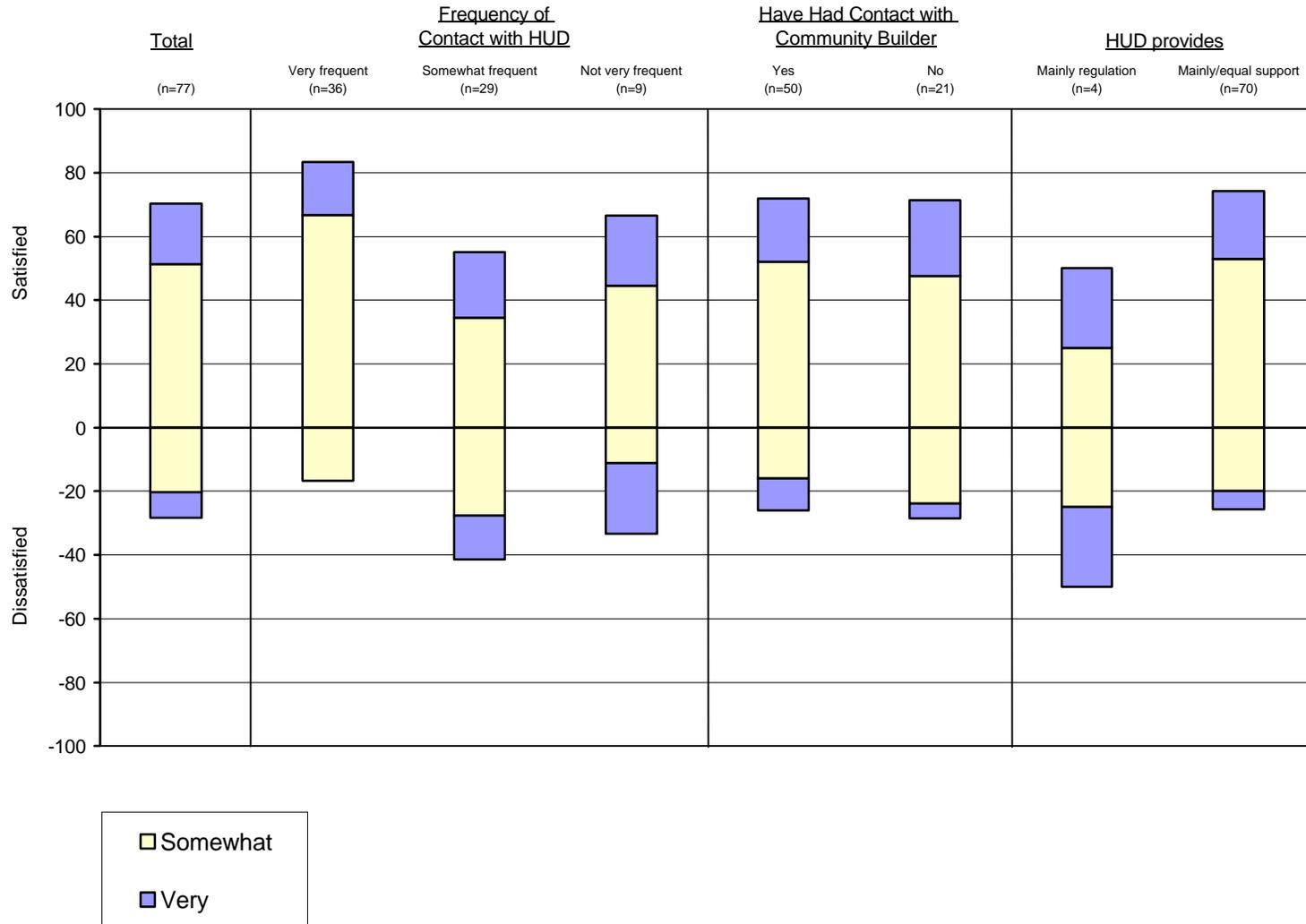
Question 4c: How satisfied or dissatisfied are you at the present point in time, in general, with the quality of guidance you currently get from HUD?



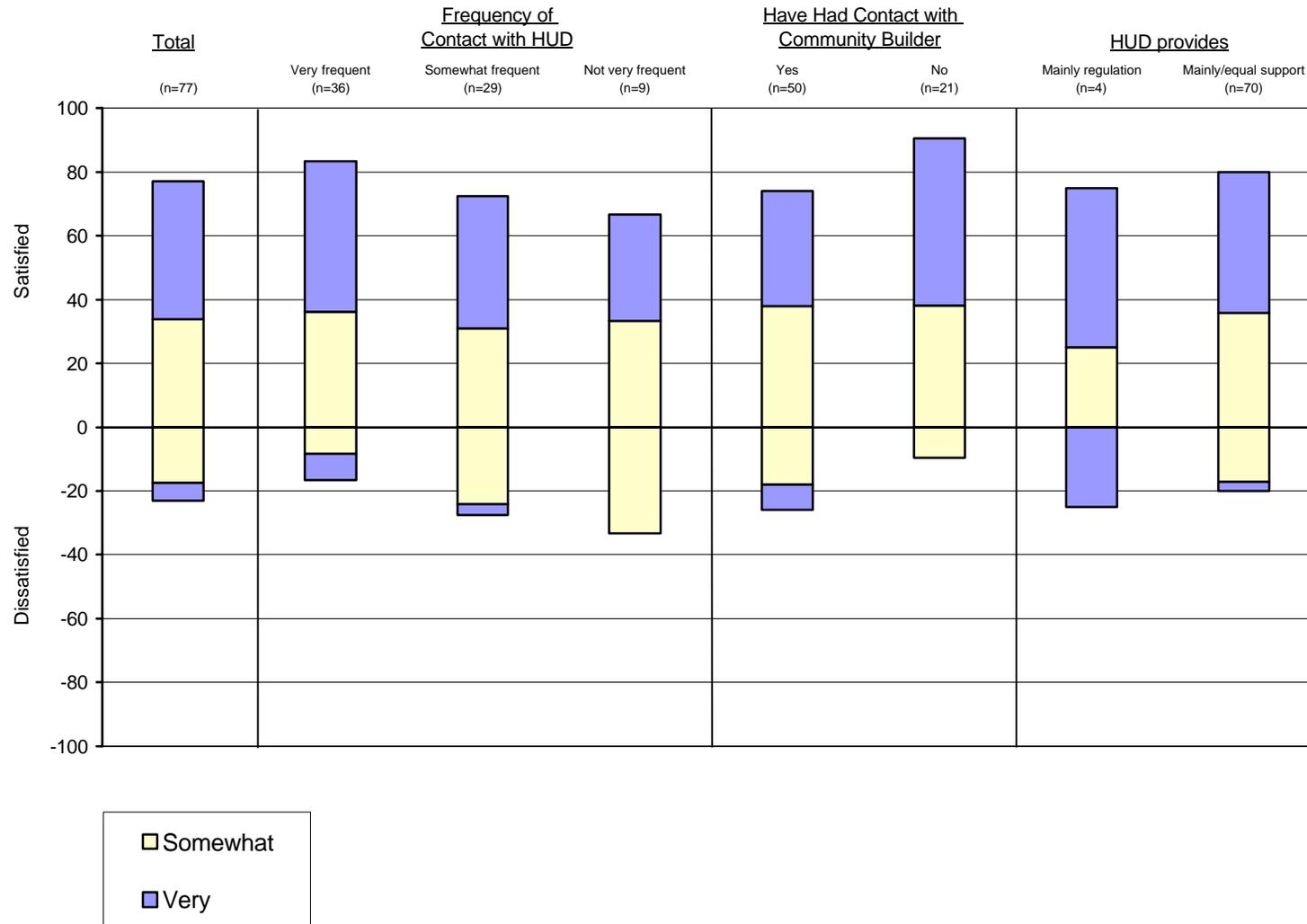
Question 4d: How satisfied or dissatisfied are you at the present point in time, in general, with the consistency of guidance you currently get from HUD?



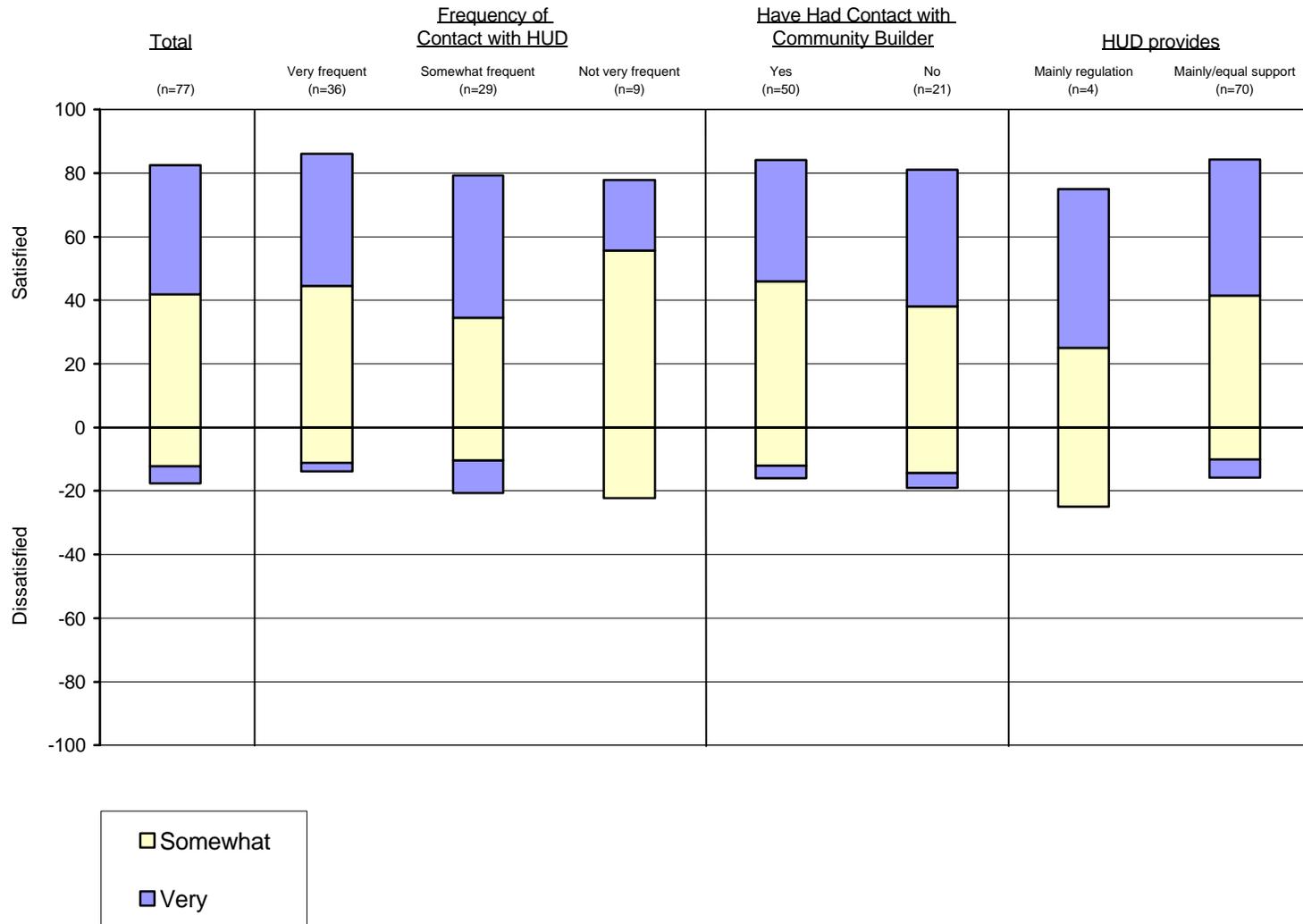
Question 4e: How satisfied or dissatisfied are you at the present point in time, in general, with the reasonableness of HUD rules and requirements that apply to your agency?



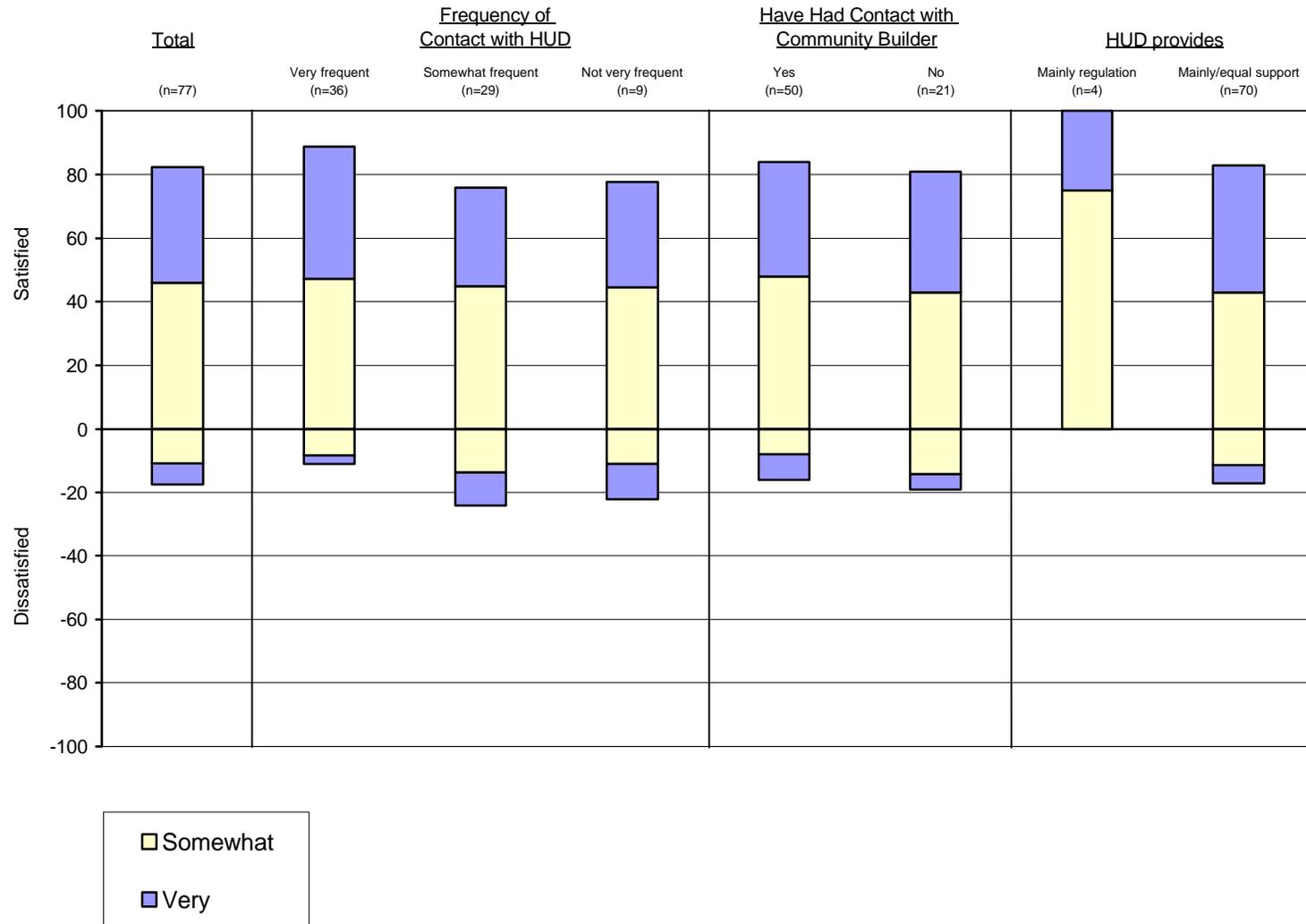
Question 4f: How satisfied or dissatisfied are you at the present point in time, in general, with the responsiveness of the people with whom you currently deal at HUD?



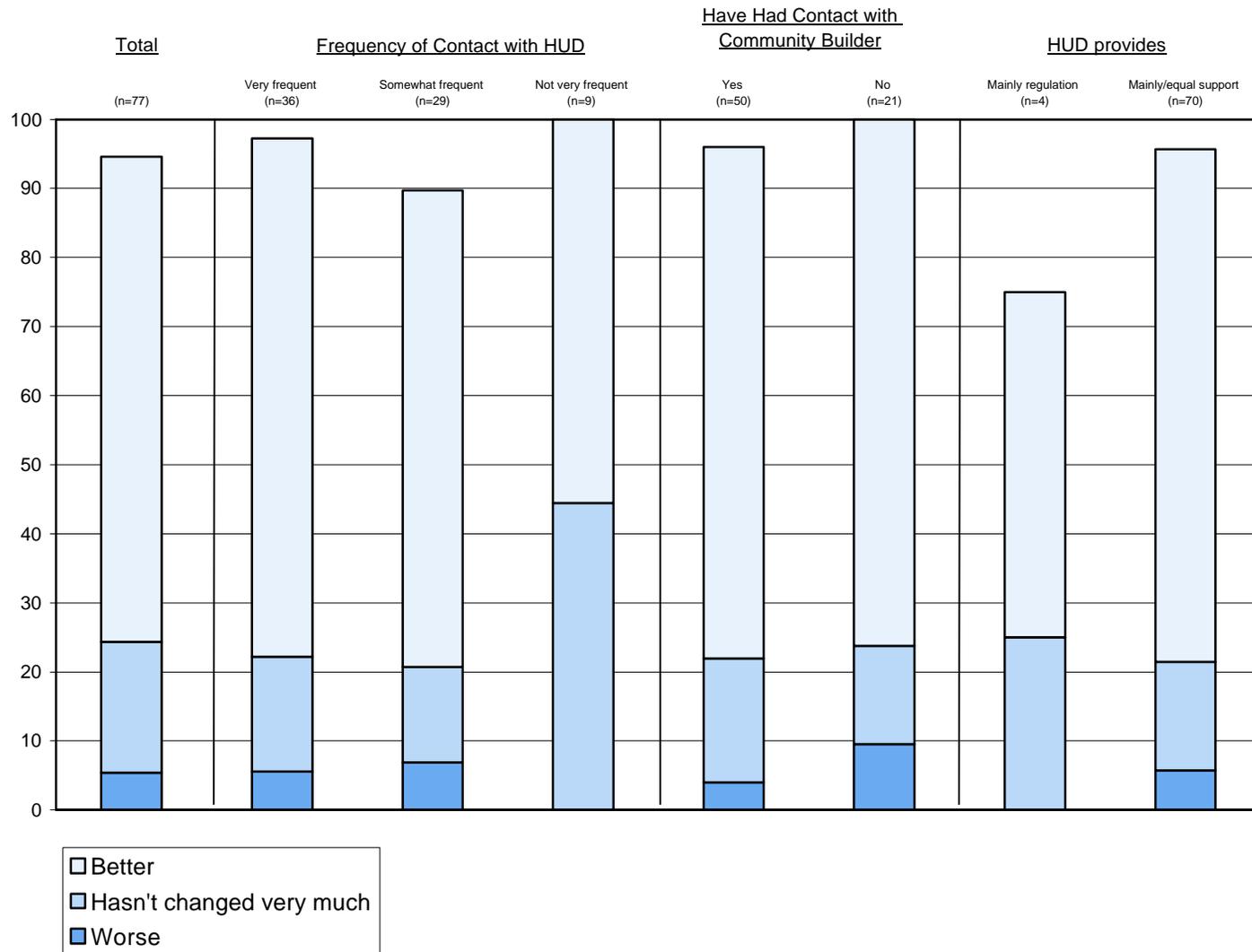
Question 4g: How satisfied or dissatisfied are you at the present point in time, in general, with the competence of the people with whom you currently deal at HUD?



Question 4h: How satisfied or dissatisfied are you at the present point in time, in general, with the overall quality of service you receive from HUD today?

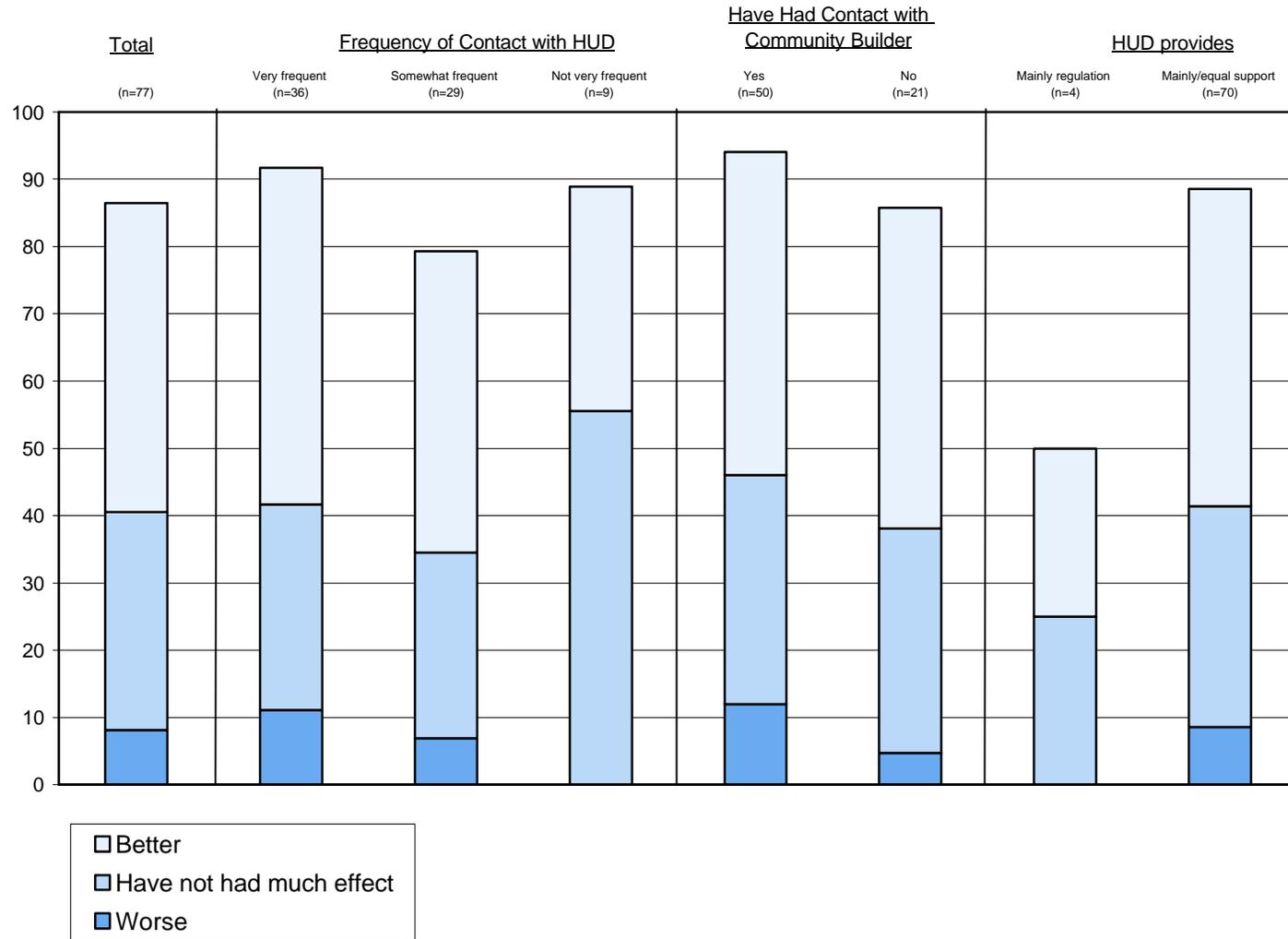


Question 5: Over the last several years, would you say the overall quality of service you received from HUD is generally getting much better, somewhat better, somewhat worse, much worse, or hasn't changed much?

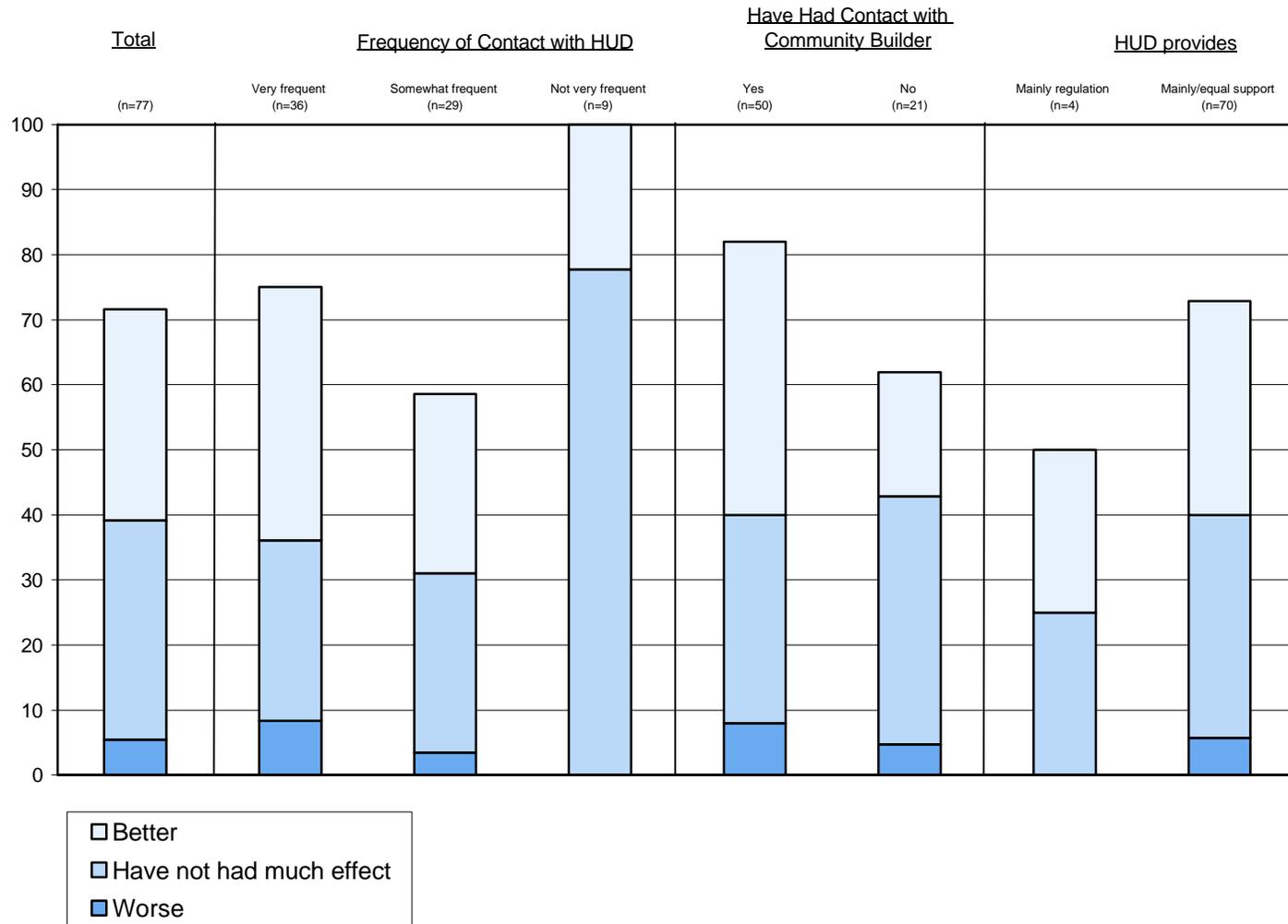


Management Changes

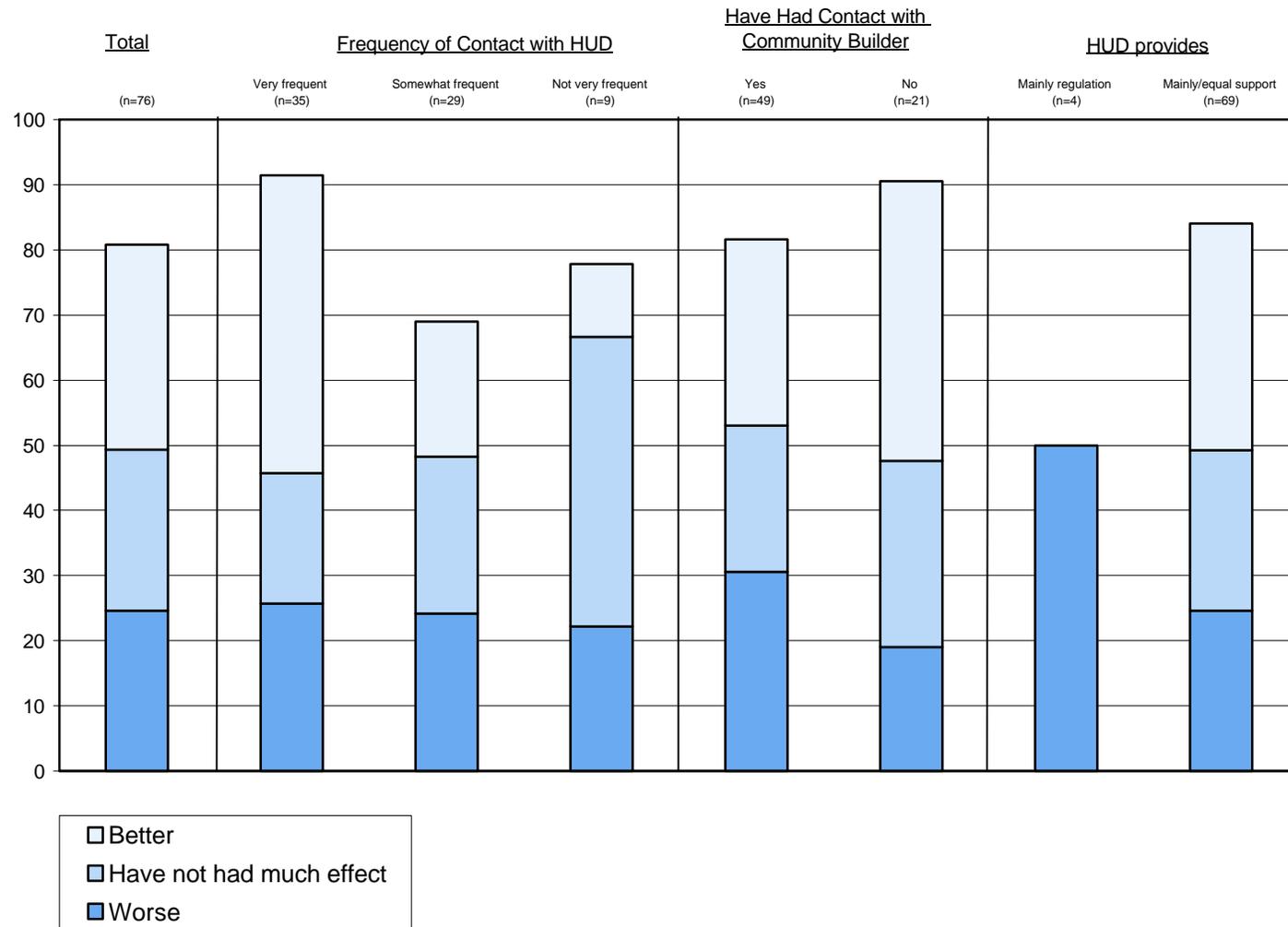
Question 7a: Would you say that the changes, over the last several years, in HUD's organizational structure, such as the establishment of new centers and hubs, have made HUD much better, somewhat better, somewhat worse, much worse, or have not had much effect?



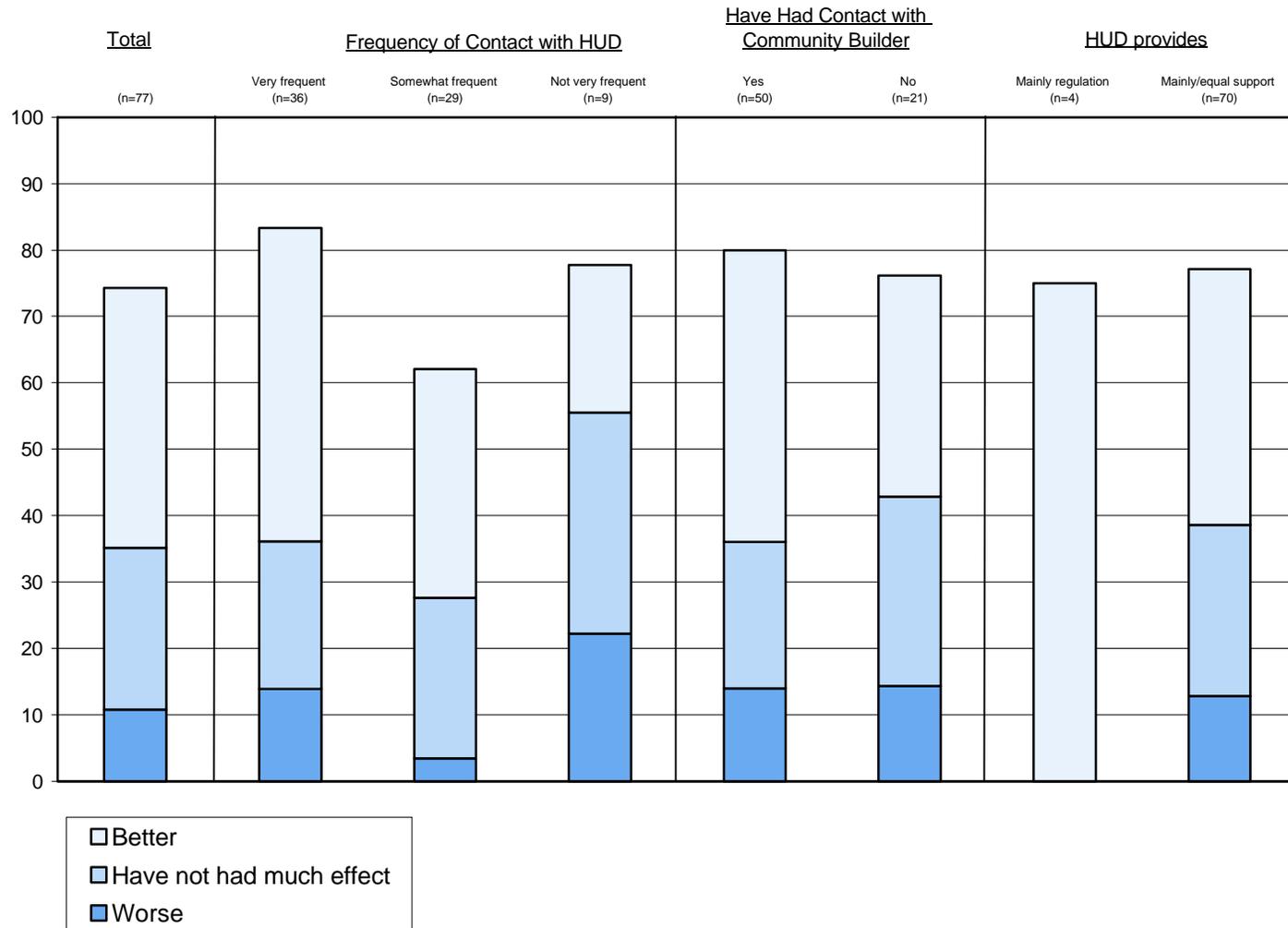
Question 7b: Would you say that the changes, over the last several years, in HUD functions, such as the establishment of the new Community Builder and Public Trust Officer functions, have made HUD much better, somewhat better, somewhat worse, much worse, or have not had much effect?



Question 7c: Would you say that the changes, over the last several years, in HUD's staffing, such as the overall reduction in staff, staffing reassignments, and retraining of HUD staff, have made HUD much better, somewhat better, somewhat worse, much worse, or have not had much effect?

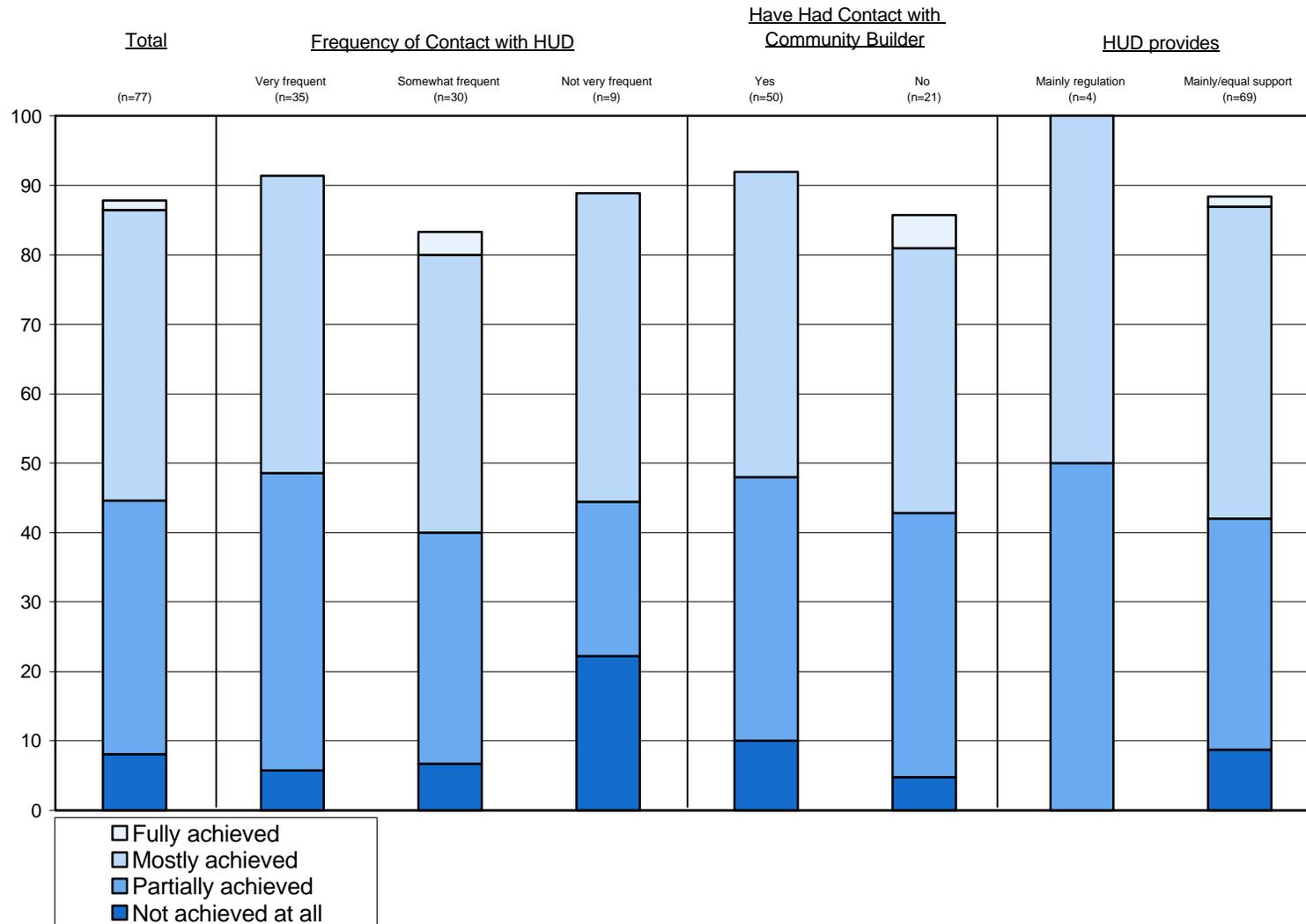


Question 7d: Would you say that the changes, over the last several years, in HUD's financial management systems, such as the creation of new systems and the consolidation of older ones, have made HUD much better, somewhat better, somewhat worse, much worse, or have not had much effect?

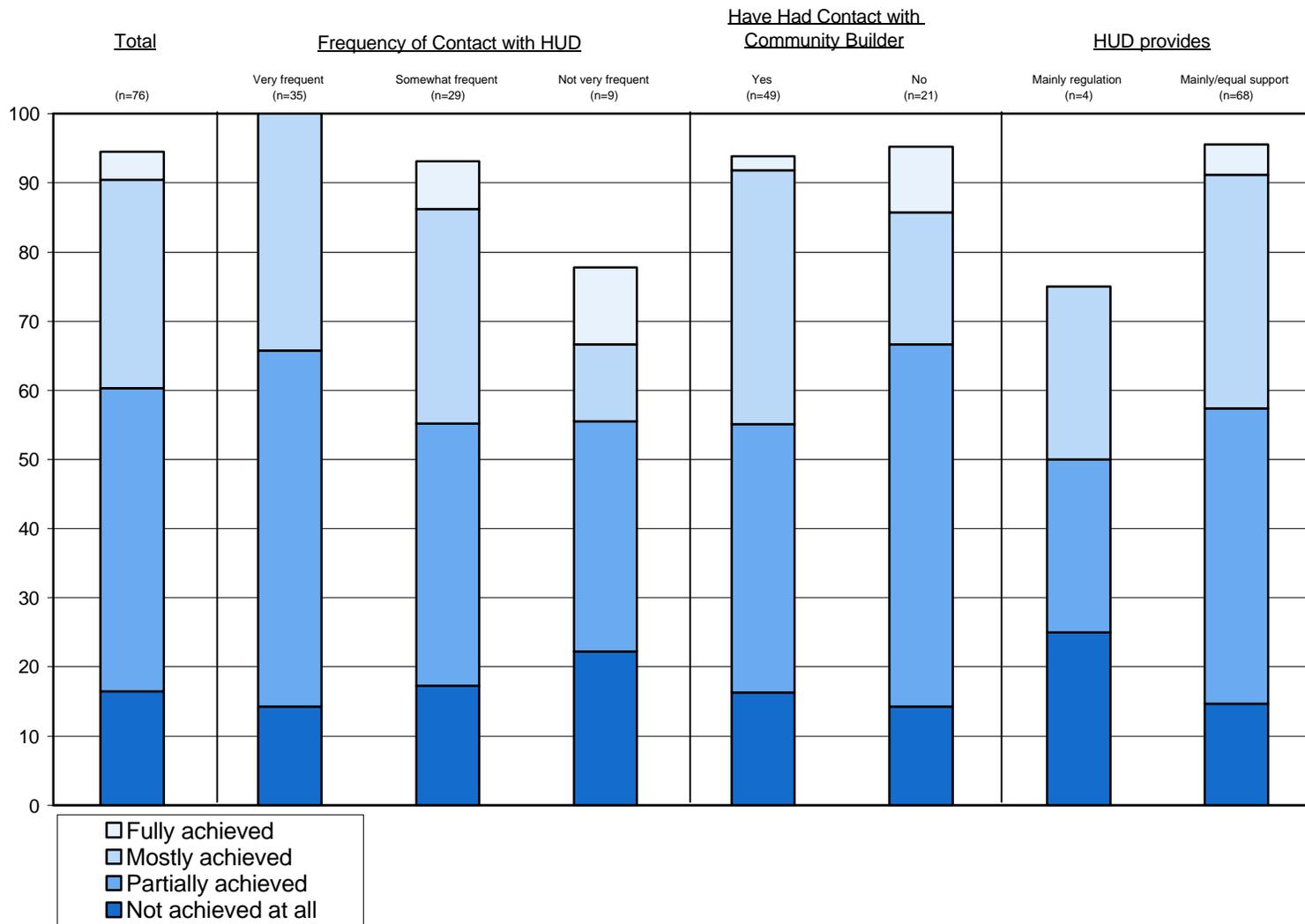


Achievement of Management Objectives

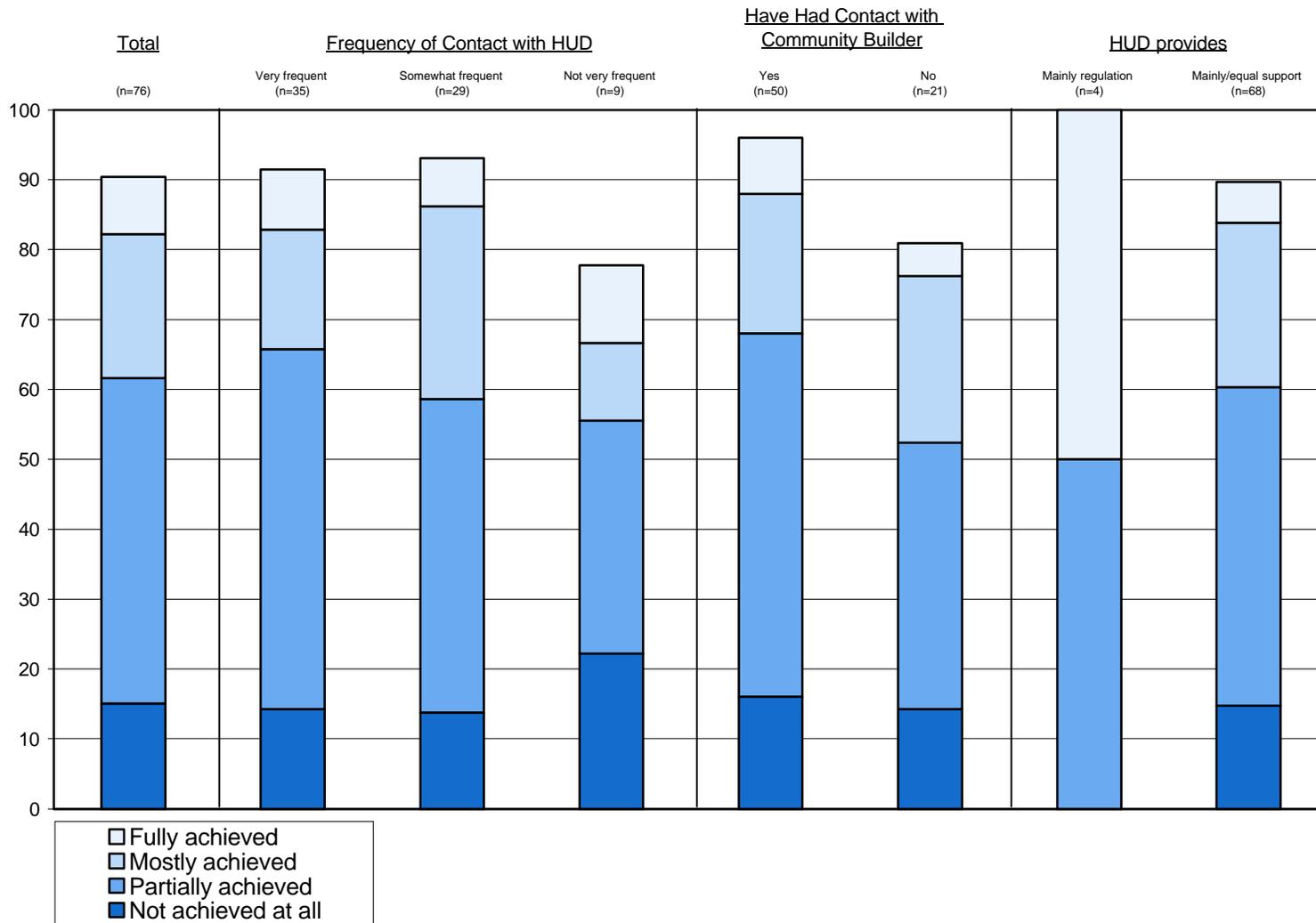
Question 8a: Please indicate the extent to which you believe the following HUD reform objective has been fully achieved, mostly achieved, partially achieved, or not achieved at all: To restore the public trust in HUD.



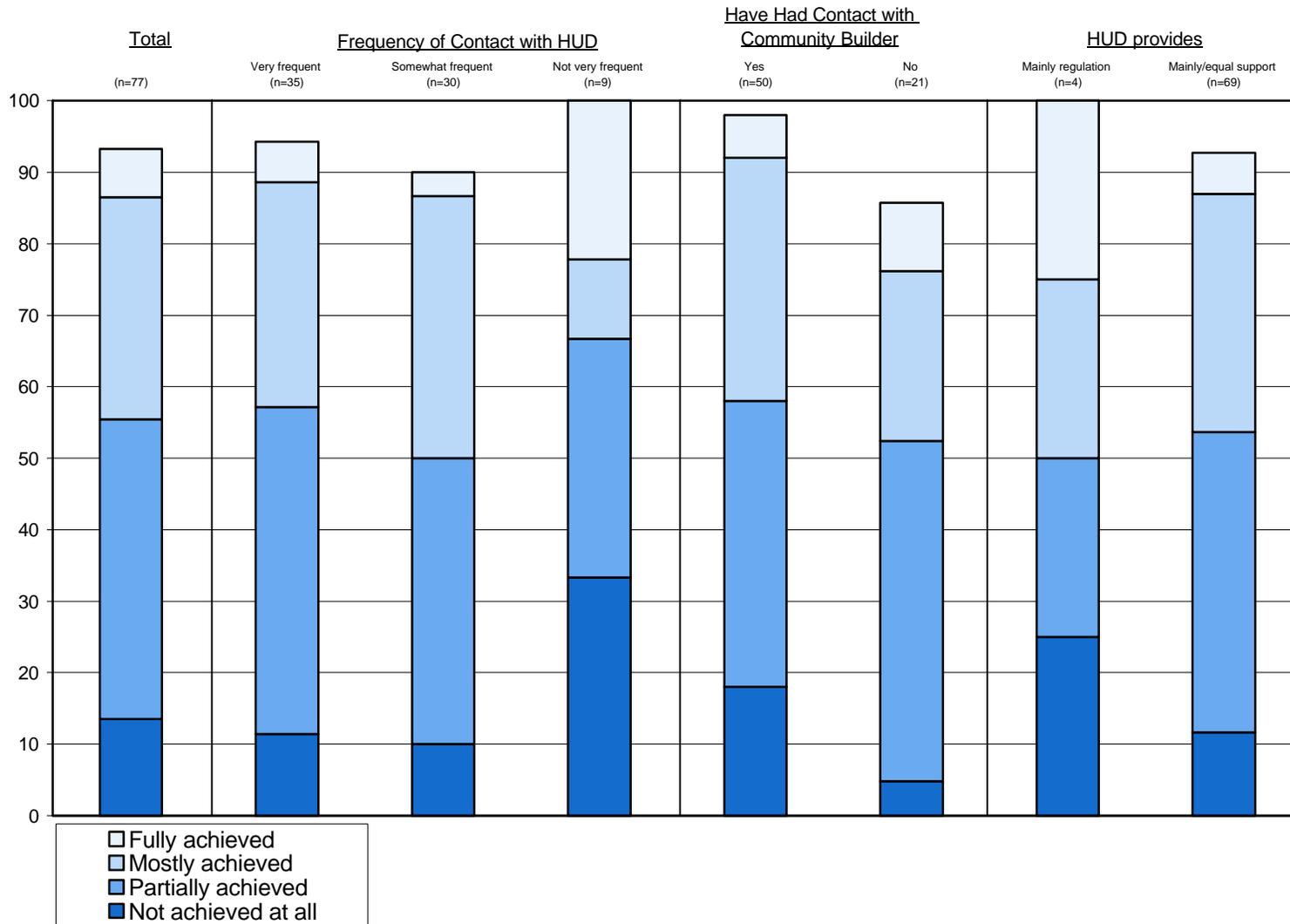
Question 8b: Please indicate the extent to which you believe the following HUD reform objective has been fully achieved, mostly achieved, partially achieved, or not achieved at all: To be "the best in the business."



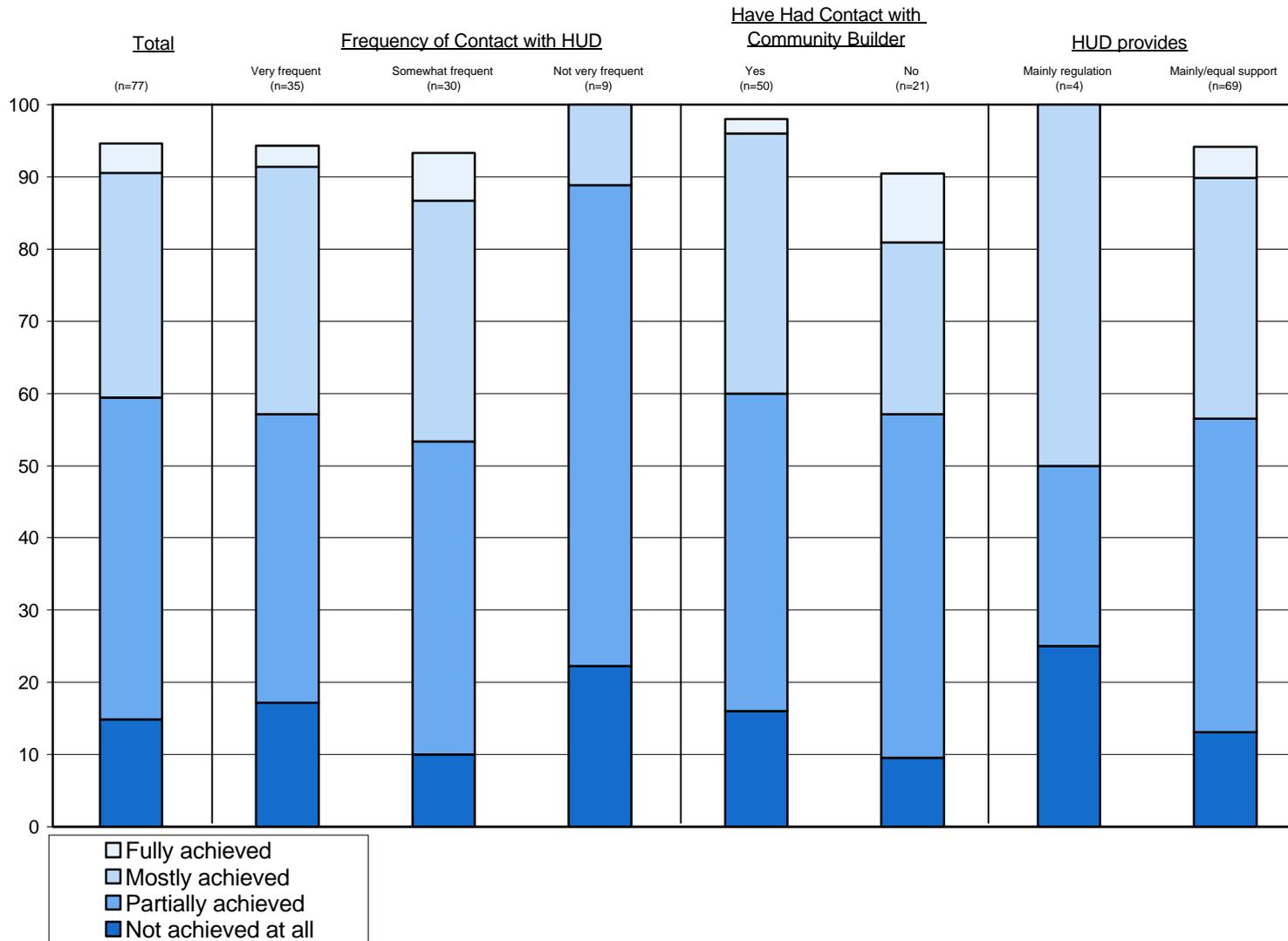
Question 8c: Please indicate the extent to which you believe the following HUD reform objective has been fully achieved, mostly achieved, partially achieved, or not achieved at all: To replace a top-down bureaucracy with a new customer-friendly structure.



Question 8d: Please indicate the extent to which you believe the following HUD reform objective has been fully achieved, mostly achieved, partially achieved, or not achieved at all: To instill an ethic of competence and excellence at HUD.

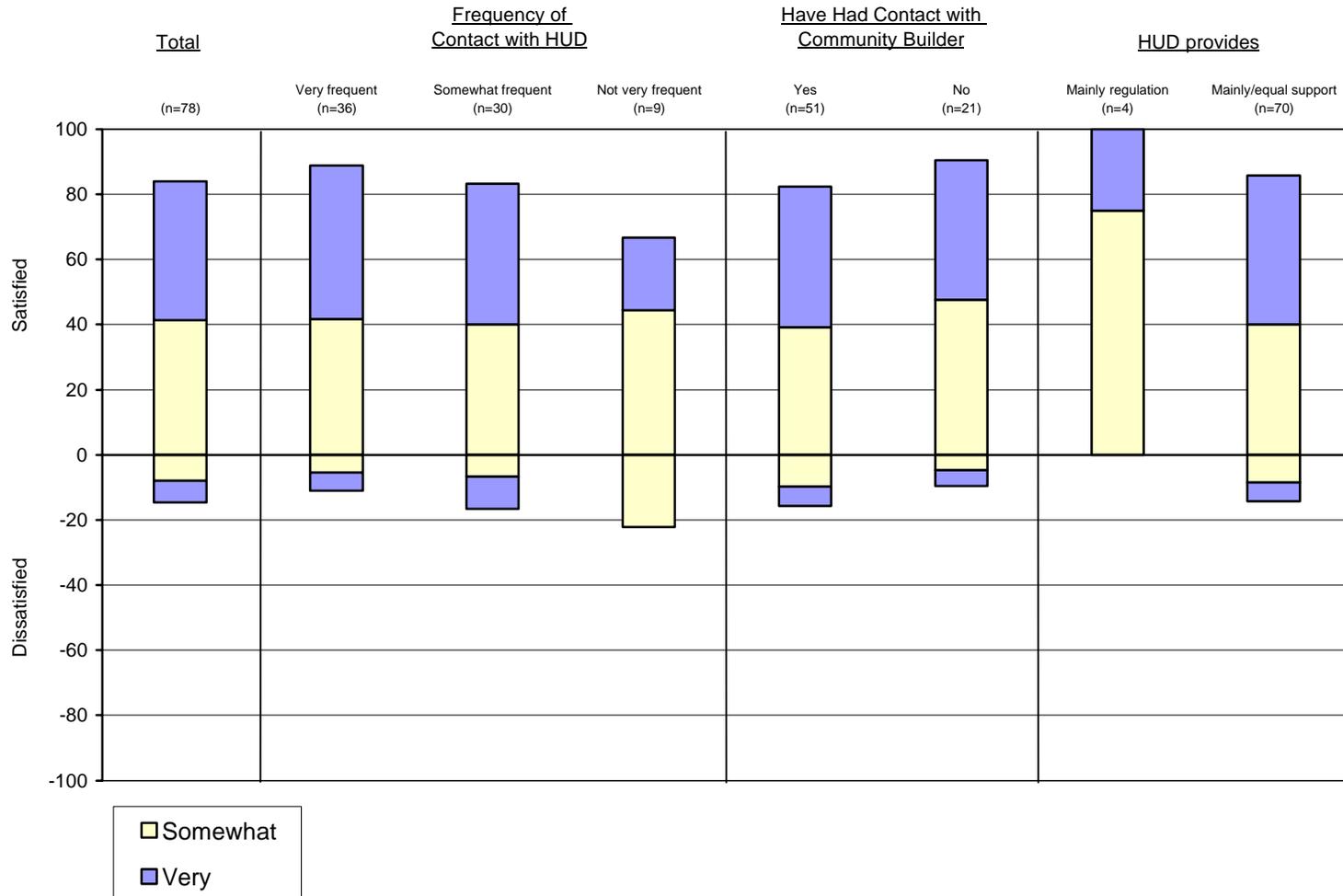


Question 8e: Please indicate the extent to which you believe the following HUD reform objective has been fully achieved, mostly achieved, partially achieved, or not achieved at all: To replace the emphasis on process with an emphasis on performance.

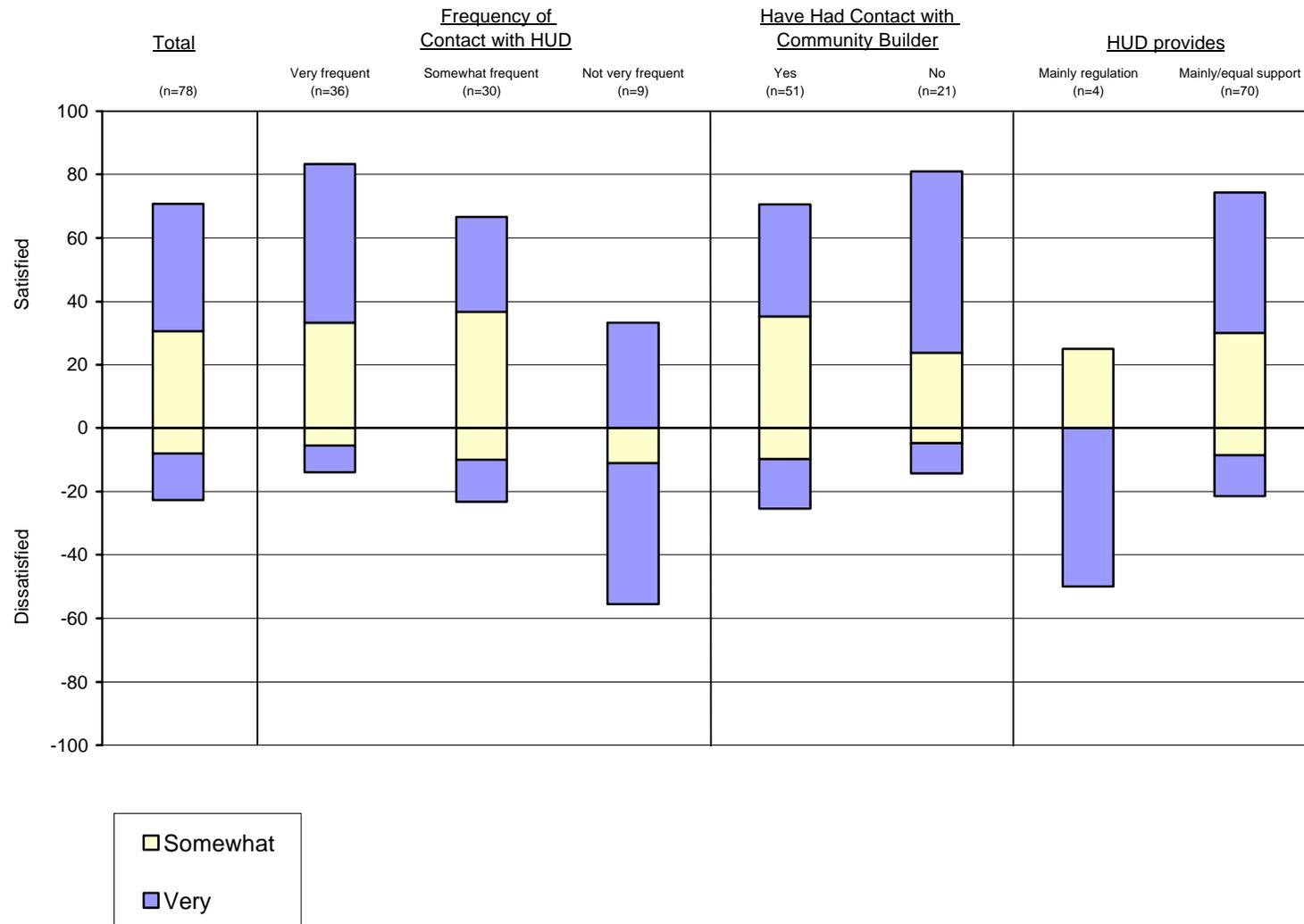


Questions Specific to FHAP Agency Partners

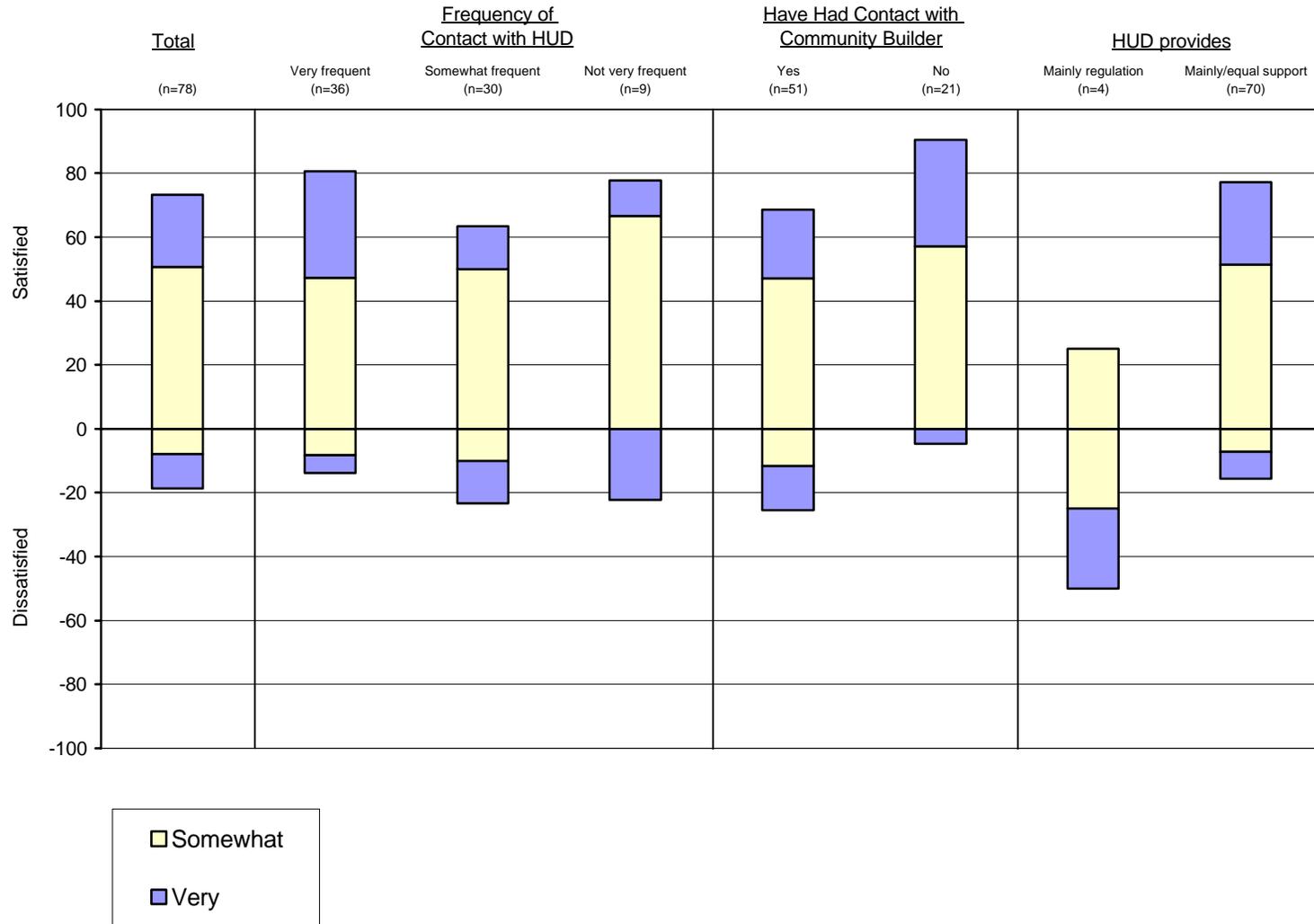
Question 9a: Please indicate your level of satisfaction with the following as it relates to your agency's experiences (Check "Not Applicable" if a situation does not apply to your agency): the quality of the HUD program training and technical assistance provided over the past year or so.



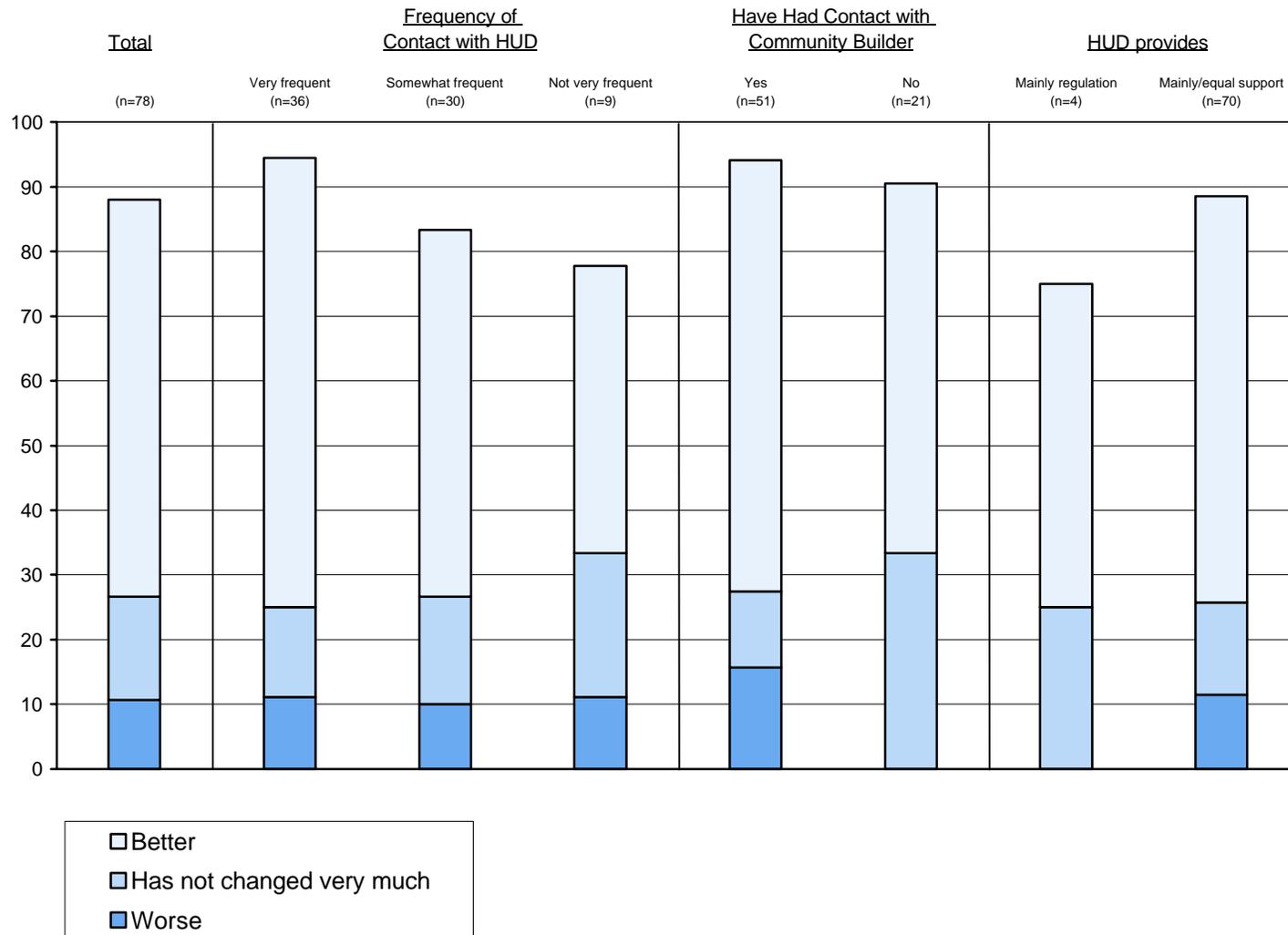
Question 9b: Please indicate your level of satisfaction with the following as it relates to your agency's experiences (Check "Not Applicable" if a situation does not apply to your agency): the timeliness of grant agreement payments made to your Agency.



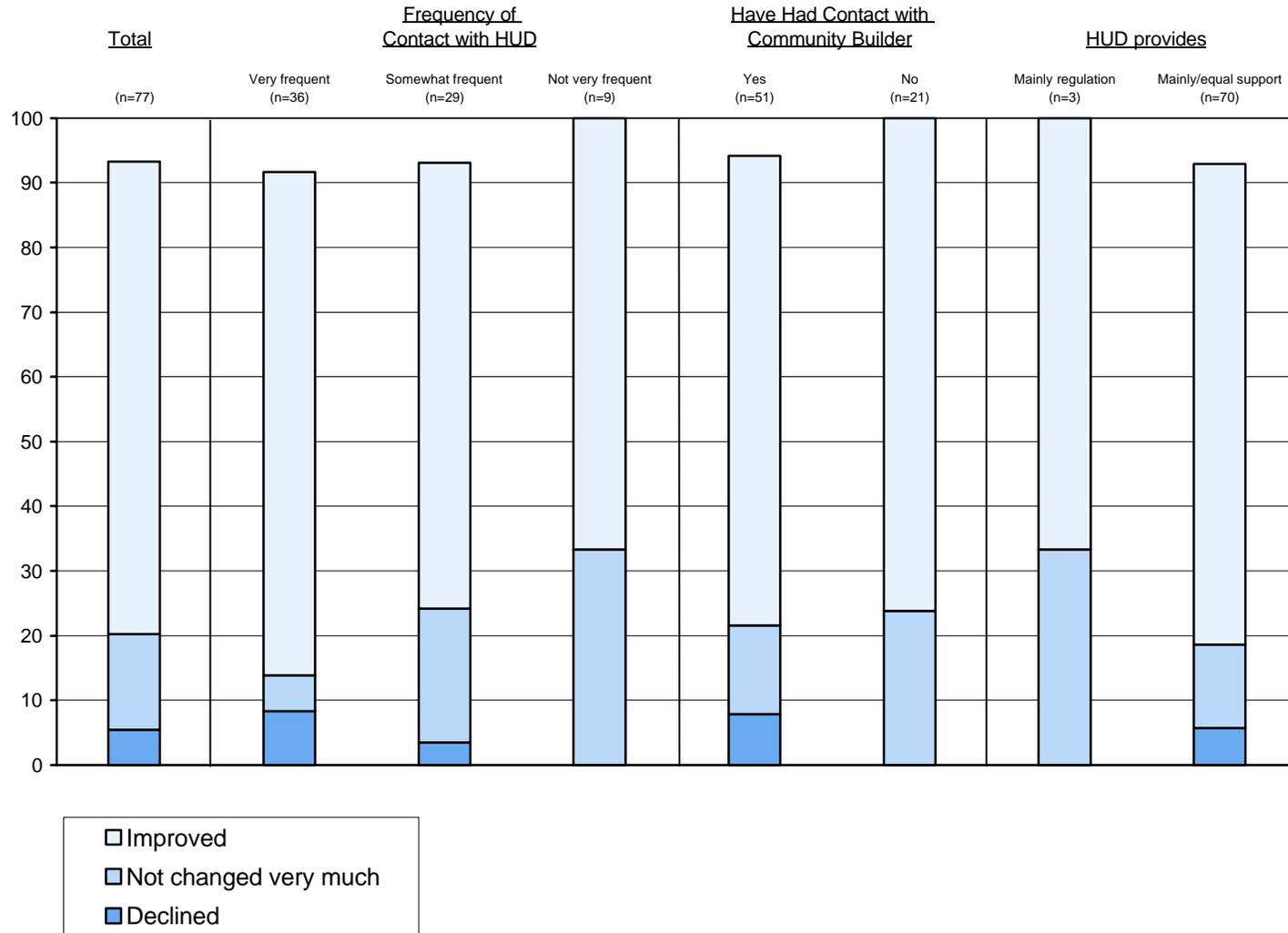
Question 9c: Please indicate your level of satisfaction with the following as it relates to your agency's experiences (Check "Not Applicable" if a situation does not apply to your agency): HUD's current capacity to respond to fair housing complaints.



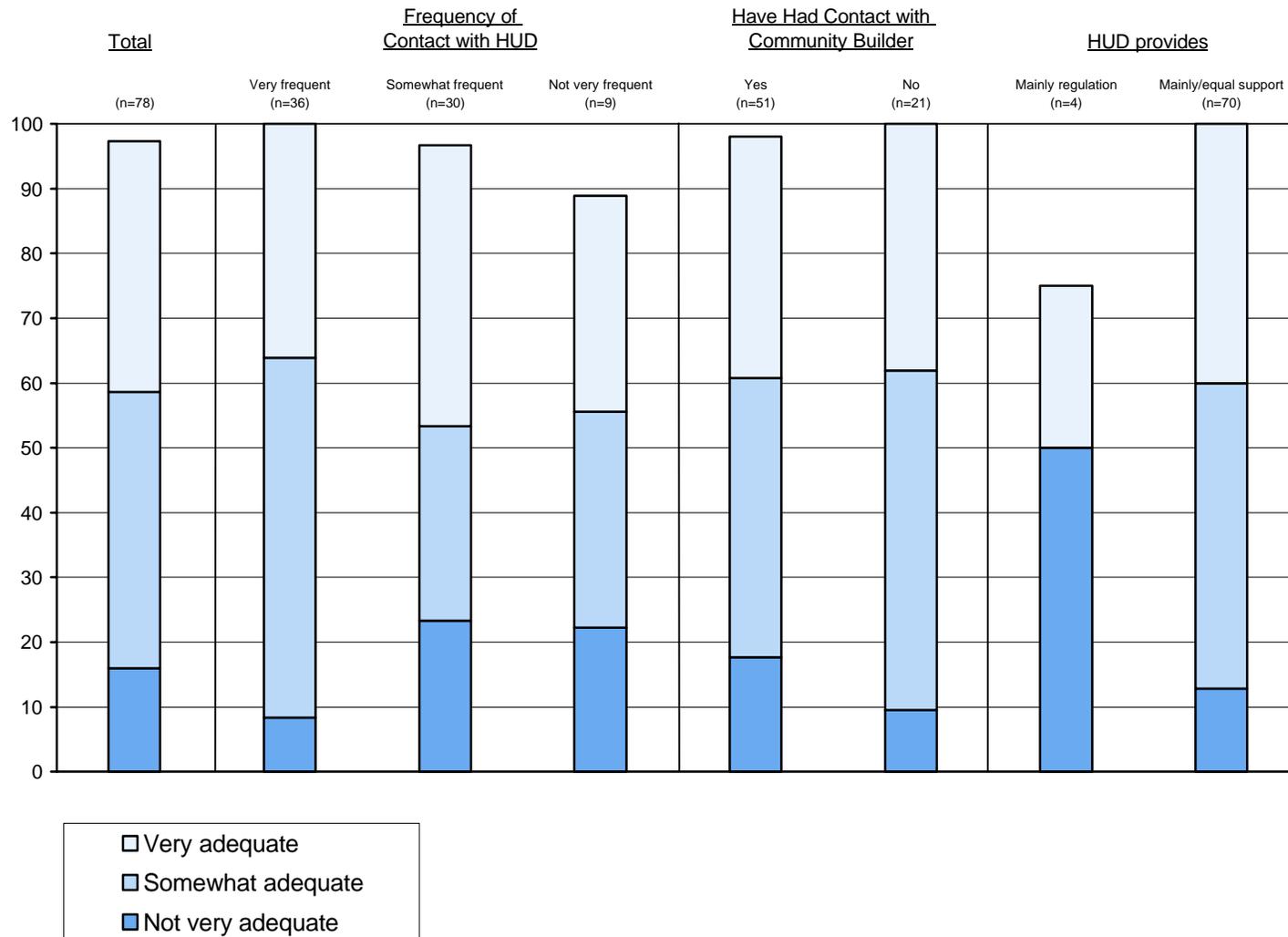
Question 10: Over the last several years, would you say HUD's capacity to respond to fair housing complaints is generally getting much better, somewhat better, somewhat worse, much worse or not changed very much?



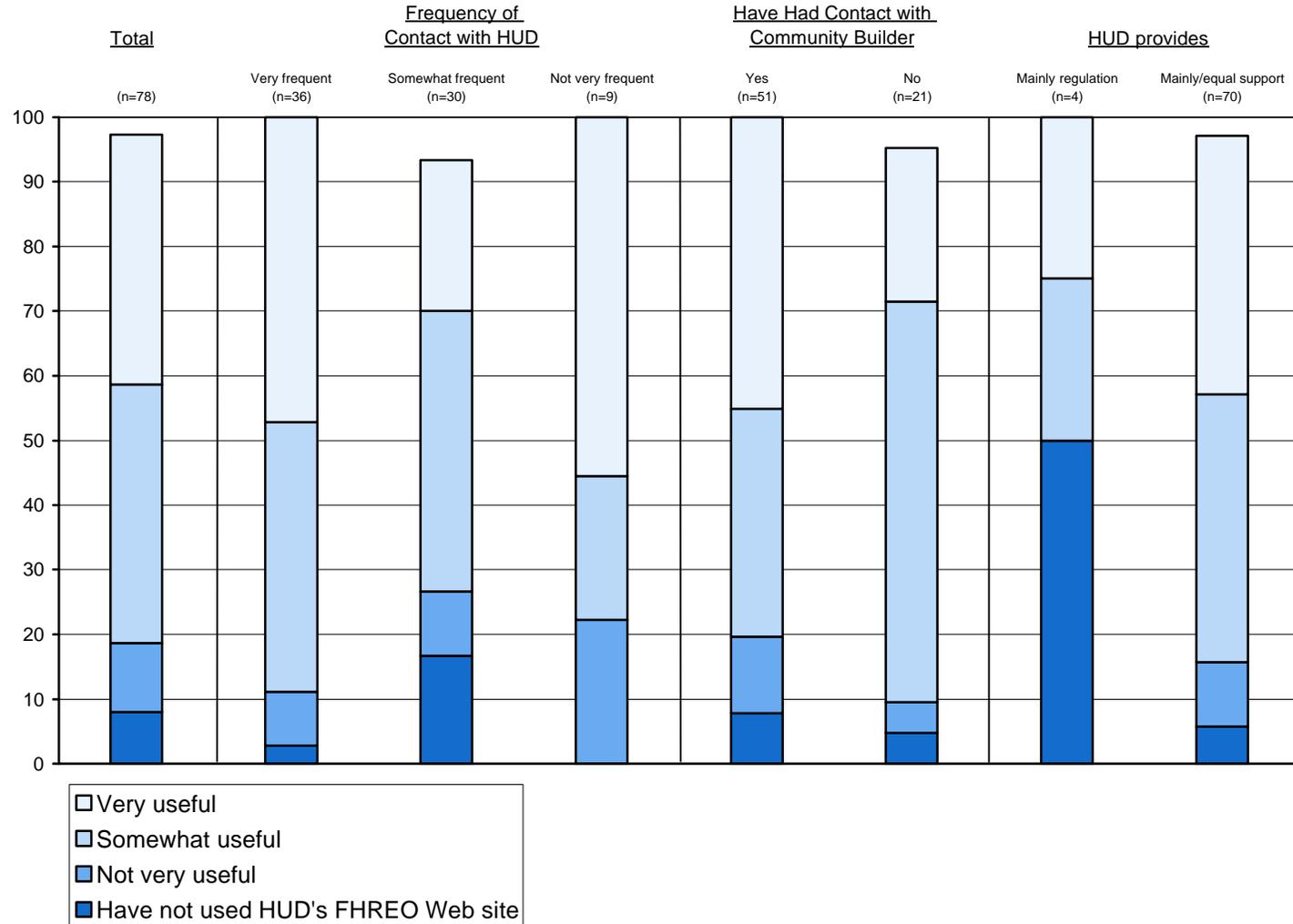
Question 11: More broadly, do you think HUD's capacity to enforce fair housing laws over the last several years has improved substantially, improved somewhat, declined somewhat, declined substantially or not changed very much?



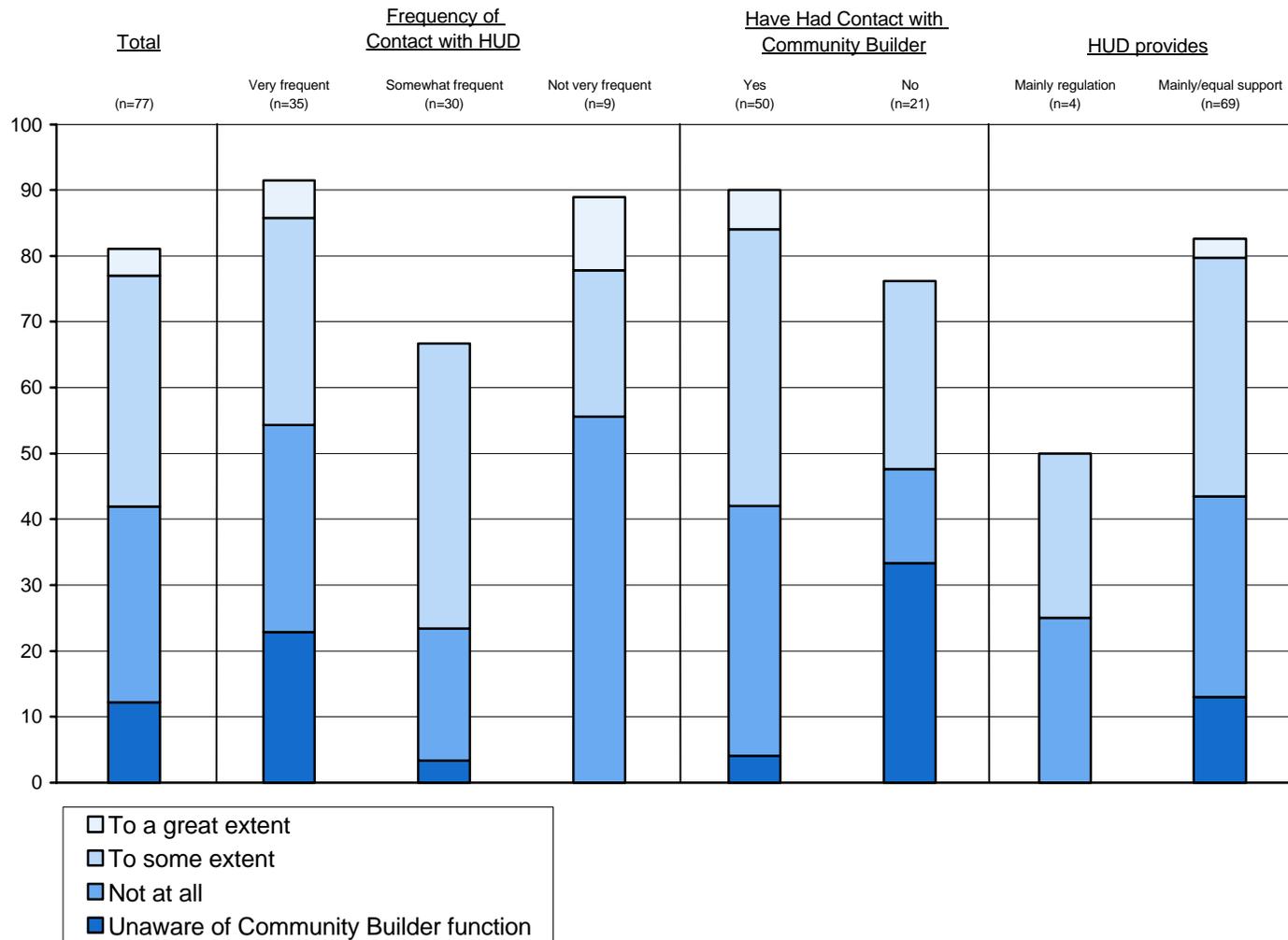
Question 12: How adequate is the level of technical assistance currently provided to you by HUD in support of your agency's responsibility for responding to fair housing complaints? Is it very adequate, somewhat adequate or not very adequate?



Question 13: How useful to your agency is HUD's Internet Web site devoted to Fair Housing and Equal Opportunity? Is it very useful, somewhat useful, not very useful or have not used HUD's FHREO Web site?



Question 14: To what extent would you say the outreach functions being performed by HUD's new Community Builders have contributed to a heightened awareness of fair housing protections and remedies?



Part 5: Evaluations of HUD By Section 202/811 Multifamily Housing Partners

HUD administers two multifamily housing programs to expand the supply of multifamily housing with supportive services for specialized populations. Capital advances (and, previously, direct loans) are provided to eligible private, nonprofit sponsors to finance the development of rental housing with supportive services for elderly persons and persons with disabilities under Section 202, and persons with disabilities under Section 811. Most Section 202 sponsors are religious organizations, but also included are community-based development corporations, unions, fraternal organizations, and cooperatives. Developments designed for persons with disabilities tend to be sponsored primarily by community-based groups. Under the Section 811 program, public bodies with 501(c)(3) nonprofit status are also a major sponsor type.¹ In all cases, the sponsors own and operate the housing, with occupancy open to very low-income households.

HUD's Sections 202 and 811 multifamily partners exhibit high levels of overall satisfaction with the Department's programs and its performance.

¹ See *Section 202: Housing for the Elderly and the Handicapped*, The Encyclopedia of Housing, William van Vliet— (ed.), Sage Publications (Thousand Oaks: 1998), pp. 509-511.

The sample. The sample consists of 294 owners of Section 202 and Section 811 properties and others answering on their behalf. Owners were surveyed from property lists maintained by HUD's Office of Housing; these were aggregated into ownership entities and sampled on a (random) equal-probability basis. Based on an initial sample of 400 such entities, the survey response rate is 74 percent.²

Of the total number of respondents, five percent were interviewed by telephone; the remainder responded to a mailed survey form. Forty percent of the respondents were owners/CEOs/managing general partners, presidents, chairpersons, principals, or directors; 12 percent were other company/organization senior officials, 9 percent were other company or organization employees, 32 percent were property managers, and 7 percent were others representing the ownership entity. Instructions accompanying the survey forms emphasized that, if the owner could not personally respond to the survey, those answering should be in a position to respond on the owner's behalf.

Forty percent of the partners sampled own one property, 41 percent own two properties, 10 percent own 3 to

² The property list from which the sample was drawn contained some addresses to which mail or FedEx letters were undeliverable, and some missing or wrong telephone contact numbers. If the response rate were adjusted to account for those who were not reachable by either mail or telephone, it would be 86 percent.

10 properties, and 9 percent own more than 10 properties. Four percent own more than 25 properties.

Fifty-six percent of the partners sampled own 100 or fewer housing units, 21 percent own 101-200 units, and 23 percent own more than 200 units. Two percent own 1,001 to 2,000 units, and 3 percent own more than 2,000 units.

The HUD-partner relationship, and partners' overall performance evaluations. Forty-six percent of HUD's Section 202/811 multifamily partners see the Department as equally supporting and regulating them, and 14 percent see HUD as mainly supporting them. Thirty-six percent see the Department as mainly regulating them. Those who have the most frequent contact with HUD are somewhat more likely than others to see HUD as playing a primarily supportive role.

A very large proportion of Section 202/811 multifamily partners are satisfied with the HUD programs with which they are involved, the way they are run, and how HUD performs overall.

- Eighty-eight percent of such partners, and 92 percent of those who see HUD as providing mainly support or equal amounts of support and regulation are satisfied with the programs; in fact, 42 percent of all partners are very satisfied.

- Large numbers of partners are also satisfied with the way HUD runs the programs with which they deal. Seventy-eight percent overall, and 82 percent of those who see HUD in a mainly or equally supportive role, express satisfaction, with one-third of the latter sub-group saying they are very satisfied.
- A similar pattern is observed with respect to partners' overall ratings of HUD's performance. Seventy-eight percent are satisfied, including 25 percent who are very satisfied. Partners who see HUD as mainly or equally supportive are satisfied at even higher levels than those who see HUD as mainly regulating them.

Evaluations of service quality. Seventy-eight percent of Section 202/811 multifamily partners are satisfied with the quality of information they receive from HUD, although this proportion drops to 60 percent for those who own between 101 and 200 units. Four of every five partners with either fewer or more units than that are satisfied with information quality.

Sixty-five percent of Section 202/811 multifamily partners are satisfied with the timeliness of the information they receive from HUD, but there is a clear relationship between satisfaction level and number of units owned.

Dissatisfaction with the timeliness of information increases with the size of partners' holdings: 23 percent of those with 100 or fewer units are dissatisfied compared with 50 percent of those with over 200 units. There is also a relationship between dissatisfaction and the size of the HUD field office with which partners deal: 40 percent of those working with large offices are dissatisfied compared to 23 percent of those working with medium or small offices.

Section 202/811 multifamily partners are generally satisfied with the quality (71 percent) and consistency (65 percent) of guidance they receive from HUD. The dissatisfaction levels, 26 percent and 32 percent, respectively, increase somewhat for partners who work with large HUD field offices, to 38 percent and 42 percent. Also, partners who own more than 200 housing units are somewhat more dissatisfied with the consistency of guidance they receive than those who own fewer units.

Three of every five Section 202/811 multifamily partners are satisfied with the reasonableness of the HUD rules and requirements that apply to them. By comparison to most other partner groups, this is a relatively high level of approval. Dissatisfaction with rules and requirements is, in part, associated with the number of units owned: the higher the number of units, the higher the level of dissatisfaction. Also, those who see HUD primarily as a regulator are more

frequently dissatisfied than others with HUD's rules and requirements.

More than three-fourths of Section 202/811 multifamily partners are satisfied with the responsiveness and competence of the people they deal with at HUD, and many are very satisfied. Dissatisfaction with HUD staff, while limited, is greatest for partners who own more than 200 units. Concern about HUD staff responsiveness, again while limited, is greater for those who have frequent contact with the Department than for those who have less frequent contact.

Finally, approximately three-fourths (76 percent) of Section 202/811 multifamily partners express satisfaction with the *overall* quality of service they receive from HUD, with 23 percent expressing dissatisfaction. Also, many more partners conclude that, over the last several years, the overall quality of service they have received from HUD has gotten better (56 percent) than conclude it has gotten worse (17 percent). Twenty-seven percent of those who own more than 200 units believe service quality has worsened compared to 12 percent of those who own 100 or fewer units.

Assessments of management changes. Section 202/811 multifamily partners have mixed views about the impacts of management changes made at HUD over the last several years—those that involved structural, functional, staffing, and financial management systems. For example,

- More of them believe that organizational changes have improved the Department than believe otherwise: 39 percent believe the Department is better as a result of the changes compared to 13 percent who believe the Department is worse; 23 percent see no effect. Number of units owned is somewhat associated with such opinions: the larger the numbers of units, the more likely partners see a positive effect.
- Many Section 202/811 multifamily partners are either unaware of changes in HUD functions that have occurred in recent years—such as the establishment of the distinction between Community Builders and Public Trust Officers—or do not know if such changes have had any effect. Indeed, 68 percent of such entities had no direct contact with a HUD Community Builder. Of those who do venture an opinion, more see improvement than worsening. Among those who had direct contact with a Community Builder, 46 percent believe HUD is better off for the change, compared to 14 percent who believe it is worse off.
- Relatively few Section 202/811 multifamily partners see HUD's staffing changes as having improved the Department. Twenty-one percent of them believe the Department is better as a result of

staffing changes, while 39 percent believe HUD is worse. The conclusion that the Department is worse off is correlated with several factors, among them: ownership of more than one property; ownership of larger numbers of units; and frequency of contact with the Department.

- More Section 202/811 multifamily partners believe changes to HUD's financial management systems—such as the creation of new systems and the consolidation of older ones—have improved the Department (38 percent) than believe otherwise (23 percent). The likelihood that these partners see the situation worsening increases with the number of units they own and the frequency of their contact with HUD.

Achievement of management reform objectives.

HUD's management reforms over the previous several years were an attempt to achieve certain objectives. Among them are the following:

- To restore the public trust in HUD;
- For HUD to be "the best in the business;"
- To replace a top-down bureaucracy at HUD with a new customer-friendly structure;

- To instill an ethic of competence and excellence at HUD; and
- To replace the emphasis on process at HUD with an emphasis on performance.

As of late-2000 and early-2001, very few Section 202/811 multifamily partners concluded that HUD's management objectives had not been achieved at all (the highest proportion for any of the goals is 21 percent); instead, a large majority saw at least some goal achievement with respect to each of them. In their opinions, the goal that was closest to achievement involves the restoration of public trust in HUD, where over 70 percent say there had been at least partial or greater achievement; 35 percent say the goal had been mostly or fully achieved.

In terms of HUD's objectives of being "the best in the business" and establishing a customer-friendly structure, partners who own more units are less likely to see any goal achievement than those who own fewer units. Also, those who have frequent contact with HUD are less likely than others to see achievement of a customer-friendly structure.

Questions specifically designed for multifamily property owner partners. HUD's Section 202 and 811 partners were asked a series of questions specific to

multifamily owners' relationship to the Department. Their responses are as follows:

- Approximately half (49 percent) of all such partners report being clear about the different functions and responsibilities of the various HUD offices, hubs, and centers they may have to work with under HUD's new organizational structure. However, 39 percent overall, and 50 percent of those who own more than 200 units, are not clear about these arrangements.
- Two-thirds of Section 202/811 multifamily partners say it has been easy in recent months to reach the people at HUD whom they need to contact (including 29 percent say it has been very easy), while 30 percent say it has been difficult. Seventy-seven percent of those who deal with small HUD field offices maintain that contact has been easy—including 53 percent who say it has been very easy.
- Sixty percent of Section 202/811 multifamily partners report satisfaction with the transition to property inspections by HUD's Real Estate Assessment Center (REAC), with 24 percent saying they are dissatisfied with this transition. Among the different groups of multifamily owners

(and PHAs) who deal with REAC, this group is the most positive on this subject. The most dissatisfied Section 202/811 multifamily partners sub-group is that which owns more than 200 housing units: 42 percent of them are dissatisfied.

- Fifty-seven percent of Section 202/811 multifamily partners believe that, once fully implemented, physical inspections done by REAC will be an improvement over previous methods used by HUD to inspect housing developments. Twenty-two percent overall, 34 percent of those who see HUD as mainly regulating them, and 36 percent of those who own more than 200 units think no improvement will result.
- Many more Section 202/811 multifamily partners are satisfied (54 percent) with the transition to electronic financial reporting to REAC than are dissatisfied (27 percent). And, once fully implemented, 64 percent of them expect electronic financial reporting to be an improvement over previous methods used by HUD to report financial information.
- Two-thirds of Section 202/811 multifamily partners are satisfied with the ability of HUD field office personnel—those in the multifamily hubs

and program centers—to consistently and reliably interpret policies and regulations that pertain to their properties. Compared to others, the frequency of dissatisfaction is higher for those who own more than 200 units (45 percent), for those who have very frequent contact with HUD (37 percent), and for those who had contact with a HUD Community Builder (32 percent).

- Over half (54 percent) of Section 202/811 multifamily partners report that HUD's capacity to monitor and provide oversight related to their properties has improved over the last several years. Twelve percent say HUD's capacity has gotten worse, and 25 percent say it has not changed very much.

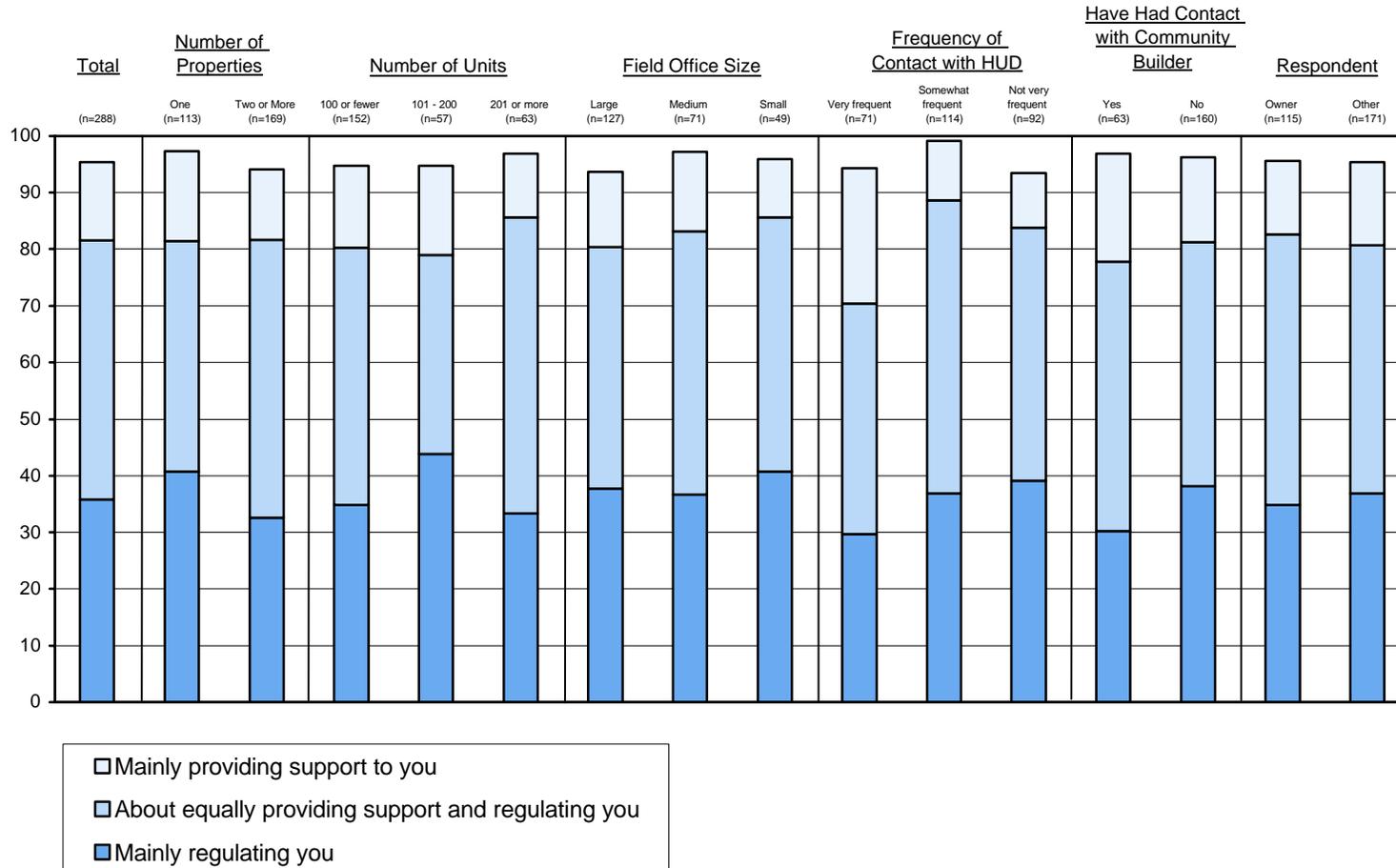
Open-ended comments provided by respondents.

At the end of the survey, respondents were given an opportunity to provide additional comments about HUD, in their own words. Twenty-eight percent of Section 202/811 partners chose to do so. Most of the comments identified problems. However a number of them (28) complimented HUD; most of these focused on the helpfulness of local HUD staff. Ten or more owners complained about each of the following: the lack of skilled, quality HUD staff; delays in responding to requests; technological problems (associated

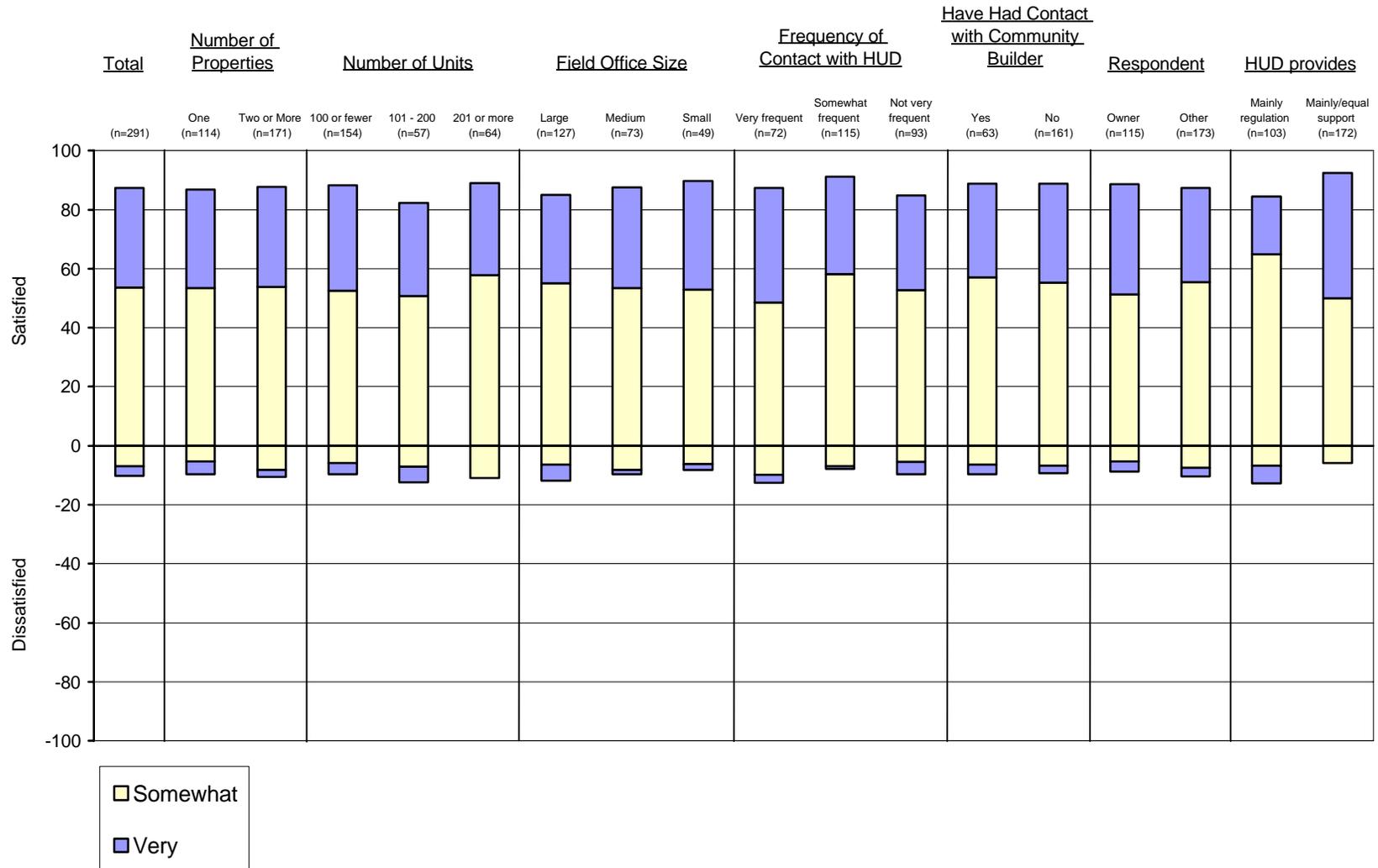
with the new effort by HUD to use electronic reporting); and problems with new contract administrators.

Overall Performance

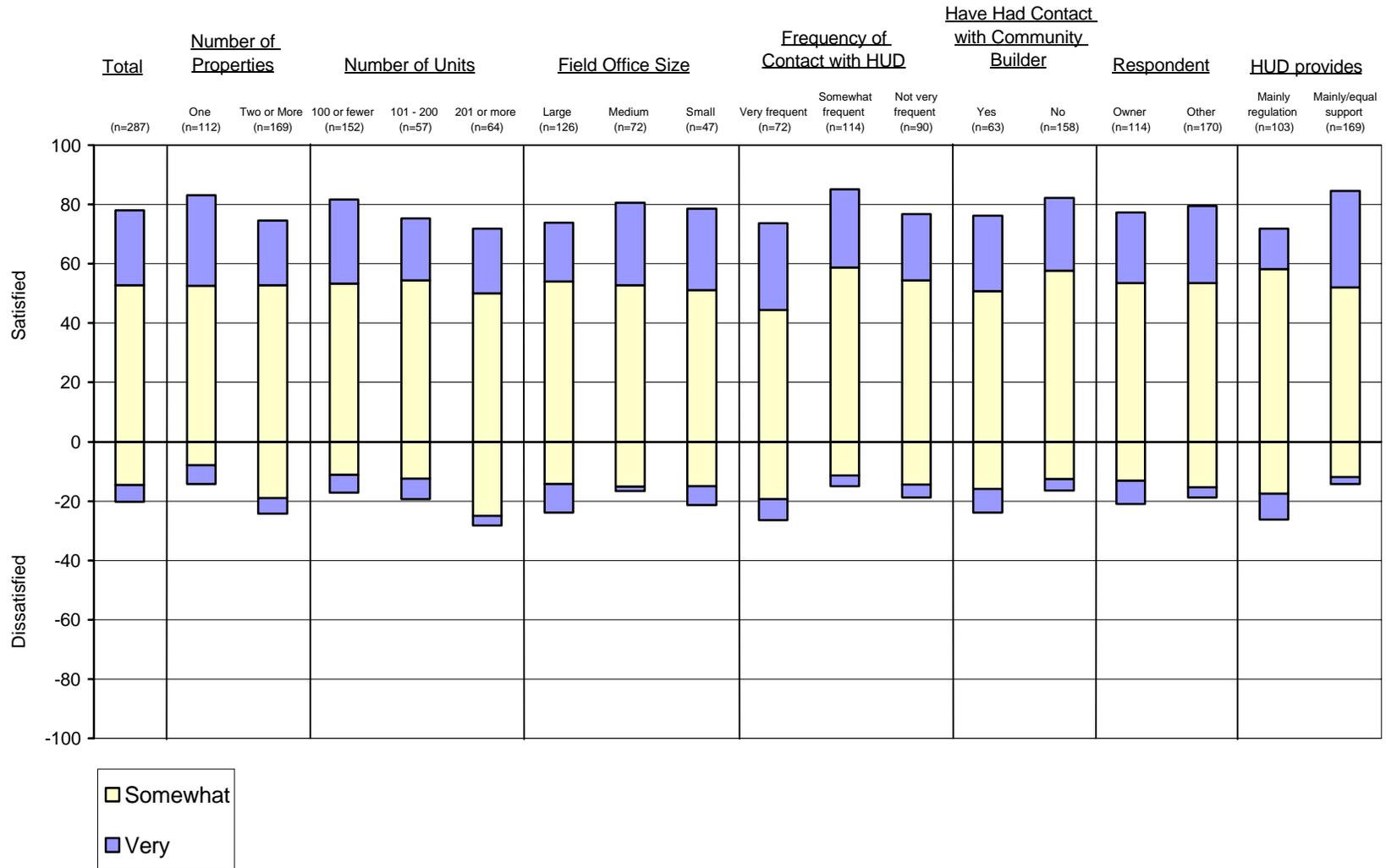
Question 6: HUD has several different responsibilities. On one hand, it provides various forms of support (for example, funding, technical assistance, information) and, on the other, it has a regulatory responsibility (that is, it makes rules, assures compliance with those rules, does assessments). In your business or organization's relationship with HUD, would you say HUD is mainly providing support to you, about equally providing support and regulating you, or mainly regulating you?



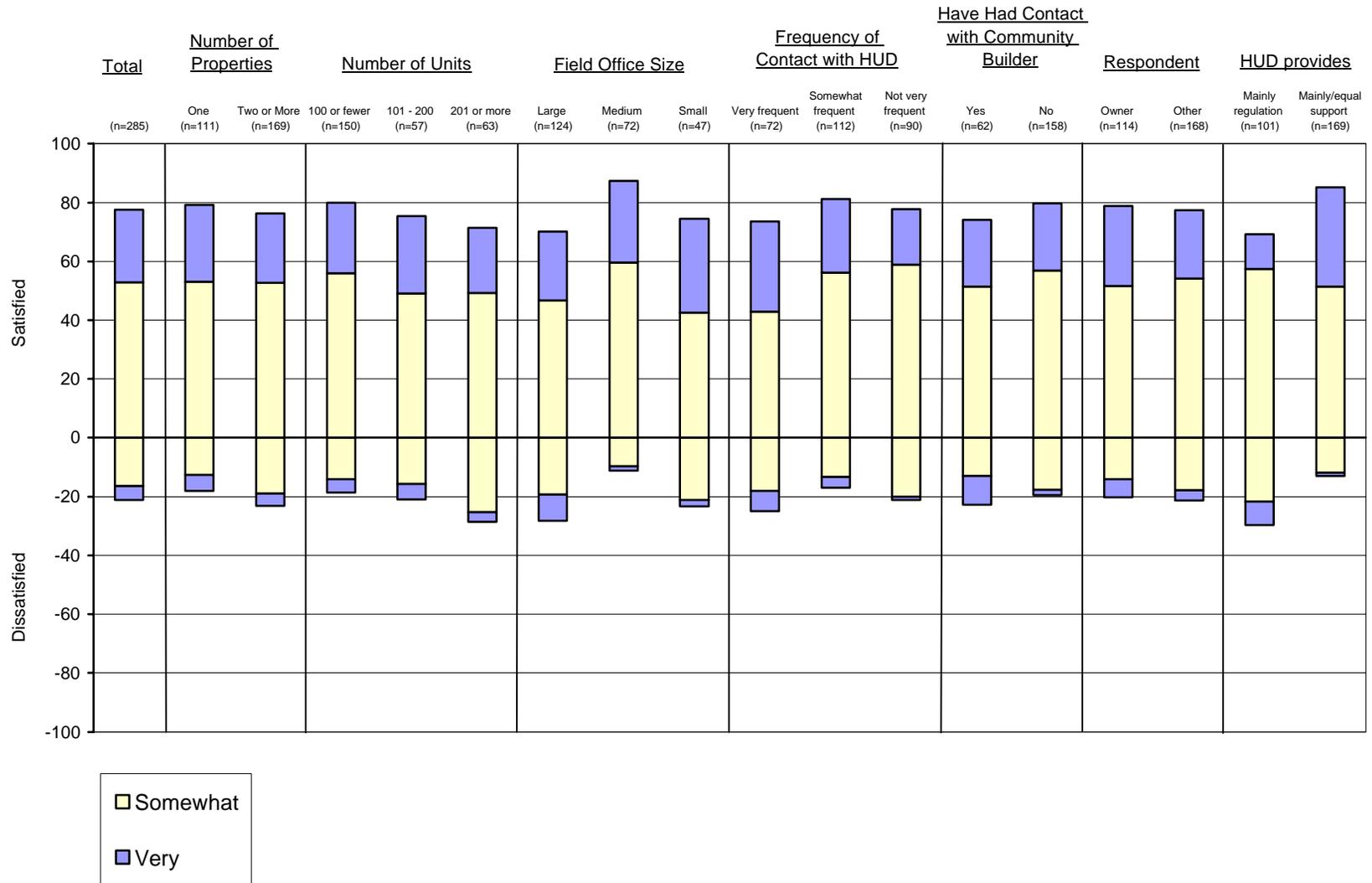
Question 3a: Thinking separately about the HUD programs with which you currently deal and about how HUD runs those programs, how satisfied or dissatisfied are you, in general, with the HUD programs you currently deal with?



Question 3b: Thinking separately about the HUD programs with which you currently deal and about how HUD runs those programs, how satisfied or dissatisfied are you, in general, with the way HUD currently runs those programs?

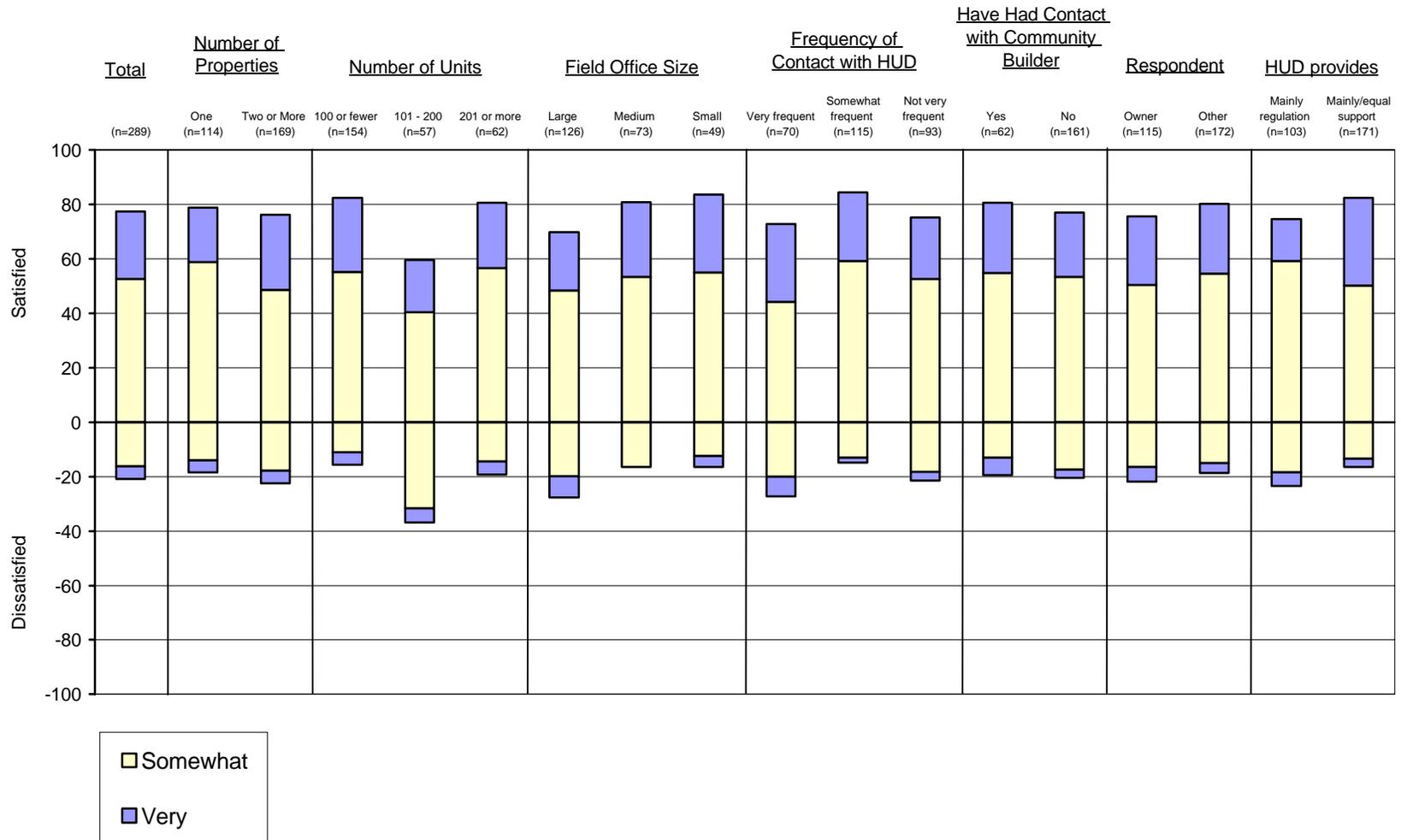


Question 17: At present, taking everything into consideration, how satisfied or dissatisfied are you with HUD's overall performance?

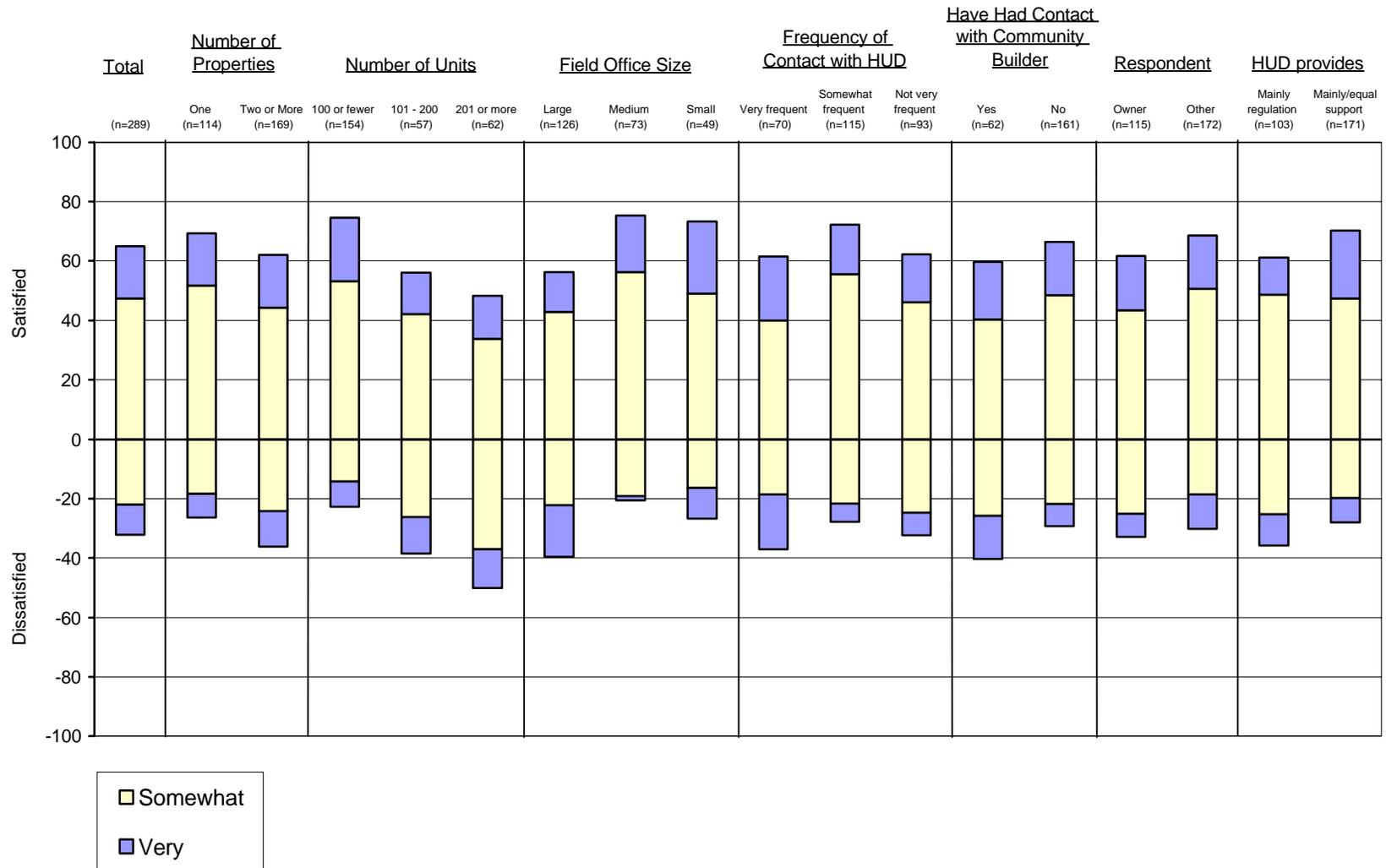


Service Quality

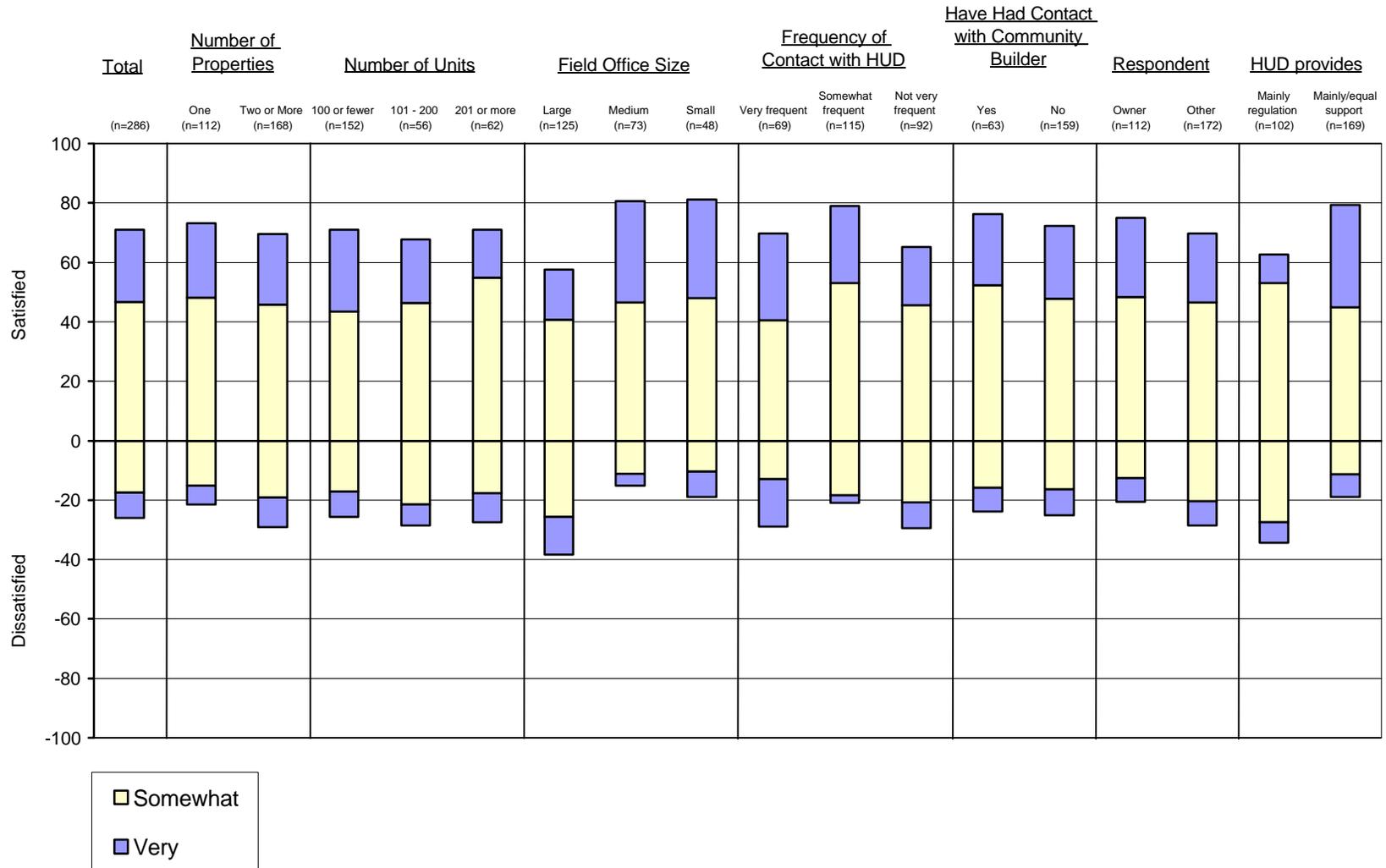
Question 4a: How satisfied or dissatisfied are you at the present point in time, in general, with the quality of the information you currently receive from HUD?



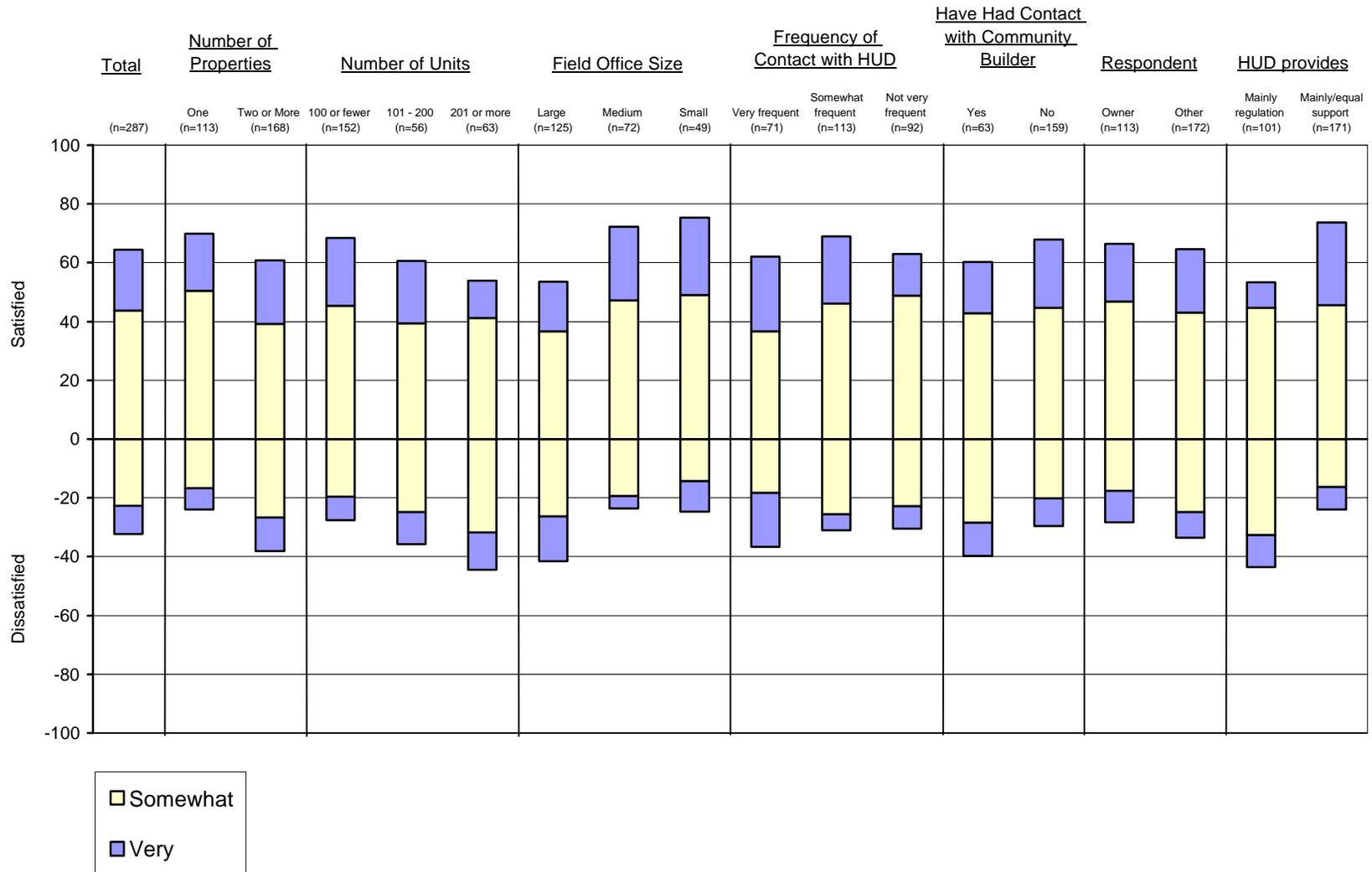
Question 4b: How satisfied or dissatisfied are you at the present point in time, in general, with the timeliness of the information you currently receive from HUD?



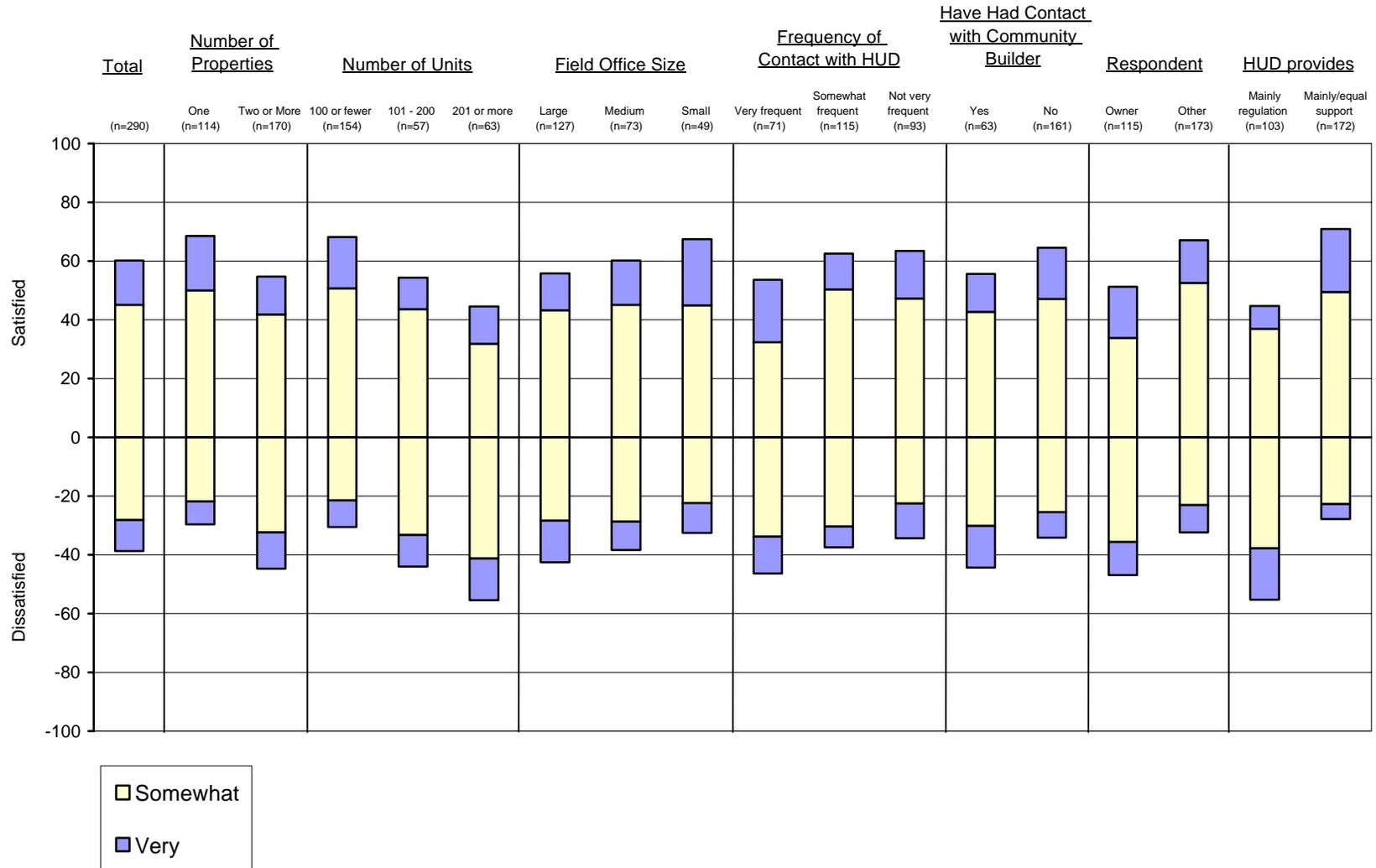
Question 4c: How satisfied or dissatisfied are you at the present point in time, in general, with the quality of guidance you currently get from HUD?



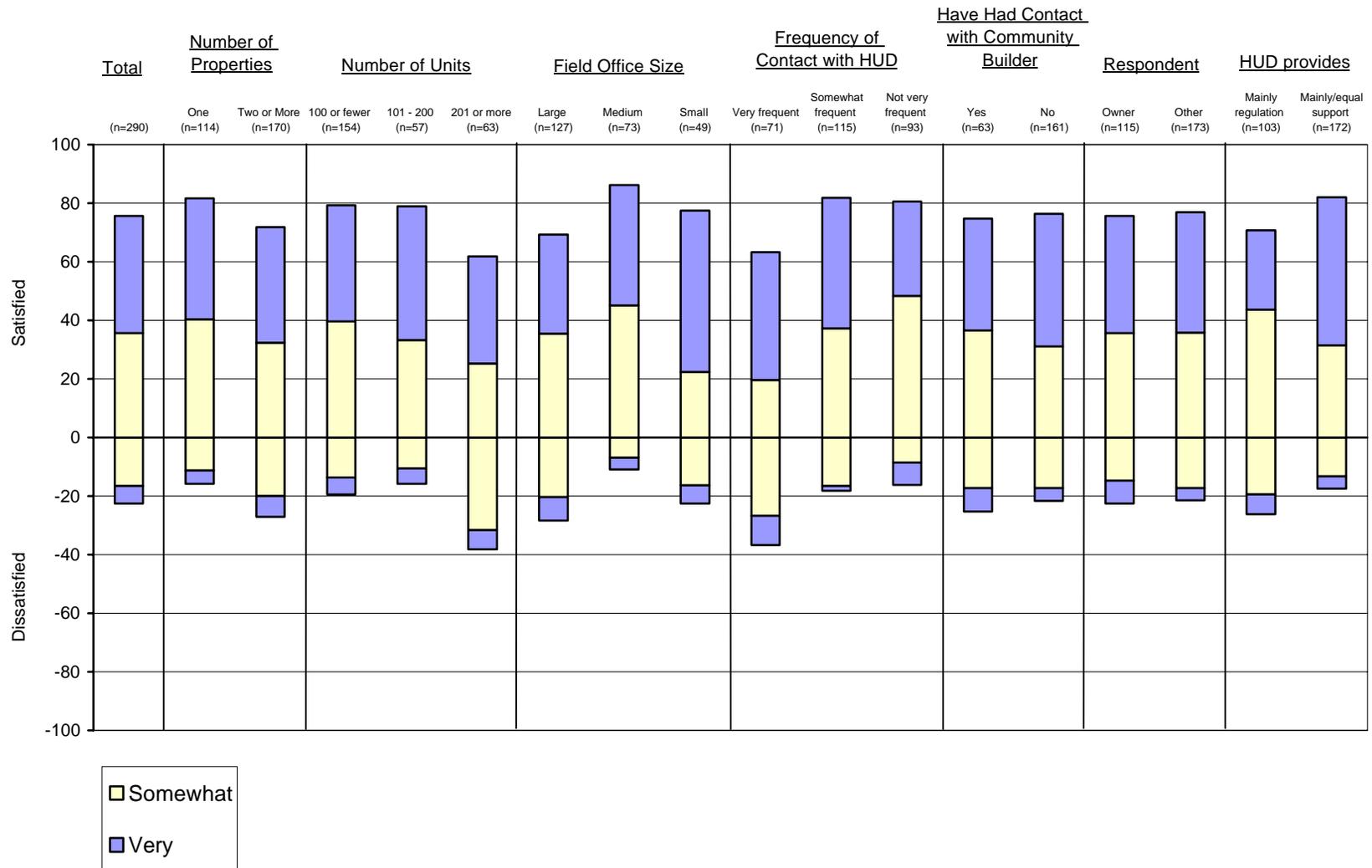
Question 4d: How satisfied or dissatisfied are you at the present point in time, in general, with the consistency of guidance you currently get from HUD?



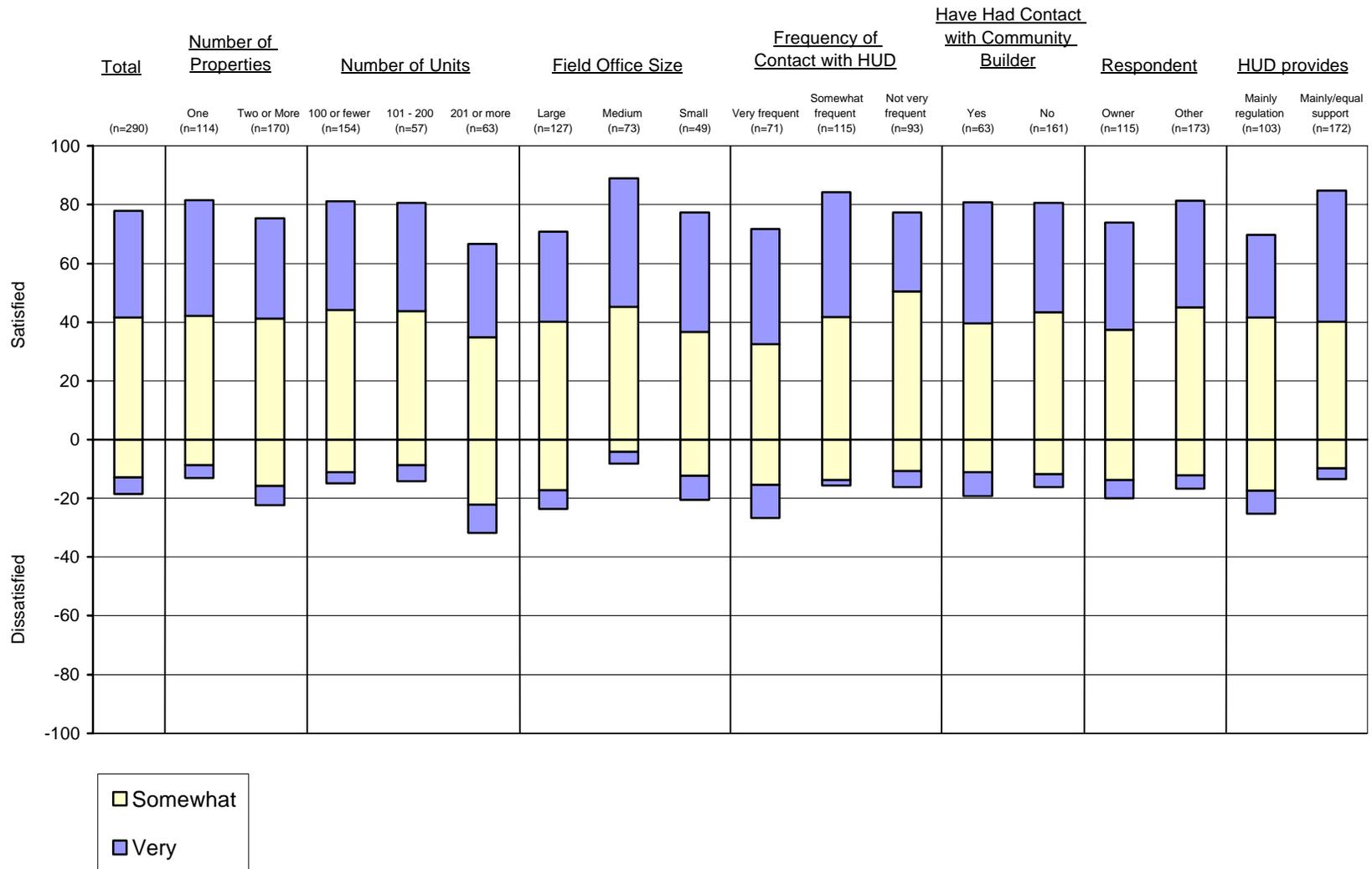
Question 4e: How satisfied or dissatisfied are you at the present point in time, in general, with the reasonableness of HUD rules and requirements that apply to your business or organization?



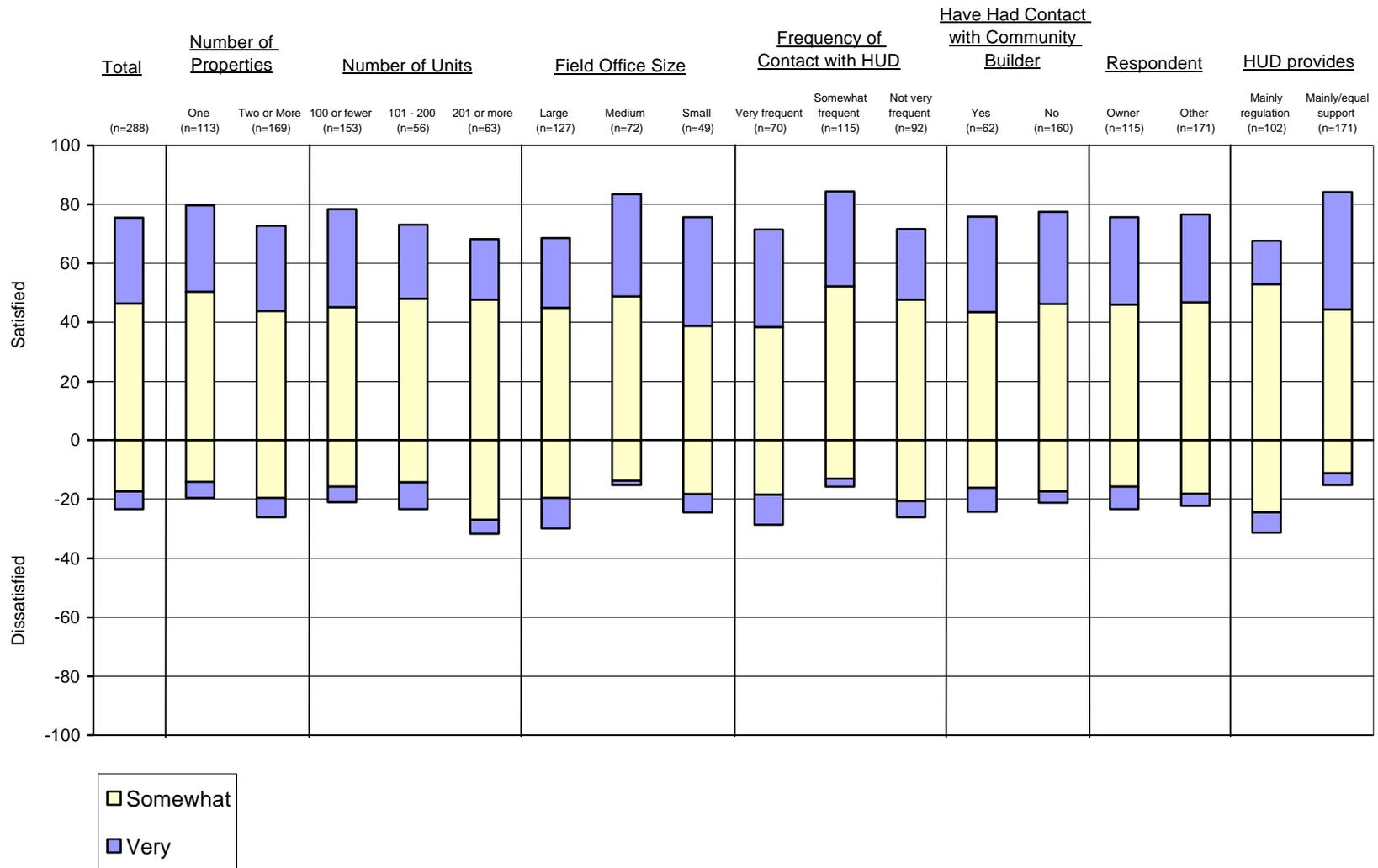
Question 4f: How satisfied or dissatisfied are you at the present point in time, in general, with the responsiveness of the people with whom you currently deal at HUD?



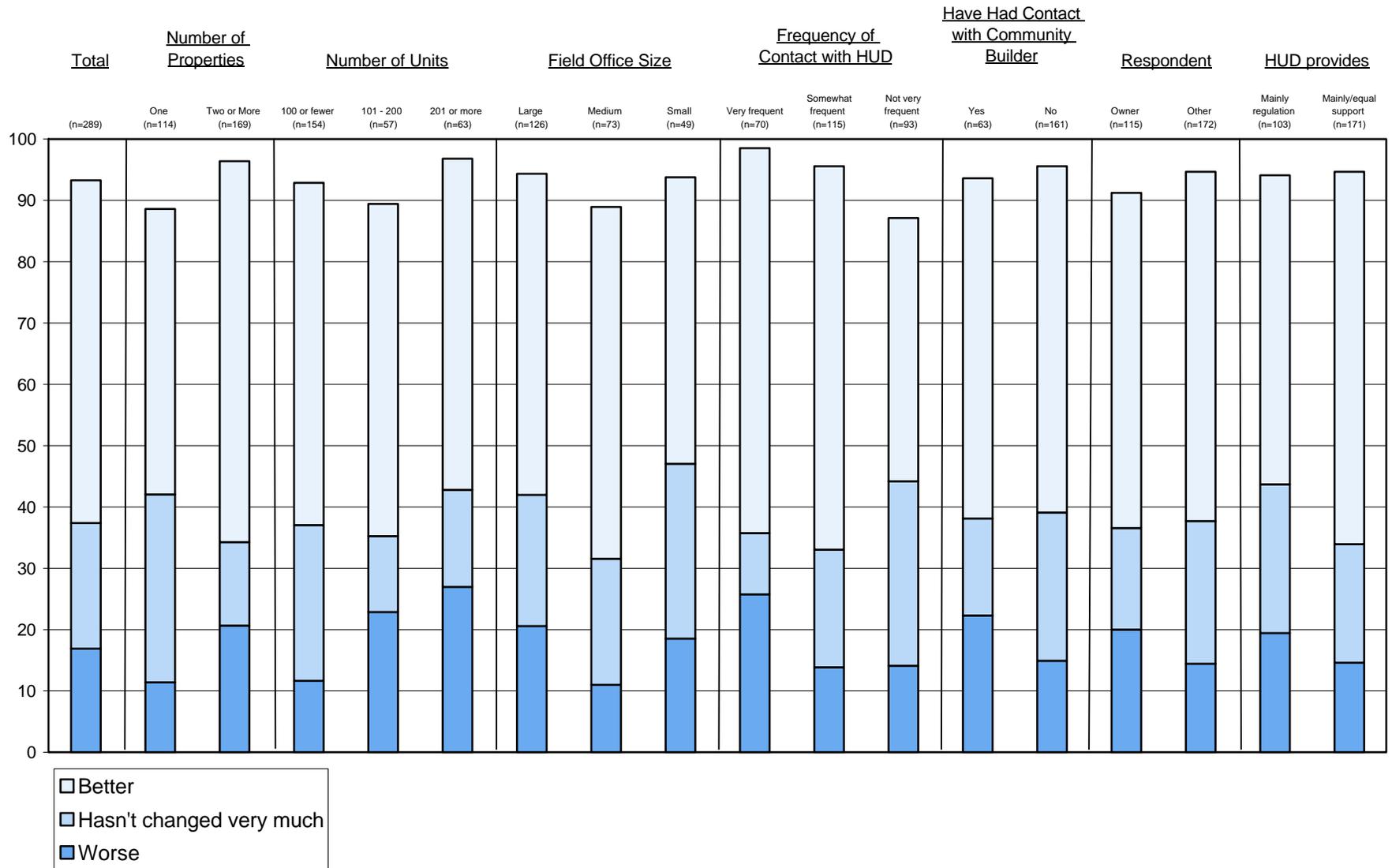
Question 4g: How satisfied or dissatisfied are you at the present point in time, in general, with the competence of the people with whom you currently deal at HUD?



Question 4h: How satisfied or dissatisfied are you at the present point in time, in general, with the overall quality of service you receive from HUD today?

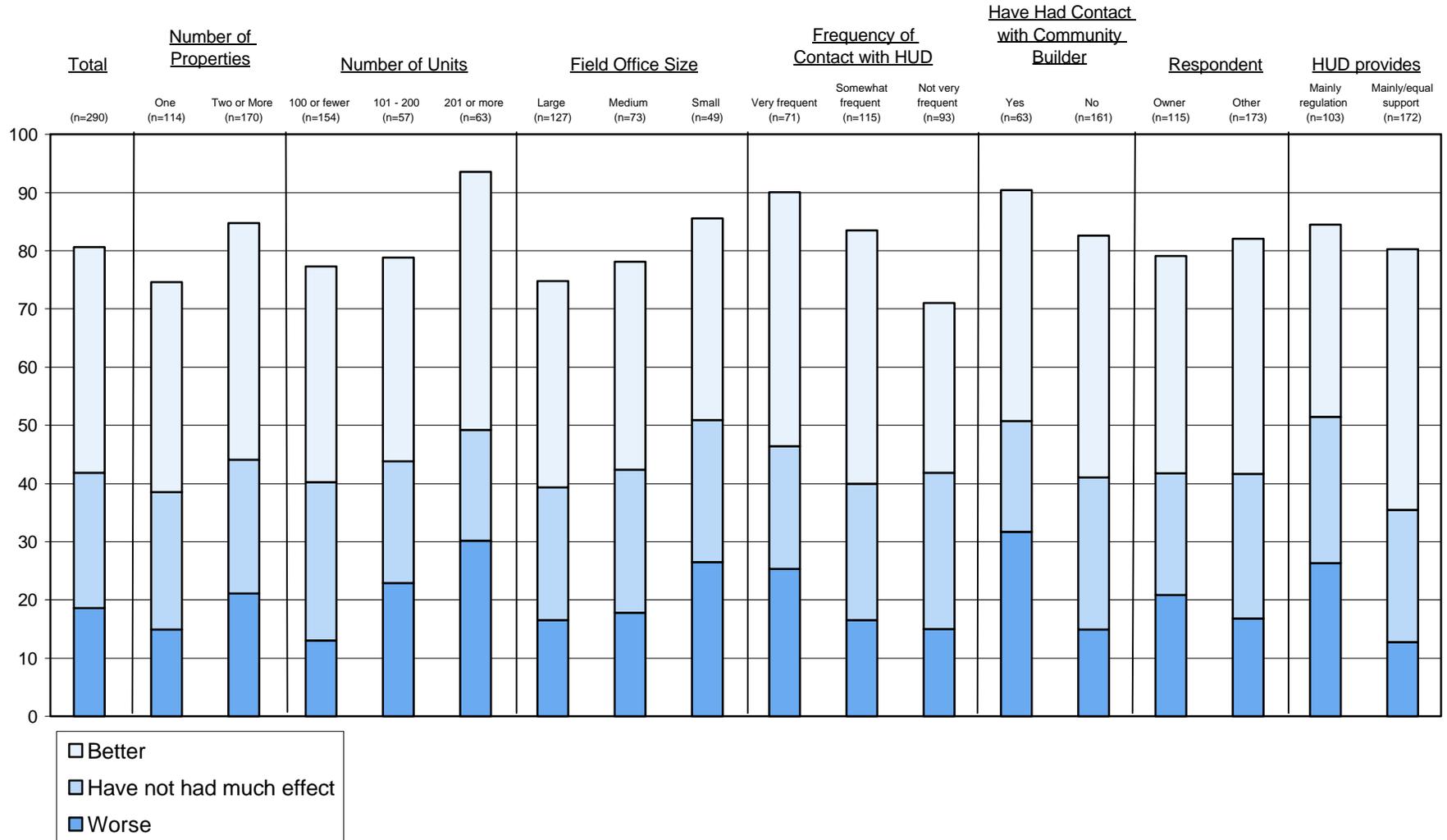


Question 5: Over the last several years, would you say the overall quality of service you received from HUD is generally getting much better, somewhat better, somewhat worse, much worse, or hasn't changed much?

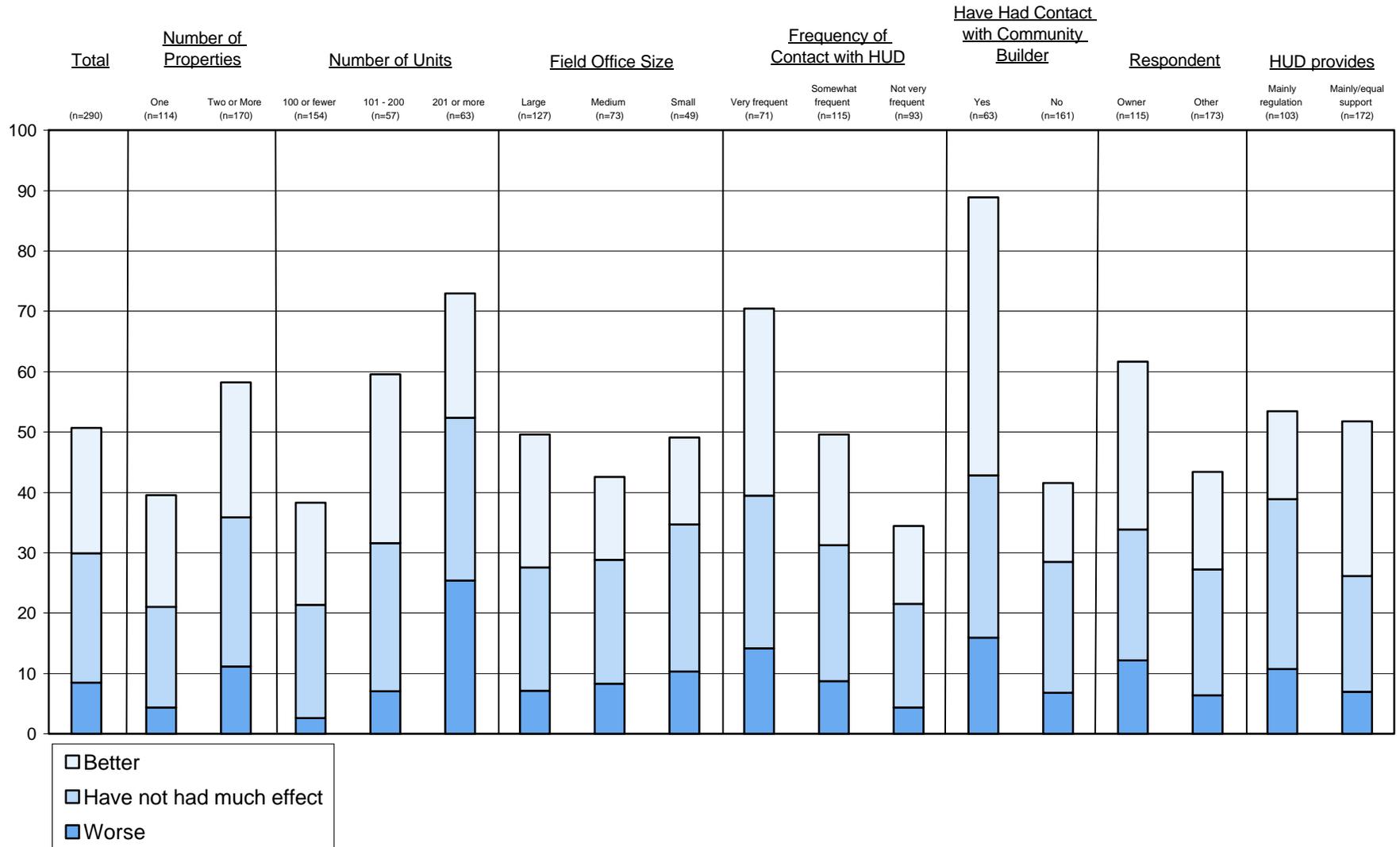


Management Changes

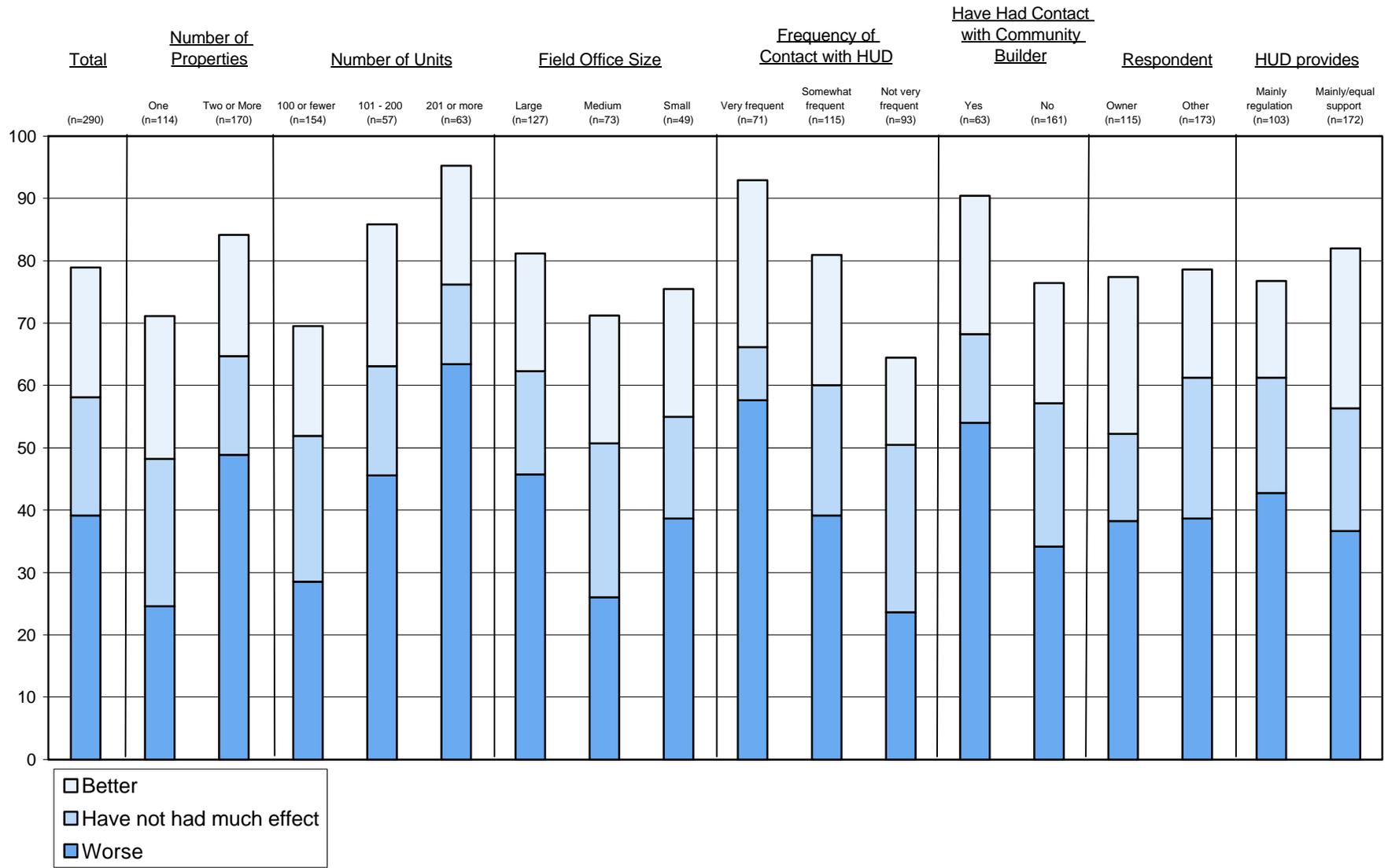
Question 7a: Would you say that the changes, over the last several years, in HUD's organizational structure, such as the establishment of new centers and hubs, have made HUD much better, somewhat better, somewhat worse, much worse, or have not had much effect?



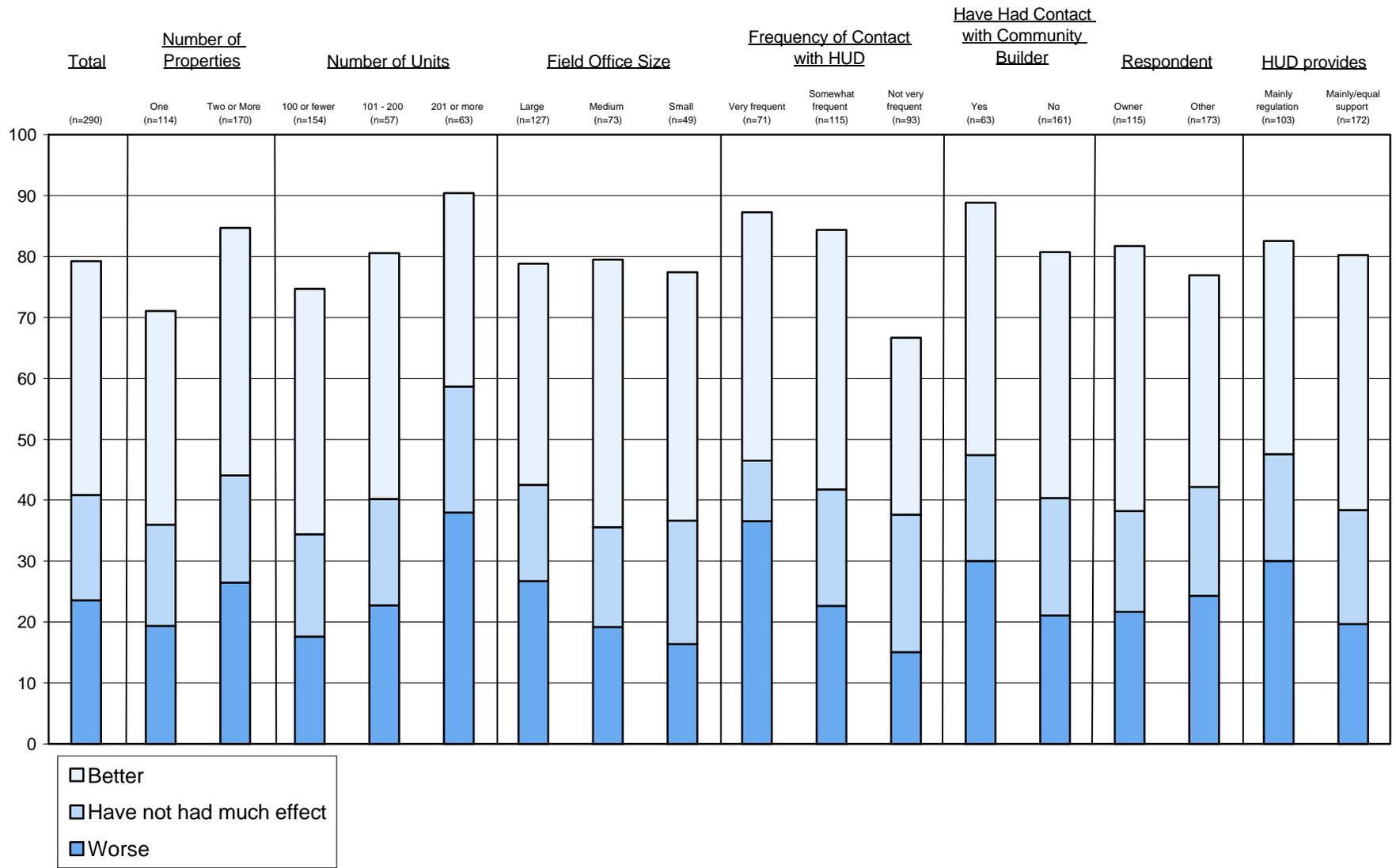
Question 7b: Would you say that the changes, over the last several years, in HUD functions, such as the establishment of the new Community Builder and Public Trust Officer functions, have made HUD much better, somewhat better, somewhat worse, much worse, or have not had much effect?



Question 7c: Would you say that the changes, over the last several years, in HUD's staffing, such as the overall reduction in staff, staffing reassignments, and retraining of HUD staff, have made HUD much better, somewhat better, somewhat worse, much worse, or have not had much effect?

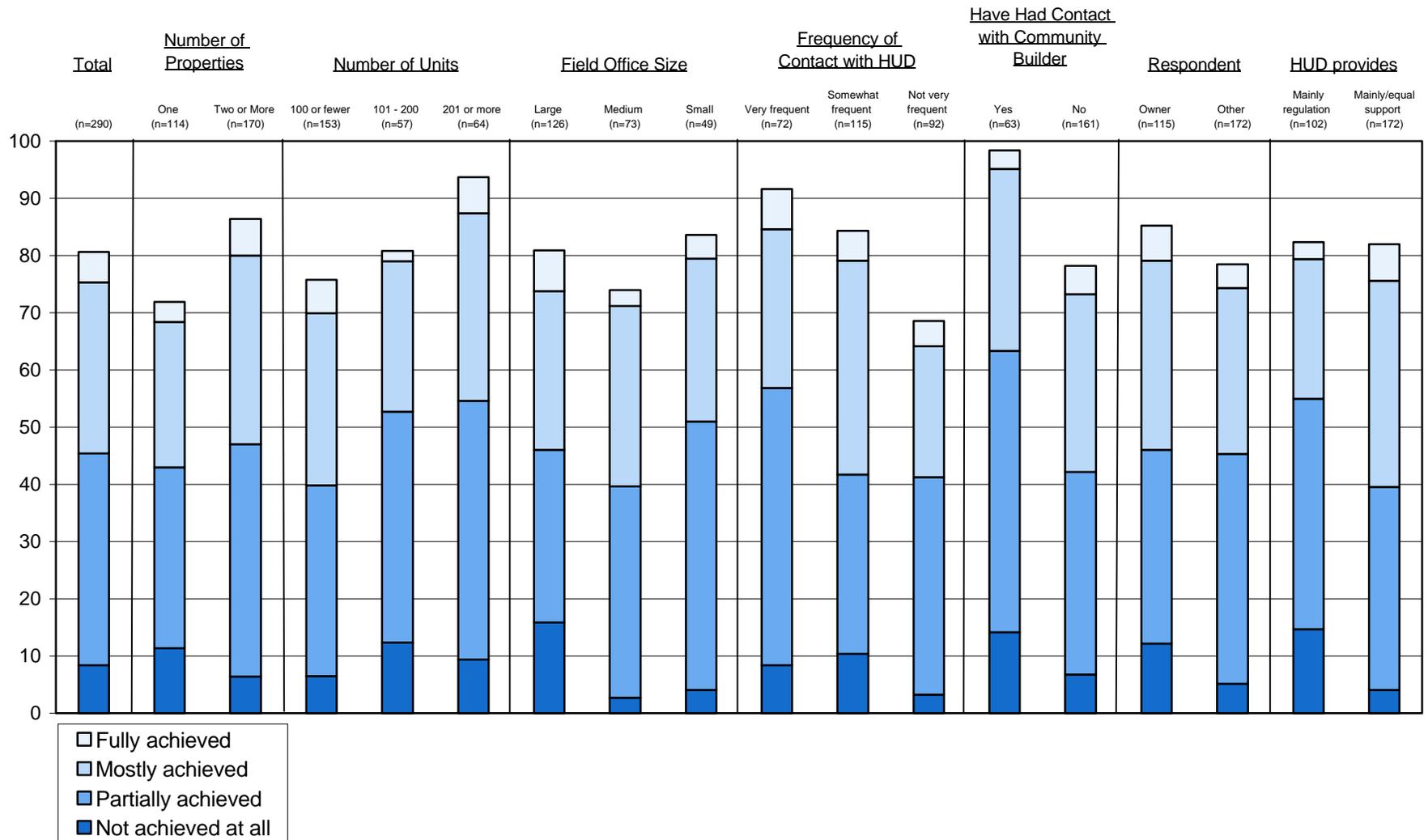


Question 7d: Would you say that the changes, over the last several years, in HUD's financial management systems, such as the creation of new systems and the consolidation of older ones, have made HUD much better, somewhat better, somewhat worse, much worse, or have not had much effect?

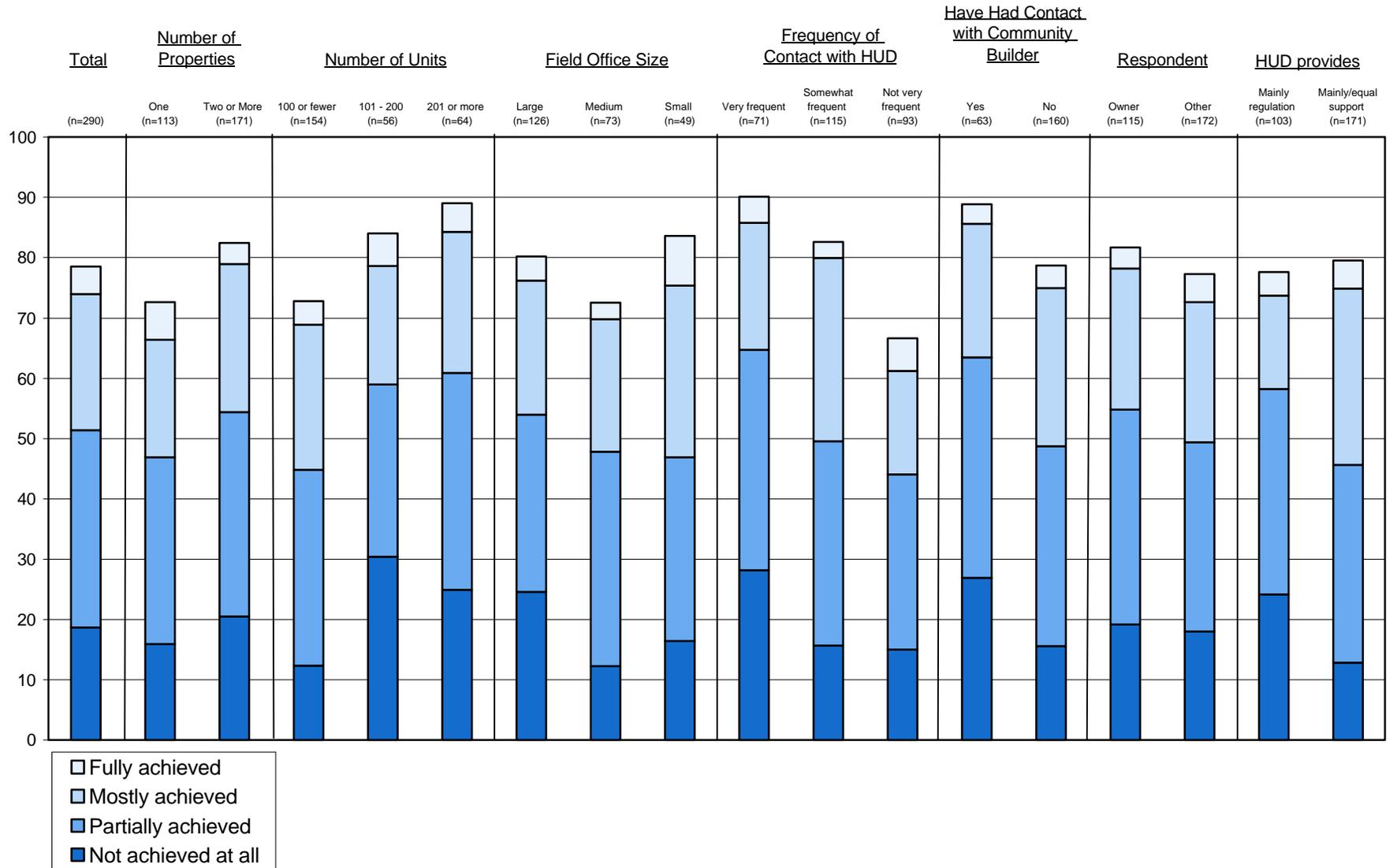


Achievement of Management Objectives

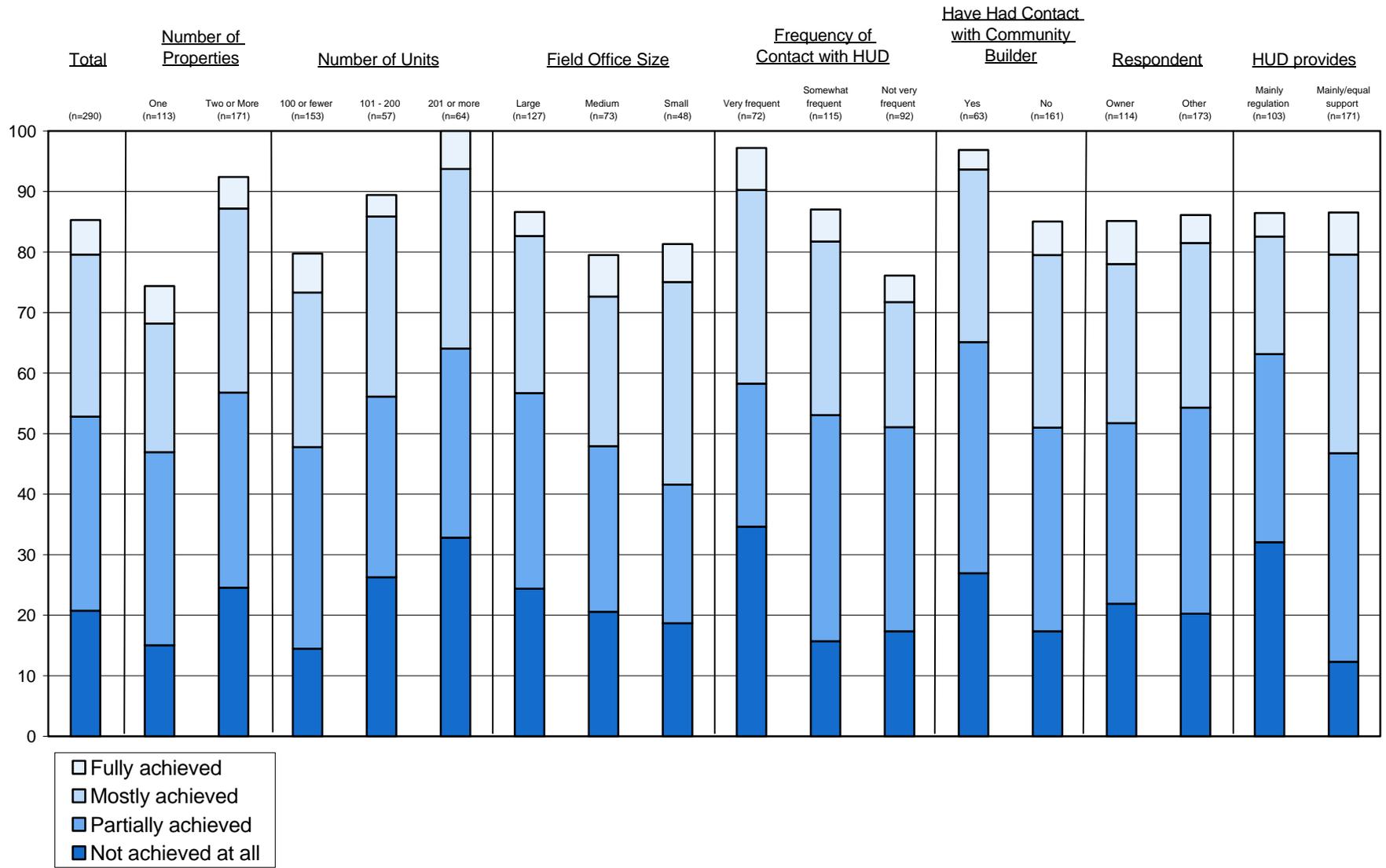
Question 8a: Please indicate the extent to which you believe the following HUD reform objective has been fully achieved, mostly achieved, partially achieved, or not achieved at all: To restore the public trust in HUD.



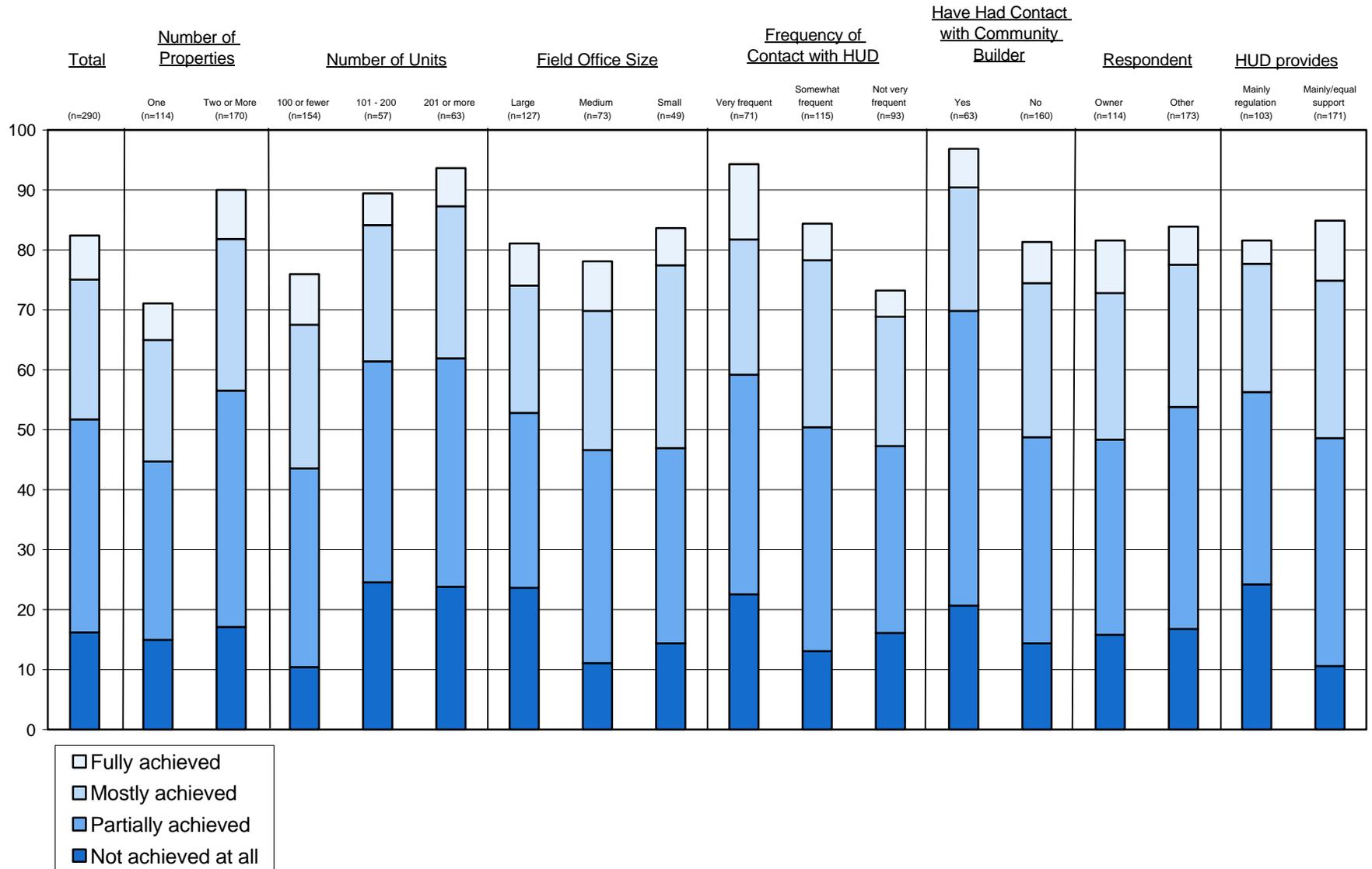
Question 8b: Please indicate the extent to which you believe the following HUD reform objective has been fully achieved, mostly achieved, partially achieved, or not achieved at all: To be "the best in the business."



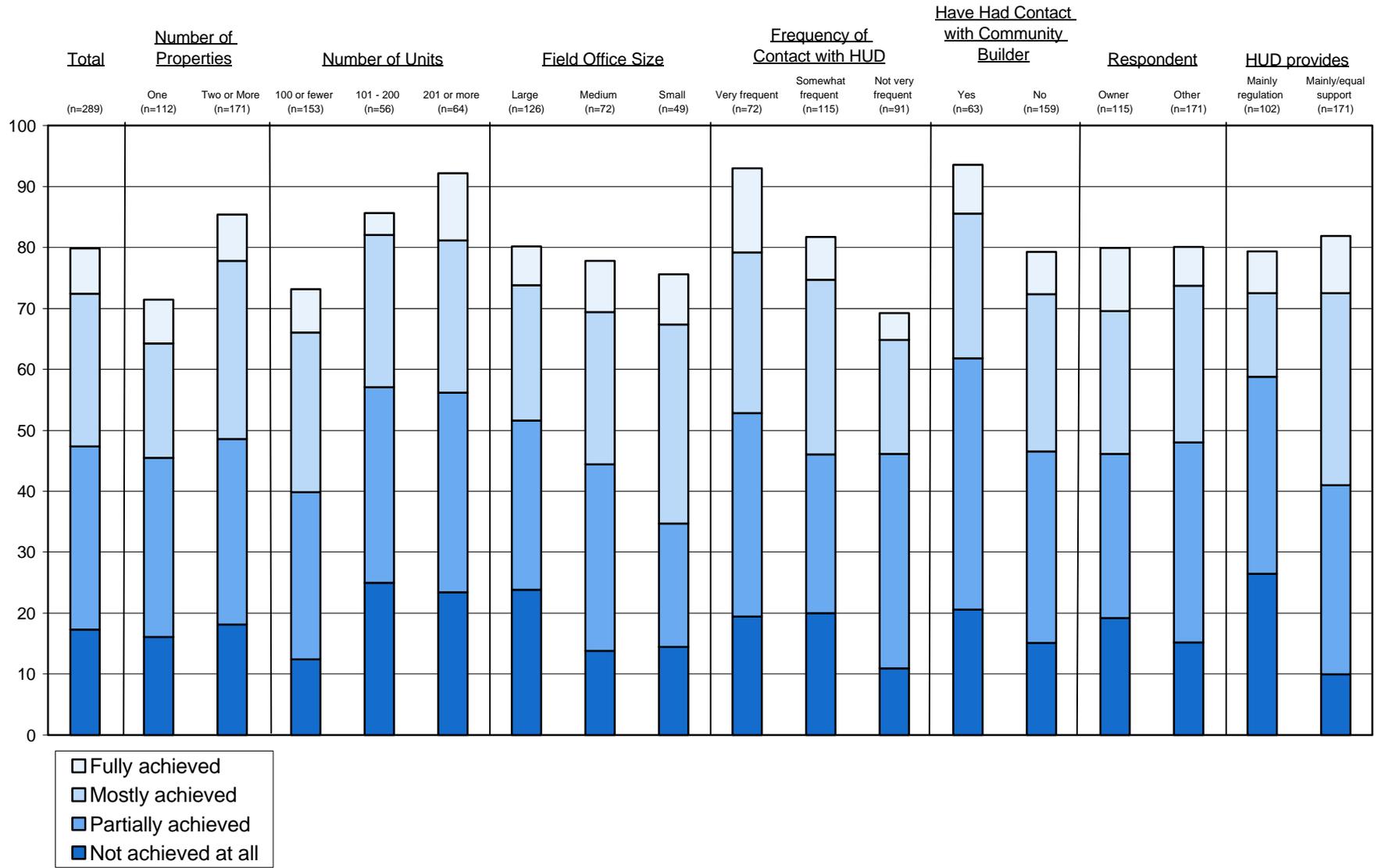
Question 8c: Please indicate the extent to which you believe the following HUD reform objective has been fully achieved, mostly achieved, partially achieved, or not achieved at all: To replace a top-down bureaucracy with a new customer-friendly structure.



Question 8d: Please indicate the extent to which you believe the following HUD reform objective has been fully achieved, mostly achieved, partially achieved, or not achieved at all: To instill an ethic of competence and excellence at HUD.

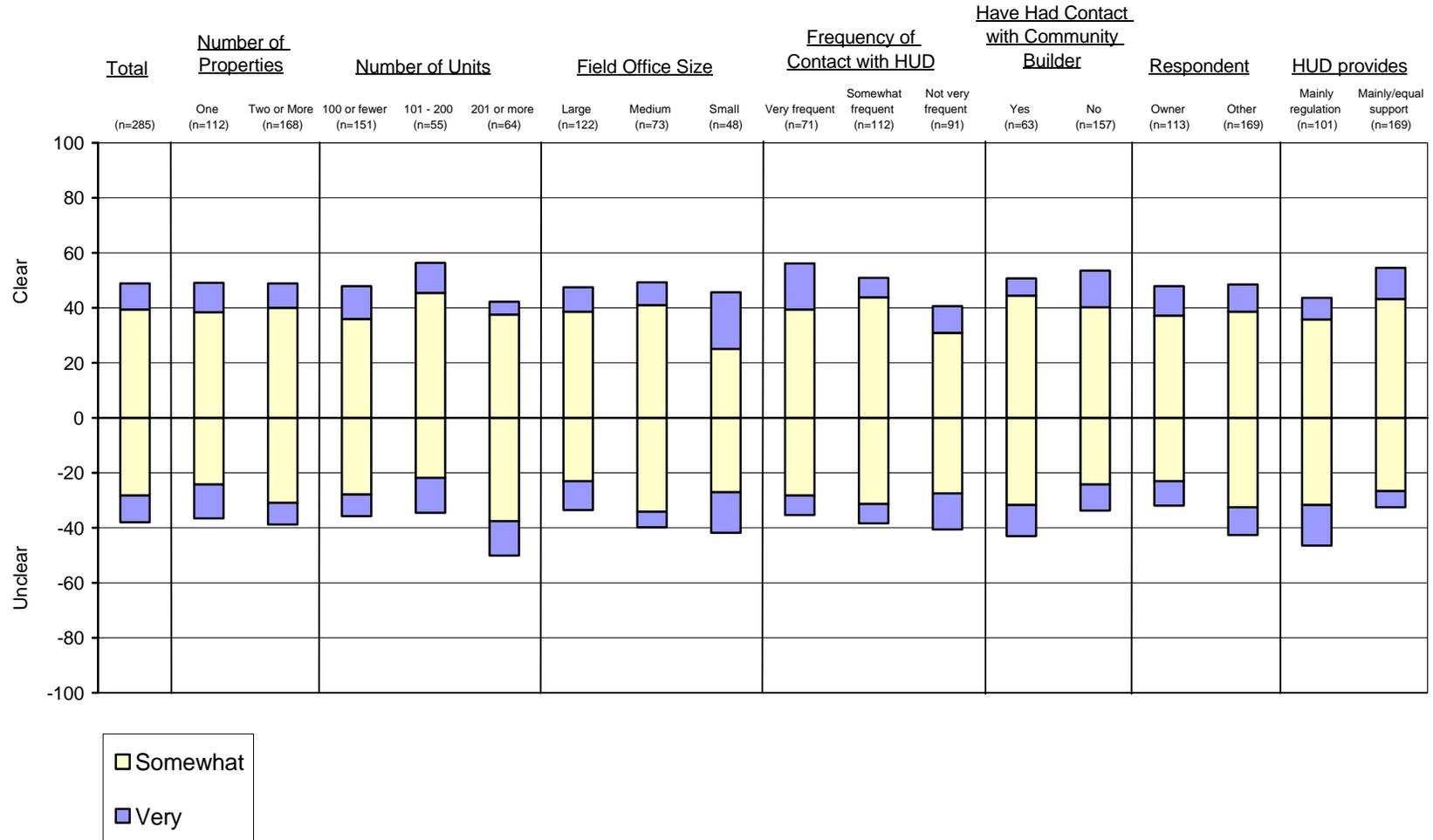


Question 8e: Please indicate the extent to which you believe the following HUD reform objective has been fully achieved, mostly achieved, partially achieved, or not achieved at all: To replace the emphasis on process with an emphasis on performance.

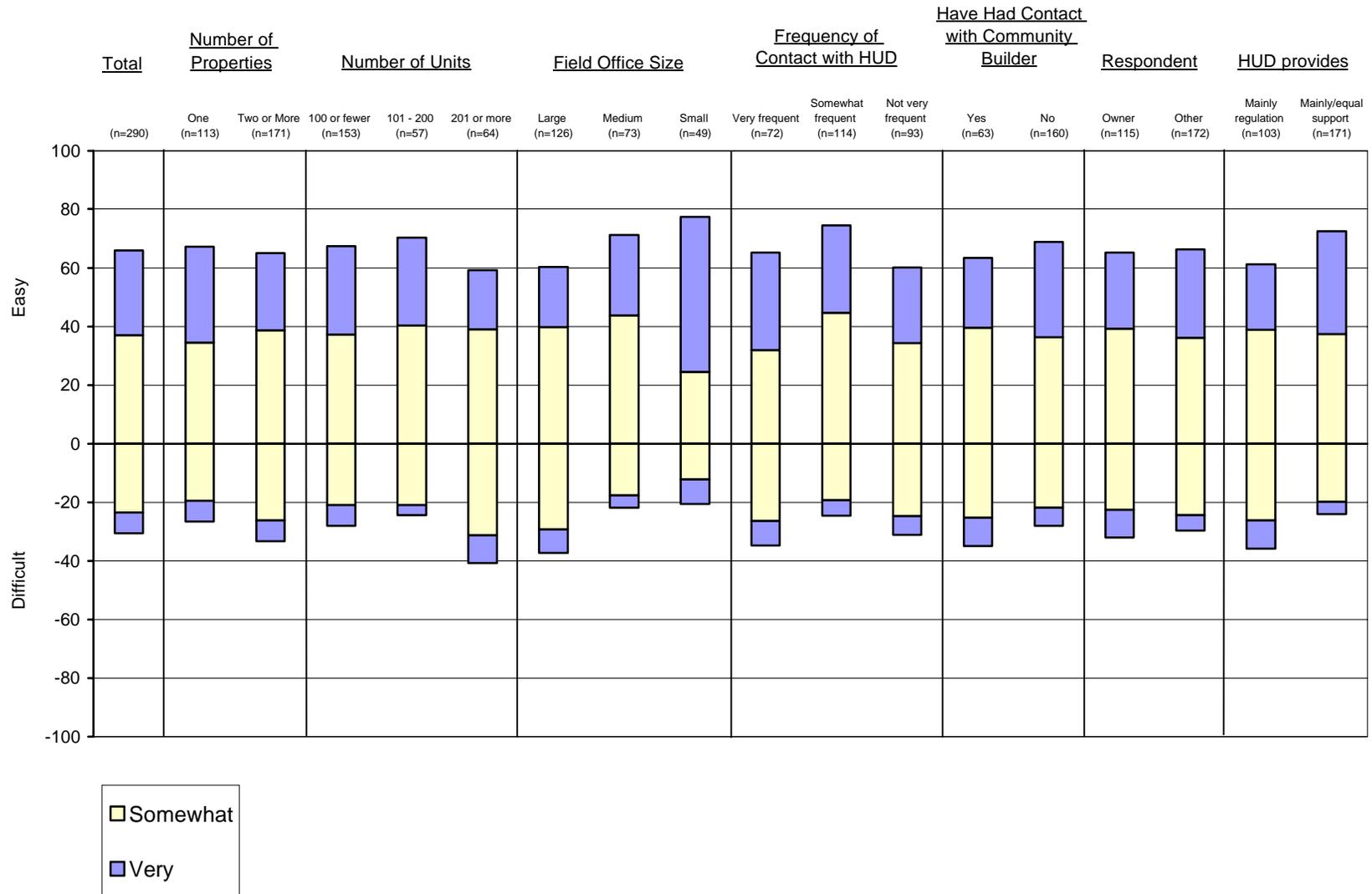


Questions Specific to Section 202/811 Partners

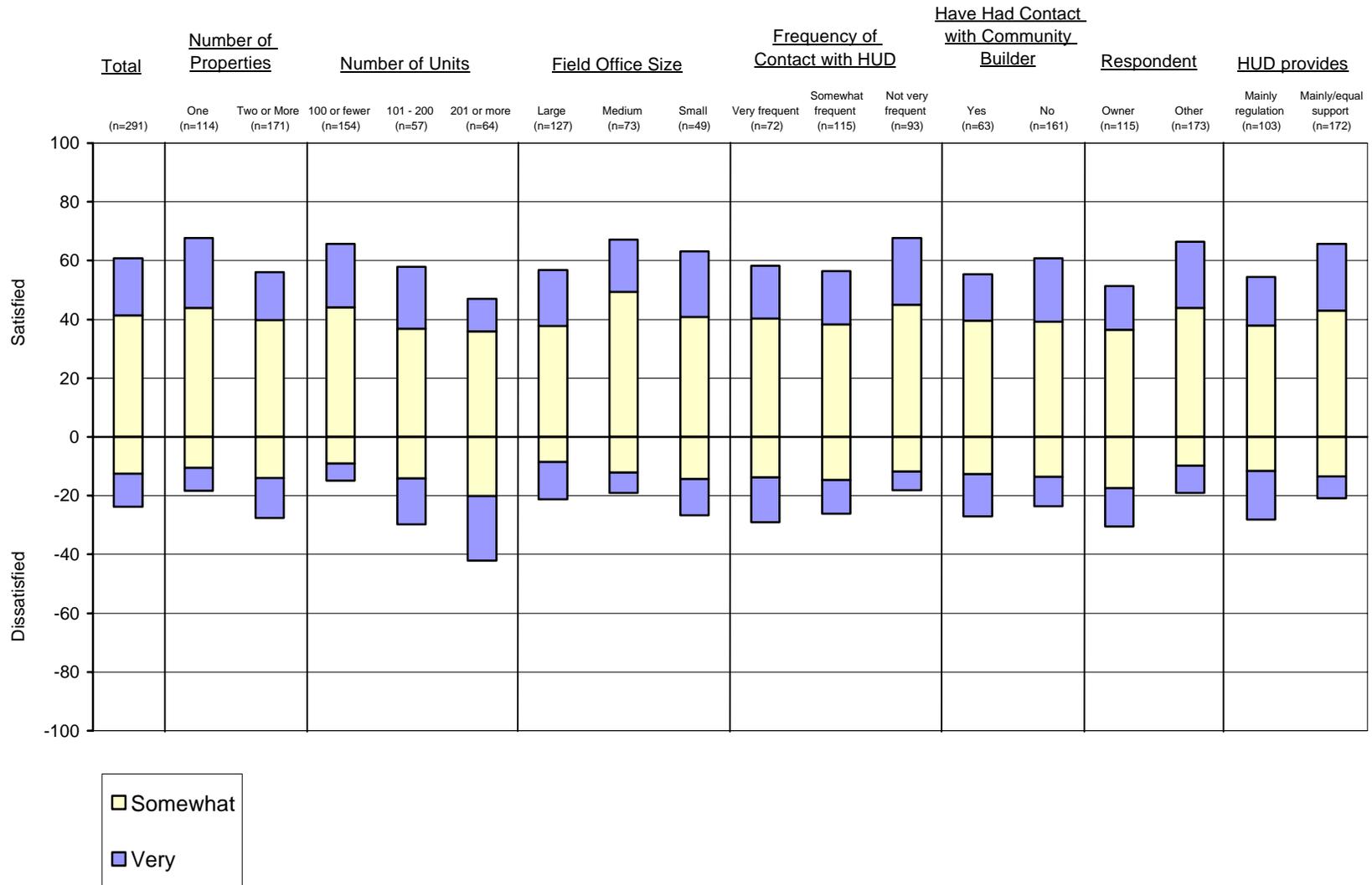
Question 9: Under HUD's new organizational structure, property owners may have to work with several HUD offices, hubs, and centers for various purposes. Are the different functions and responsibilities of these offices, hubs, and centers very clear, somewhat clear, somewhat unclear or very unclear?



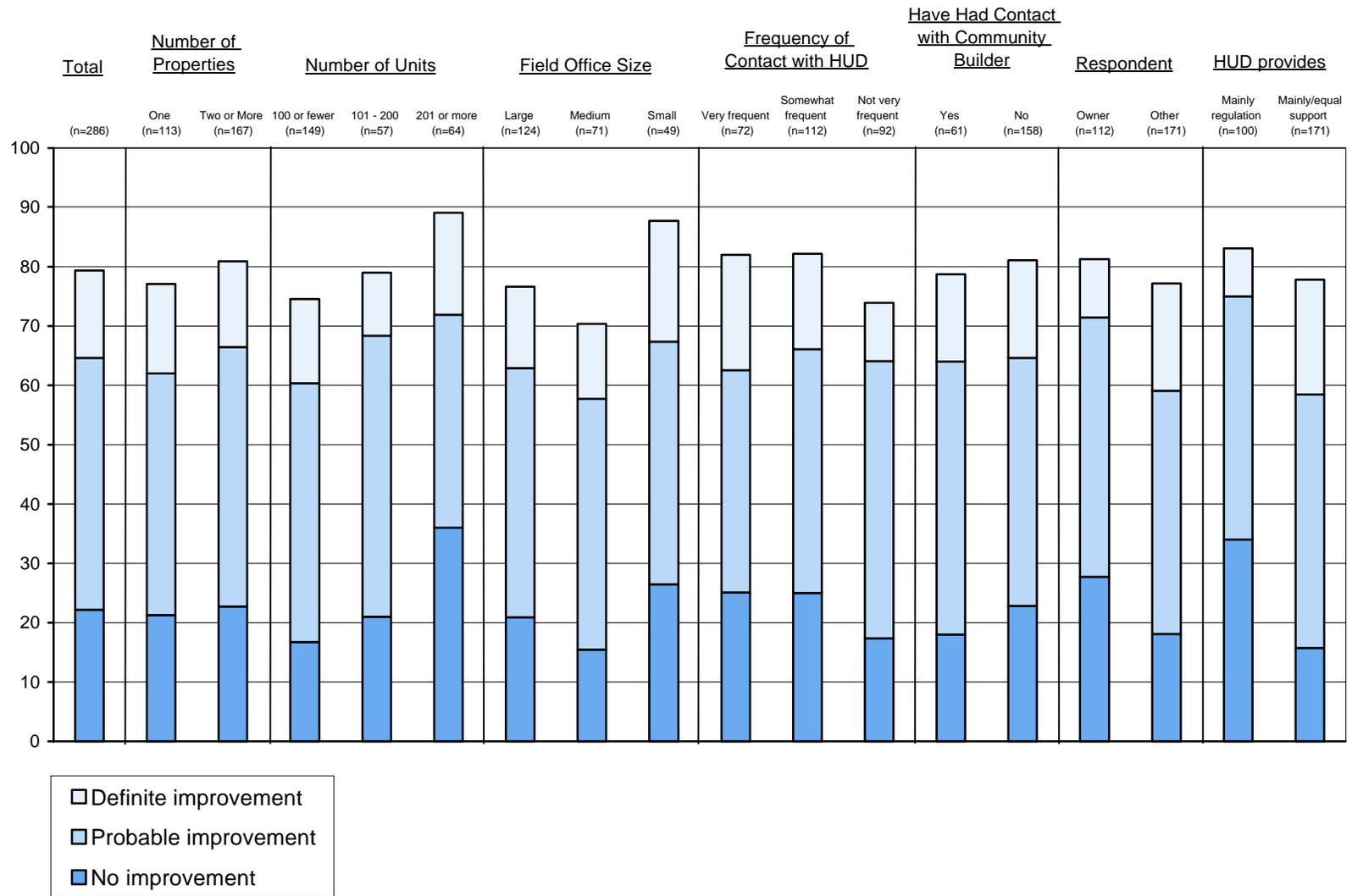
Question 10: In recent months, how easy or difficult has it been for you to reach the people at HUD whom you need to contact? In general, has it been very easy, somewhat easy, somewhat difficult or very difficult?



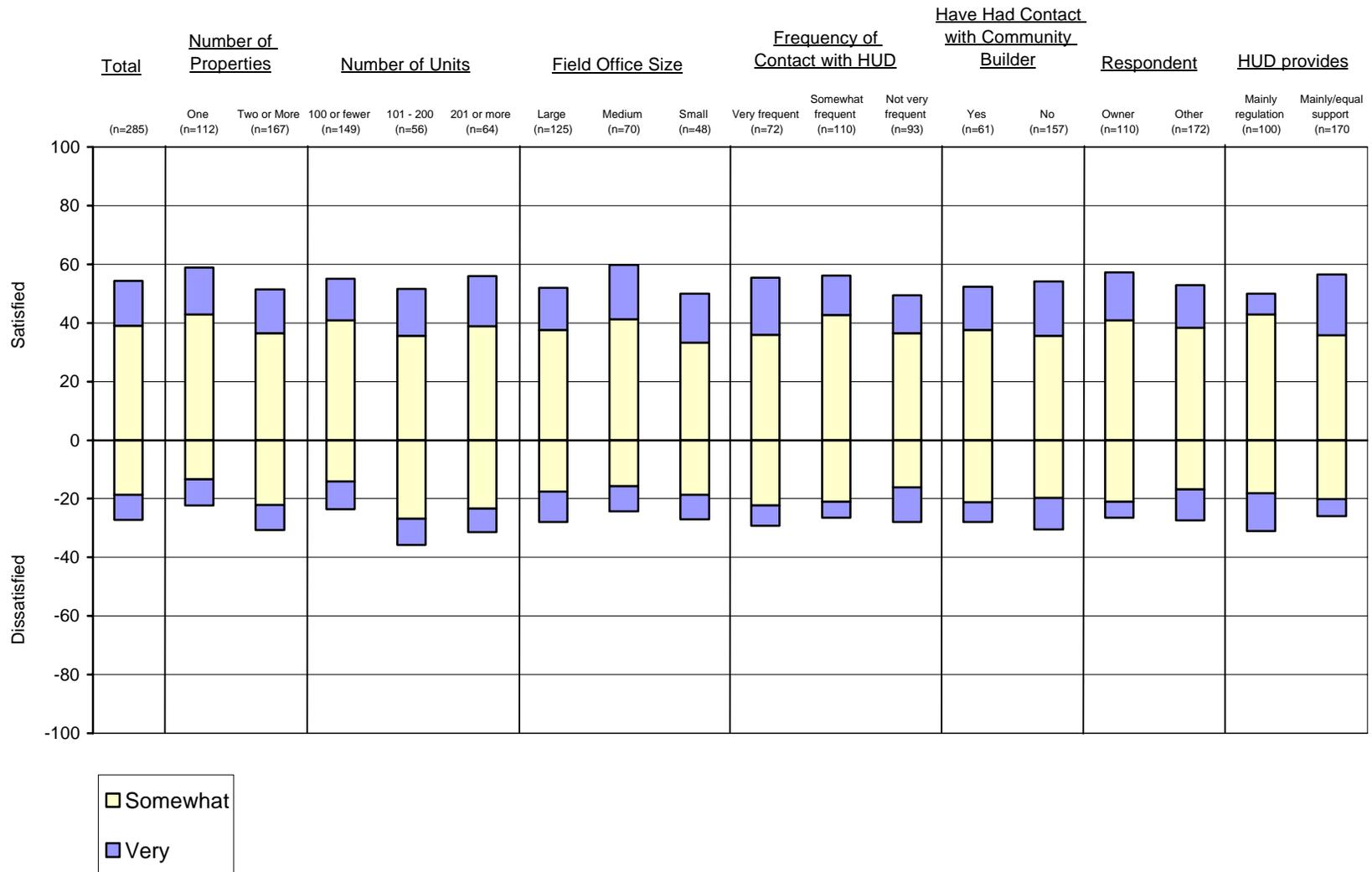
Question 11: How satisfied are you with the transition to property inspections by HUD's Real Estate Assessment Center (REAC)? Are you very satisfied, somewhat satisfied, somewhat dissatisfied or very dissatisfied?



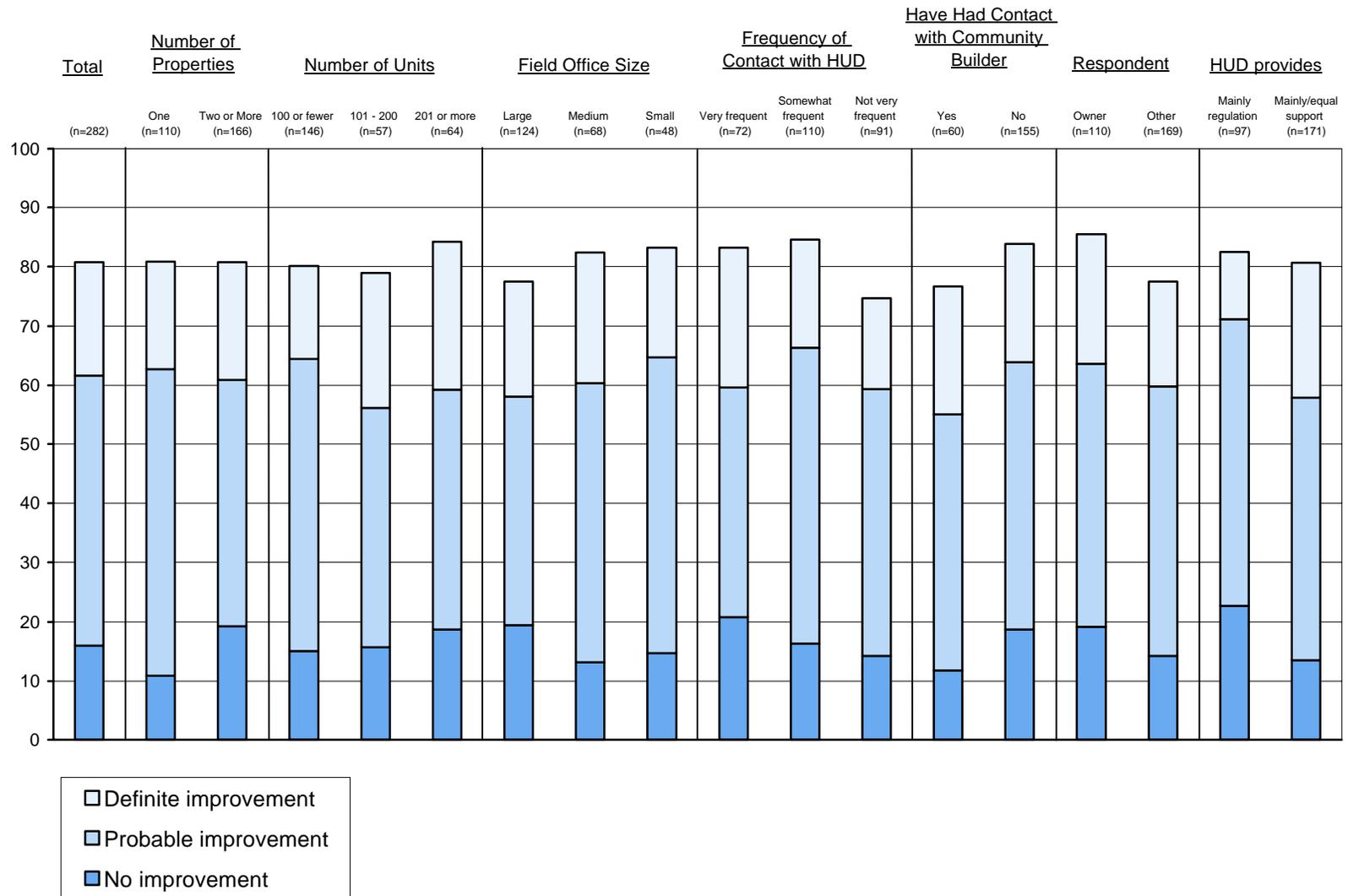
Question 12: Once fully implemented, do you expect the physical inspections done by HUD's Real Estate Assessment Center (REAC) will be an improvement over the previous methods used by HUD to inspect housing developments?



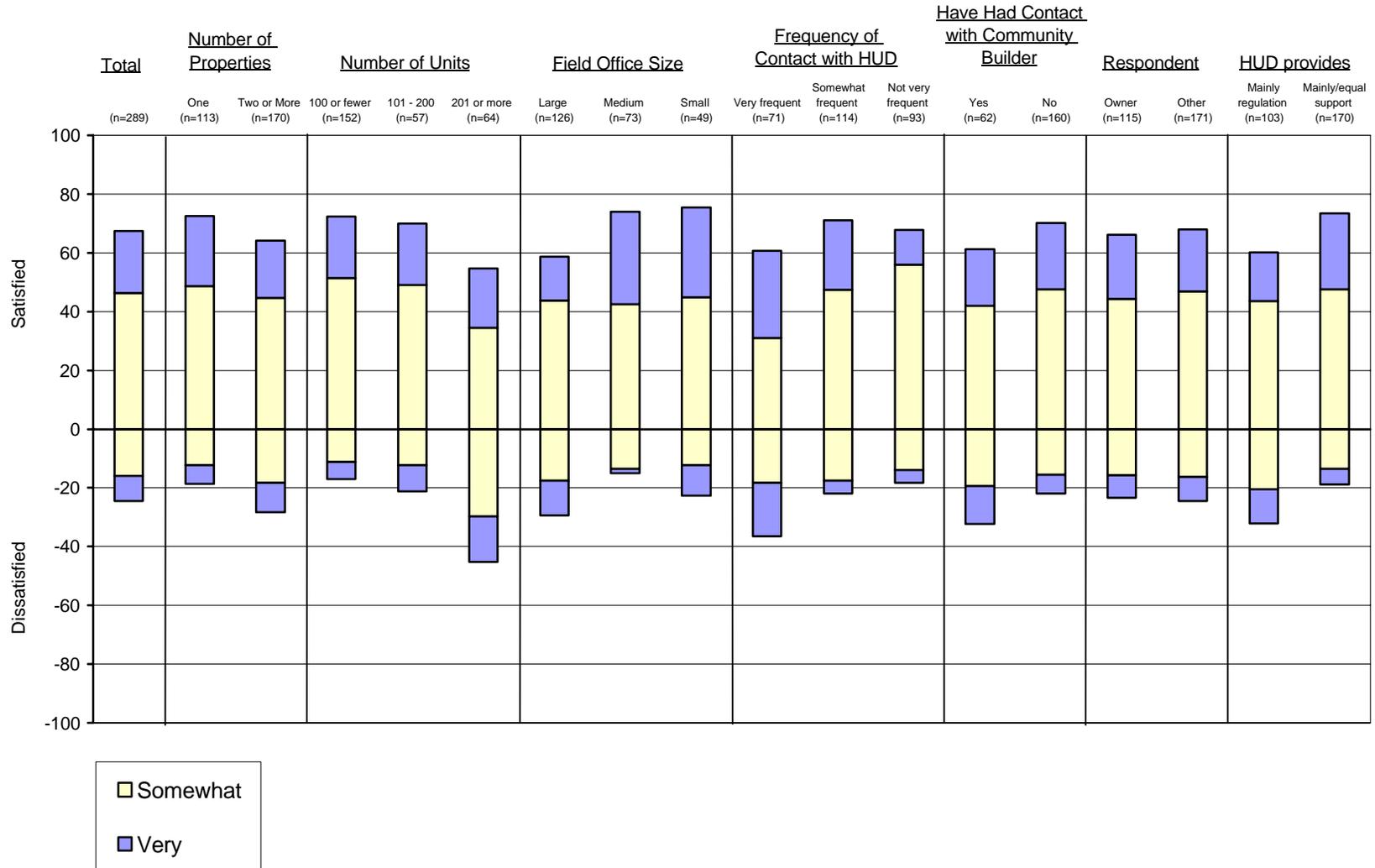
Question 13: How satisfied are you with the transition to electronic financial reporting to HUD's Real Estate Assessment Center (REAC)? Are you very satisfied, somewhat satisfied, somewhat dissatisfied or very dissatisfied?



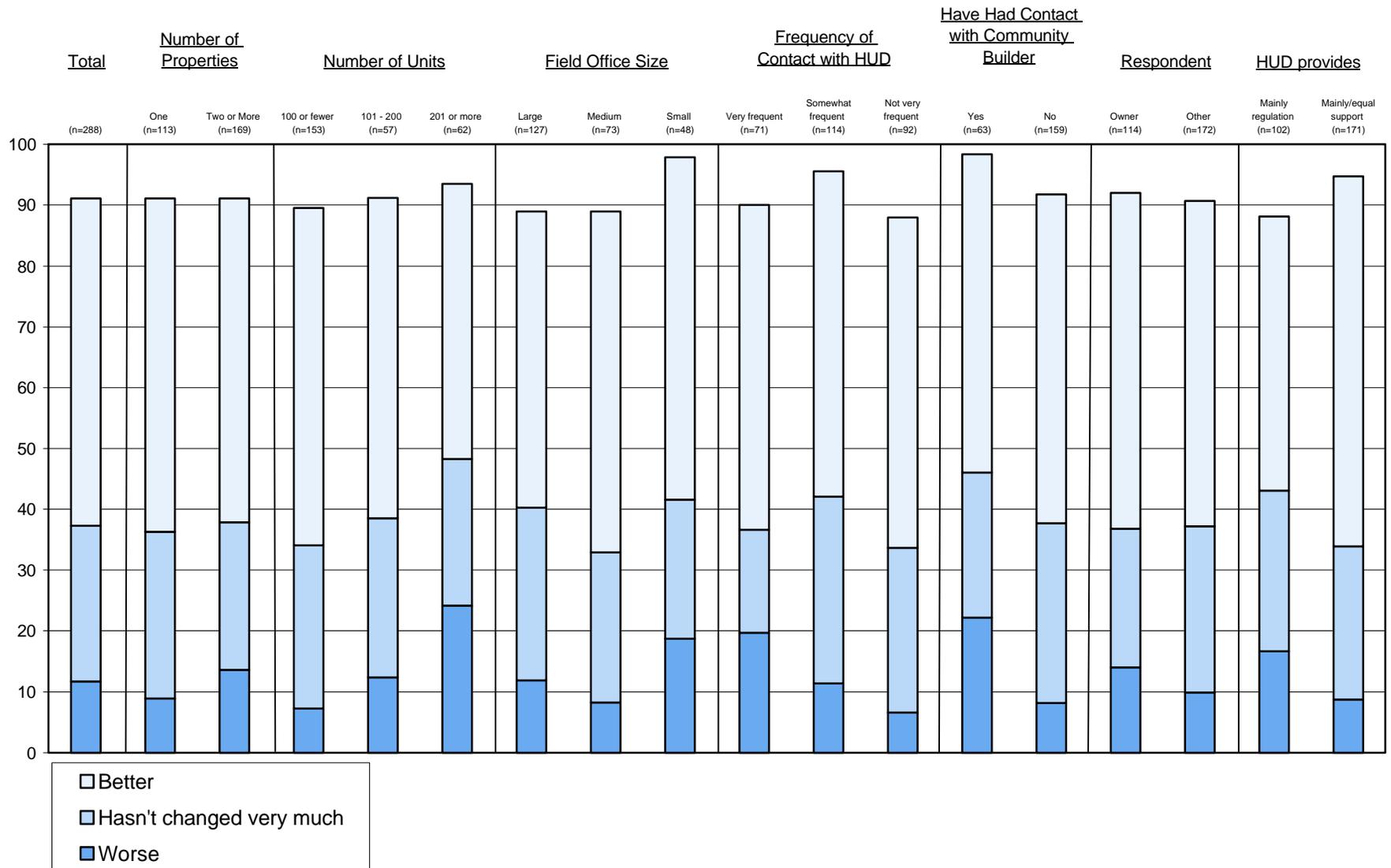
Question 14: Once fully implemented, do you expect the electronic financial reporting to HUD's Real Estate Assessment Center (REAC) to be an improvement over previous methods used by HUD to report financial information?



Question 15: How satisfied are you with the ability of HUD field office personnel - those in the multifamily hubs and program centers - to consistently and reliably interpret policies and regulation that pertain to your properties? Are you very satisfied, somewhat satisfied, somewhat dissatisfied or very dissatisfied?



Question 16: Over the last several years, would you say HUD's capacity to monitor and provide oversight related to your property or properties is generally getting much better, somewhat better, somewhat worse, much worse, or hasn't changed much?



Part 6: Evaluations of HUD By HUD-Insured (Unsubsidized) Multifamily Housing Partners

HUD administers several mortgage insurance programs intended to support the development of multifamily rental or cooperative housing for moderate-income households—including developments for the elderly—primarily under the Section 221(d)(3) and (4) programs. Neither HUD rental assistance or mortgage interest subsidies are provided to such properties, nor are there HUD-established rent or income requirements for their residents. Insured mortgagors include public agencies, non-profit limited-dividend or cooperative organizations, private builders and, for Section 221(d)(4) mortgages, profit-motivated businesses.

HUD-insured (unsubsidized) multifamily housing partners are generally satisfied with the Department's performance; some express concerns, however, about certain aspects of their relationship with the Department.

The sample. The sample consists of 203 owners of HUD-insured (unsubsidized) multifamily properties. Owners were surveyed from property lists maintained by HUD's Office of Housing; these were aggregated into ownership entities and sampled on a (random) equal-probability basis. Based on an

initial sample of 400 such entities, the survey response rate is 51 percent.¹

Of the total number of respondents, five percent were interviewed by telephone; the remainder responded to a mailed survey form. Sixty-two percent of the respondents were owners/CEOs/managing general partners, presidents, chairpersons, principals, or directors; 19 percent were other company or organization senior officials, 4 percent were other company or organization employees, 11 percent were property managers, and 4 percent were others representing the ownership entity. Instructions accompanying the survey forms emphasized that, if the owner could not personally respond to the survey, those answering should be in a position to respond on the owner's behalf.

Fifty-four percent of the partners sampled own one property, 33 percent own 2 to 5 properties, 8 percent own 6 to 10 properties, and 5 percent own more than 10 properties. Two percent own more than 25 properties.

Thirty-four percent of the partners sampled own 100 or fewer housing units, 26 percent own 101-200 units, and 39

¹ The property list from which the sample was drawn contained some addresses to which mail or FedEx letters were undeliverable, and some missing or wrong telephone contact numbers. If the response rate were adjusted to account for those who were not reachable by either mail or telephone, it would be 64 percent.

percent own more than 200 units. Four percent own 1,001 to 2,000 units, and 2 percent own more than 2,000 units.

The HUD-partner relationship, and partners' overall performance evaluations. More than three of every five HUD-insured (unsubsidized) multifamily housing partners see the Department as mainly regulating them—the largest proportion of any of the partner groups surveyed. Twenty-six percent say HUD equally supports and regulates them, and seven percent see HUD as mainly supporting them.

Most HUD-insured (unsubsidized) multifamily housing partners are satisfied with the HUD programs with which they are involved, the way they are run, and how HUD performs overall.

- Sixty-nine percent of them, and 83 percent of those who see HUD as providing mainly support or equal amounts of support and regulation, are satisfied with the programs.
- Sixty percent of them are also satisfied with the way HUD runs the programs, and 76 percent of those who see HUD in a mainly or equally supportive role express satisfaction.
- Likewise, almost two-thirds (65 percent) of HUD-insured (unsubsidized) multifamily housing partners

are satisfied with HUD's overall performance—taking everything into consideration. There is some relationship between this assessment and frequency of partners' contact with the agency: interestingly, the less frequent the contact, the more likely a partner is to express satisfaction. About half (52 percent) of those with very frequent contact are satisfied, compared to 70 percent of those with not very frequent contact. Said another way, those with very frequent contact are almost equally divided in their evaluations, with 48 percent of them dissatisfied (including 22 percent who are very dissatisfied) with HUD. Also, those partners who deal with small HUD field offices or who see HUD as providing mainly support or an equal amount of support or regulation are somewhat more likely to be satisfied than others.

Evaluations of service quality. Almost three-fourths (74 percent) of HUD-insured (unsubsidized) multifamily housing partners are satisfied with the quality of information they receive from HUD, and two-thirds are satisfied with the timeliness of that information. Satisfaction is to some extent related to the size of field office with which a partner deals: those working with small offices are somewhat more likely to be satisfied than are those working with larger offices. In addition, partners who see HUD as providing mainly support or an equal amount of support and regulation are more likely to

be satisfied than those who see HUD as mainly regulating them. Finally, 71 percent of partners who own 100 or fewer housing units are satisfied with the timeliness of information compared to 58 percent of those who own more than 200 units.

About three of every five HUD-insured (unsubsidized) multifamily housing partners are satisfied with the *quality* (60 percent) and *consistency* (58 percent) of guidance they receive from HUD. Dissatisfaction levels (34 percent and 33 percent, respectively) increase somewhat for partners who have very frequent contact with HUD (56 percent and 44 percent), own more than 200 units (47 percent and 45 percent), or own two or more properties (48 percent and 44 percent).

More HUD-insured (unsubsidized) multifamily housing partners are dissatisfied (57 percent) with the reasonableness of HUD rules and requirements than are satisfied (41 percent). Although the differences are not large, those who work with small HUD field offices or are frequently in contact with the Department are more likely to express dissatisfaction than are others.

Most HUD-insured (unsubsidized) multifamily housing partners are satisfied with the responsiveness (69 percent) and competence (68 percent) of the people they deal with at HUD (including more than one-fourth who are very satisfied).

By comparison to others, dissatisfaction with HUD personnel is greater for partners who own more than 200 units, or work with large HUD field offices, or have very frequent contact with the Department—even though the differences are not large.

Finally, two-thirds of HUD-insured (unsubsidized) multifamily housing partners express satisfaction with the *overall* quality of service they receive from HUD. This proportion increases to 73 percent for those who have infrequent contact with the Department, 77 percent for those who work with small HUD field offices, and 79 percent for those who see HUD as providing some amount of support to them. Also, many more partners conclude that, over the last several years, the overall quality of HUD service has been getting better (48 percent) than getting worse (19 percent), while 20 percent see no change. Forty percent of partners who have very frequent contact with the Department believe things have changed for the worse compared to 13 percent of those who have very infrequent contact.

Assessments of management changes. HUD-insured (unsubsidized) multifamily housing partners express mixed views about the types of management changes made at HUD over the last several years—those that involved structural, functional, staffing, and financial management systems. For example:

- More of them believe that organizational changes—such as the establishment of new centers and hubs—have improved the Department than believe otherwise. Thirty-one percent believe the Department is better as a result of the changes compared to 14 percent who think it is worse; 20 percent see no effect, with the remainder unaware of the changes or not venturing an opinion. Those who had contact with a HUD Community Builder are considerably more positive about HUD's organizational changes: about two-thirds (65 percent) of them say the Department is better off for having made organizational changes.
- Two-thirds of HUD-insured (unsubsidized) multifamily housing partners are either unaware of changes in HUD functions that occurred in recent years—such as the establishment of the distinction between Community Builders and Public Trust Officers—or do not know if such changes have had any effect. Of those who had direct contact with a Community Builder, however, 59 percent believe the Department is better off, 23 percent say the changes have made no difference, and 12 percent say the Department is worse off as a result.
- HUD-insured (unsubsidized) multifamily housing partners are divided as to the effects of HUD's

staffing changes over the last several years—such as the overall reduction in staff, staffing reassignments, and retraining of HUD staff. Forty-five percent of them are unaware of such changes or have no opinion, 22 percent believe the Department is better off, 16 percent believe it is worse off, and 16 percent see no effects. One-third of those with very frequent contact with HUD conclude that the Department is worse off, compared to 11 percent of those who do not have very frequent contact.

- Somewhat more HUD-insured (unsubsidized) multifamily housing partners report that changes to HUD's financial management systems—such as the creation of new systems and the consolidation of older ones—have improved the Department (26 percent) than believe otherwise (19 percent). Most, however, either conclude that the changes have not had much effect, or do not know, or have no basis for judgment.

Achievement of management reform objectives.

HUD's management reforms over the previous several years were an attempt to achieve certain objectives. Among them are the following:

- To restore the public trust in HUD;

- For HUD to be "the best in the business;"
- To replace a top-down bureaucracy at HUD with a new customer-friendly structure;
- To instill an ethic of competence and excellence at HUD; and
- To replace the emphasis on process at HUD with an emphasis on performance.

As of late-2000 and early-2001, very few HUD-insured (unsubsidized) multifamily housing partners concluded that HUD's management objectives had not been achieved at all. For all except the objective of "restoring the public trust in HUD," between 25 percent and 30 percent of them saw no achievement. With some exceptions, those who have frequent contact with HUD are less likely to see goal achievement than those who have infrequent contact.

Fifty-six percent of HUD-insured (unsubsidized) multifamily housing partners see at least partial achievement of the public-trust goal, on the high end, and 42 percent see at least partial achievement of the "best-in-the-business" goal, on the low end.

Questions specifically designed for multifamily property owner partners. HUD's multifamily property

partners were asked a series of questions specific to their organizations' relationship to the Department. Their responses are as follows:

- Forty-six percent of HUD-insured (unsubsidized) partners—and almost three of every five who own two or more properties or 200 or more housing units—say they are unclear about the different functions and responsibilities of the HUD offices, hubs, and centers they may have to work with under HUD's new organizational structure. Only 26 percent are clear about these arrangements.
- Almost two-thirds (64 percent) of HUD-insured (unsubsidized) multifamily housing partners say it has been easy in recent months to reach the people at HUD whom they need to contact (including 27 percent who say it has been very easy), while 29 percent say it has been difficult.
- Forty-three percent of such partners report satisfaction with the transition to property inspections by HUD's Real Estate Assessment Center (REAC). Thirty-nine percent, overall, and one-half of those who have frequent contact with HUD say they are dissatisfied with this transition. Likewise, 40 percent expect that, once fully implemented, REAC's physical inspections will be

- an improvement over previous methods used by HUD to inspect housing developments, and 31 percent anticipate no improvement.
- HUD-insured (unsubsidized) multifamily housing partners are divided in their opinions of the transition to electronic financial reporting by REAC; 35 percent are satisfied and 40 percent are dissatisfied. Once fully implemented, 49 percent expect electronic reporting to be an improvement over previous methods used by HUD to report financial information, while 27 percent anticipate no improvement.
 - About one-half (49 percent) of HUD-insured (unsubsidized) multifamily housing partners are satisfied with the ability of HUD field office personnel—those in the multifamily hubs and program centers—to consistently and reliably interpret policies and regulations that pertain to their properties; one-third of them are dissatisfied. Compared to others, the frequency of dissatisfaction is higher for those who had contact with a Community Builder (63 percent) or those see HUD as providing some amount of support to them (63 percent).

- Finally, 37 percent of these partners report that HUD's capacity to monitor and provide oversight related to their properties has improved over the last several years. Conversely, 16 percent say HUD's capacity has gotten worse and 26 percent say it has not changed very much. Partners' likelihood of concluding that HUD's capacity has worsened increases with the frequency of their contact with the Department; also, those who had contact with a HUD Community Builder are somewhat more likely to see a worsening of HUD's monitoring capacity.

Open-ended comments provided by respondents.

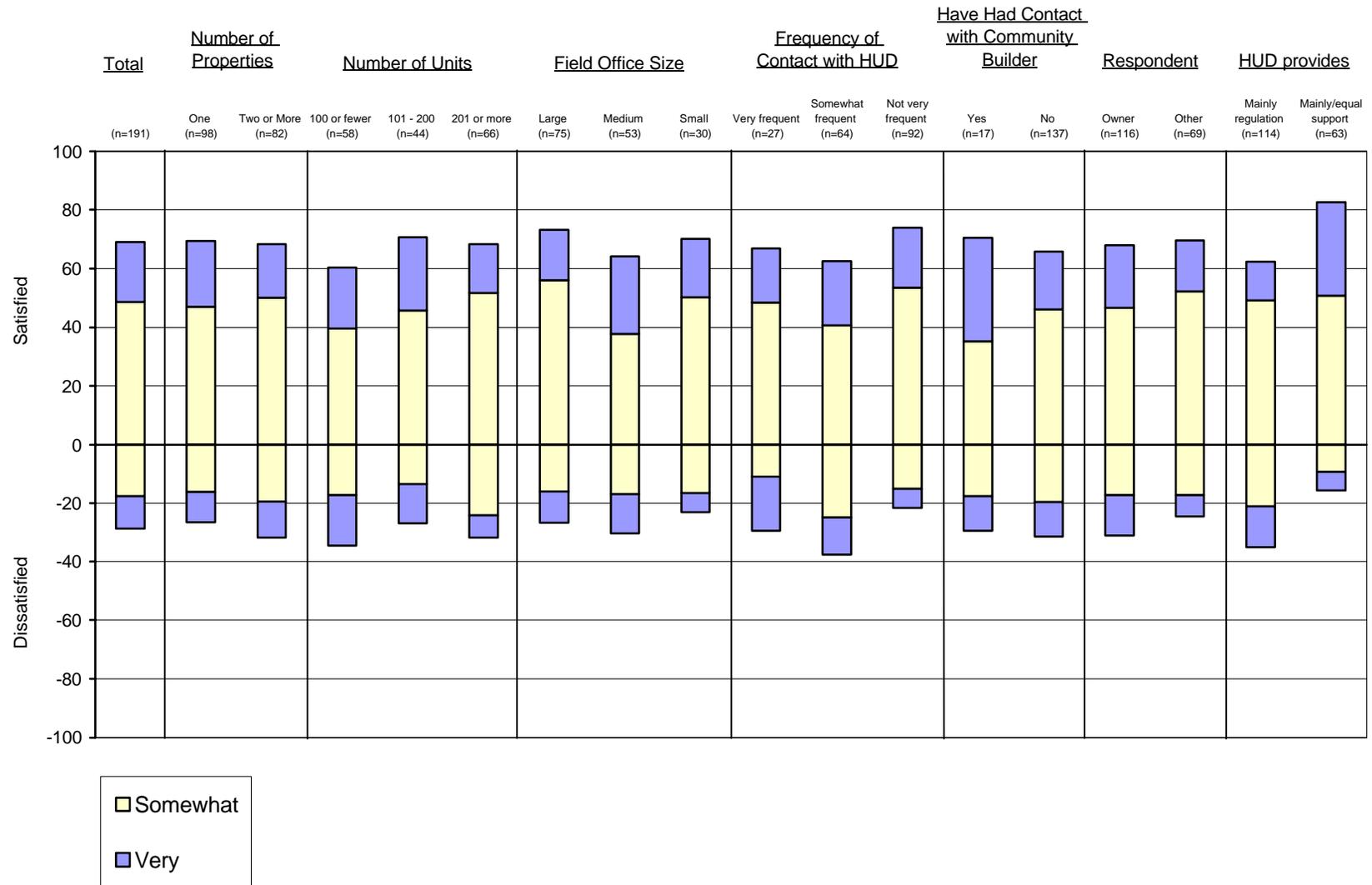
At the end of the survey, respondents were given an opportunity to provide additional comments about HUD services in their own words, and 22 percent of HUD-insured (unsubsidized) multifamily housing partners chose to do so. Most (76 percent) comments identified problems, but a number of partners (24 percent) complimented HUD. Some respondents both provided positive and negative comments.

The majority positive comments commended the helpfulness of local HUD staff, while others acknowledged overall satisfaction with HUD or recognized that services had been improving. One-fifth of all negative comments complained about some feature of the REAC process— involving either specific procedures used or difficulties in

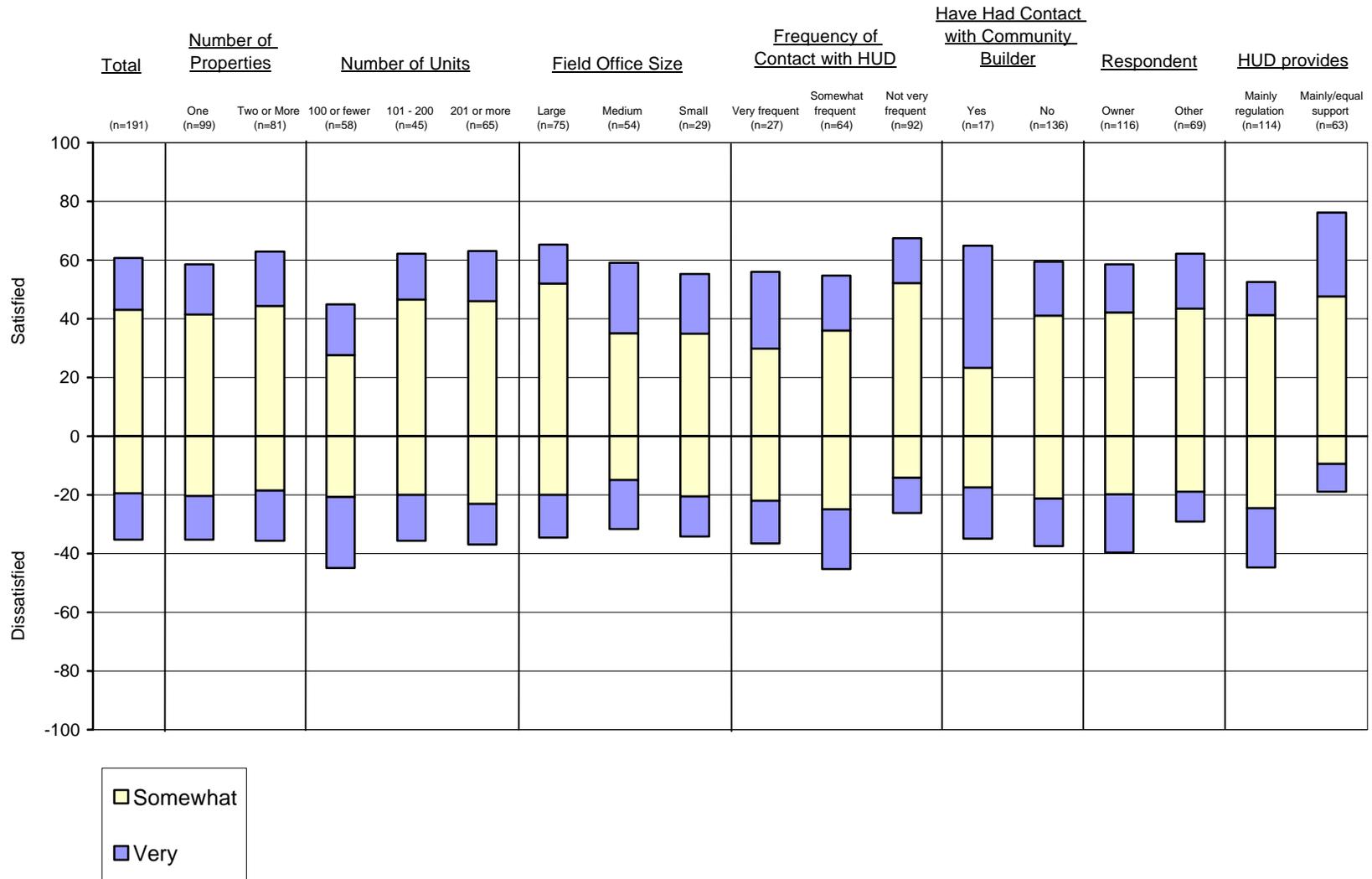
obtaining information from that office. Other concerns raised by multiple respondents included: the lack of skilled, quality HUD staff; technology problems associated with the new effort by HUD to use electronic reporting; and excessive regulations and the burden respondents believe it is causing.

Overall Performance
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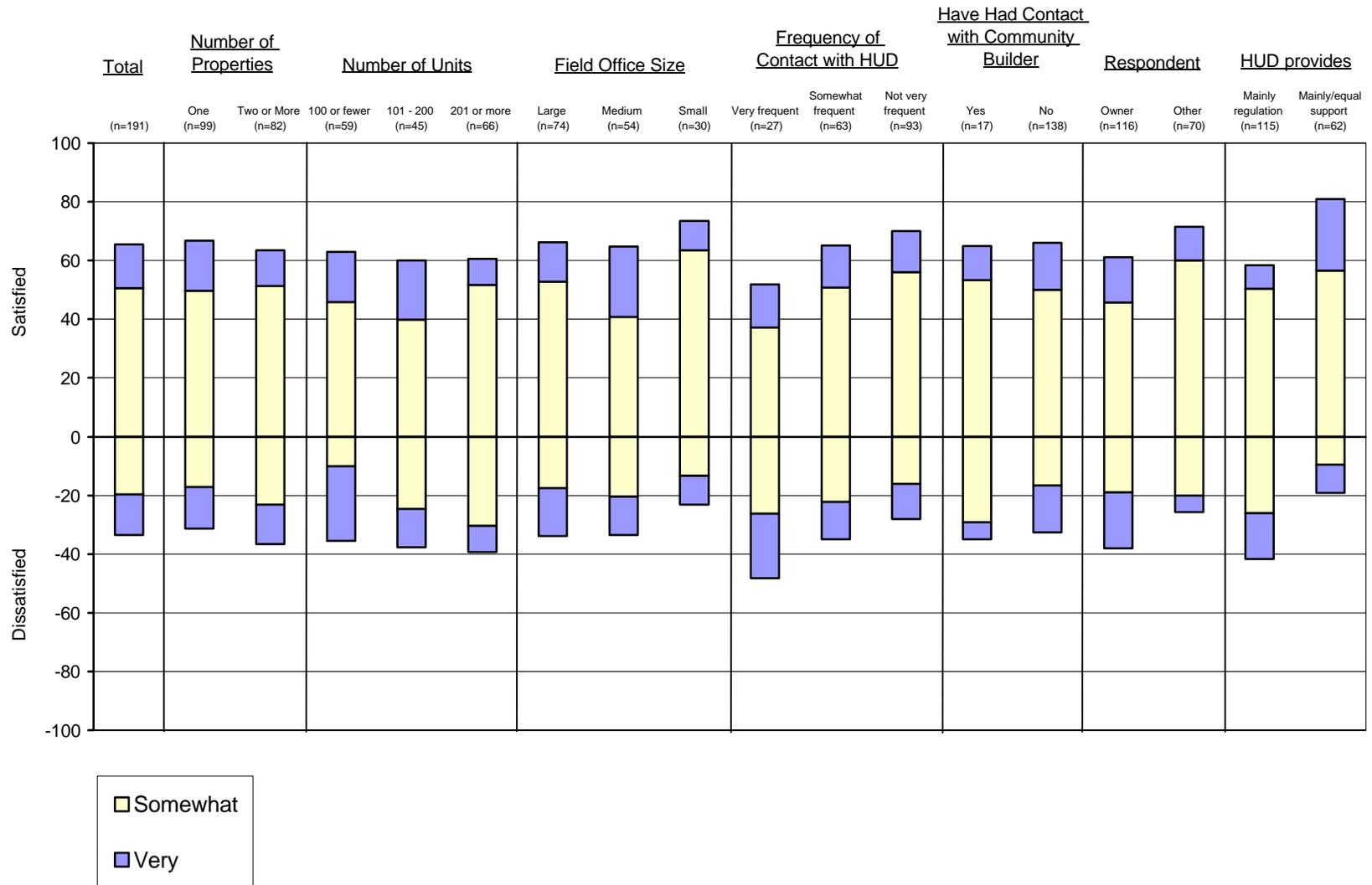
Question 3a: Thinking separately about the HUD programs with which you currently deal and about how HUD runs those programs, how satisfied or dissatisfied are you, in general, with the HUD programs you currently deal with?



Question 3b: Thinking separately about the HUD programs with which you currently deal and about how HUD runs those programs, how satisfied or dissatisfied are you, in general, with the way HUD currently runs those programs?

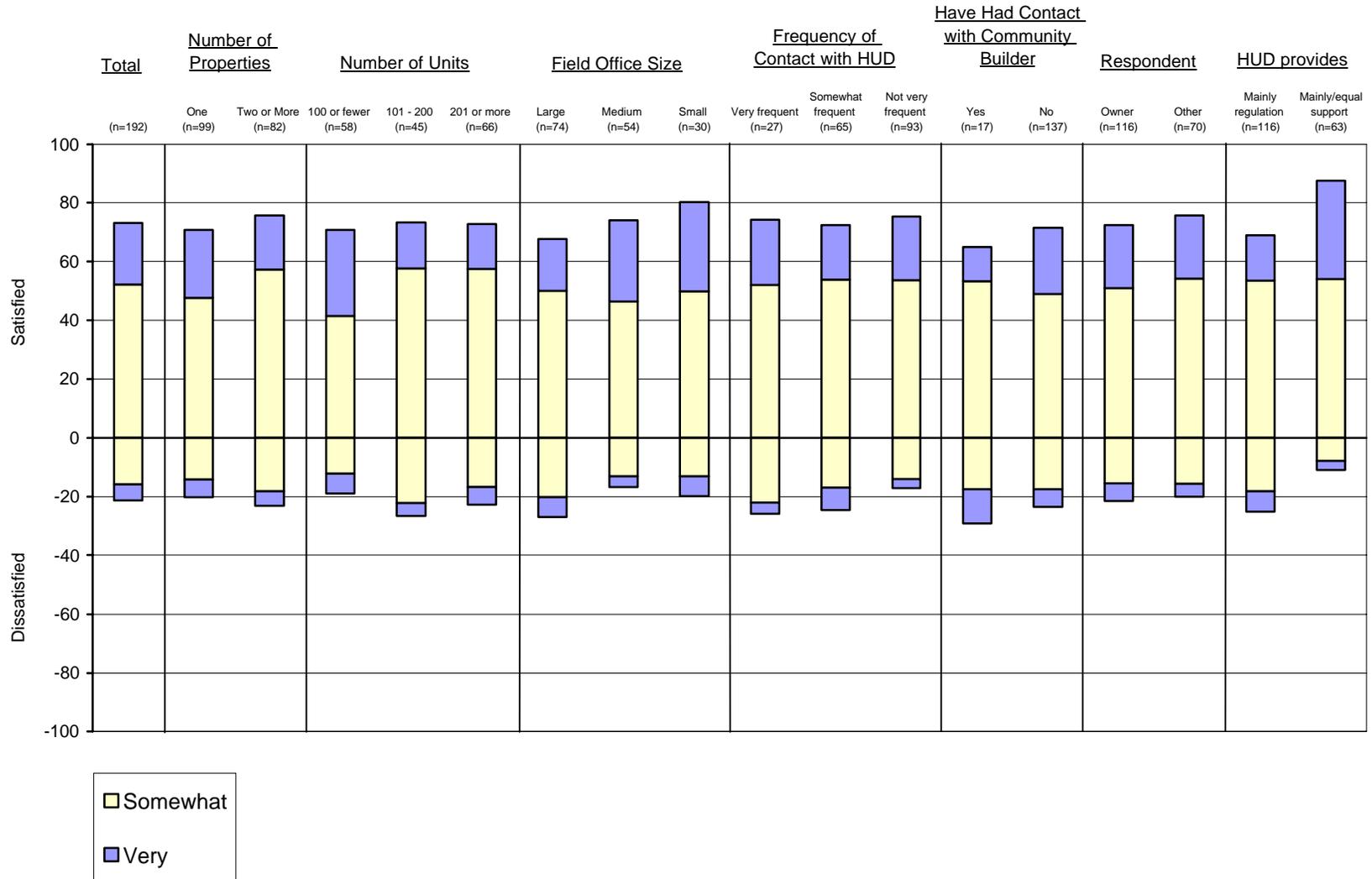


Question 17: At present, taking everything into consideration, how satisfied or dissatisfied are you with HUD's overall performance?

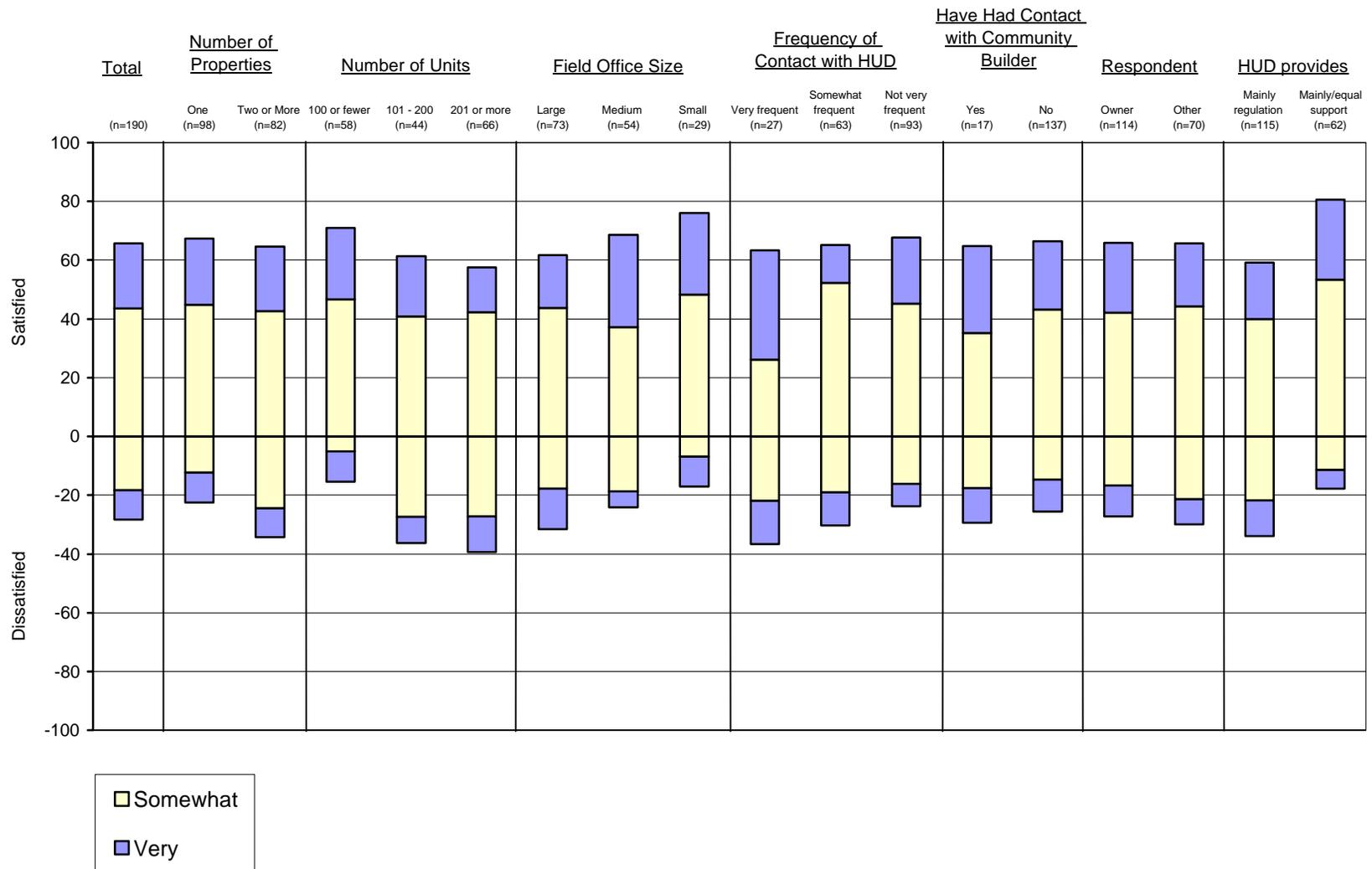


Service Quality

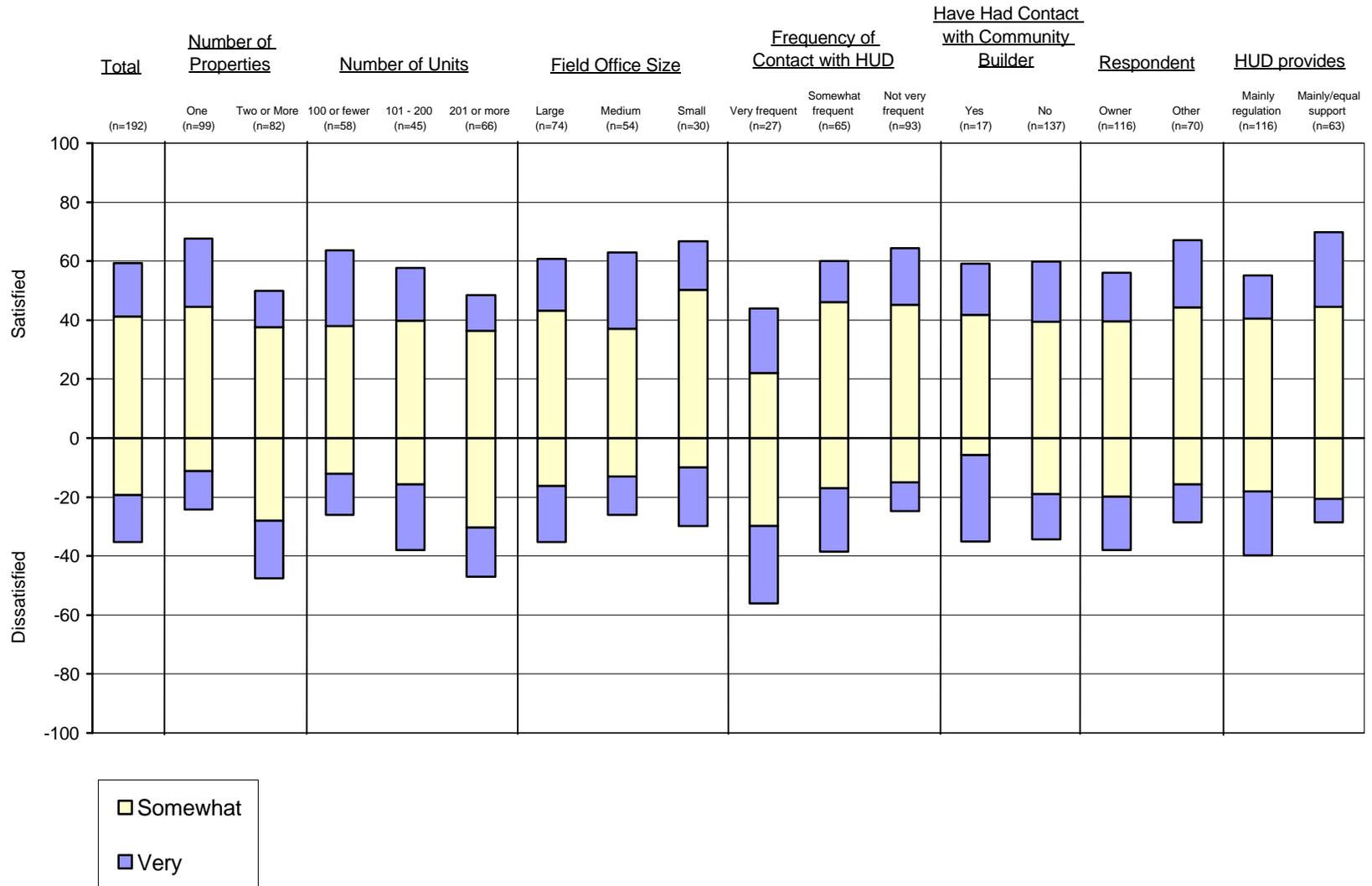
Question 4a: How satisfied or dissatisfied are you at the present point in time, in general, with the quality of the information you currently receive from HUD?



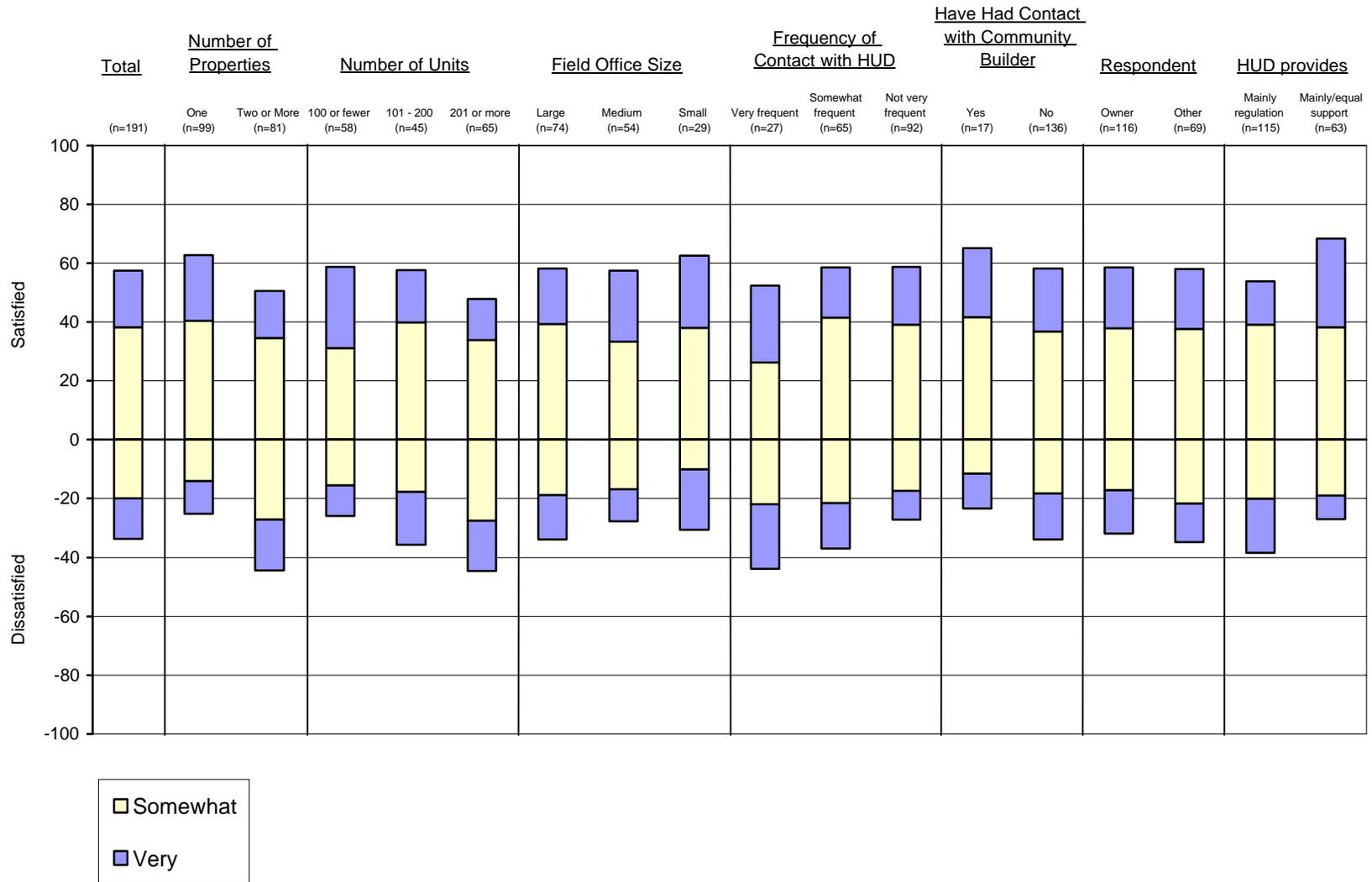
Question 4b: How satisfied or dissatisfied are you at the present point in time, in general, with the timeliness of the information you currently receive from HUD?



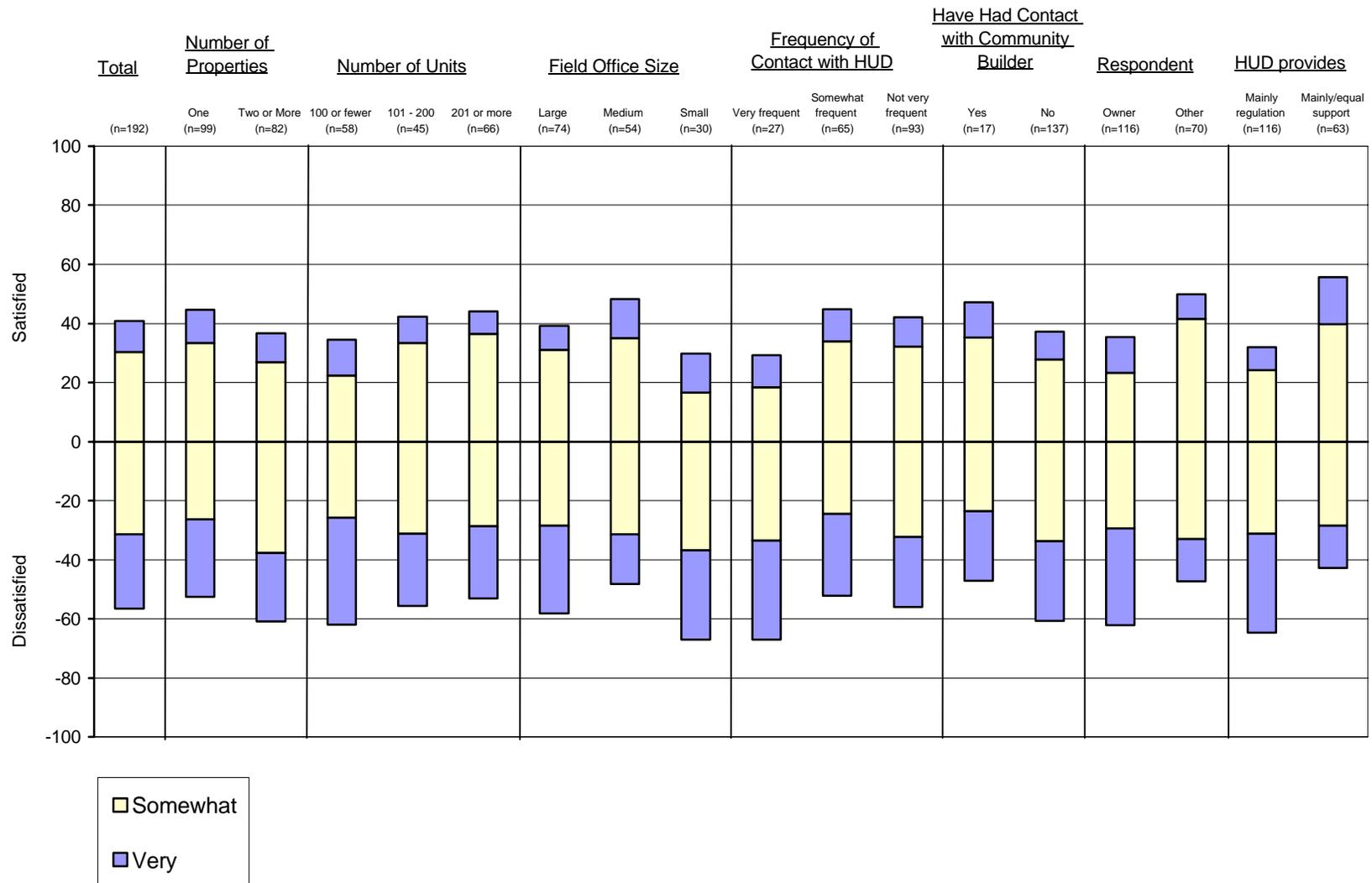
Question 4c: How satisfied or dissatisfied are you at the present point in time, in general, with the quality of guidance you currently get from HUD?



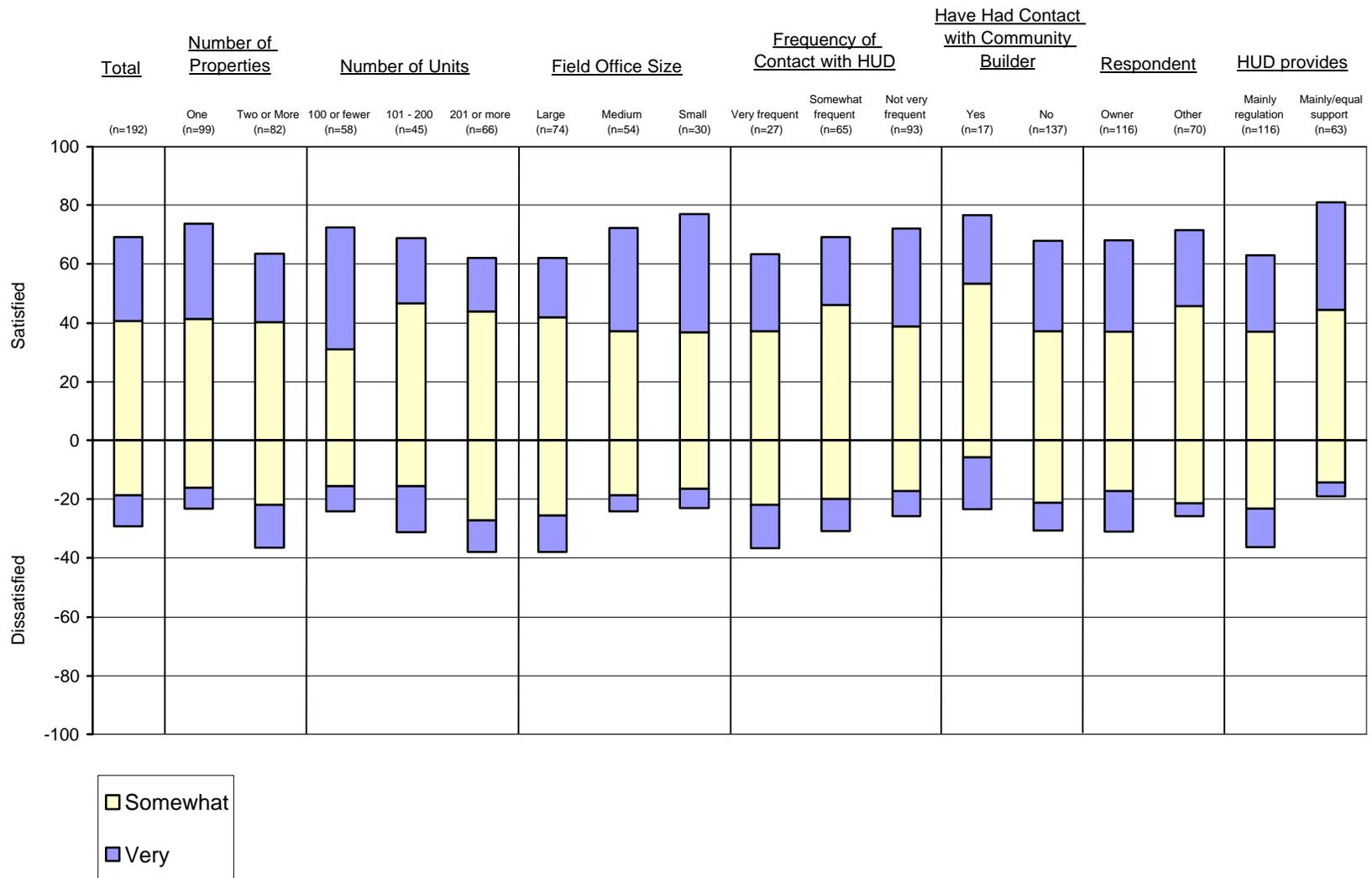
Question 4d: How satisfied or dissatisfied are you at the present point in time, in general, with the consistency of guidance you currently get from HUD?



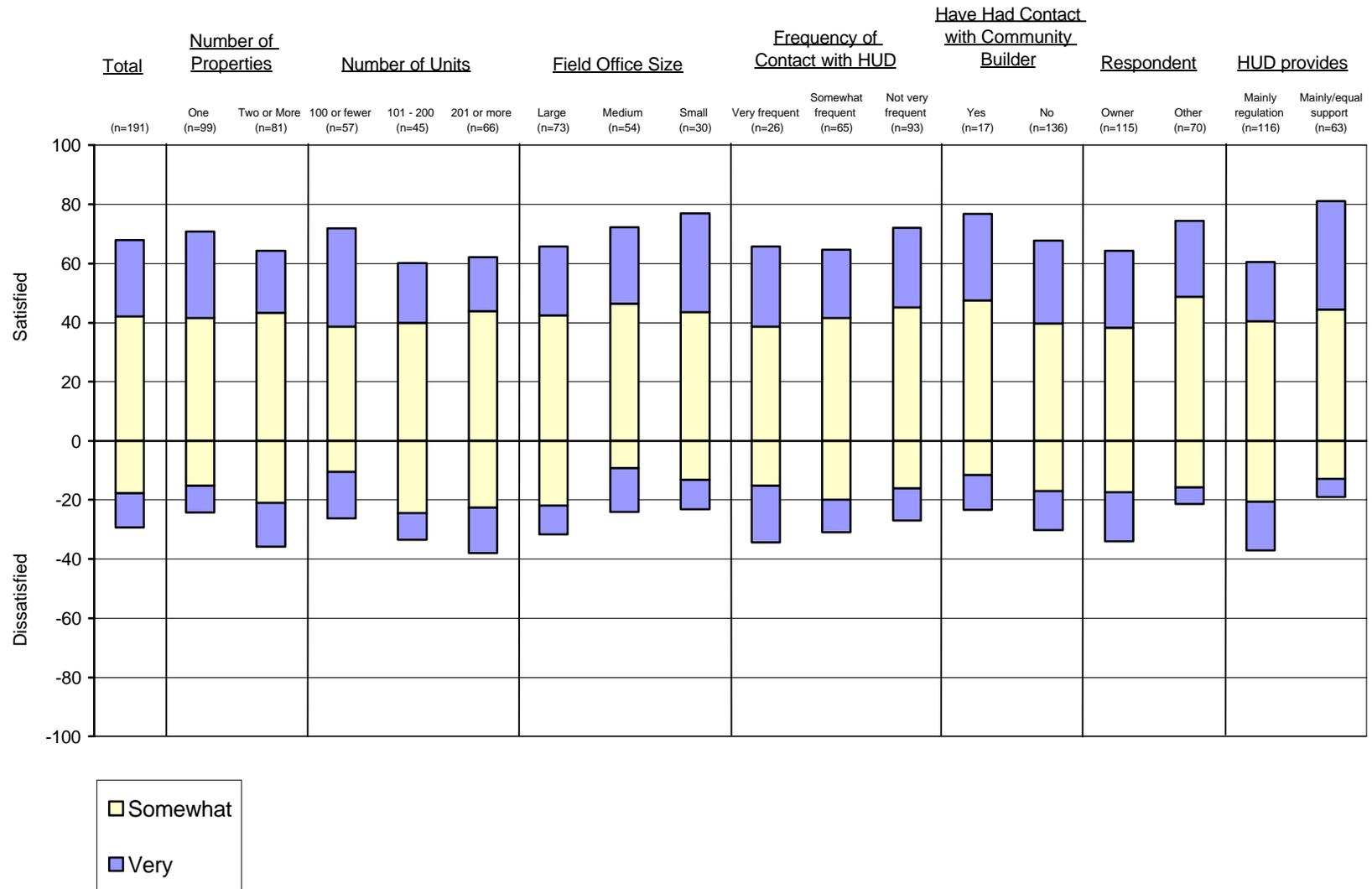
Question 4e: How satisfied or dissatisfied are you at the present point in time, in general, with the reasonableness of HUD rules and requirements that apply to your business or organization?



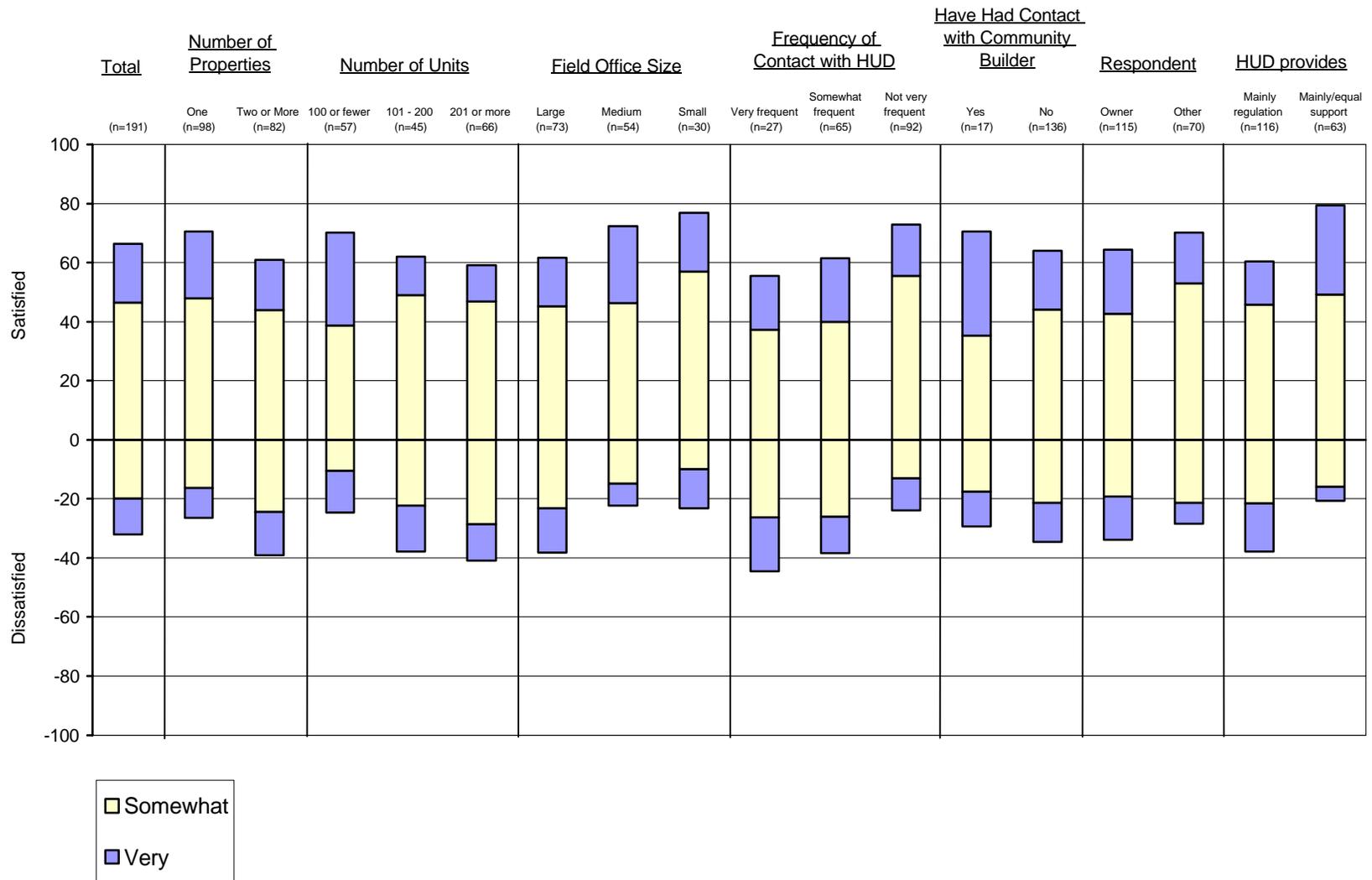
Question 4f: How satisfied or dissatisfied are you at the present point in time, in general, with the responsiveness of the people with whom you currently deal at HUD?



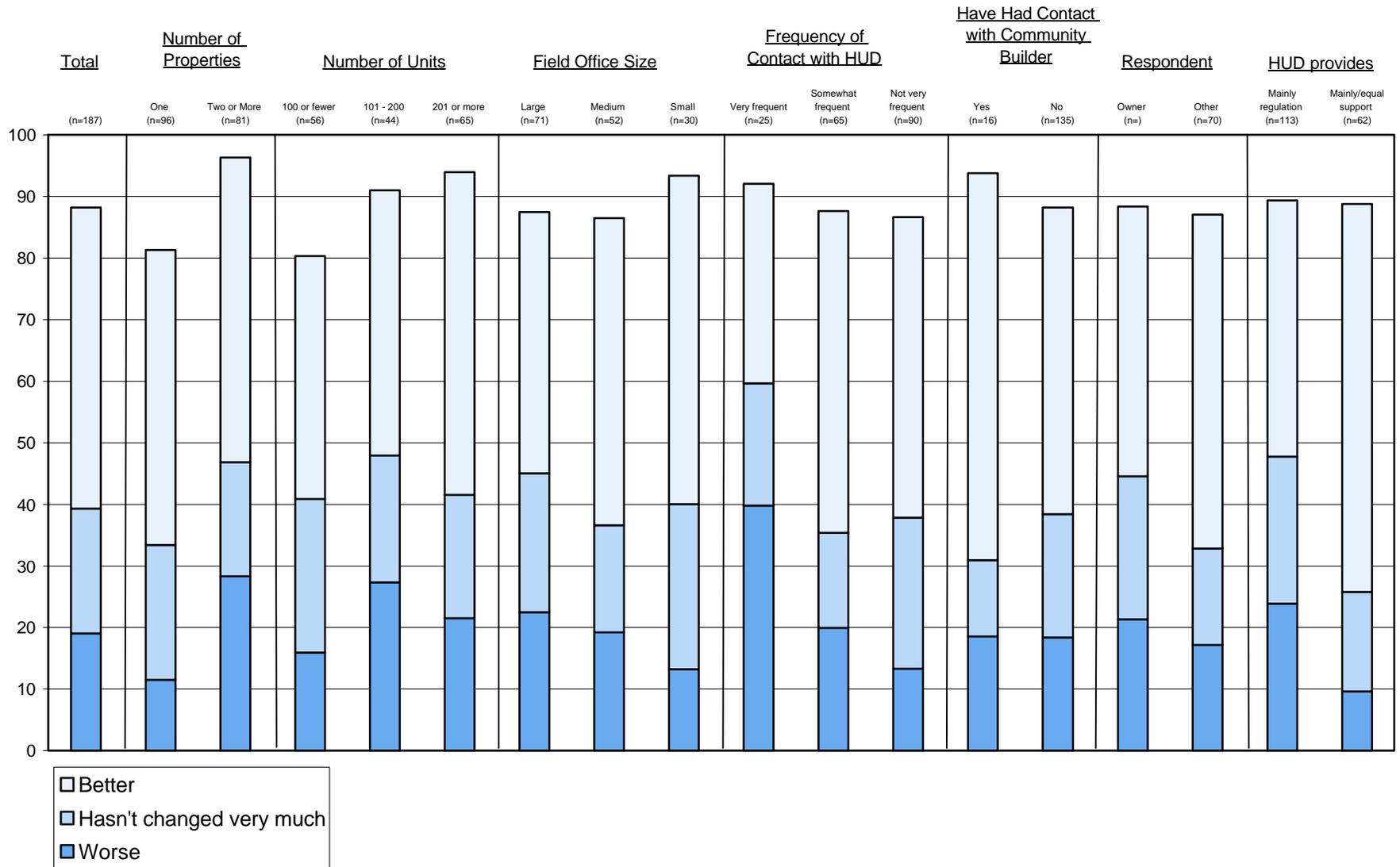
Question 4g: How satisfied or dissatisfied are you at the present point in time, in general, with the competence of the people with whom you currently deal at HUD?



Question 4h: How satisfied or dissatisfied are you at the present point in time, in general, with the overall quality of service you receive from HUD today?

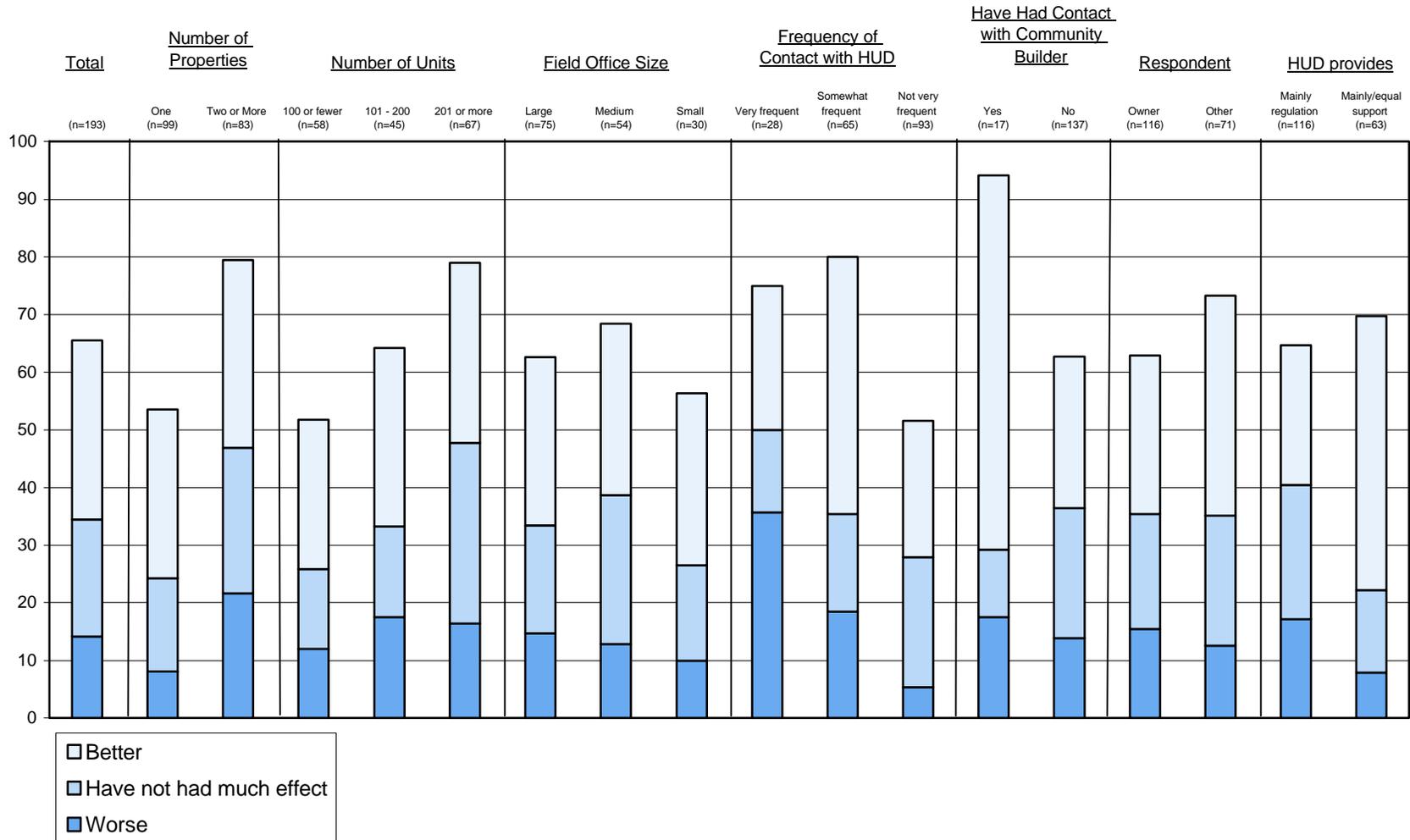


Question 5: Over the last several years, would you say the overall quality of service you received from HUD is generally getting much better, somewhat better, somewhat worse, much worse, or hasn't changed much?

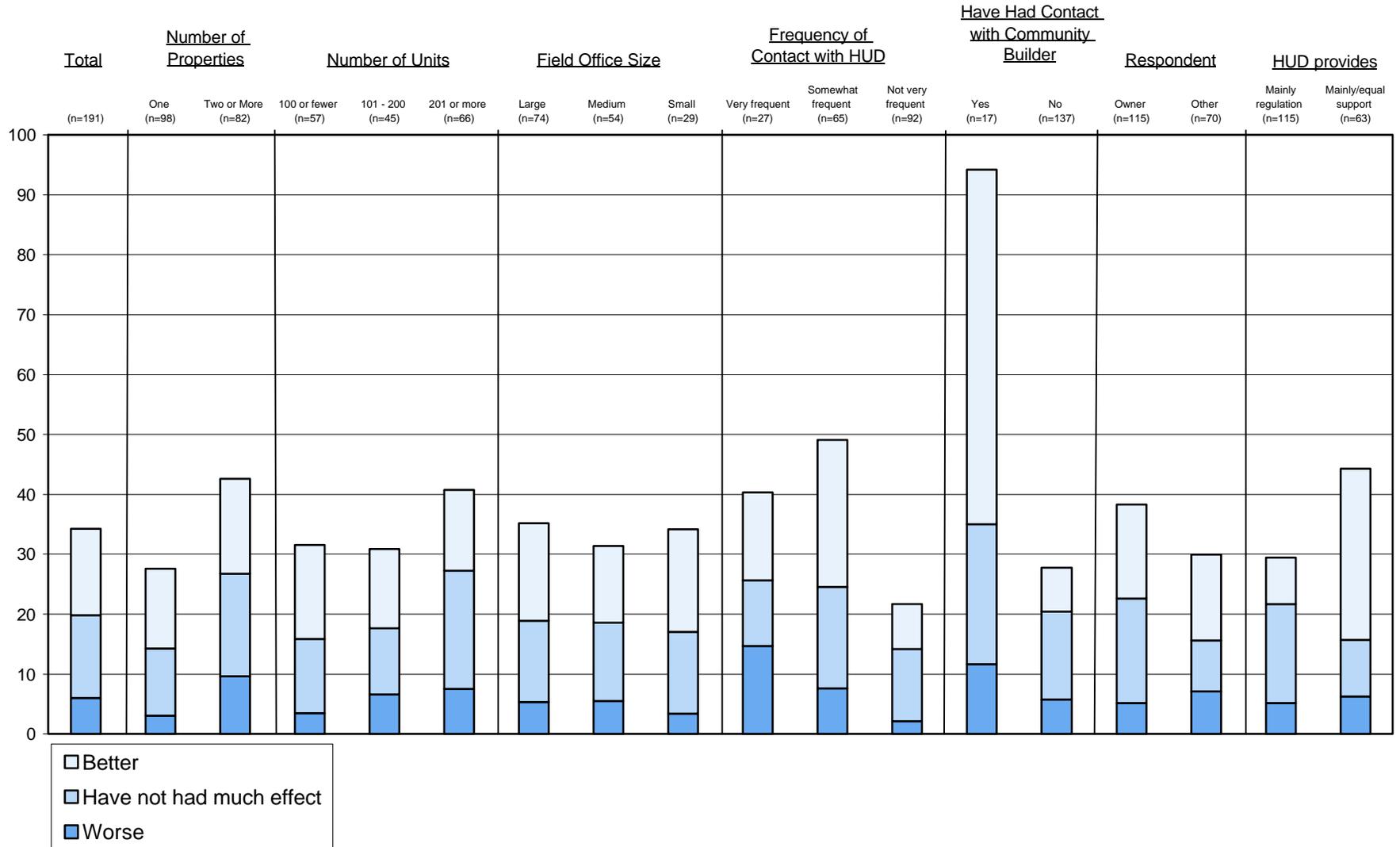


Management Changes

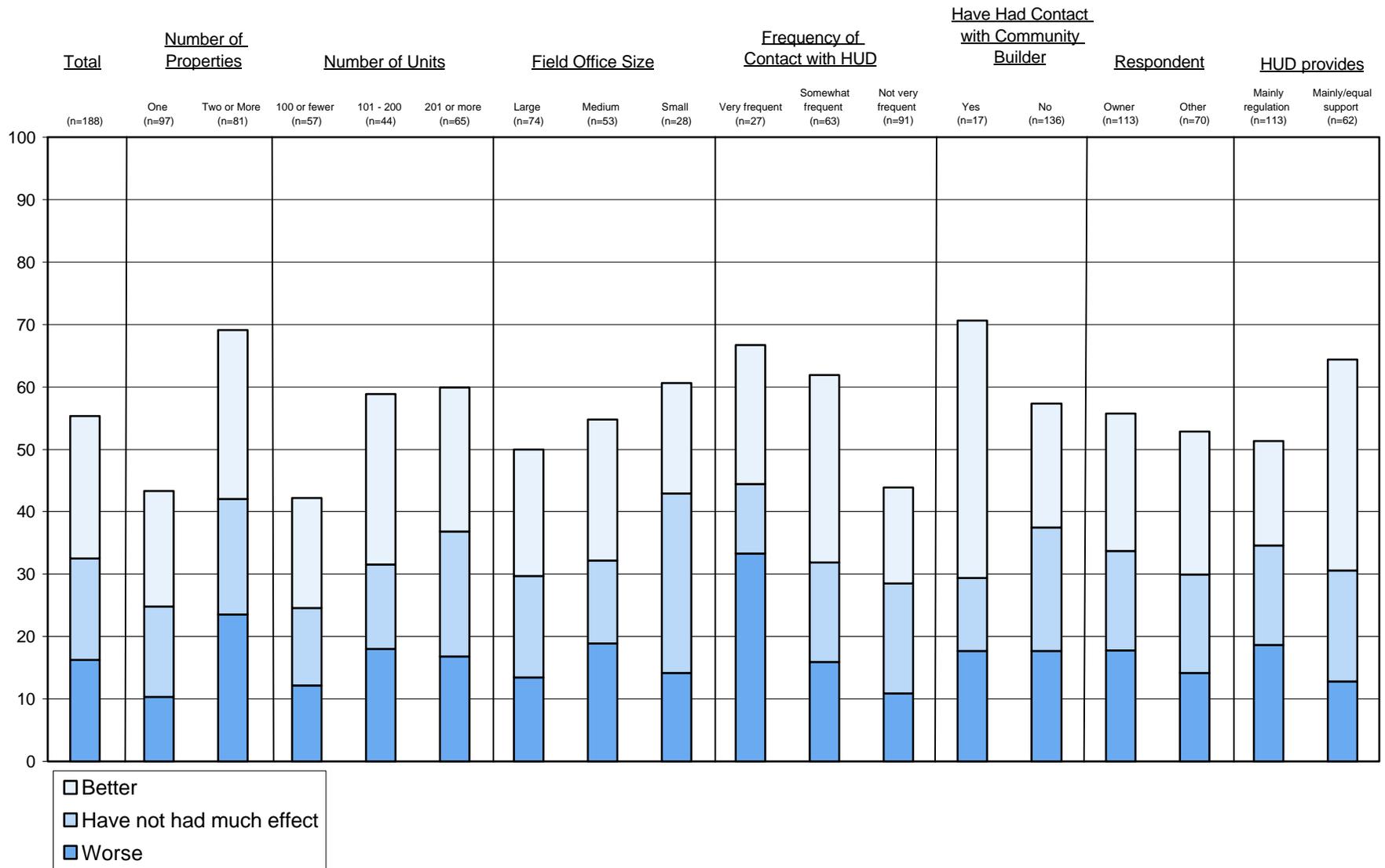
Question 7a: Would you say that the changes, over the last several years, in HUD's organizational structure, such as the establishment of new centers and hubs, have made HUD much better, somewhat better, somewhat worse, much worse, or have not had much effect?



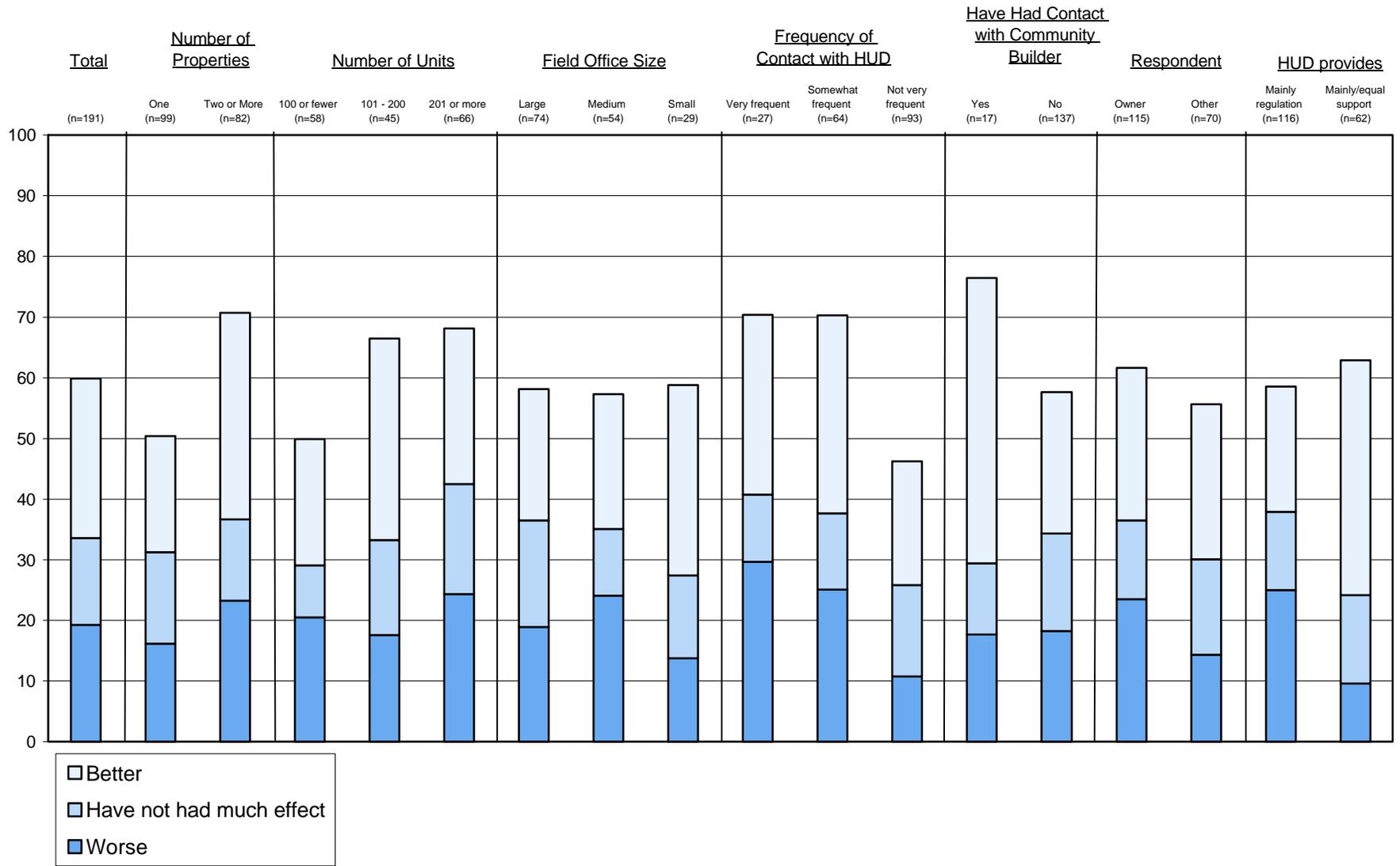
Question 7b: Would you say that the changes, over the last several years, in HUD functions, such as the establishment of the new Community Builder and Public Trust Officer functions, have made HUD much better, somewhat better, somewhat worse, much worse, or have not had much effect?



Question 7c: Would you say that the changes, over the last several years, in HUD's staffing, such as the overall reduction in staff, staffing reassignments, and retraining of HUD staff, have made HUD much better, somewhat better, somewhat worse, much worse, or have not had much effect?

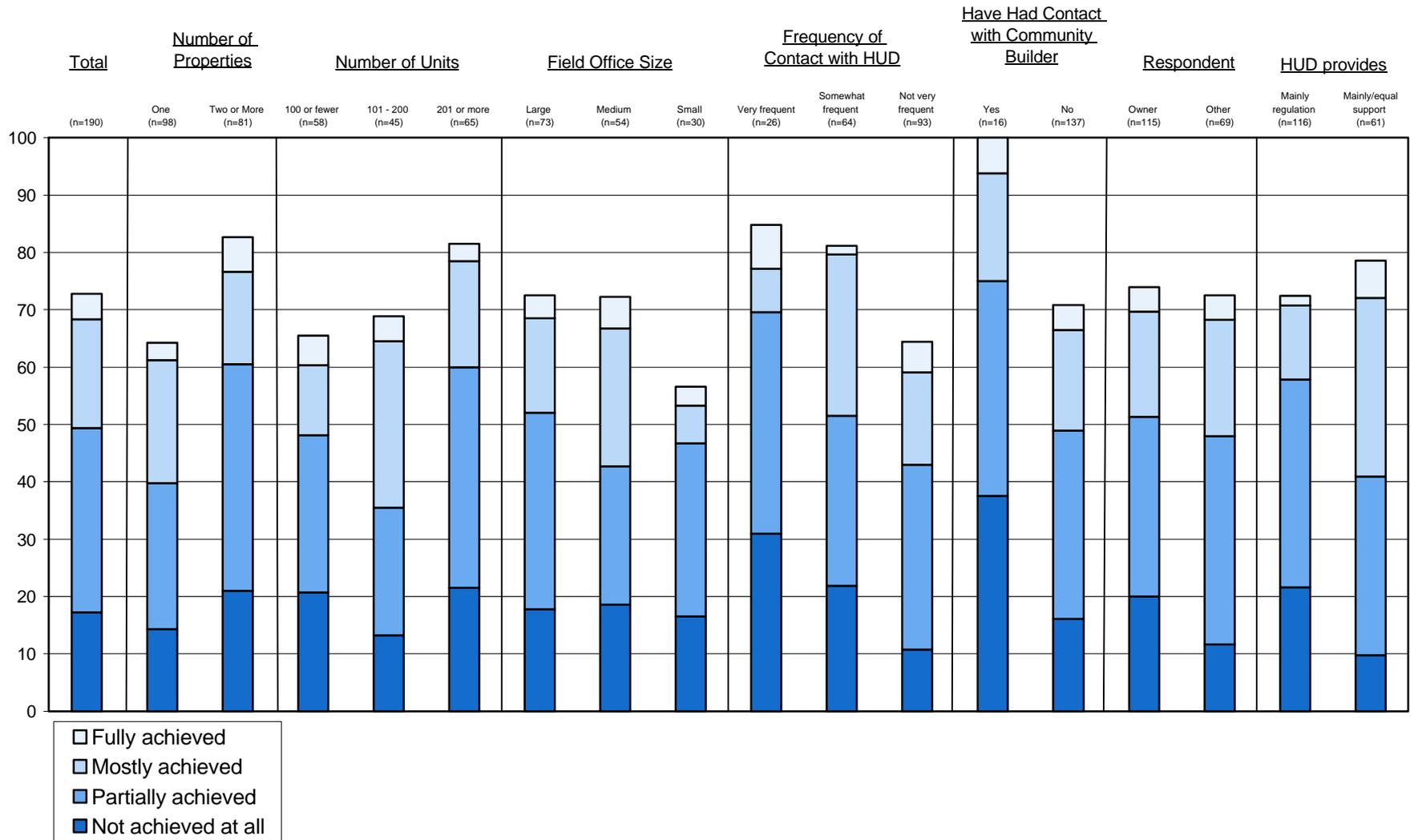


Question 7d: Would you say that the changes, over the last several years, in HUD's financial management systems, such as the creation of new systems and the consolidation of older ones, have made HUD much better, somewhat better, somewhat worse, much worse, or have not had much effect?

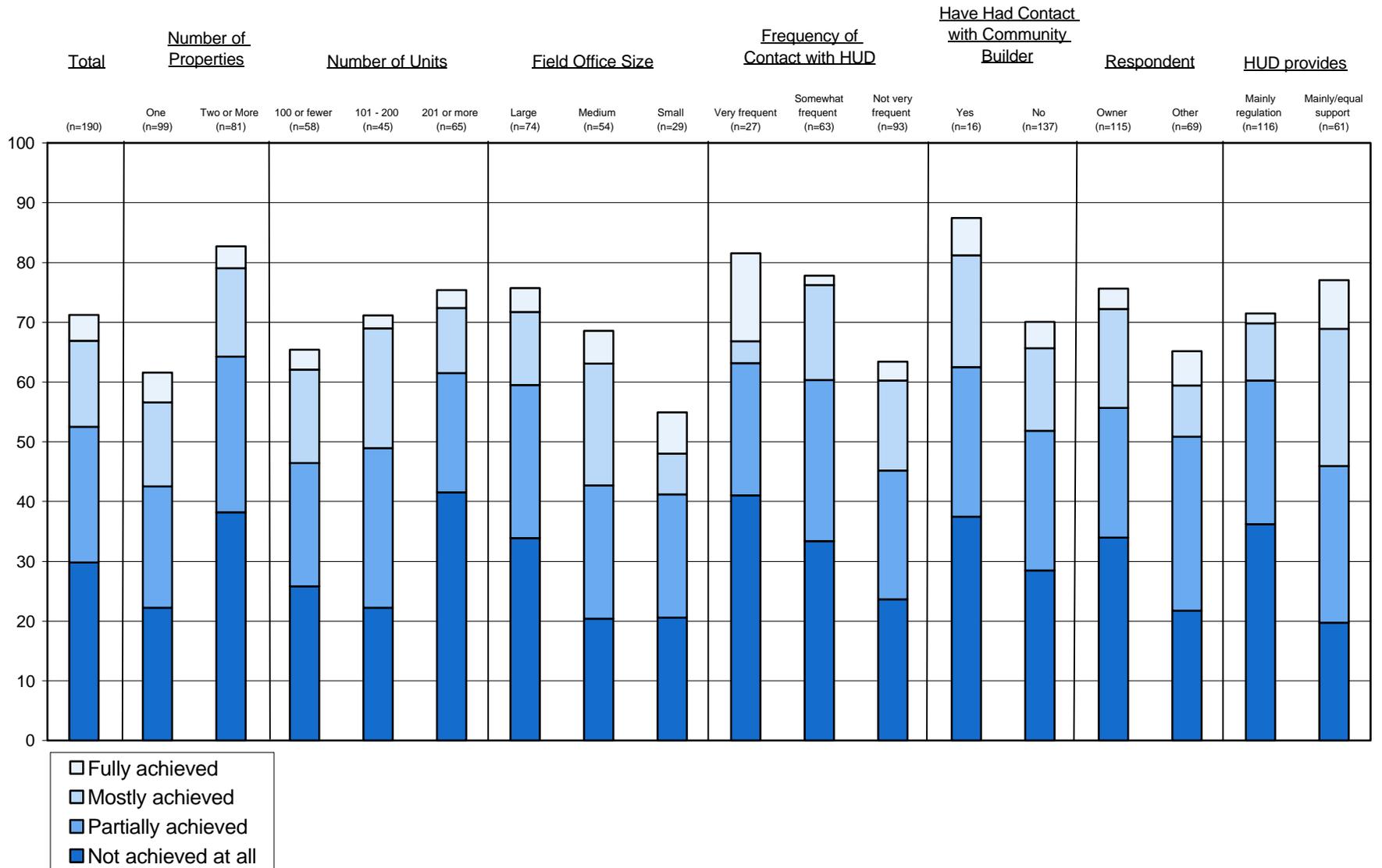


Achievement of Management Objectives

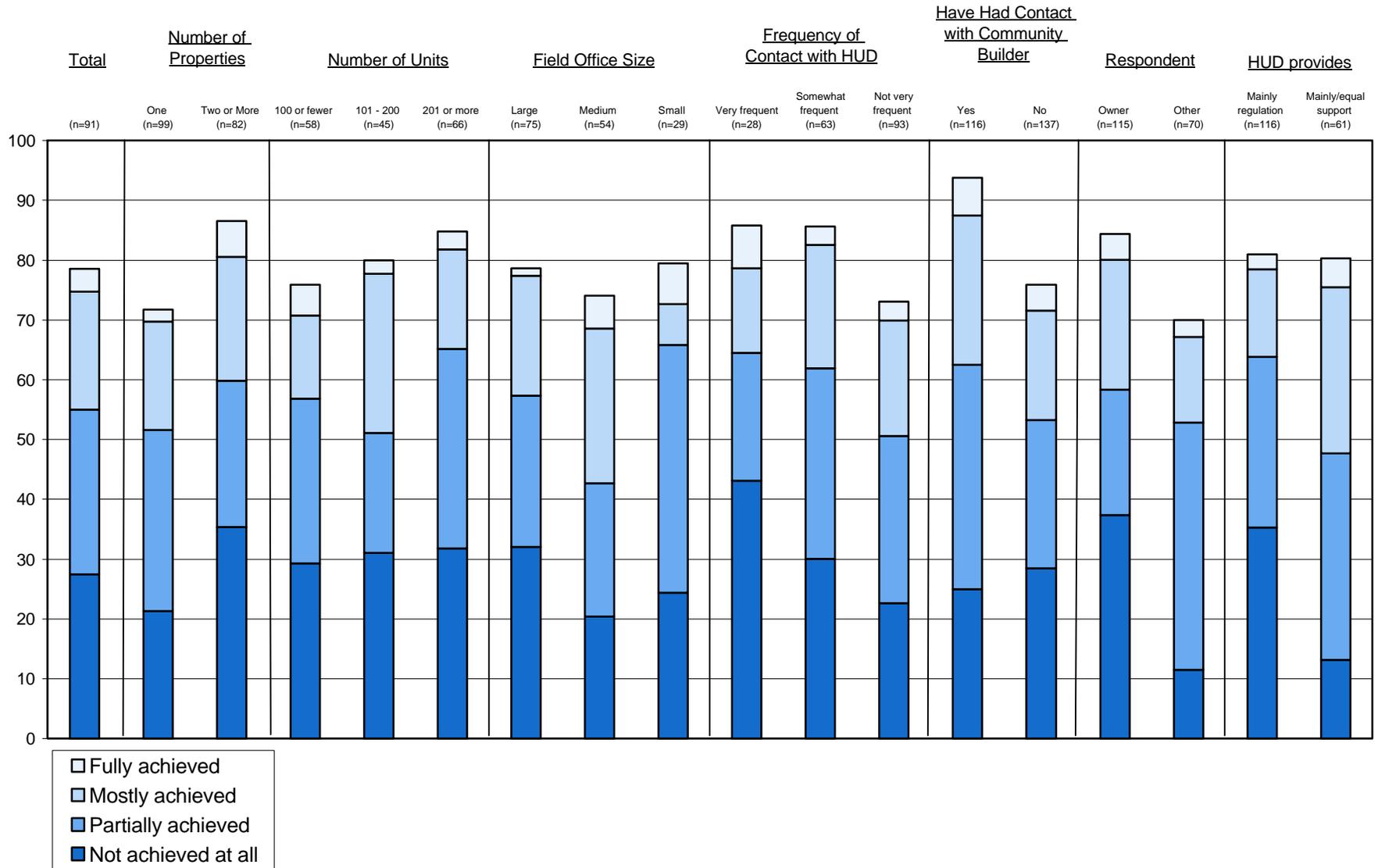
Question 8a: Please indicate the extent to which you believe the following HUD reform objective has been fully achieved, mostly achieved, partially achieved, or not achieved at all: To restore the public trust in HUD.



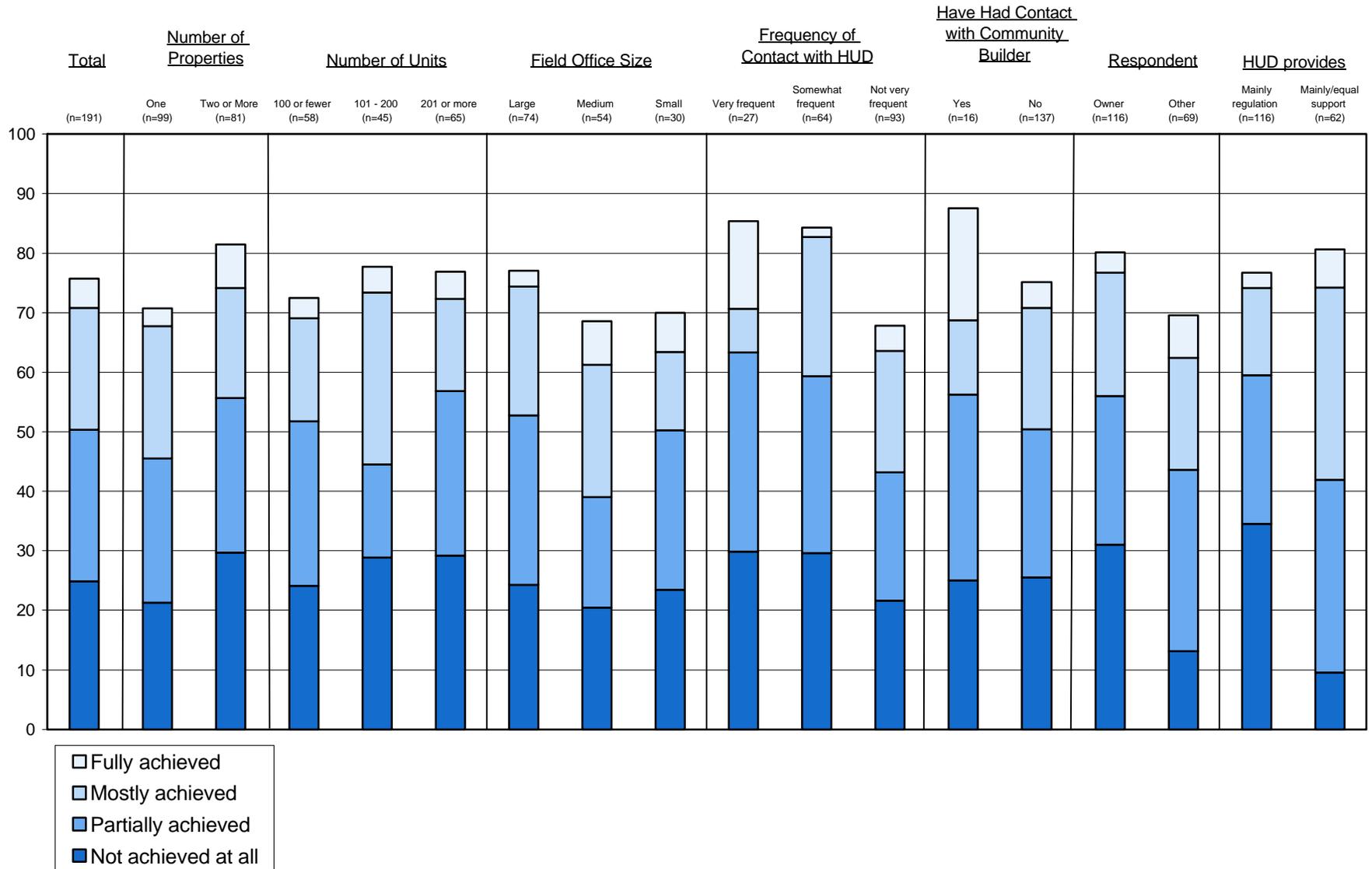
Question 8b: Please indicate the extent to which you believe the following HUD reform objective has been fully achieved, mostly achieved, partially achieved, or not achieved at all: To be "the best in the business."



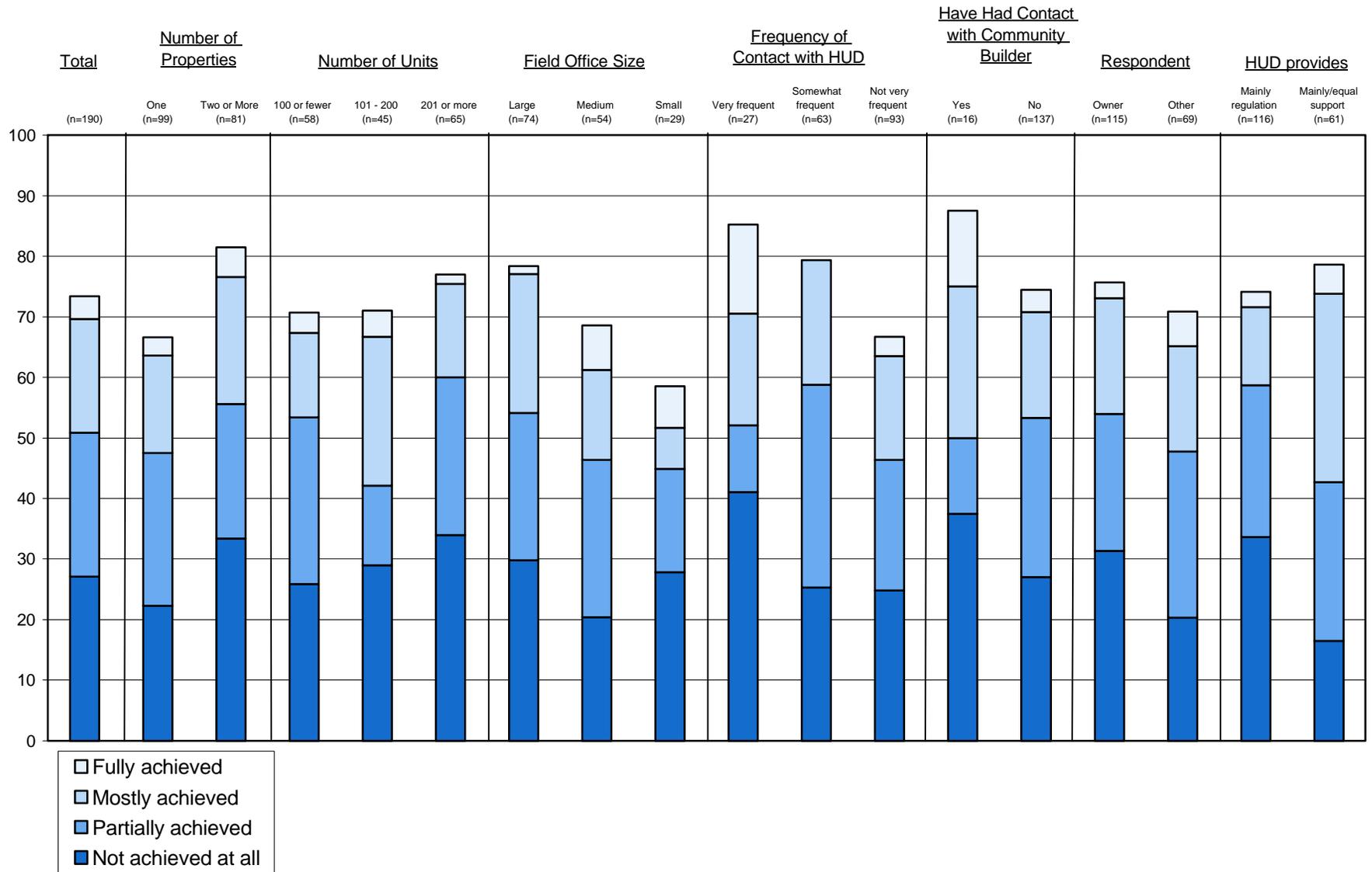
Question 8c: Please indicate the extent to which you believe the following HUD reform objective has been fully achieved, mostly achieved, partially achieved, or not achieved at all: To replace a top-down bureaucracy with a new customer-friendly structure.



Question 8d: Please indicate the extent to which you believe the following HUD reform objective has been fully achieved, mostly achieved, partially achieved, or not achieved at all: To instill an ethic of competence and excellence at HUD.

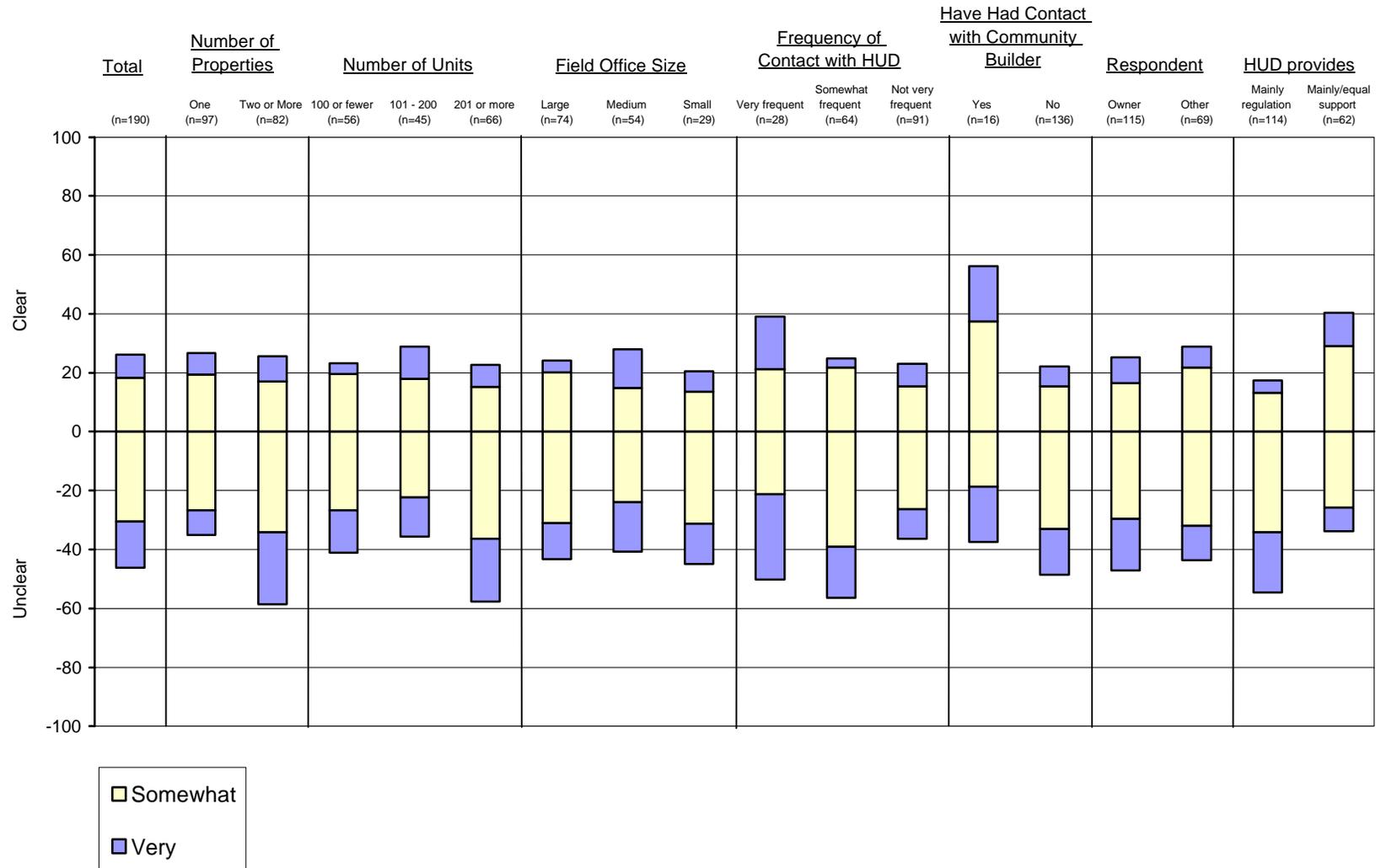


Question 8e: Please indicate the extent to which you believe the following HUD reform objective has been fully achieved, mostly achieved, partially achieved, or not achieved at all: To replace the emphasis on process with an emphasis on performance.

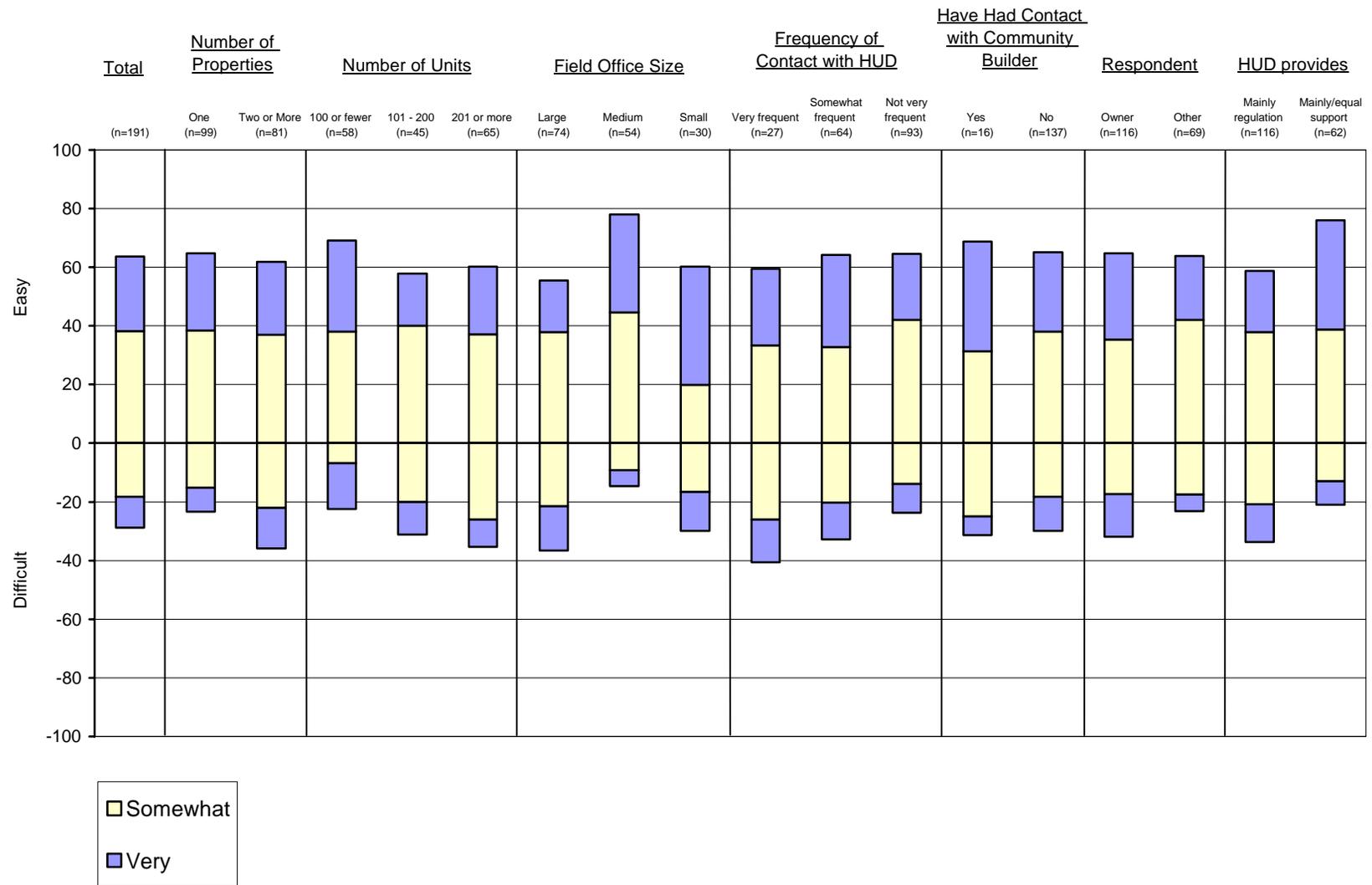


Questions Specific to HUD-Insured Partners

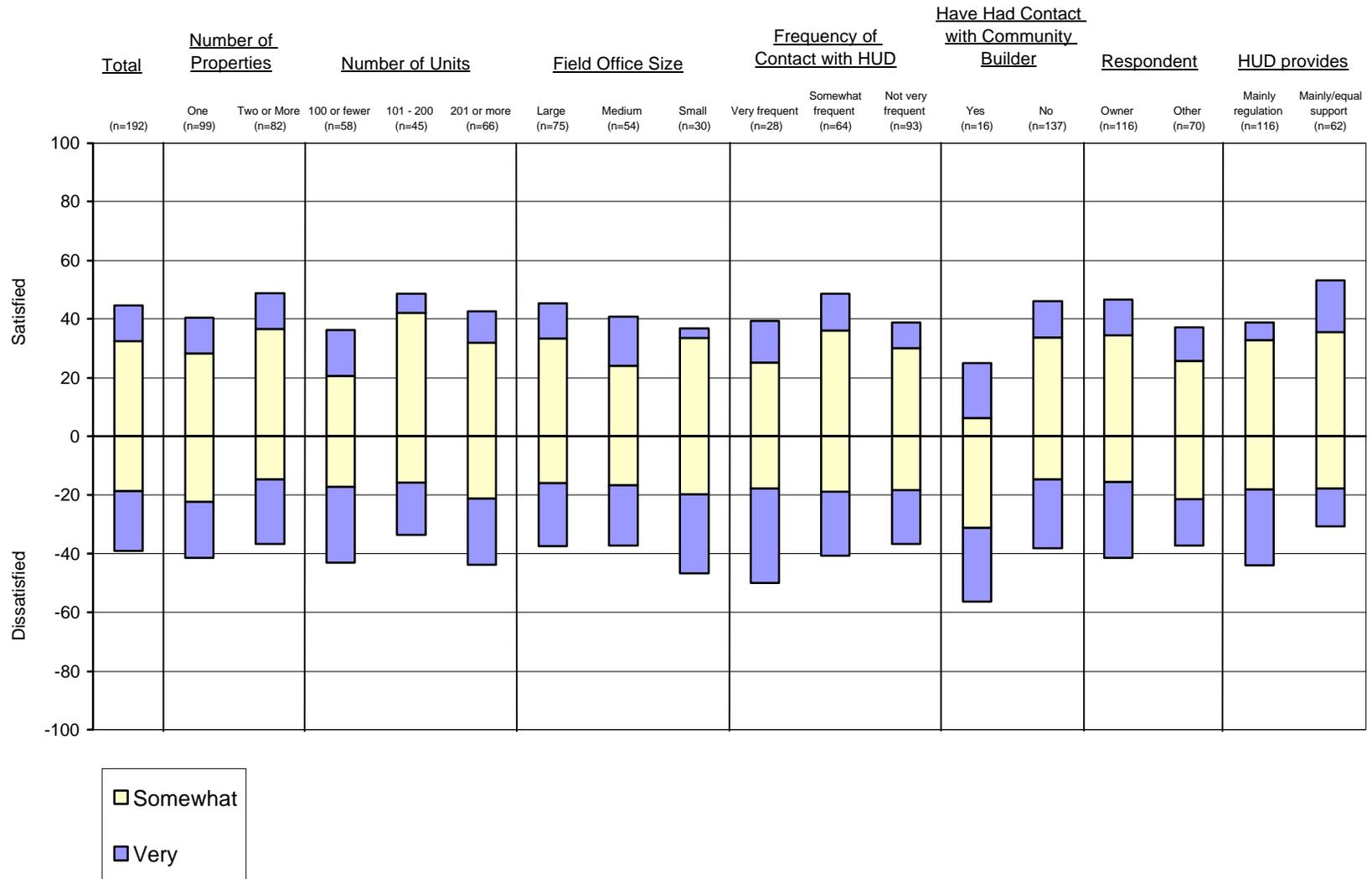
Question 9: Under HUD's new organizational structure, property owners may have to work with several HUD offices, hubs, and centers for various purposes. Are the different functions and responsibilities of these offices, hubs, and centers very clear, somewhat clear, somewhat unclear or very unclear?



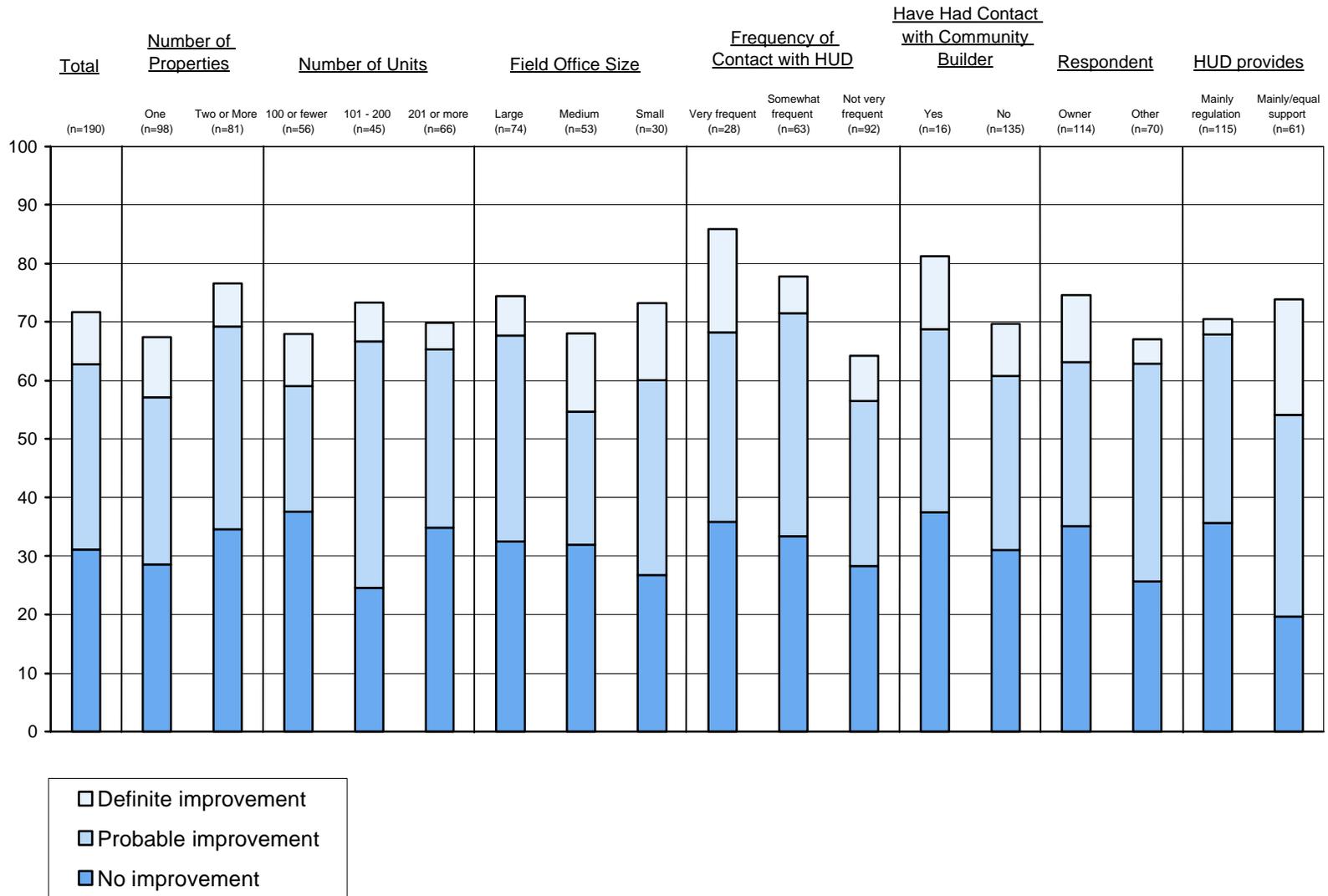
Question 10: In recent months, how easy or difficult has it been for you to reach the people at HUD whom you need to contact? In general, has it been very easy, somewhat easy, somewhat difficult or very difficult?



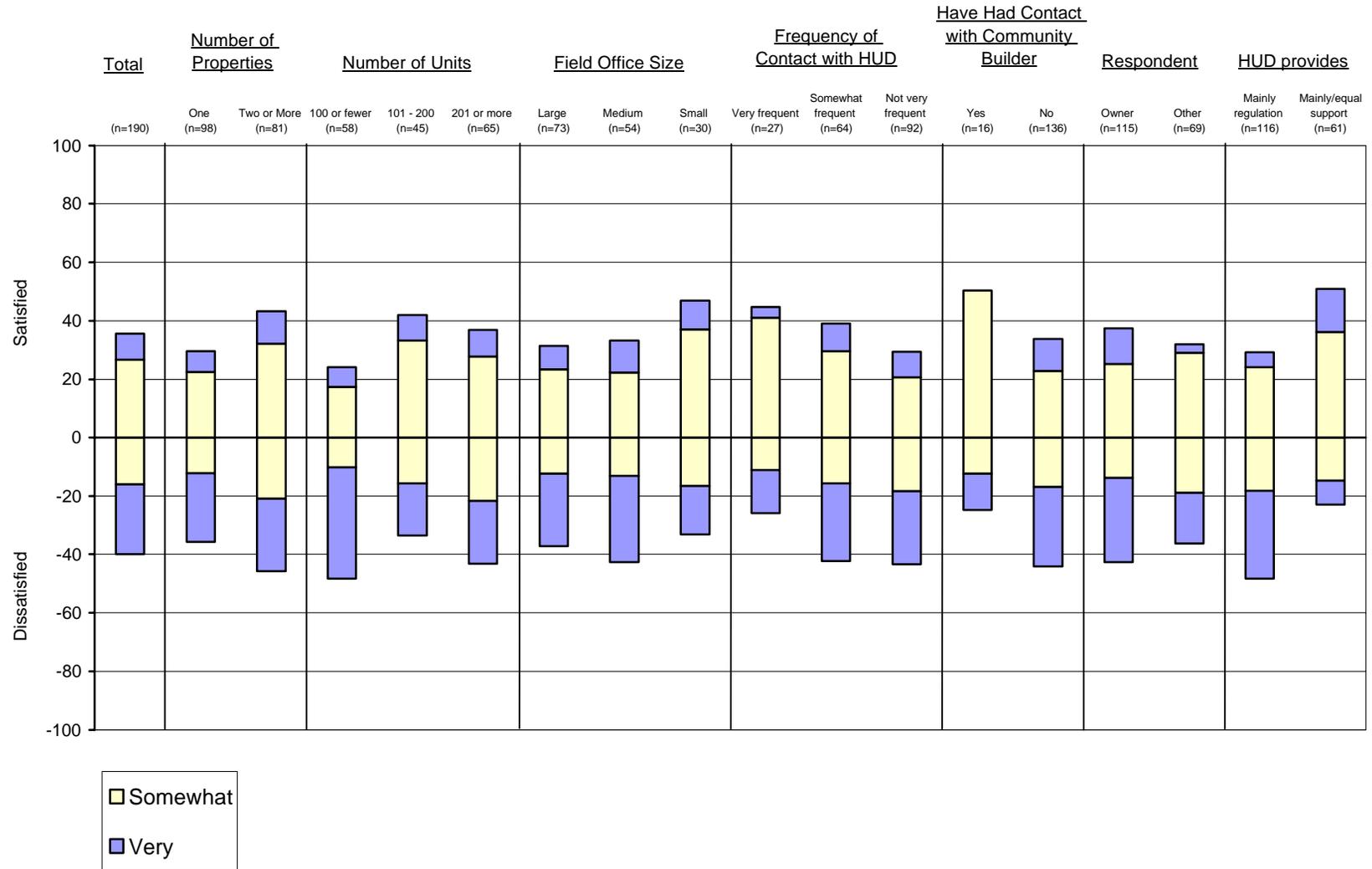
Question 11: How satisfied are you with the transition to property inspections by HUD's Real Estate Assessment Center (REAC)? Are you very satisfied, somewhat satisfied, somewhat dissatisfied or very dissatisfied?



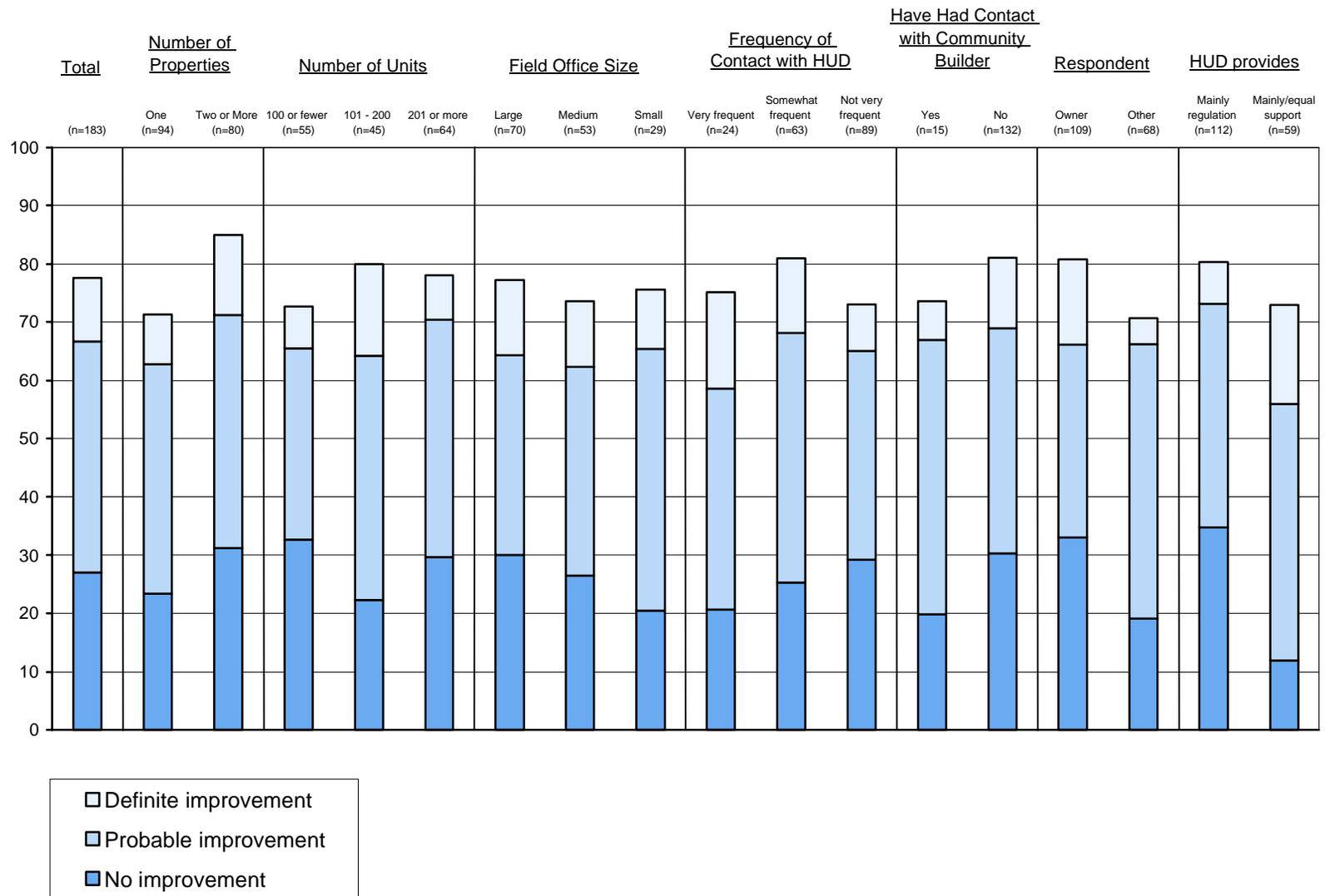
Question 12: Once fully implemented, do you expect the physical inspections done by HUD's Real Estate Assessment Center (REAC) will be an improvement over the previous methods used by HUD to inspect housing developments?



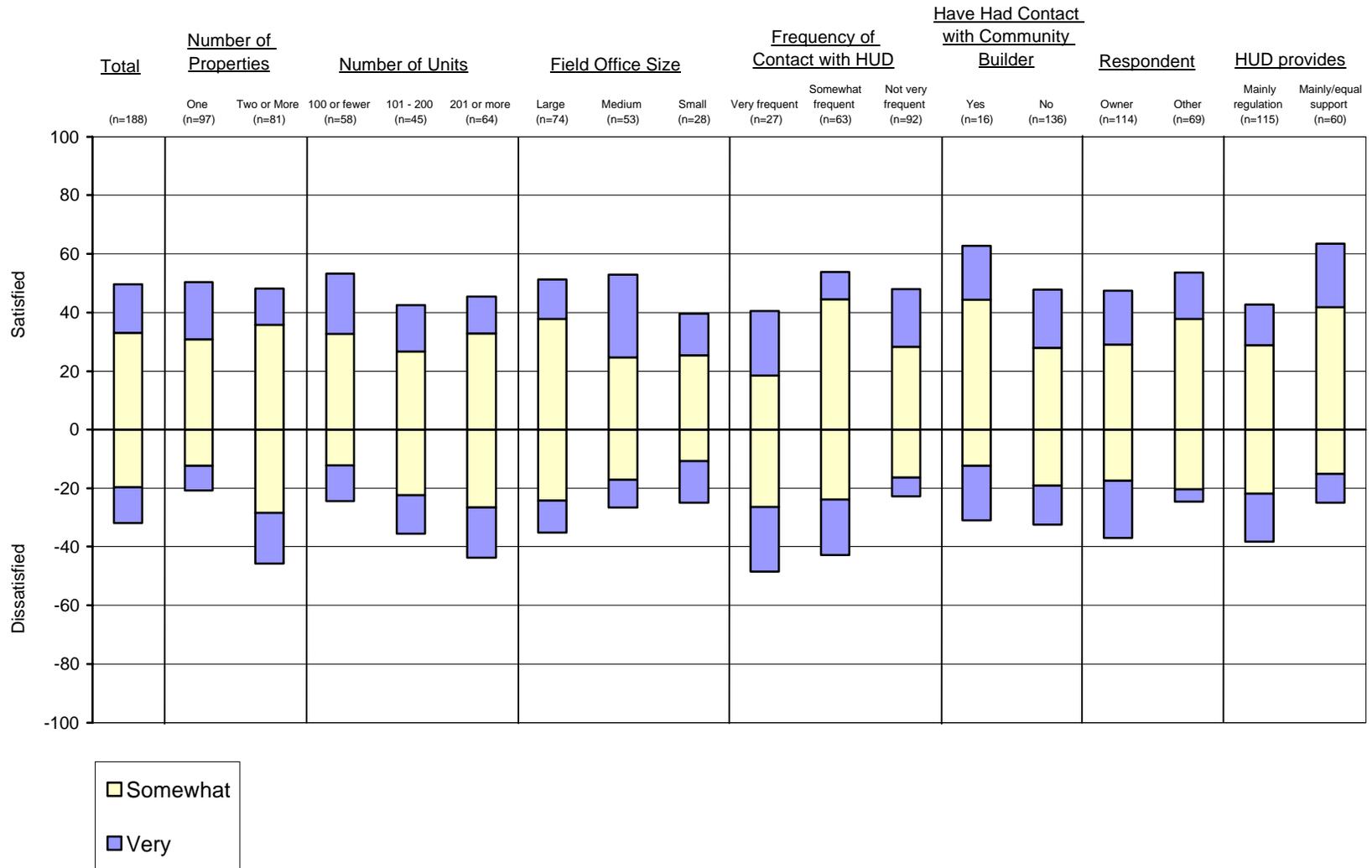
Question 13: How satisfied are you with the transition to electronic financial reporting to HUD's Real Estate Assessment Center (REAC)? Are you very satisfied, somewhat satisfied, somewhat dissatisfied or very dissatisfied?



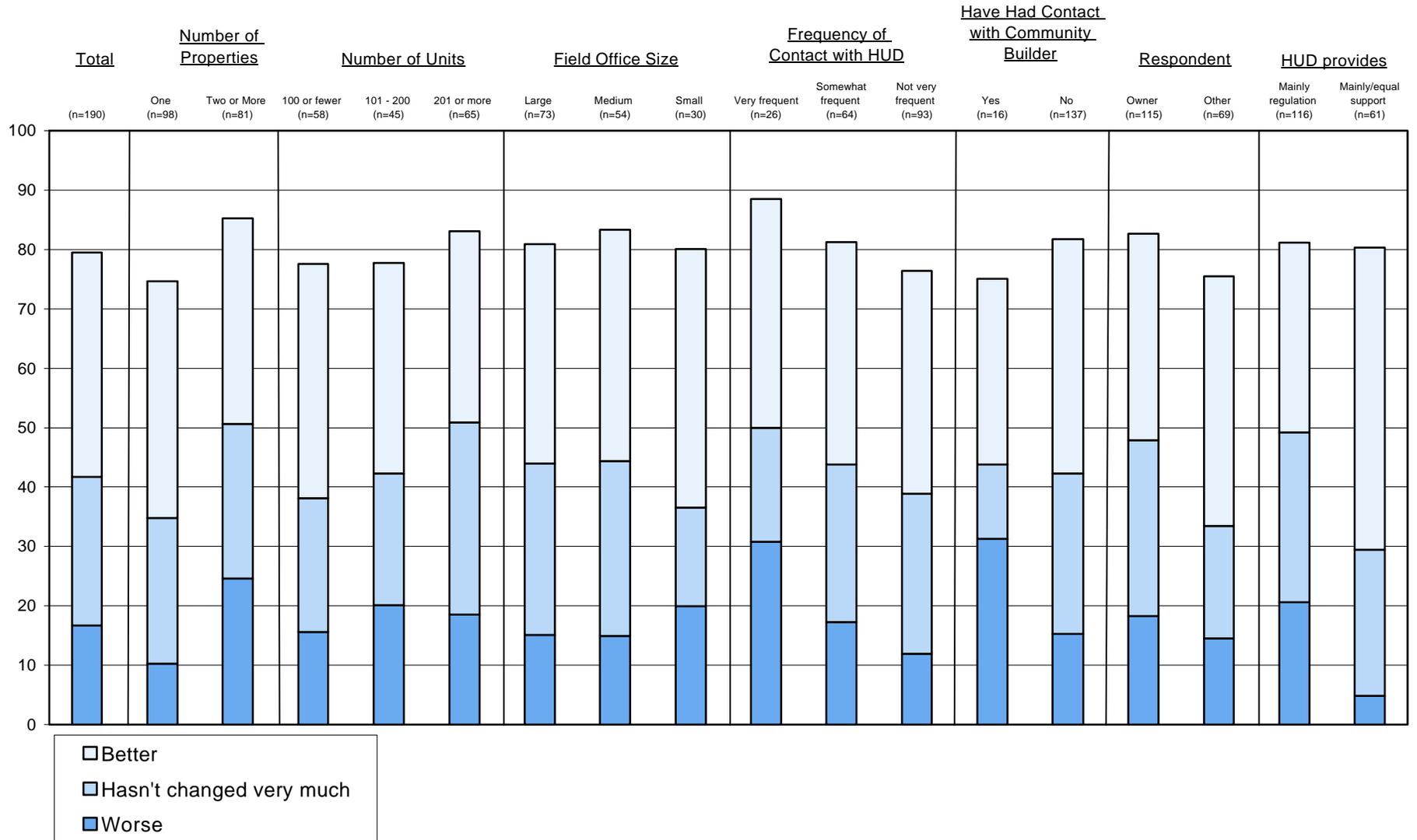
Question 14: Once fully implemented, do you expect the electronic financial reporting to HUD's Real Estate Assessment Center (REAC) to be an improvement over previous methods used by HUD to report financial information?



Question 15: How satisfied are you with the ability of HUD field office personnel - those in the multifamily hubs and program centers - to consistently and reliably interpret policies and regulation that pertain to your properties? Are you very satisfied, somewhat satisfied, somewhat dissatisfied or very dissatisfied?



Question 16: Over the last several years, would you say HUD's capacity to monitor and provide oversight related to your property or properties is generally getting much better, somewhat better, somewhat worse, much worse, or hasn't changed much?



Part 7: Evaluations of HUD By HUD-Assisted (Subsidized) Multifamily Housing Partners

HUD administers numerous multifamily housing programs intended to enhance the supply of affordable rental housing opportunities for occupancy by low- and moderate-income households. Assisted properties are privately owned (by for-profit businesses and non-profit organizations) and either insured under HUD mortgage insurance programs that involve mortgage interest subsidies¹ or are provided with some form of HUD rental assistance.² Once developed, HUD is involved to varying degrees in the regulation and oversight of property rent levels and operating procedures—based on regulatory and other agreements between the Department and the property owners.

As a group, HUD-assisted (subsidized) multifamily property partners are satisfied with some aspects of their relationship with the Department and dissatisfied with others. There is also considerable division within the group as to their experiences with the Department.

¹ These are under the Section 236 or 221(d)(3) Below Market Interest Rate insurance programs.

² These are under the Section 8 Loan Management Set Aside, Rental Supplement, Rental Assistance Payment, Section 8 Property Disposition, Section 8 New Construction, Section 8 Substantial Rehabilitation, or Section 8 Moderate Rehabilitation programs.

The sample. The sample consists of 249 owners and others answering on their behalf. Owners were surveyed from property lists maintained by HUD's Office of Housing; these were aggregated into ownership entities and sampled on a (random) equal-probability basis. Based on an initial sample of 400 such entities, the survey response rate is 62 percent.³

Of the total number of respondents three percent were interviewed by telephone; the remainder responded to a mailed survey form. Sixty percent of the respondents were owners/CEOs/managing general partners, presidents, chairpersons, principals, or directors; 10 percent were other company organization senior officials, 3 percent were other company or organization employees, 20 percent were property managers, and 5 percent were others representing the ownership entity. Instructions accompanying the survey forms emphasized that, if the owner could not personally respond to the survey, those answering should be in a position to respond on his or her behalf.

Forty percent of the partners sampled own one property, 29 percent own two to five properties, 12 percent own 6 to 10 properties, and 18 percent own more than 10 properties. Nine percent own more than 25 properties.

³ The property list from which the sample was drawn contained some addresses to which mail or FedEx letters were undeliverable, and some missing or wrong telephone contact numbers. If the response rate is adjusted to exclude those who were not reachable by either mail or telephone, it would be 75 percent.

Forty-four percent of the partners sampled own 100 or fewer housing units, 20 percent own 101-200 units, and 35 percent own more than 200 units. At the high end, 7 percent own 1,001 to 2,000 units, and 9 percent own more than 2,000 units.

The HUD-partner relationship, and partners' overall performance evaluations. Forty-six percent of HUD-assisted (subsidized) multifamily property partners see the Department as mainly regulating them, while 40 percent see it as equally supporting and regulating them; 7 percent see HUD as mainly supporting them. Owners, themselves, are a bit more likely than others responding to the survey to see HUD as primarily a regulator than as an equal provider of support and regulation (51 percent versus 37 percent).

About three of every five HUD-assisted (subsidized) multifamily property partners are satisfied with HUD's programs, and about four of every five who deal with small HUD field offices are satisfied. Those who have the most frequent amount of contact with HUD are more likely to be dissatisfied with Departmental programs than those who have less frequent contact—a theme that recurs in these data. Whether frequency of contact is in some way related to frequency of problems between HUD and property owners and, if so, whether that is responsible for the association between contact and dissatisfaction, is not knowable from the survey.

Fifty-three percent of HUD-assisted (subsidized) multifamily property partners are satisfied with the way that HUD runs the programs they deal with, while 43 percent are dissatisfied. Satisfaction levels are highest for those who work with small HUD field offices, who have relatively infrequent contact with HUD, or who see HUD as providing some amount of support to them. Dissatisfaction levels are highest for those who have more frequent contact with HUD or who see HUD mainly in the role of regulator.

A similar pattern is observed with respect to partners' overall ratings of HUD's performance. More of them are satisfied (56 percent) than dissatisfied (42 percent)—with dissatisfaction levels highest for those who have frequent contact with the Department or who feel that HUD mainly regulates them.

While there are both satisfied and dissatisfied partners among the HUD-assisted (subsidized) multifamily property group, it is noteworthy that a substantial proportion of the group expresses dissatisfaction. The dissatisfaction level is high both in absolute terms and in comparison to many of HUD's other partner groups.

Evaluations of service quality. At least a simple majority of HUD-assisted (subsidized) multifamily property partners are satisfied with the timeliness of information, and quality and consistency of guidance they receive from HUD,

and 60 percent are satisfied with the quality of information they receive. However, about two of every five of them are dissatisfied with these aspects of their relationship with the Department.

There is a clear relationship between field office size and satisfaction levels: the larger the field office, the lower the level of satisfaction with information and guidance. Likewise, dissatisfaction levels rise somewhat as frequency of contact with the Department increases.

More HUD-assisted (subsidized) multifamily property partners are dissatisfied (56 percent) with the HUD rules and requirements that apply to them than are satisfied (42 percent). Again, the most satisfied group consists of those who work with small HUD field offices, those who have infrequent contact with the Department, or those who see the Department as providing some amount of support to them.

Two thirds of HUD-assisted (subsidized) multifamily property partners report being satisfied with both the responsiveness and competence of the people at HUD with whom they currently deal. Four of every five ownership entities that work with small HUD offices are satisfied with the competence of HUD staff, and 87 percent are satisfied with staff responsiveness.

Finally, 60 percent of HUD-assisted (subsidized) multifamily property partners express satisfaction with the *overall* quality of service they receive from HUD, compared to 38 percent who express dissatisfaction. Following the pattern shown above, the satisfaction level increases to 86 percent for those who work with small HUD offices. The relationship between satisfaction and frequency of contact with HUD holds as well: the less frequent the contact, the higher the frequency of satisfaction. In addition, more partners conclude that, over the last several years, the overall quality of service they have received from HUD has been getting better (43 percent) than conclude it has been getting worse (33 percent), while 20 percent see no change in overall service quality. A majority (52 percent) of those who have the most contact with HUD believe that service quality has worsened over the years.

Assessments of management changes. HUD-assisted (subsidized) multifamily property partners express a variety of views about the types of management changes made at HUD over the last several years—those that involved structural, functional, staffing, and financial management systems. Overall, however, those reporting that changes have made things better are in the minority. For example:

- The partner group divides evenly as to whether or not organizational changes have improved the Department: one-third believes the Department is better off as a result of the changes, and one-third

believes the Department is worse off. Nineteen percent see no effect.⁴ Frequency of contact with the Department is clearly associated with such opinions; the more frequent the contact, the more likely partners see a negative effect.

- Many HUD-assisted (subsidized) multifamily property partners are either unaware of changes in HUD functions that have occurred in recent years--such as the establishment Community Builders—or do not know if such changes have had any effect. Indeed, 76 percent of such entities had no direct contact with a HUD Community Builder. Of those who venture an opinion, almost equal proportions see improvement and worsening. Among those who had direct contact with a Community Builder, 28 percent believe HUD is better off for the change and 39 percent believe it is worse off.
- Relatively few HUD-assisted (subsidized) multifamily property partners see HUD's staffing changes as having improved the Department. Seventeen percent of them believe the Department is better as a result of the changes, while 47 percent believe it is worse. Over 70 percent of

those partners who have very frequent contact with the Department believe that staffing changes have made HUD worse.

- There is mixed opinion among HUD-assisted (subsidized) multifamily property partners as to whether changes in HUD's financial management systems—such as the creation of new systems and the consolidation of older ones—have improved the Department. More of them believe HUD is worse off (37 percent) than better off (27 percent) as a result of these changes. The more frequent a partner's contact with the Department, the greater the probability of a negative evaluation of financial systems changes.

Achievement of management reform objectives.

HUD's management reforms over the previous several years were an attempt to achieve certain objectives. Among them are the following:

- To restore the public trust in HUD;
- For HUD to be "the best in the business;"
- To replace a top-down bureaucracy at HUD with a new customer-friendly structure;

⁴ Seven percent are unaware of the changes or have no prior experience with which to compare the effect of the changes, and 8 percent do not know what the effect has been.

- To instill an ethic of competence and excellence at HUD; and
- To replace the emphasis on process at HUD with an emphasis on performance.

As of late-2000 and early-2001, 55 percent of HUD-assisted (subsidized) multifamily property partners believe that HUD had at least partially achieved its objective of restoring the public trust in HUD; most such partners believed this goal to have been "partially" as opposed to "mostly" or "fully" achieved. Overall, twenty-nine percent of such partners, and 47 percent of those who report having very frequent contact with the Department, said the goal had not been achieved at all.

With respect to HUD being "the best in the business" and creating a customer-friendly structure, somewhat more partners believe that the objectives were at least partially met as opposed to not being met at all. Those with very frequent contact with the Department, however, are the most negative: 60 percent or more of them believe these objectives had not at all been achieved.

Opinions about the achievement of the Department's objective to instill an ethic of competence and excellence at HUD and emphasize performance over process are also mixed. Fifty-one percent of HUD-assisted (subsidized)

multifamily property partners believe the former, and 47 percent the latter objective to have been at least partially achieved, while about one-third conclude that neither objective had been achieved at all. The more frequent a partner's contact with the Department, the more likely that partner is to see no achievement of these goals. Also, partners who own larger numbers of units are somewhat more likely to be negative about the achievement of these goals than those who own fewer units.

Questions specifically designed for HUD multifamily property owner partners. HUD'-assisted (subsidized) multifamily property partners were asked a series of questions specific to their organizations' relationship to the Department. Their responses are as follows:

- About half (51 percent) of all such partners report that, under HUD's new organizational structure, the different functions and responsibilities of the various HUD offices, hubs, and centers that property owners may have to work with are unclear, compared to 35 percent who say they are clear. It is noteworthy that two-thirds of those who have very frequent contact with the Department claim they are unclear about HUD's organizational arrangements (with 33 percent of this group saying these arrangements are very unclear to them).

- Fifty-five percent of HUD-assisted (subsidized) multifamily property partners say it has been easy in recent months to reach the people at HUD whom they need to, while 39 percent say it has been difficult. Seventy-four percent of those who deal with small offices say contact has been easy (and 47 percent of them say it has been very easy).
- Slightly over one-half (53 percent) of HUD-assisted (subsidized) multifamily property partners report dissatisfaction with the transition to property inspections by HUD's Real Estate Assessment Center (REAC), with 30 percent reporting that they are very dissatisfied. Conversely, 39 percent say they are satisfied with this transition. There is a considerably higher frequency of dissatisfaction among those who own more than one property compared to those who own only one (65 percent as compared to 34 percent), and among those who own more than 200 units compared to those who own fewer (68 percent compared to 48 percent). Satisfaction levels are higher for ownership entities that work with small HUD field offices or those who have infrequent contact with HUD, as compared to others. Finally, ownership entities that consider HUD to be primarily a regulator are more likely to be dissatisfied than those that see HUD as providing mainly support or an equal amount of support and regulation (65 percent as compared to 42 percent).
- HUD-assisted (subsidized) multifamily property partners are divided as to whether, once fully implemented, physical inspections done by REAC will be an improvement over the previous methods used by HUD to inspect housing developments. Forty-two percent see an improvement possible, and 42 percent see no improvement. Fifty-three percent of those who own more than 200 units predict no improvement likely.
- Somewhat more HUD-assisted (subsidized) multifamily property partners are satisfied (42 percent) with the transition to electronic financial reporting to REAC than are dissatisfied (36 percent). One-half of those who own more than 200 units are satisfied with the transition. Once fully implemented, about half (52 percent) of such partners expect electronic financial reporting to be an improvement over previous methods used by HUD to report financial information. Almost two-thirds (65 percent) of those who own more than 200 units expect improvement.
- Slightly over half (53 percent) of HUD-assisted (subsidized) multifamily property partners are satisfied with the ability of HUD field office personnel—those in the multifamily hubs and program centers—to consistently and reliably interpret policies and regulations that pertain to their properties. The frequency of satisfaction is higher for those who deal

with small HUD field offices compared to others, and for those who see HUD as providing support or equal amounts of support and regulation compared to those who see HUD as primarily a regulator.

- HUD-assisted (subsidized) multifamily property partners are divided as to whether HUD's capacity to monitor and provide oversight related to their properties has improved over the last several years. Thirty-nine percent say HUD's capacity has gotten better and 32 percent say it has gotten worse. The latter position is associated with frequency of contact with HUD; the more frequent the contact, the greater the likelihood these partners conclude that HUD's capacity has changed for the worse.

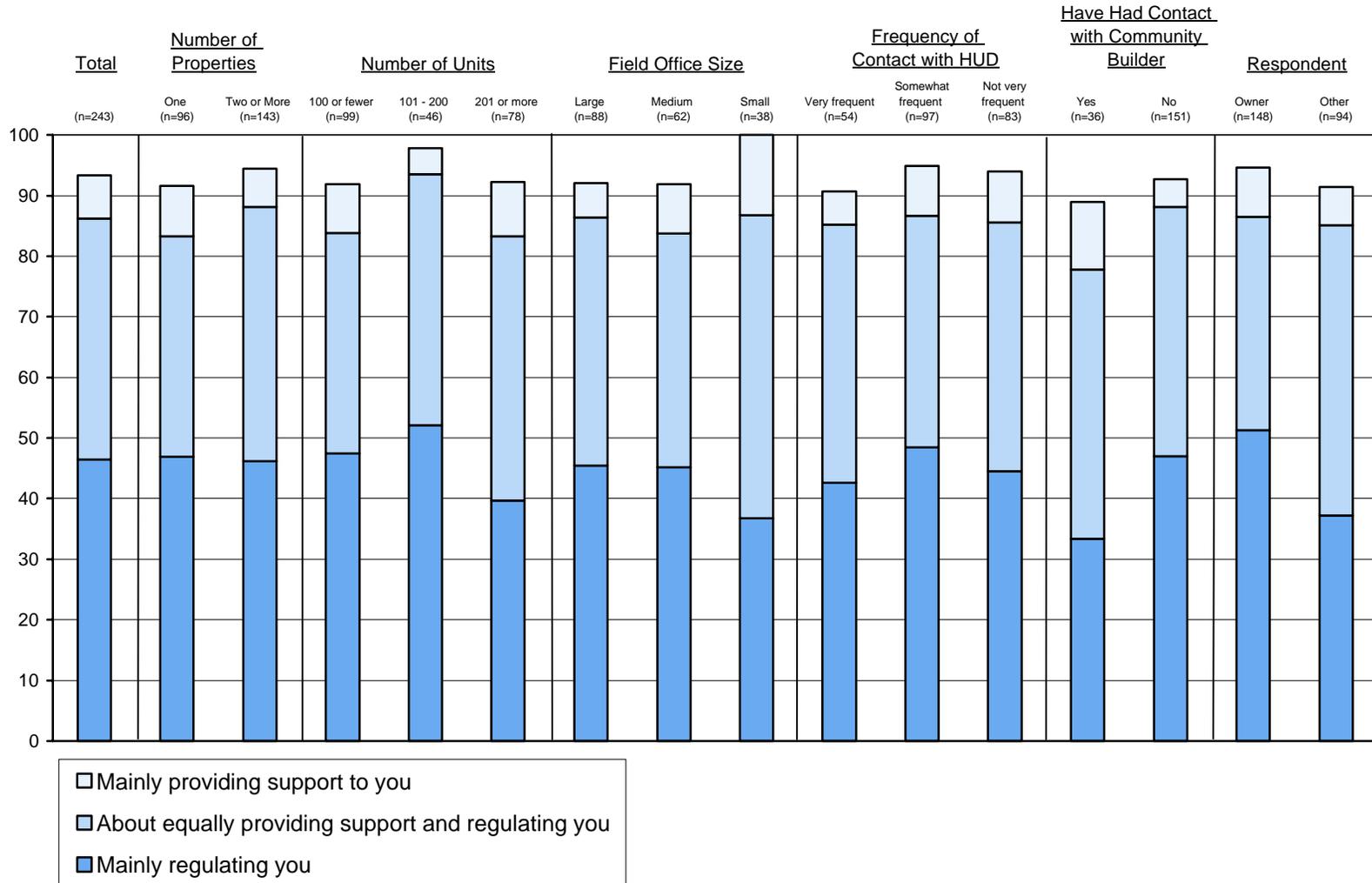
Open-ended comments provided by respondents.

At the end of the survey, respondents were given an opportunity to provide additional comments about HUD, in their own words. Thirty-five percent of HUD-assisted partners chose to do so. Most of their comments expressed problems; however, a number of them (21) involved compliments to HUD. By far the most frequent complaint involved REAC—its procedures and lack of perceived helpfulness. Others complained about delays in HUD responding to them or, simply, not getting a response to their queries or requests (including late payments). Yet others complained about excessive regulatory burden, poor communication with HUD,

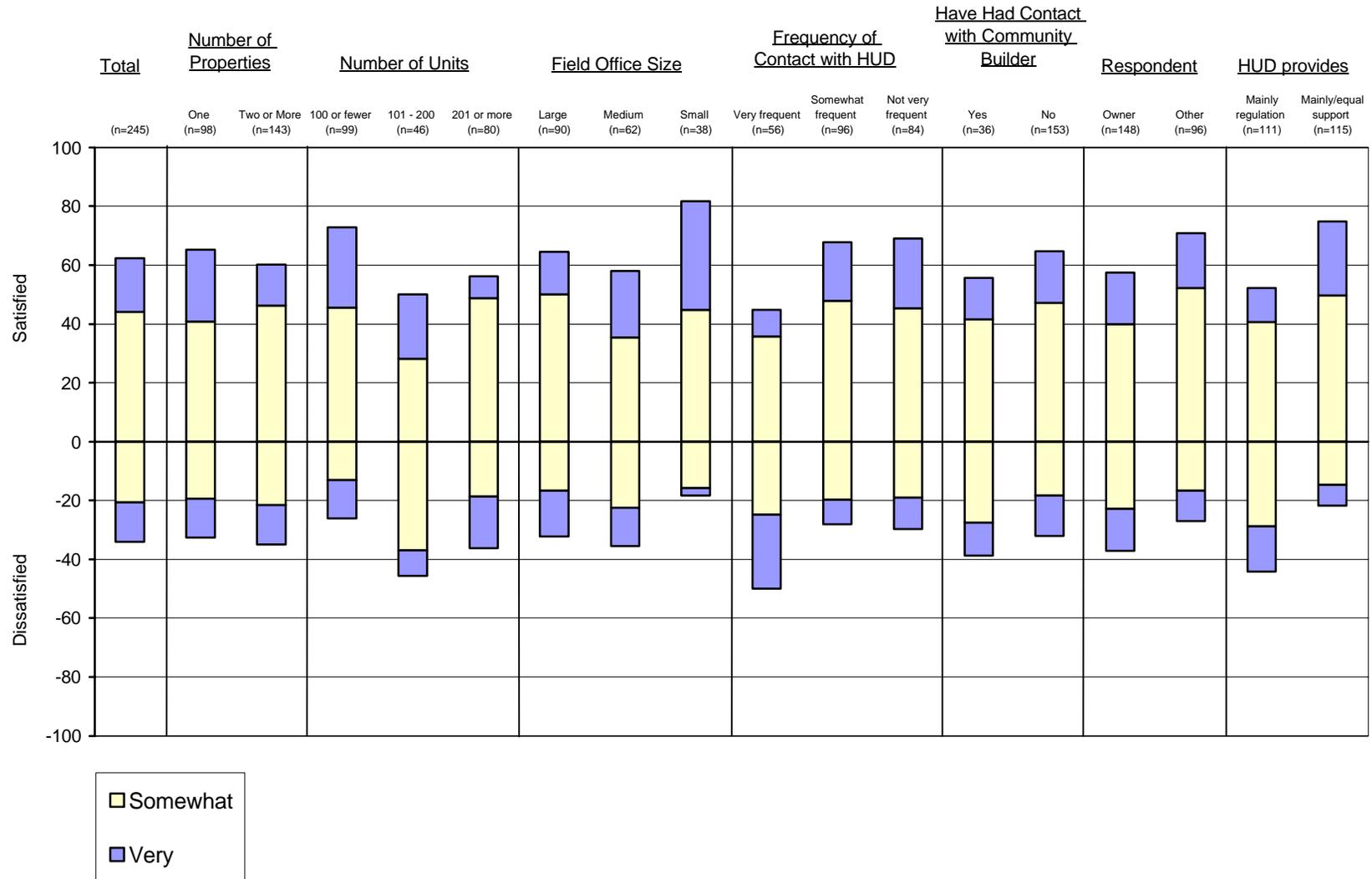
and the lack of skilled, quality staff. Most of the positive comments applauded local HUD staff for being helpful.

Overall Performance

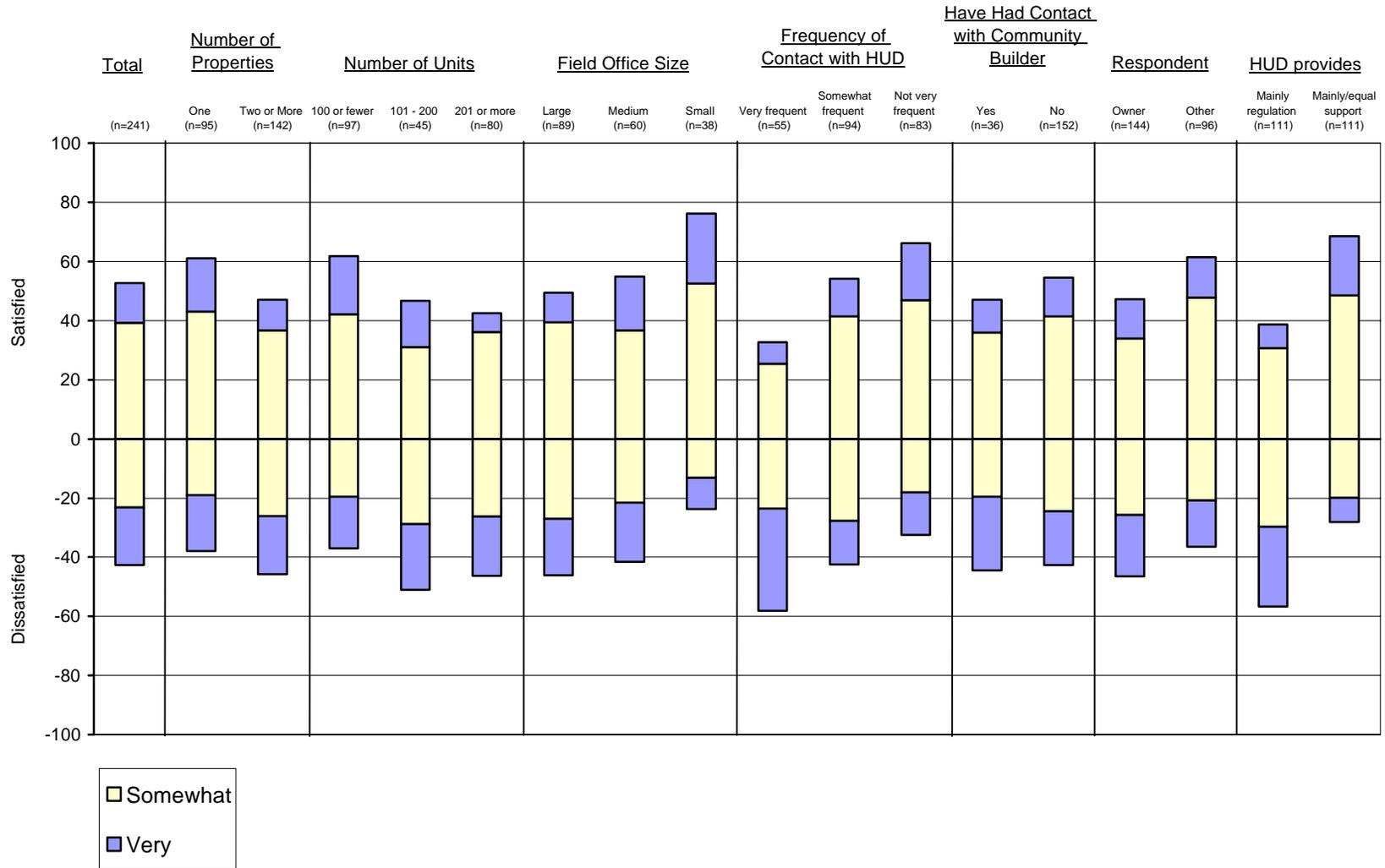
Question 6: HUD has several different responsibilities. On one hand, it provides various forms of support (for example, funding, technical assistance, information) and, on the other, it has a regulatory responsibility (that is, it makes rules, assures compliance with those rules, does assessments). In your business or organization's relationship with HUD, would you say HUD is mainly providing support to you, about equally providing support and regulating you, or mainly regulating you?



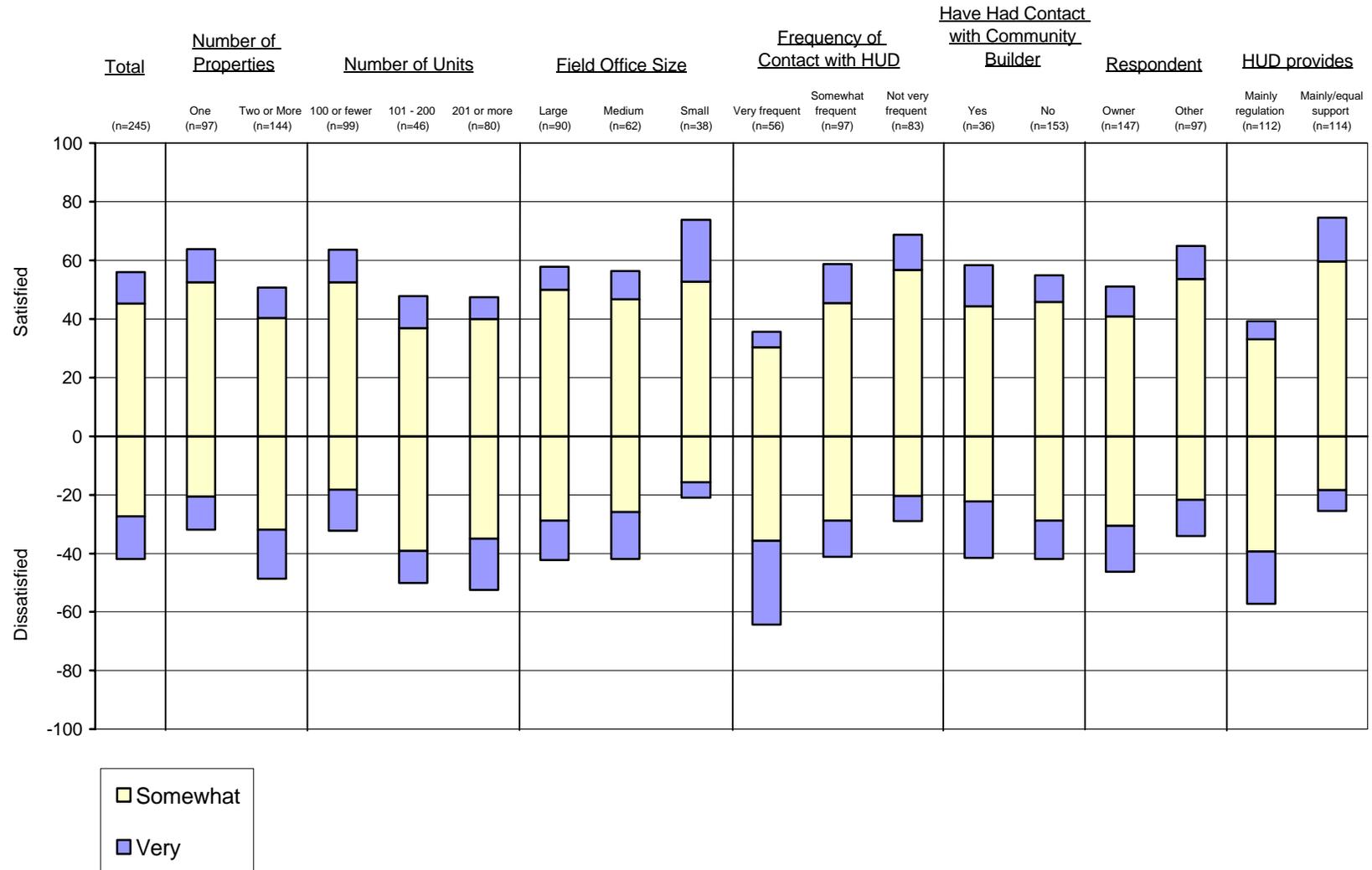
Question 3a: Thinking separately about the HUD programs with which you currently deal and about how HUD runs those programs, how satisfied or dissatisfied are you, in general, with the HUD programs you currently deal with?



Question 3b: Thinking separately about the HUD programs with which you currently deal and about how HUD runs those programs, how satisfied or dissatisfied are you, in general, with the way HUD currently runs those programs?

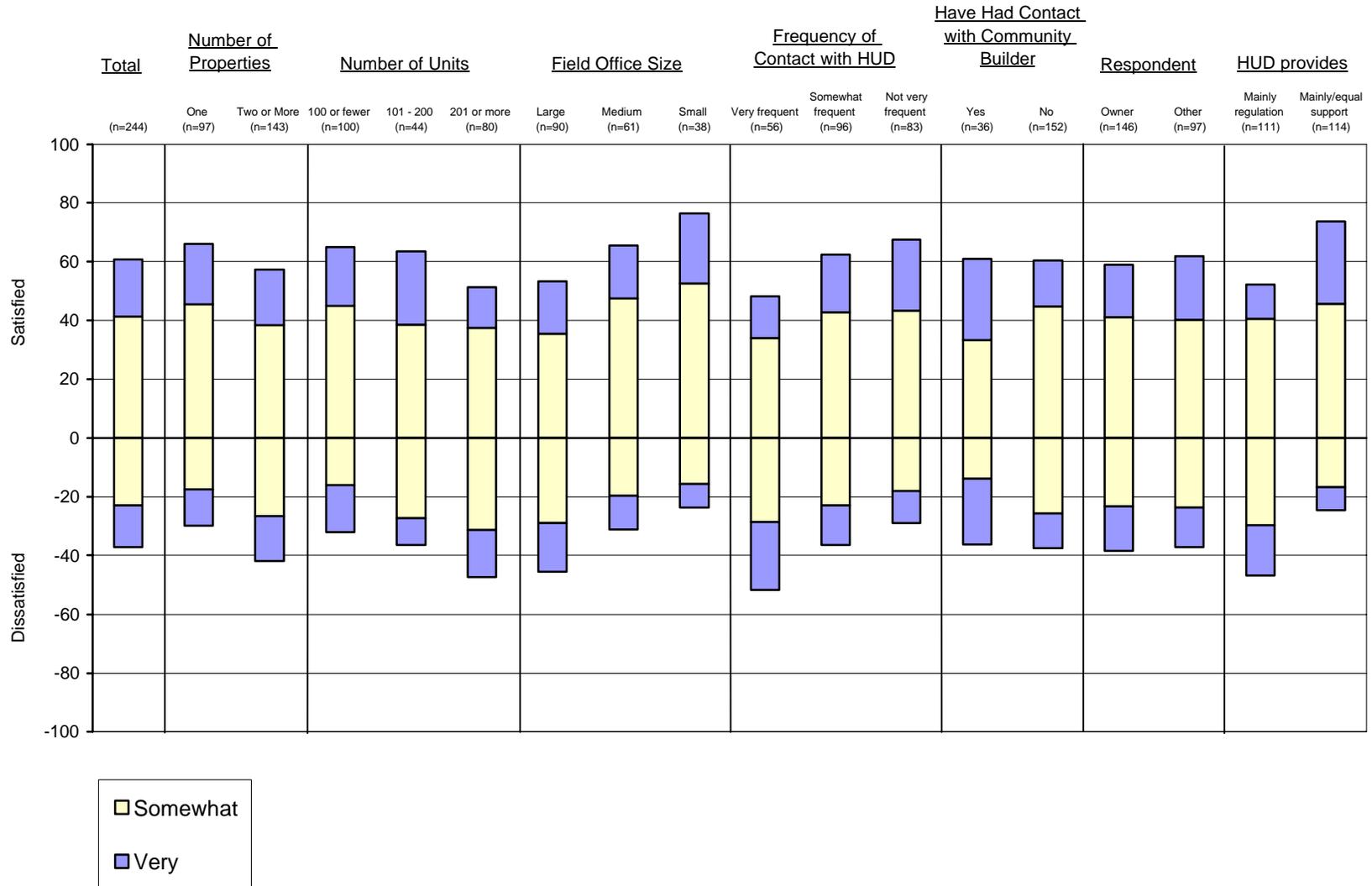


Question 17: At present, taking everything into consideration, how satisfied or dissatisfied are you with HUD's overall performance?

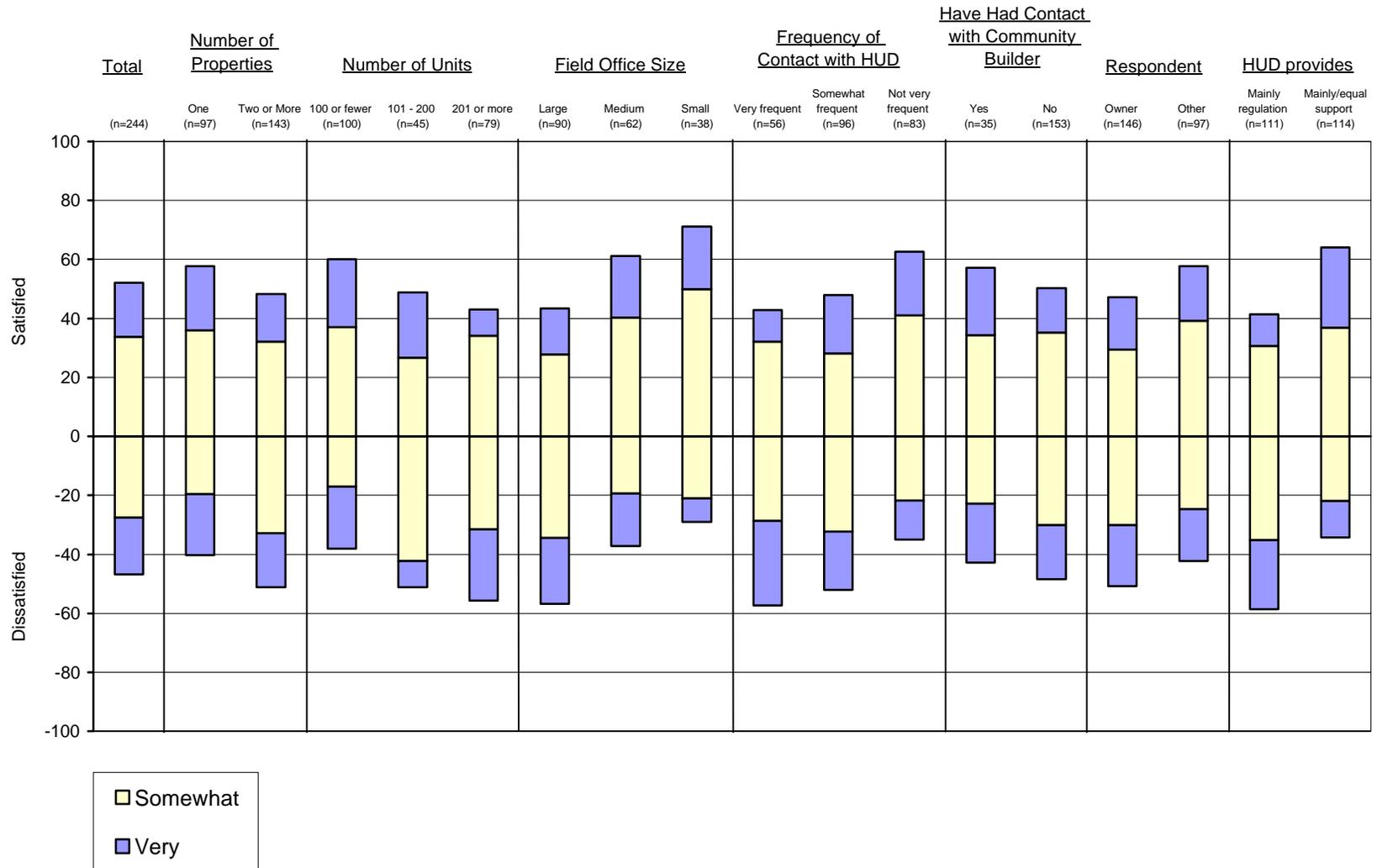


Service Quality

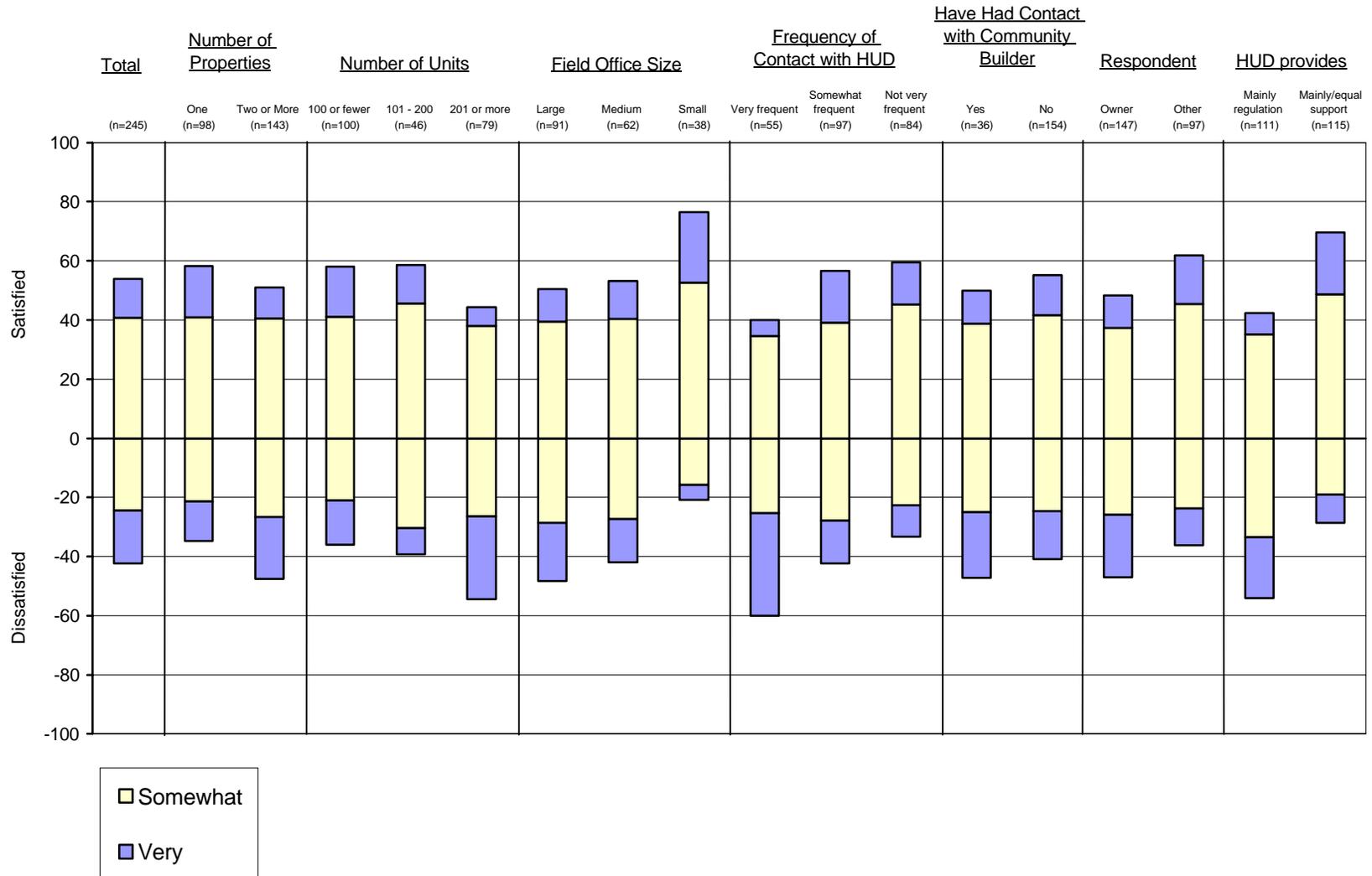
Question 4a: How satisfied or dissatisfied are you at the present point in time, in general, with the quality of the information you currently receive from HUD?



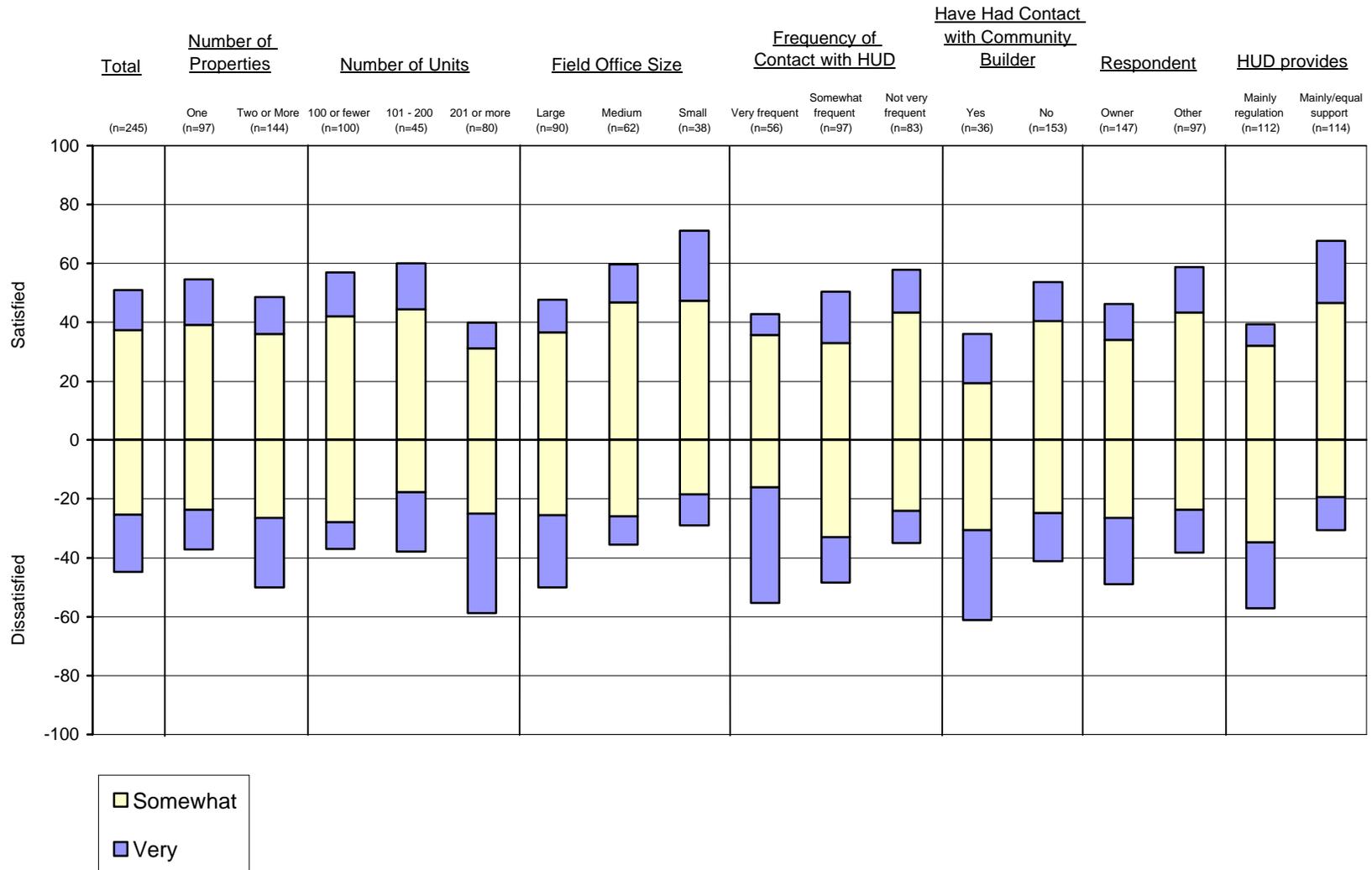
Question 4b: How satisfied or dissatisfied are you at the present point in time, in general, with the timeliness of the information you currently receive from HUD?



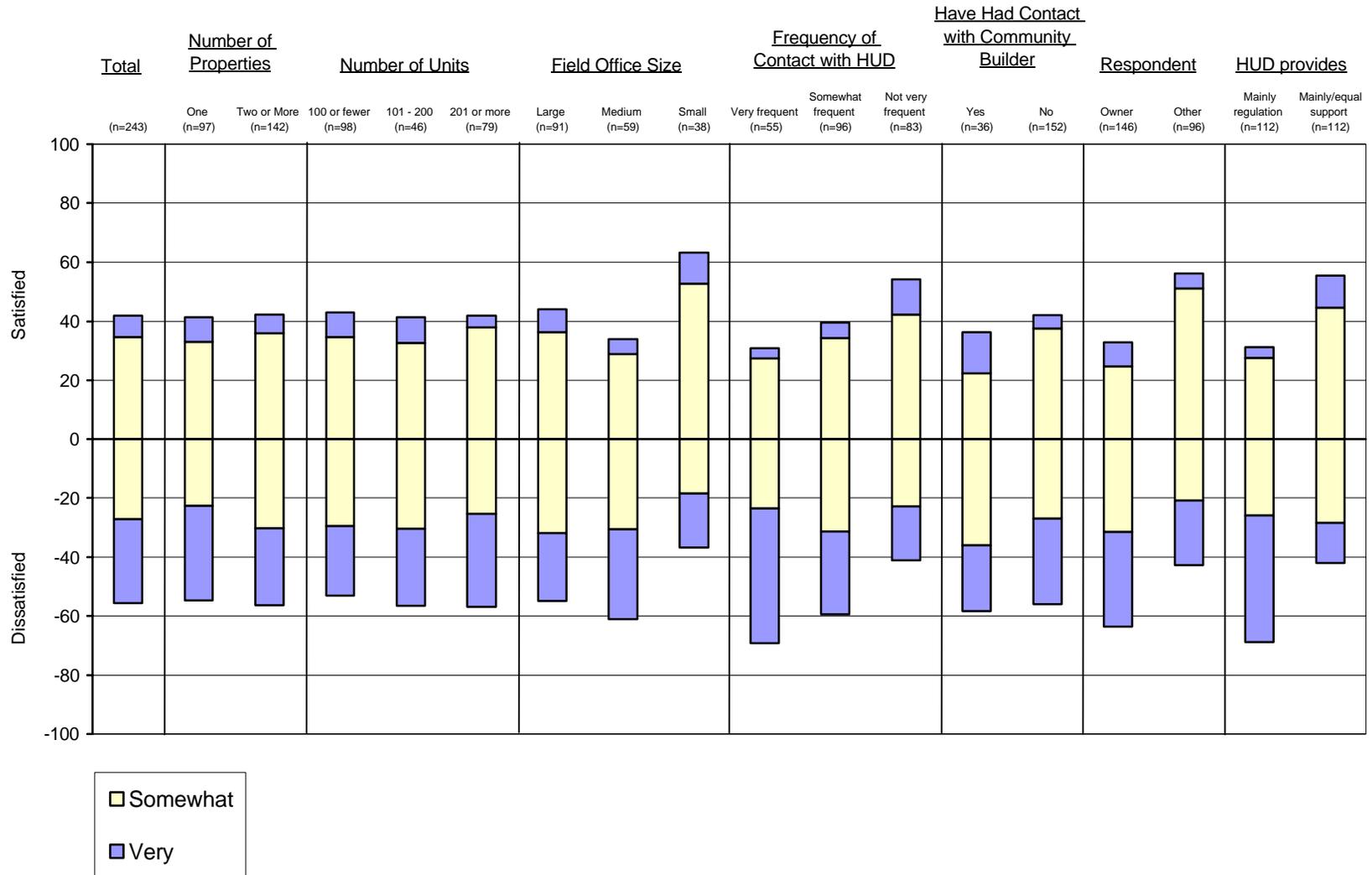
Question 4c: How satisfied or dissatisfied are you at the present point in time, in general, with the quality of guidance you currently get from HUD?



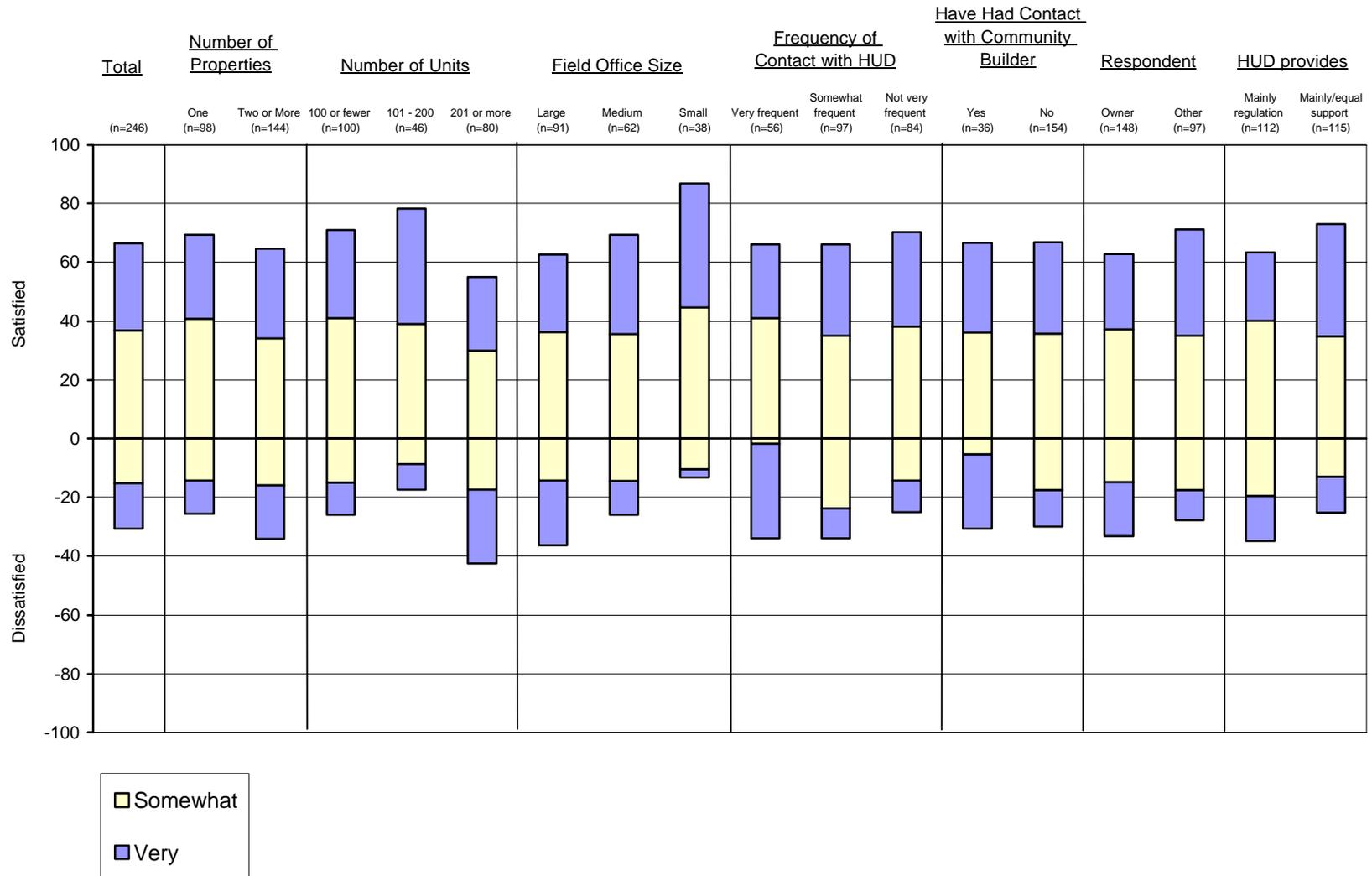
Question 4d: How satisfied or dissatisfied are you at the present point in time, in general, with the consistency of guidance you currently get from HUD?



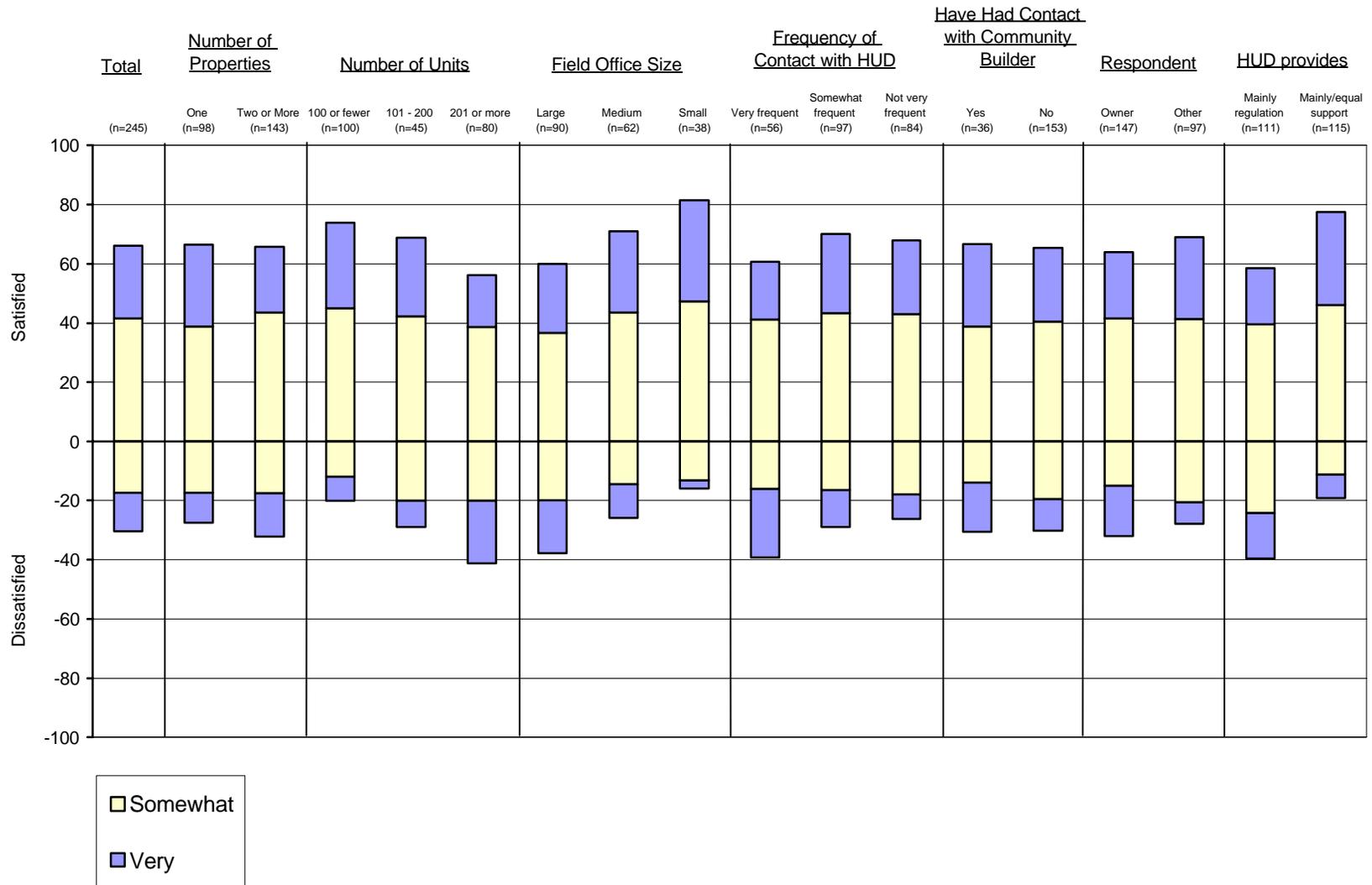
Question 4e: How satisfied or dissatisfied are you at the present point in time, in general, with the reasonableness of HUD rules and requirements that apply to your business or organization?



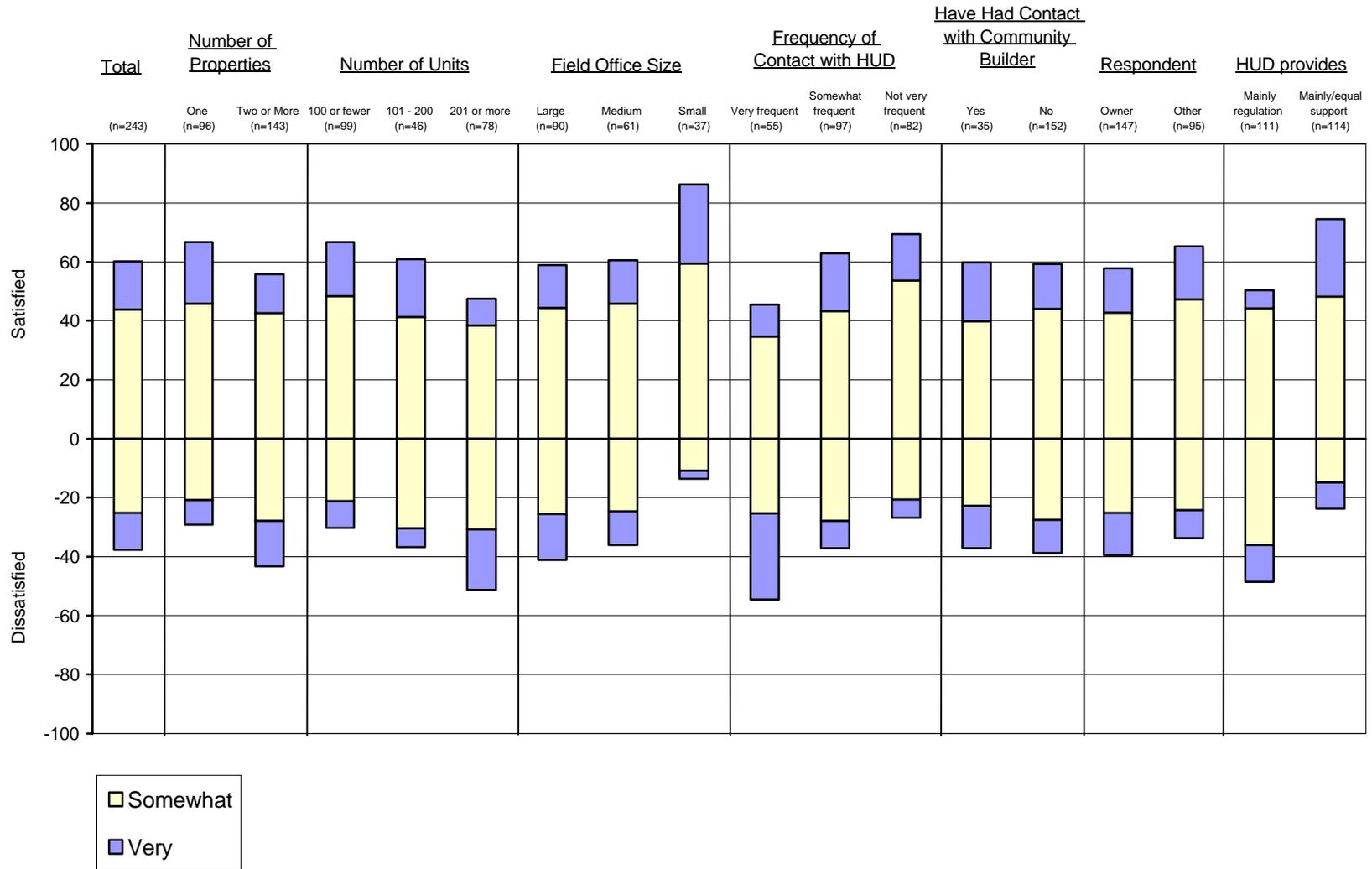
Question 4f: How satisfied or dissatisfied are you at the present point in time, in general, with the responsiveness of the people with whom you currently deal at HUD?



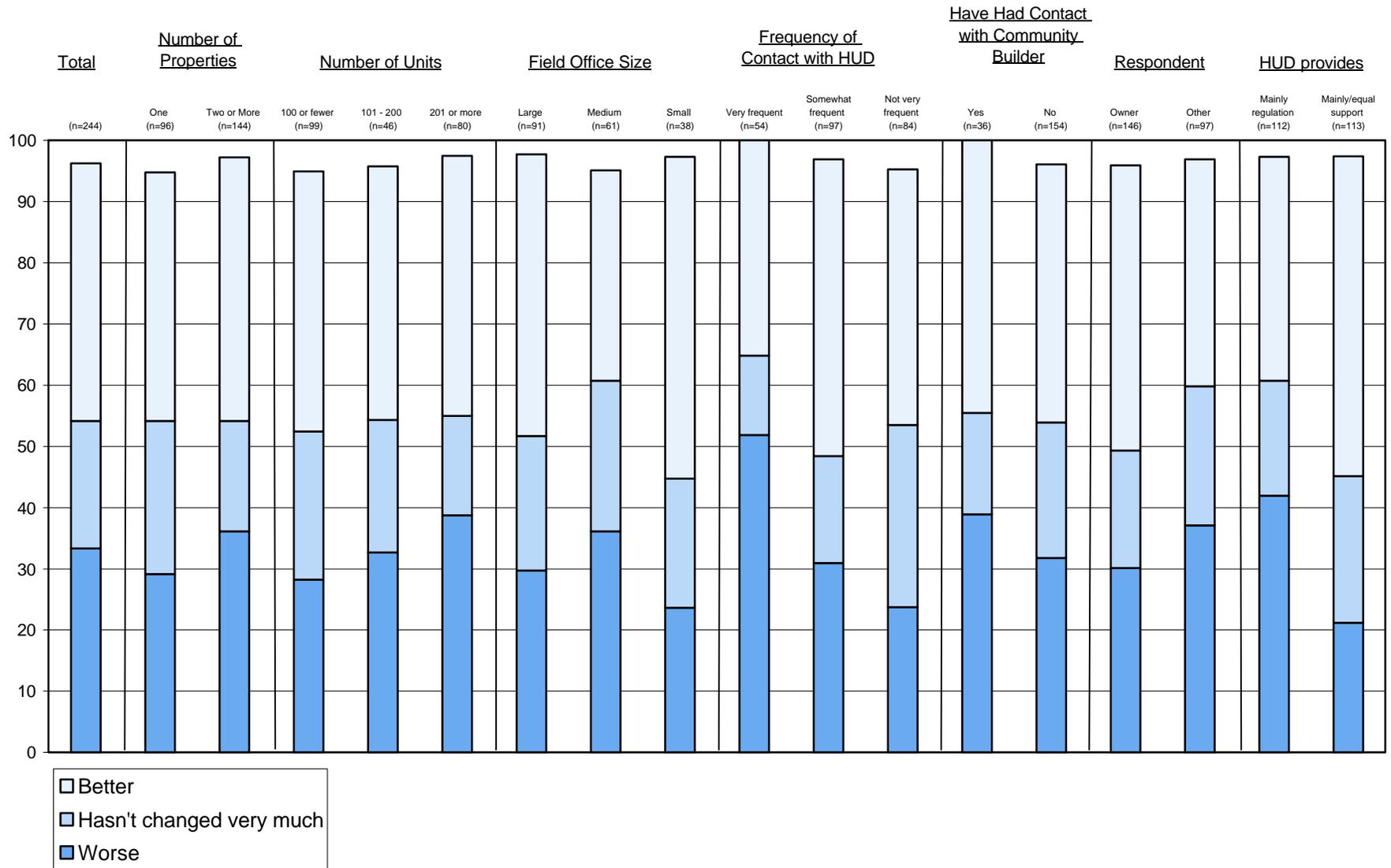
Question 4g: How satisfied or dissatisfied are you at the present point in time, in general, with the competence of the people with whom you currently deal at HUD?



Question 4h: How satisfied or dissatisfied are you at the present point in time, in general, with the overall quality of service you receive from HUD today?

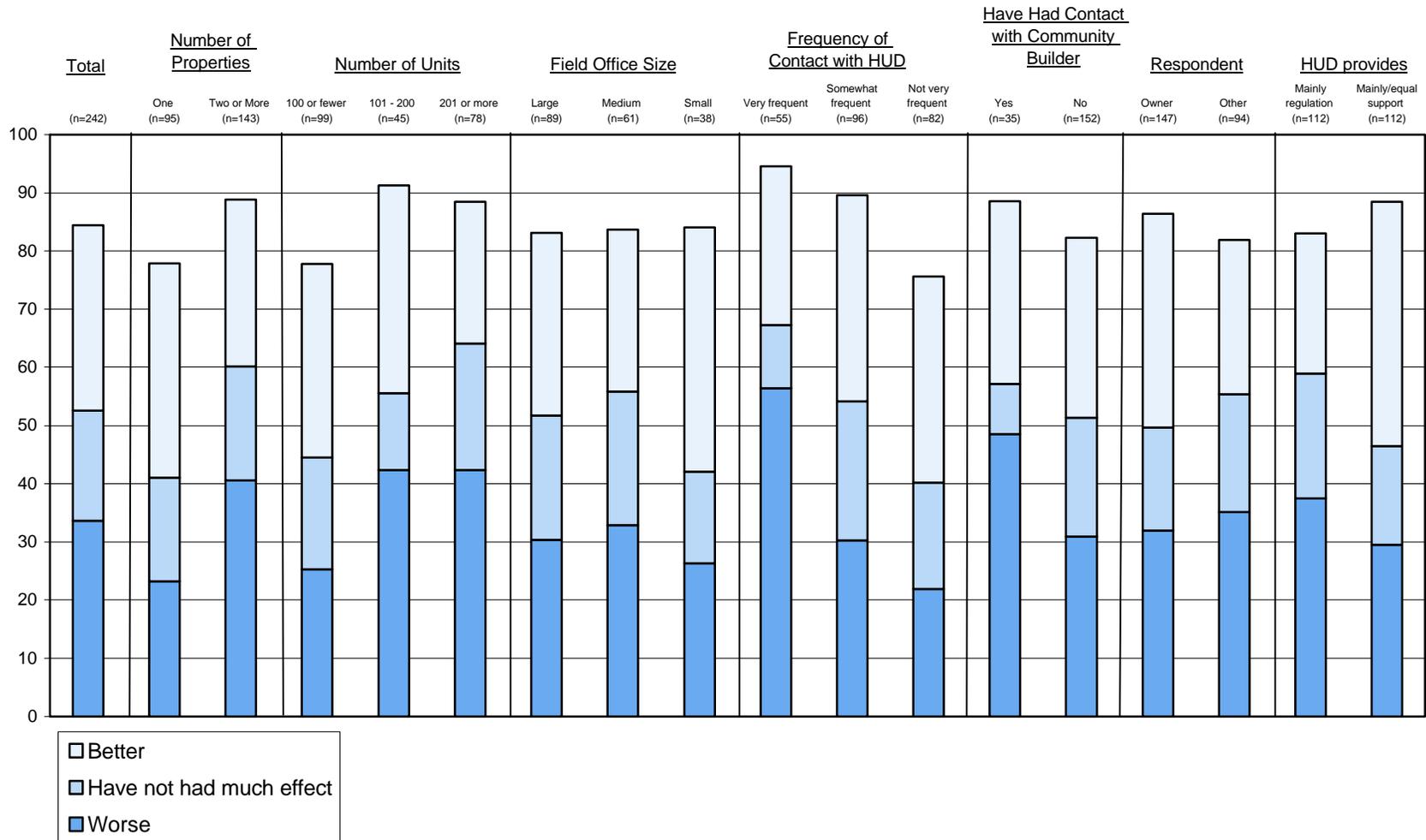


Question 5: Over the last several years, would you say the overall quality of service you received from HUD is generally getting much better, somewhat better, somewhat worse, much worse, or hasn't changed much?

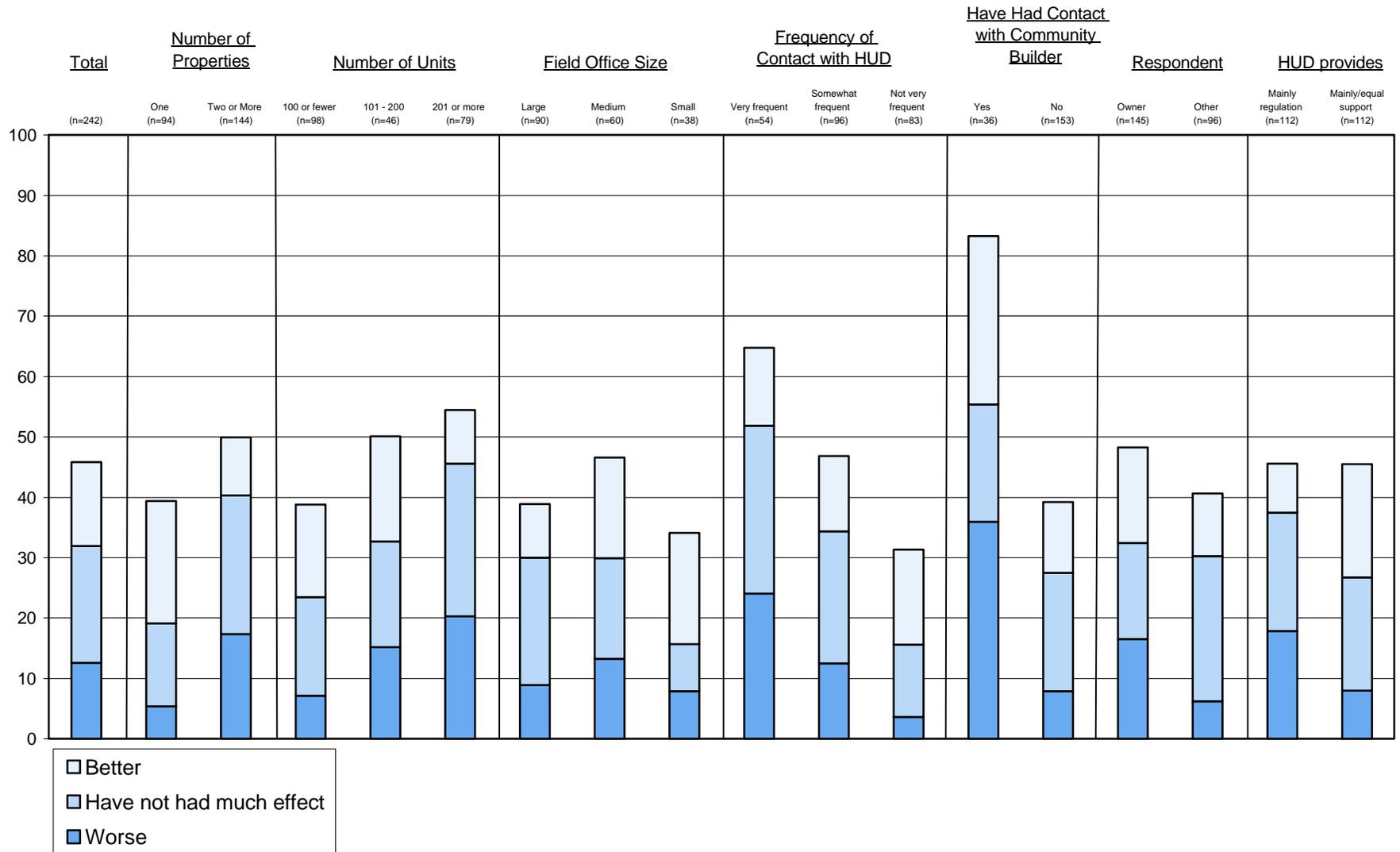


Management Changes

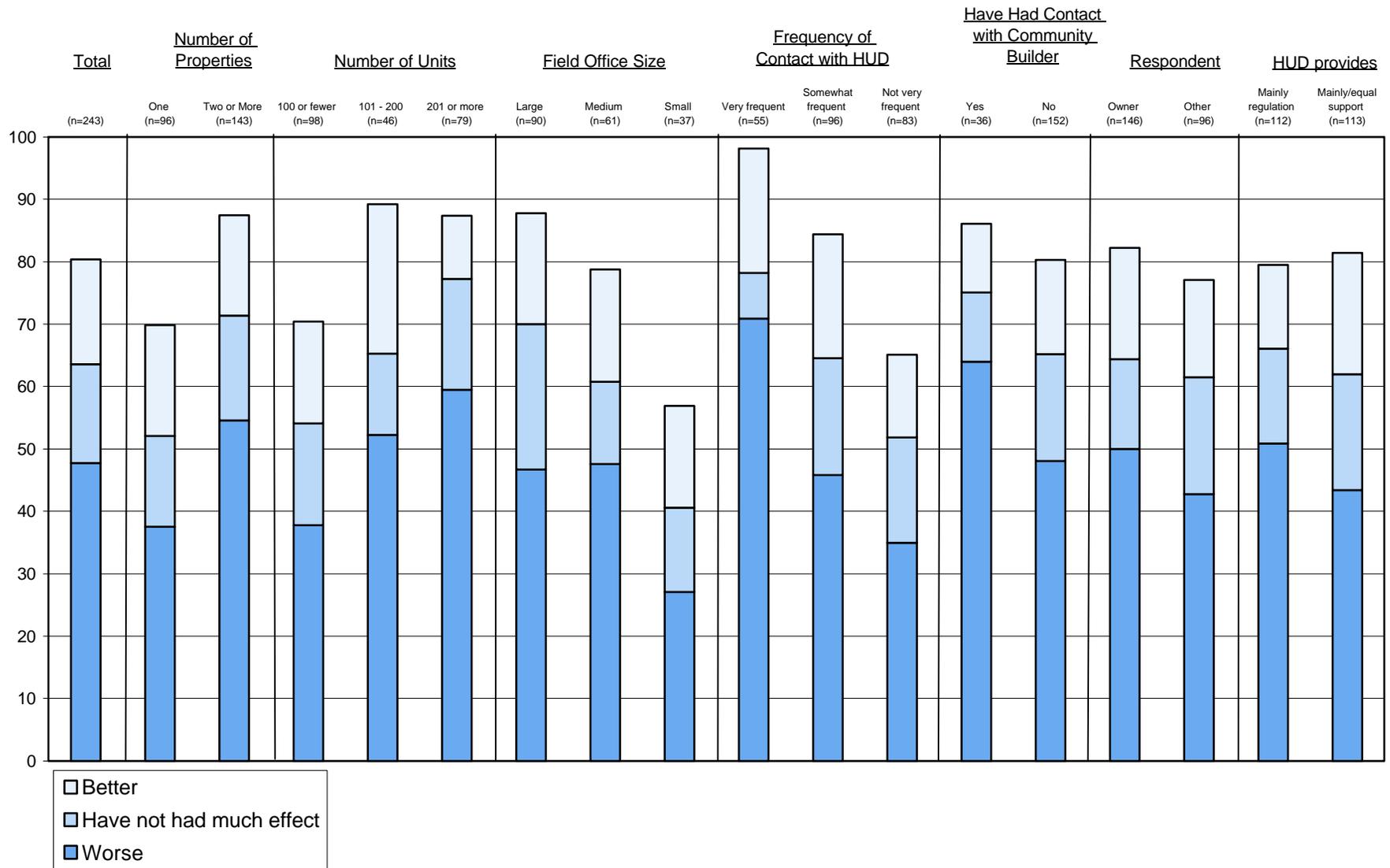
Question 7a: Would you say that the changes, over the last several years, in HUD's organizational structure, such as the establishment of new centers and hubs, have made HUD much better, somewhat better, somewhat worse, much worse, or have not had much effect?



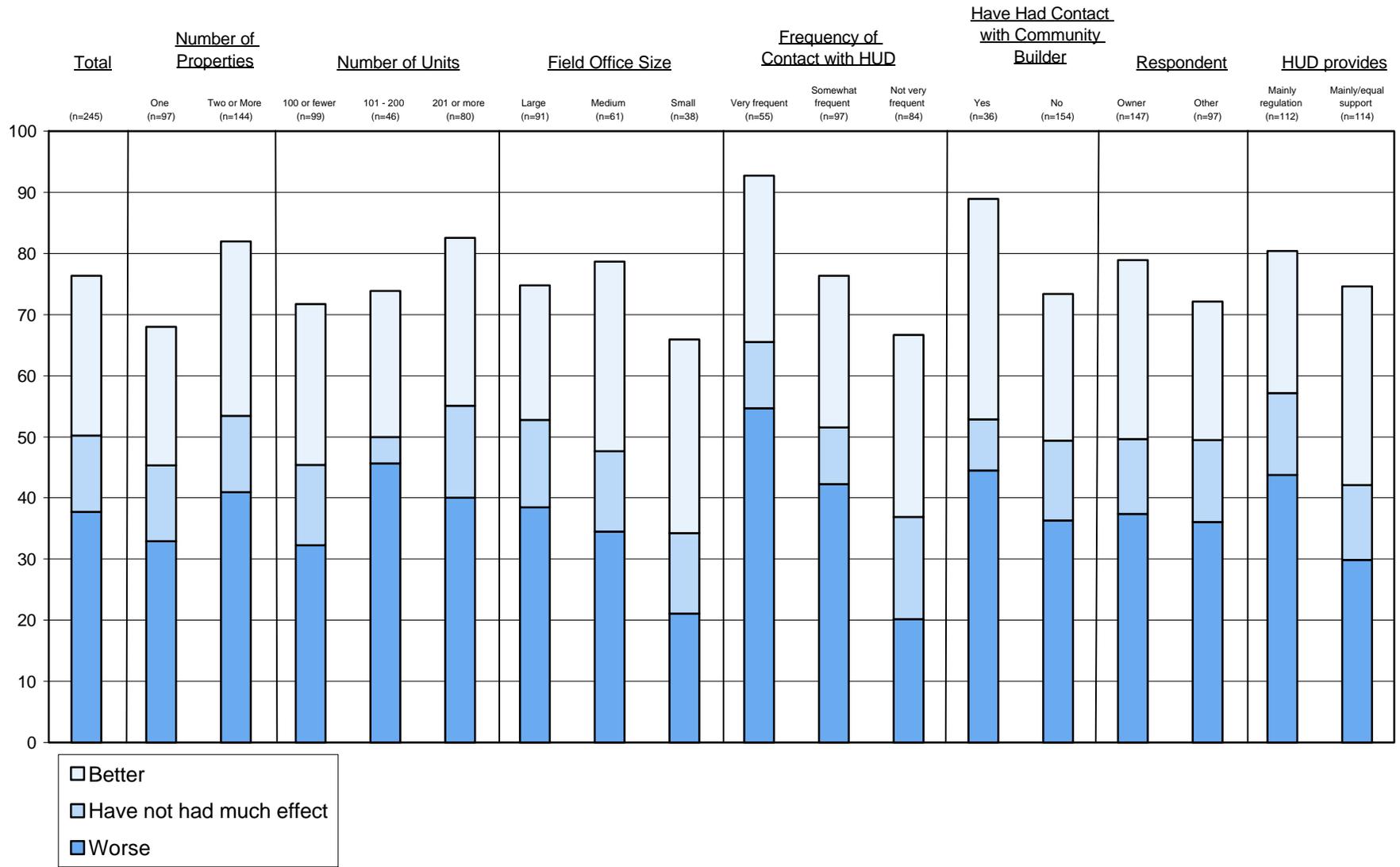
Question 7b: Would you say that the changes, over the last several years, in HUD functions, such as the establishment of the new Community Builder and Public Trust Officer functions, have made HUD much better, somewhat better, somewhat worse, much worse, or have not had much effect?



Question 7c: Would you say that the changes, over the last several years, in HUD's staffing, such as the overall reduction in staff, staffing reassignments, and retraining of HUD staff, have made HUD much better, somewhat better, somewhat worse, much worse, or have not had much effect?

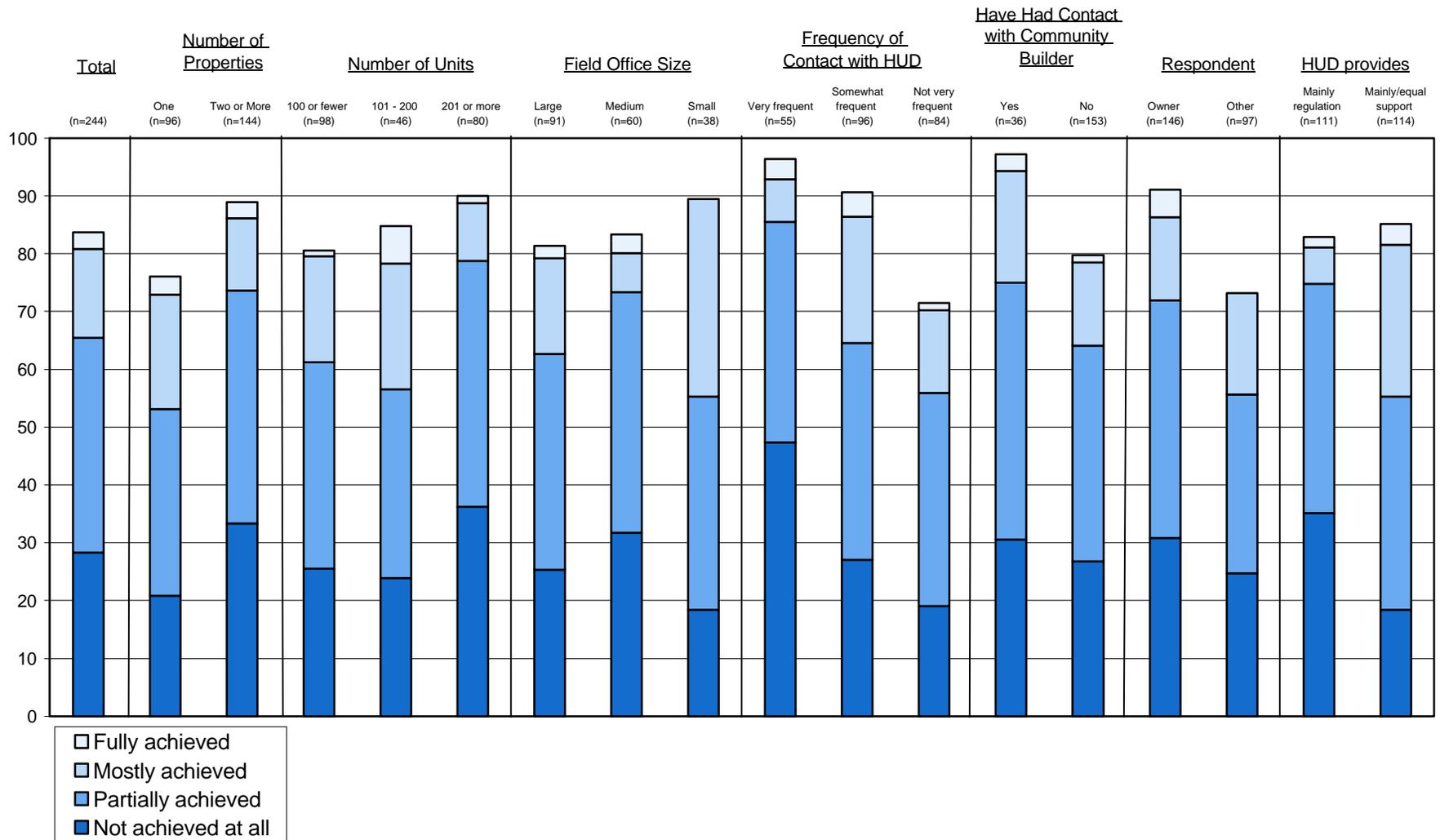


Question 7d: Would you say that the changes, over the last several years, in HUD's financial management systems, such as the creation of new systems and the consolidation of older ones, have made HUD much better, somewhat better, somewhat worse, much worse, or have not had much effect?

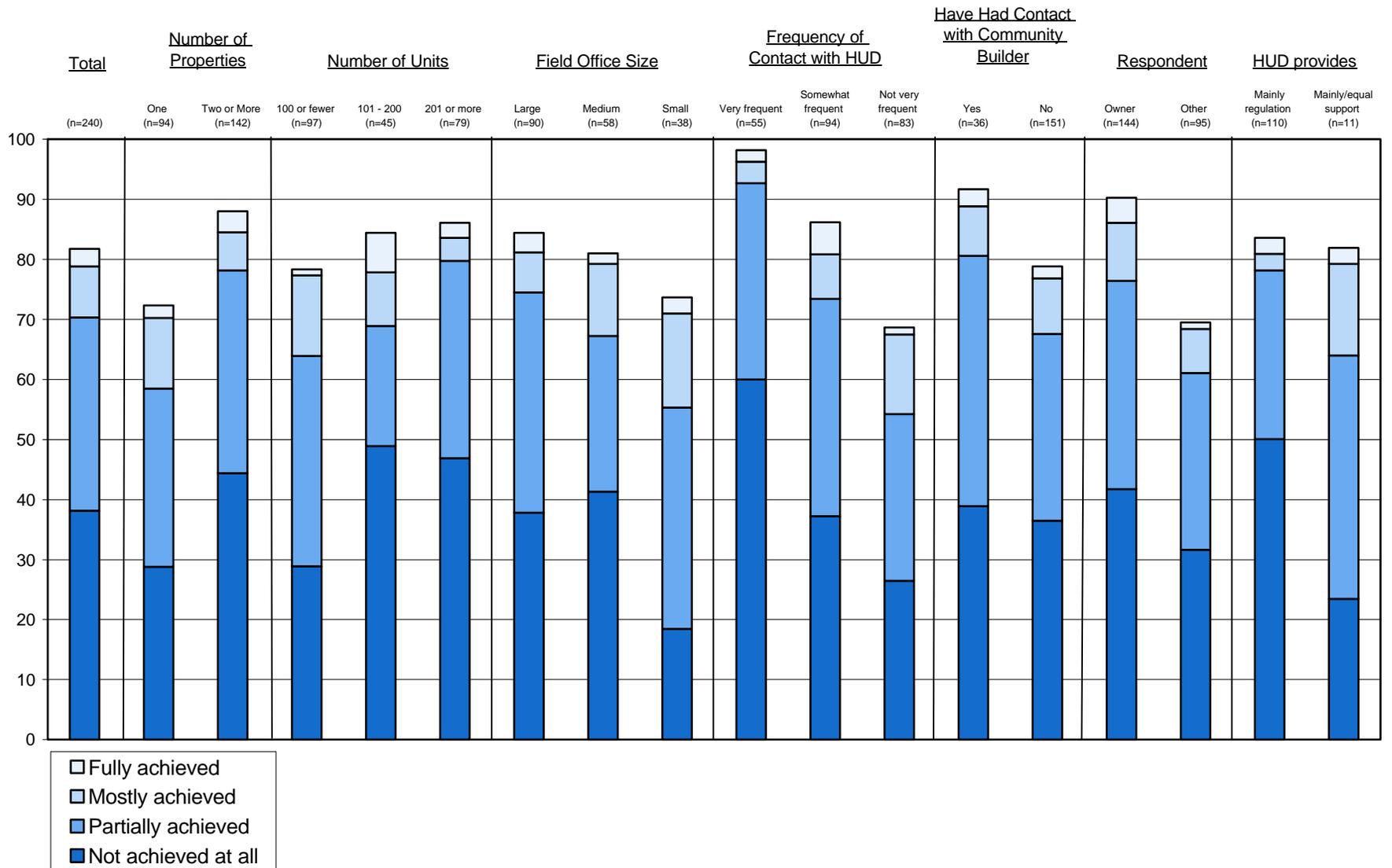


Achievement of Management Objectives

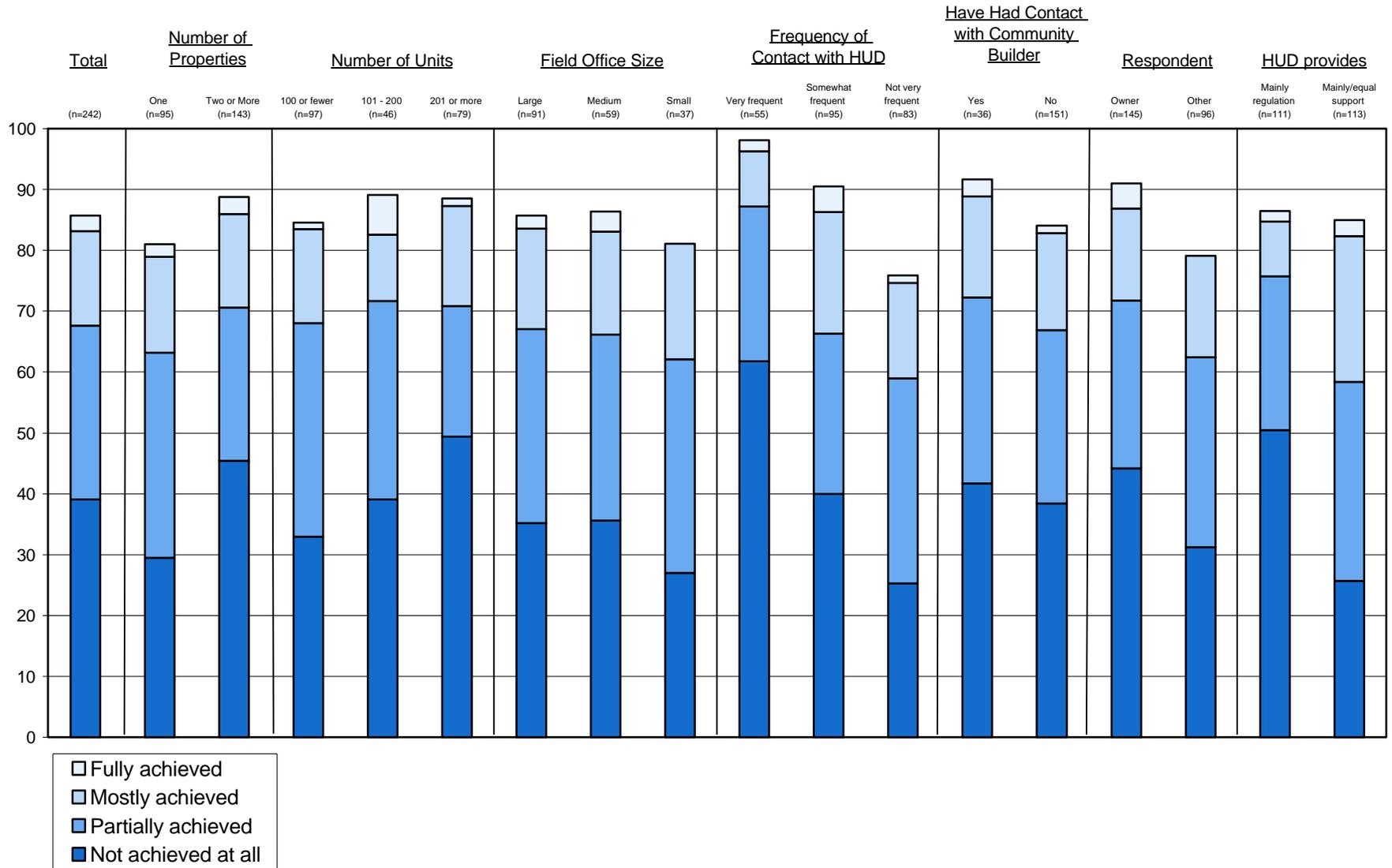
Question 8a: Please indicate the extent to which you believe the following HUD reform objective has been fully achieved, mostly achieved, partially achieved, or not achieved at all: To restore the public trust in HUD.



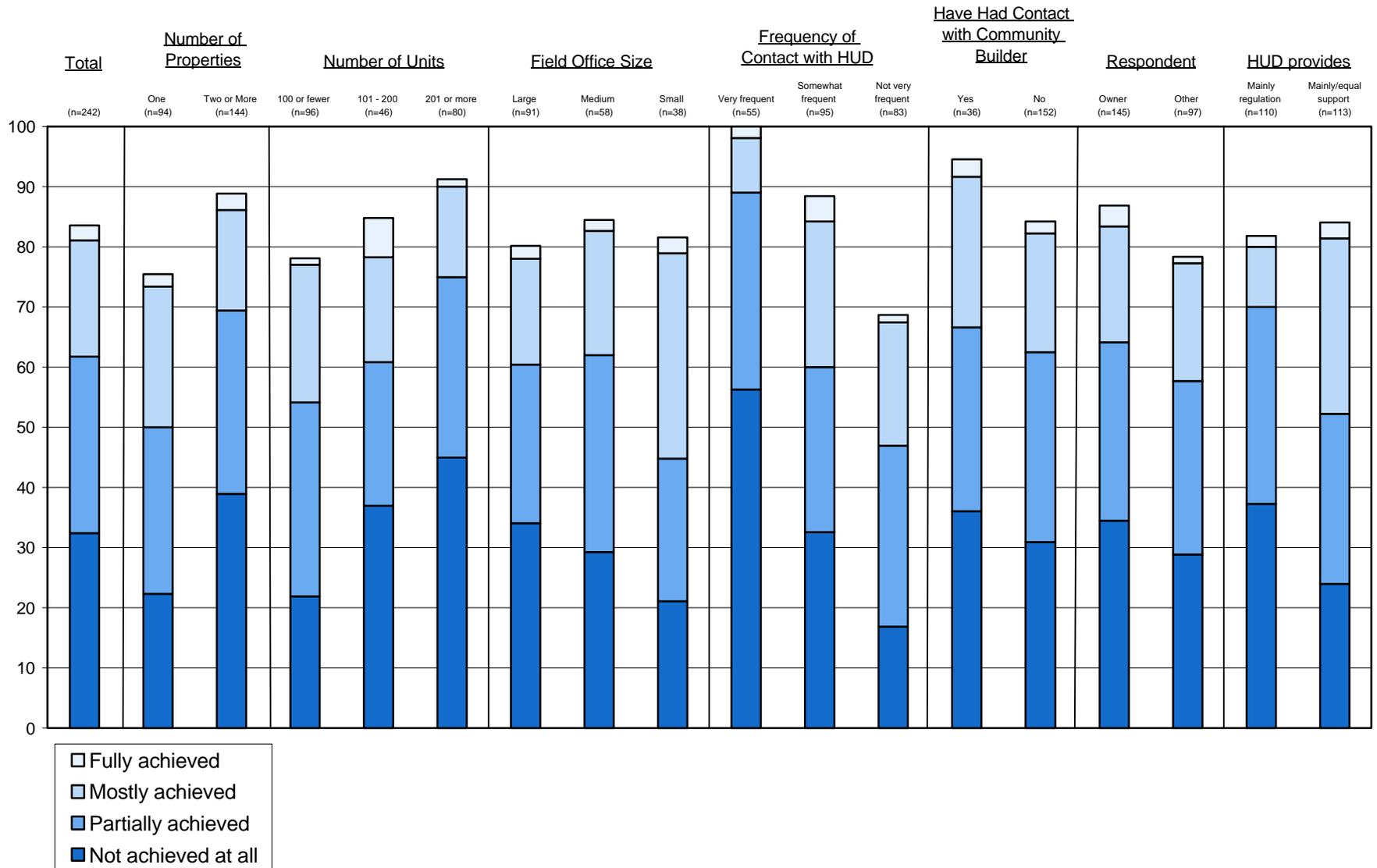
Question 8b: Please indicate the extent to which you believe the following HUD reform objective has been fully achieved, mostly achieved, partially achieved, or not achieved at all: To be "the best in the business."



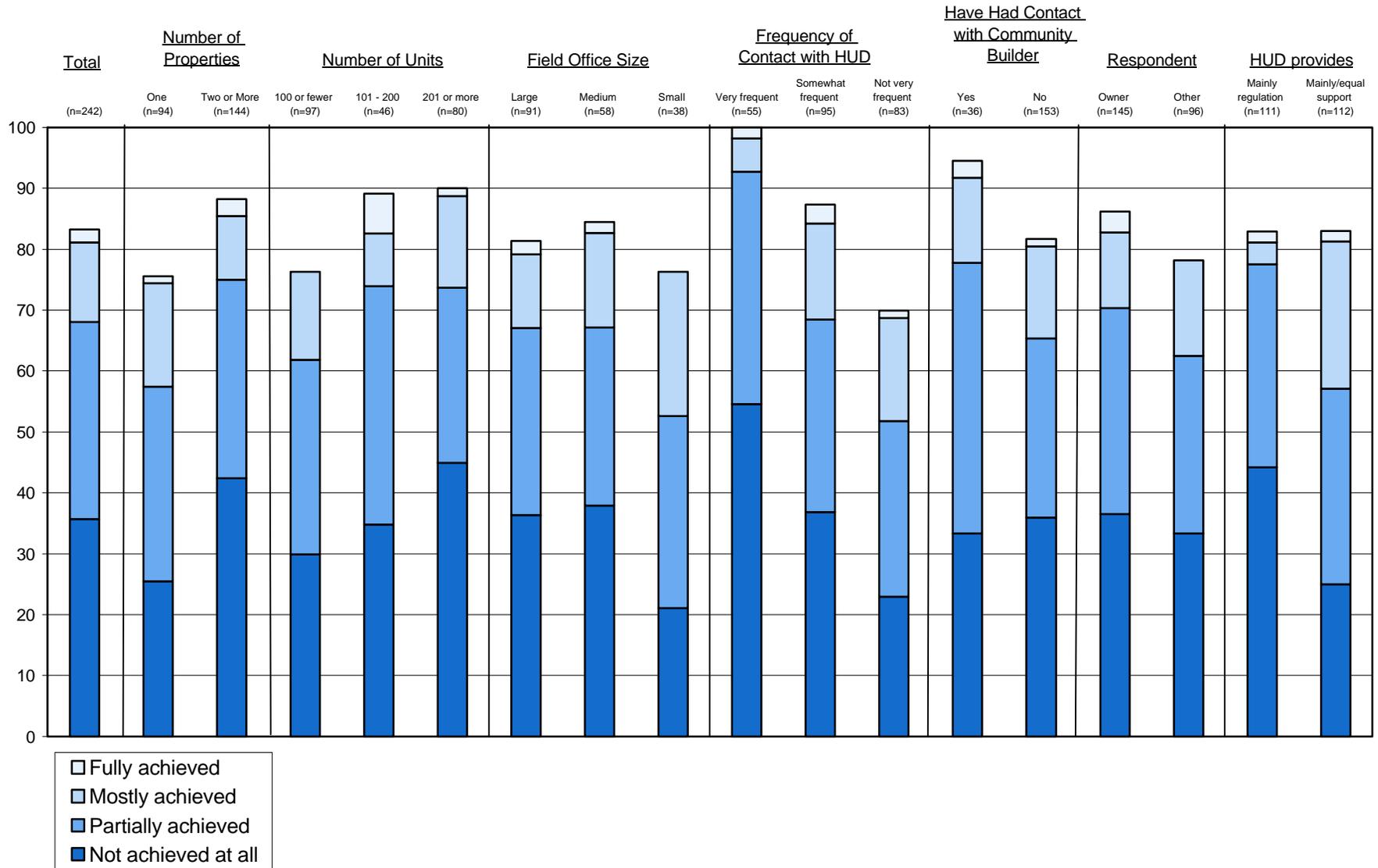
Question 8c: Please indicate the extent to which you believe the following HUD reform objective has been fully achieved, mostly achieved, partially achieved, or not achieved at all: To replace a top-down bureaucracy with a new customer-friendly structure.



Question 8d: Please indicate the extent to which you believe the following HUD reform objective has been fully achieved, mostly achieved, partially achieved, or not achieved at all: To instill an ethic of competence and excellence at HUD.

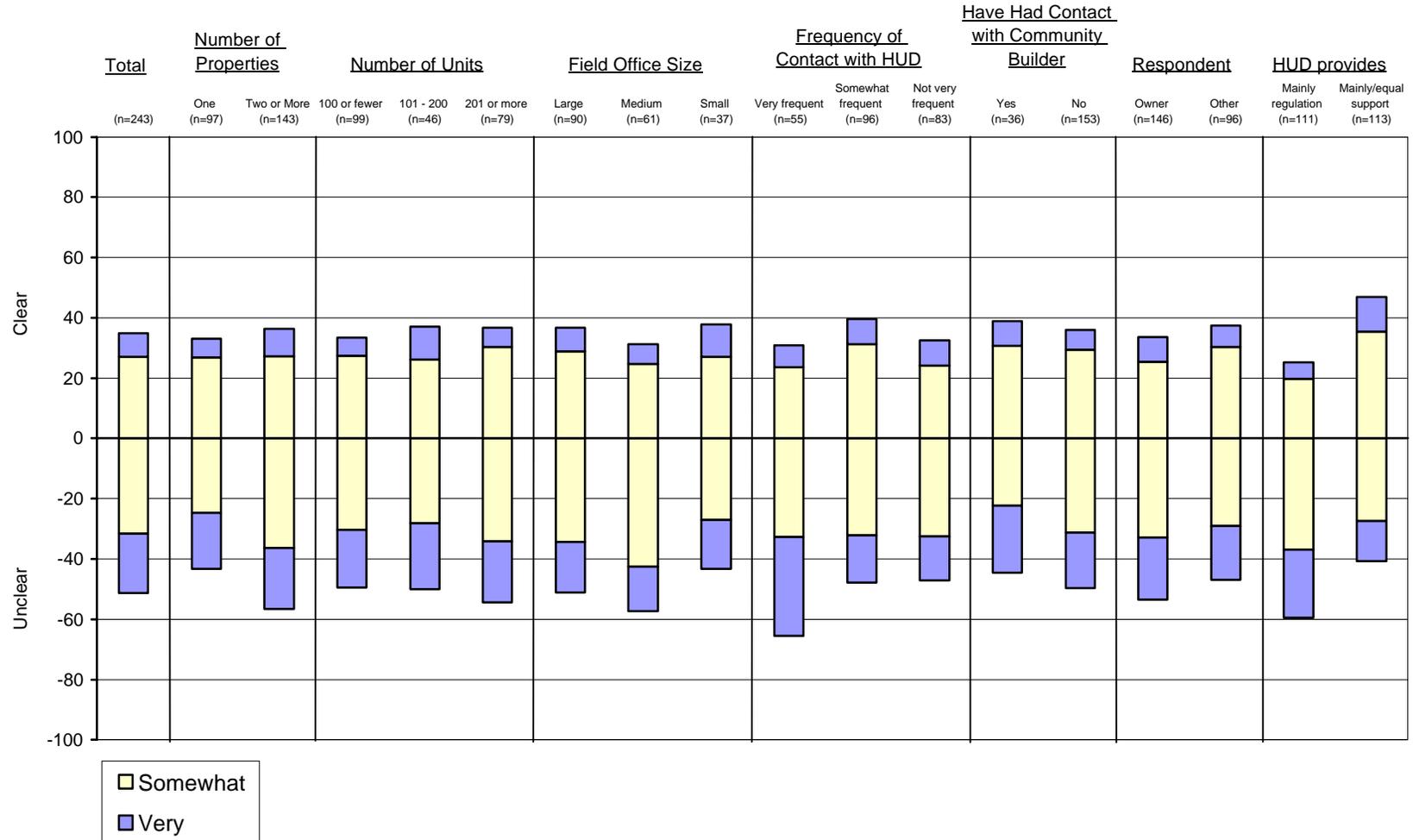


Question 8e: Please indicate the extent to which you believe the following HUD reform objective has been fully achieved, mostly achieved, partially achieved, or not achieved at all: To replace the emphasis on process with an emphasis on performance.

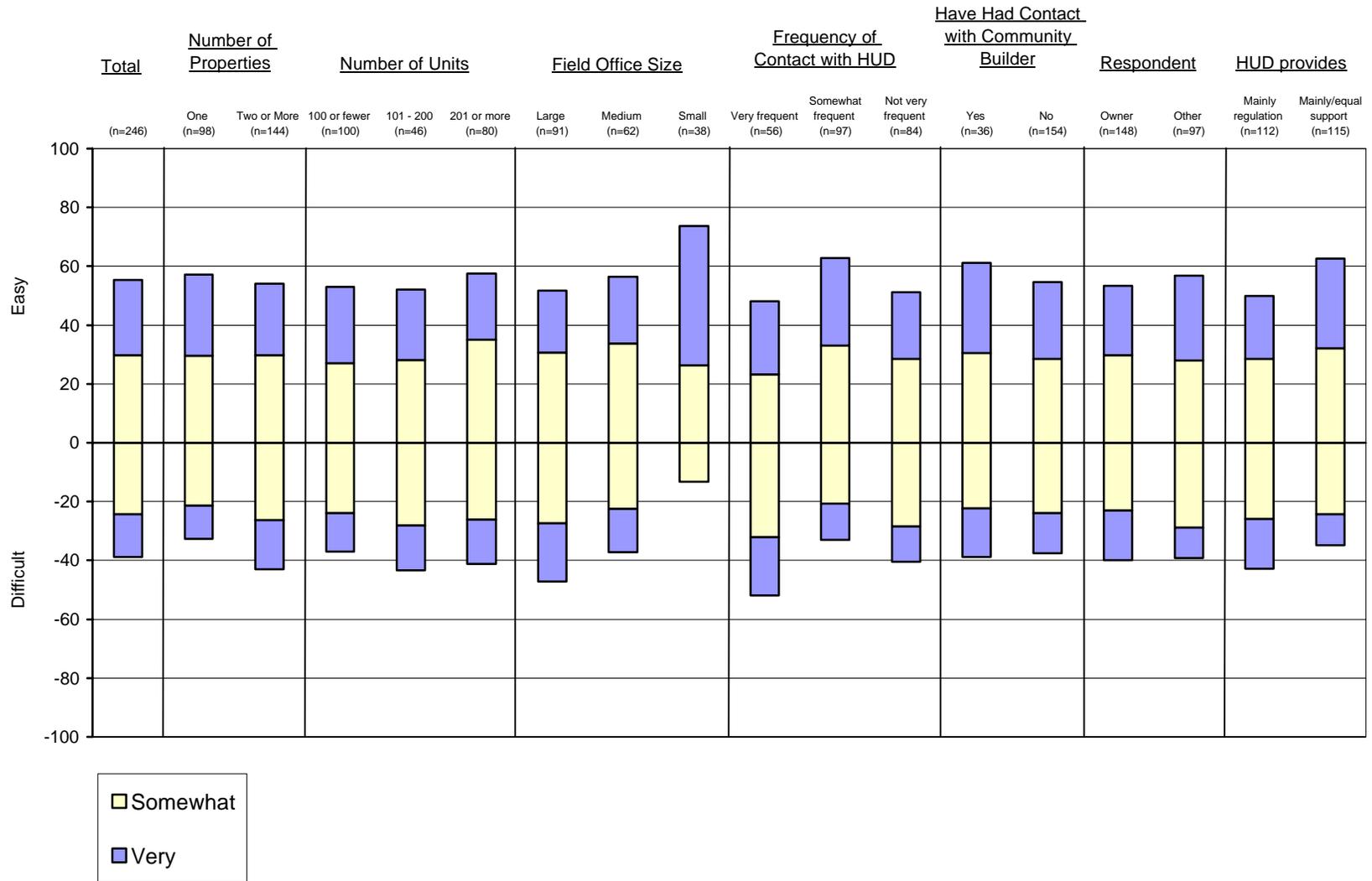


Questions Specific to HUD-Assisted Partners

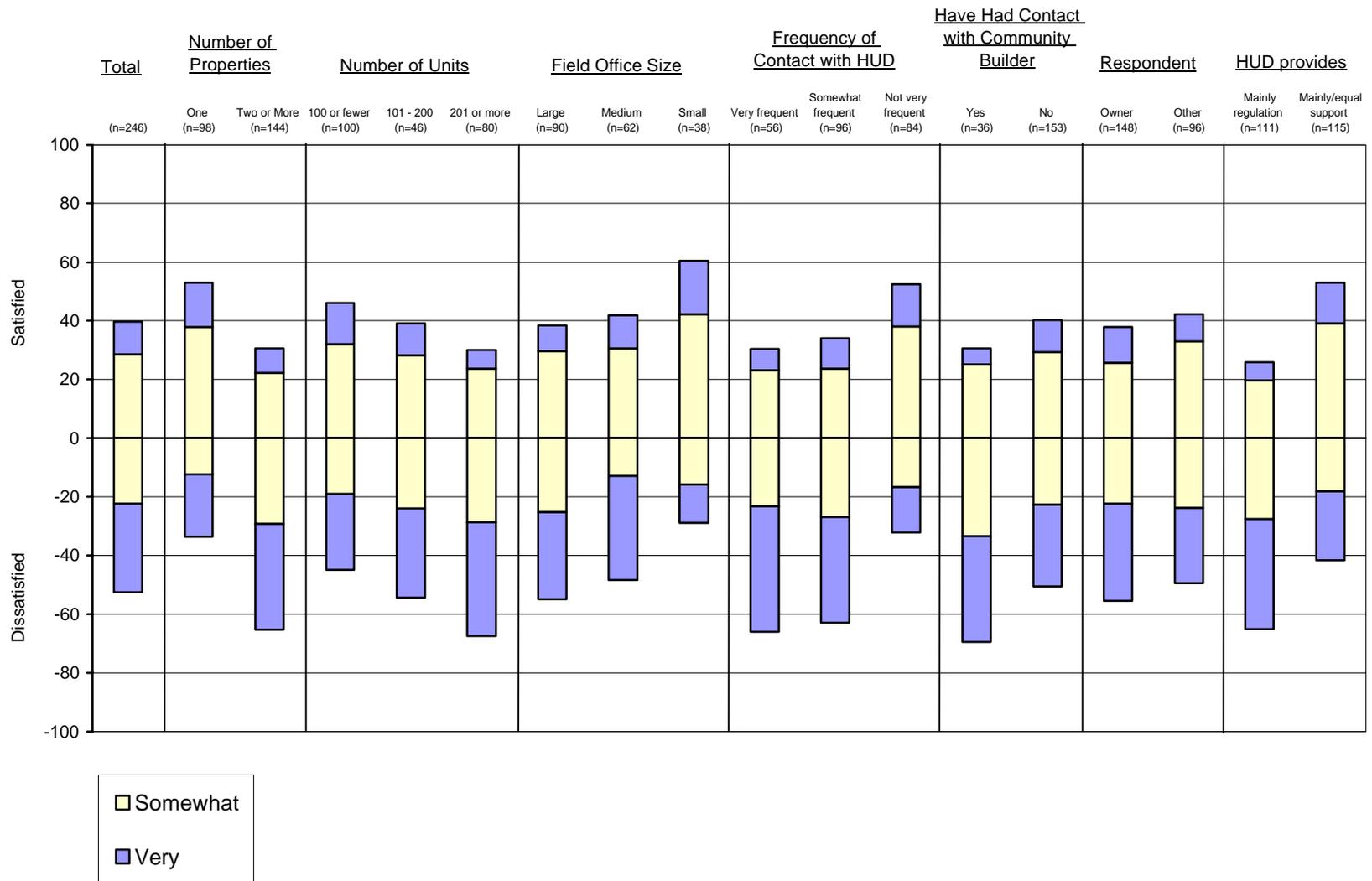
Question 9: Under HUD's new organizational structure, property owners may have to work with several HUD offices, hubs, and centers for various purposes. Are the different functions and responsibilities of these offices, hubs, and centers very clear, somewhat clear, somewhat unclear or very unclear?



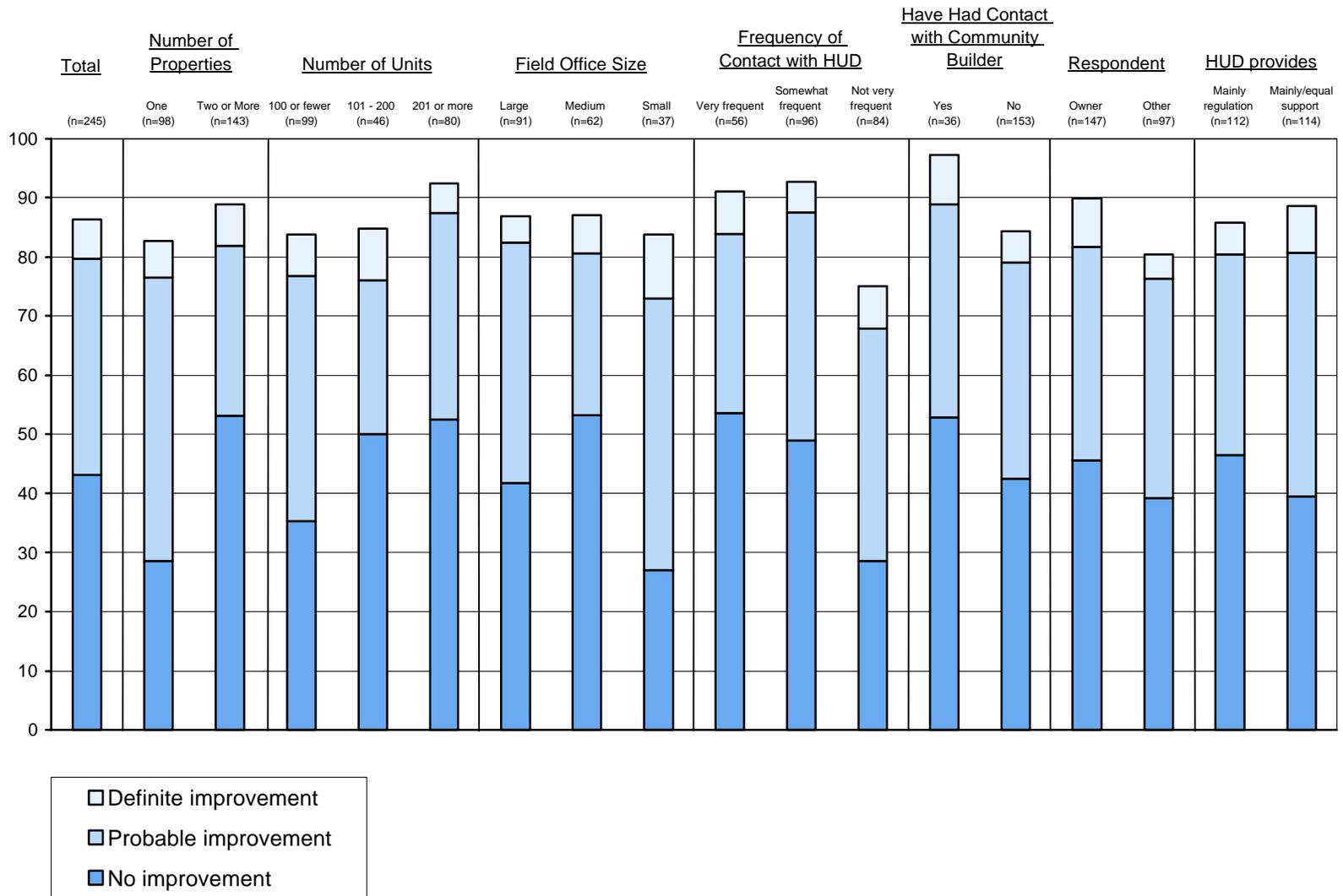
Question 10: In recent months, how easy or difficult has it been for you to reach the people at HUD whom you need to contact? In general, has it been very easy, somewhat easy, somewhat difficult or very difficult?



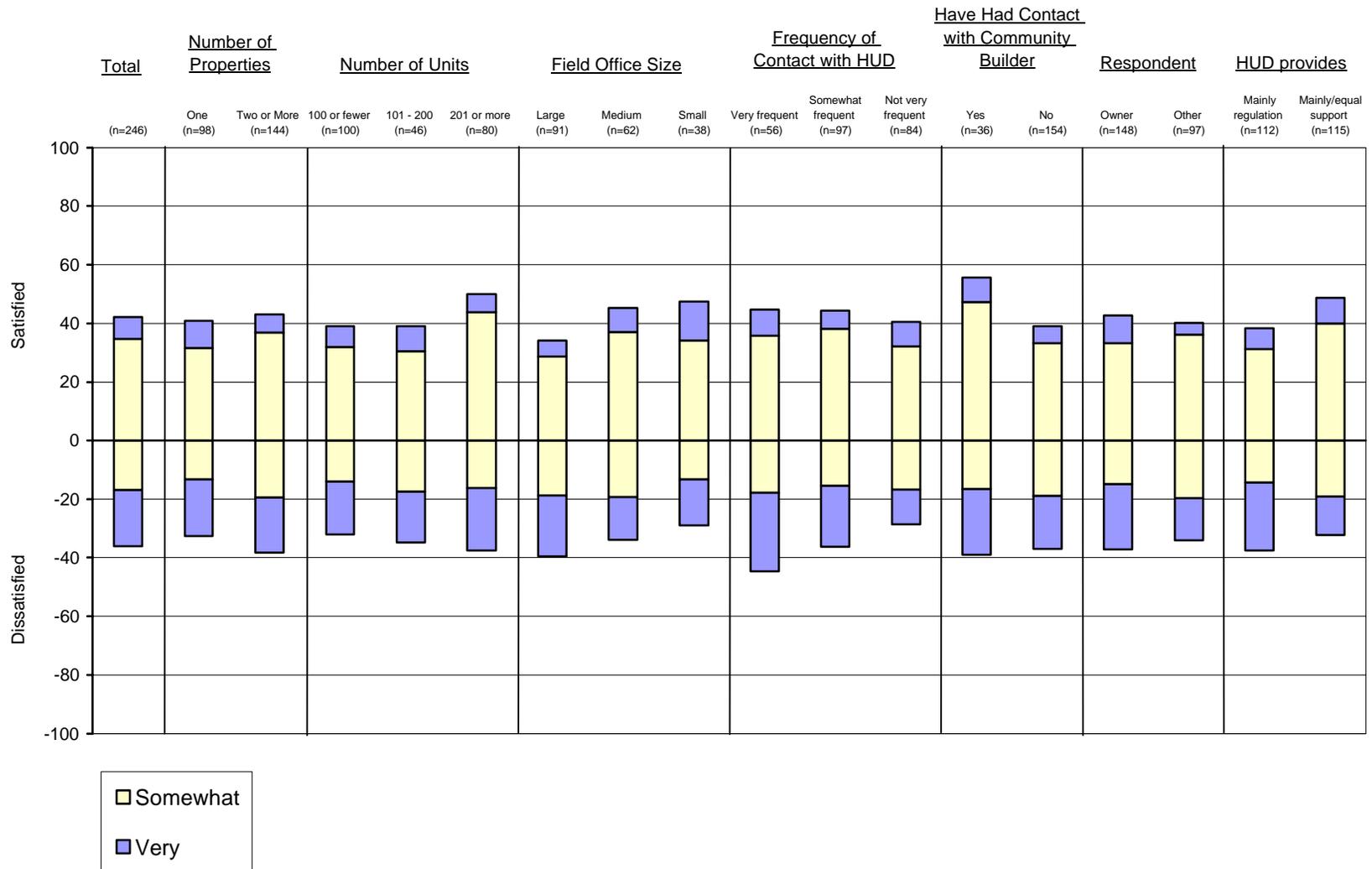
Question 11: How satisfied are you with the transition to property inspections by HUD's Real Estate Assessment Center (REAC)? Are you very satisfied, somewhat satisfied, somewhat dissatisfied or very dissatisfied?



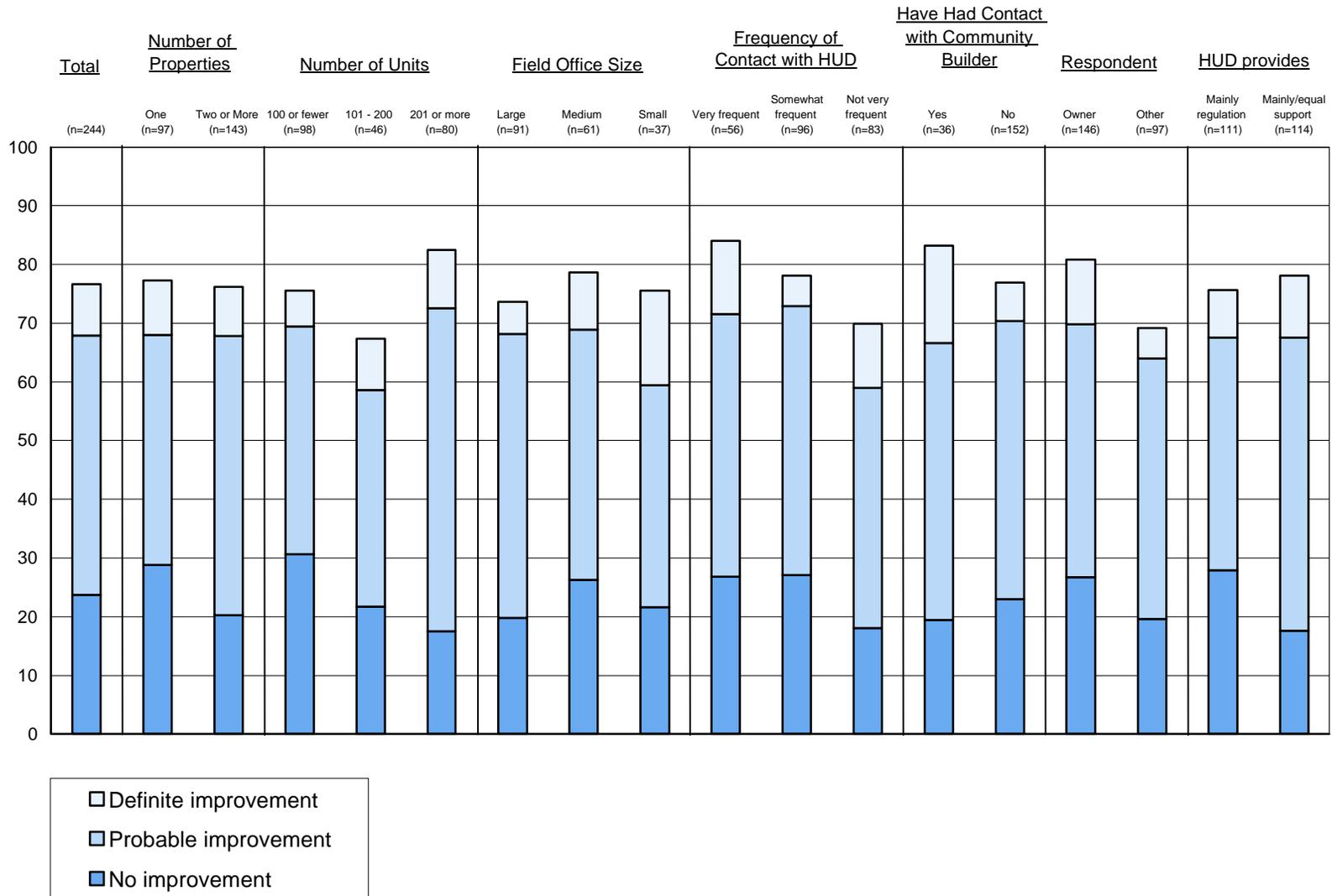
Question 12: Once fully implemented, do you expect the physical inspections done by HUD's Real Estate Assessment Center (REAC) will be an improvement over the previous methods used by HUD to inspect housing developments?



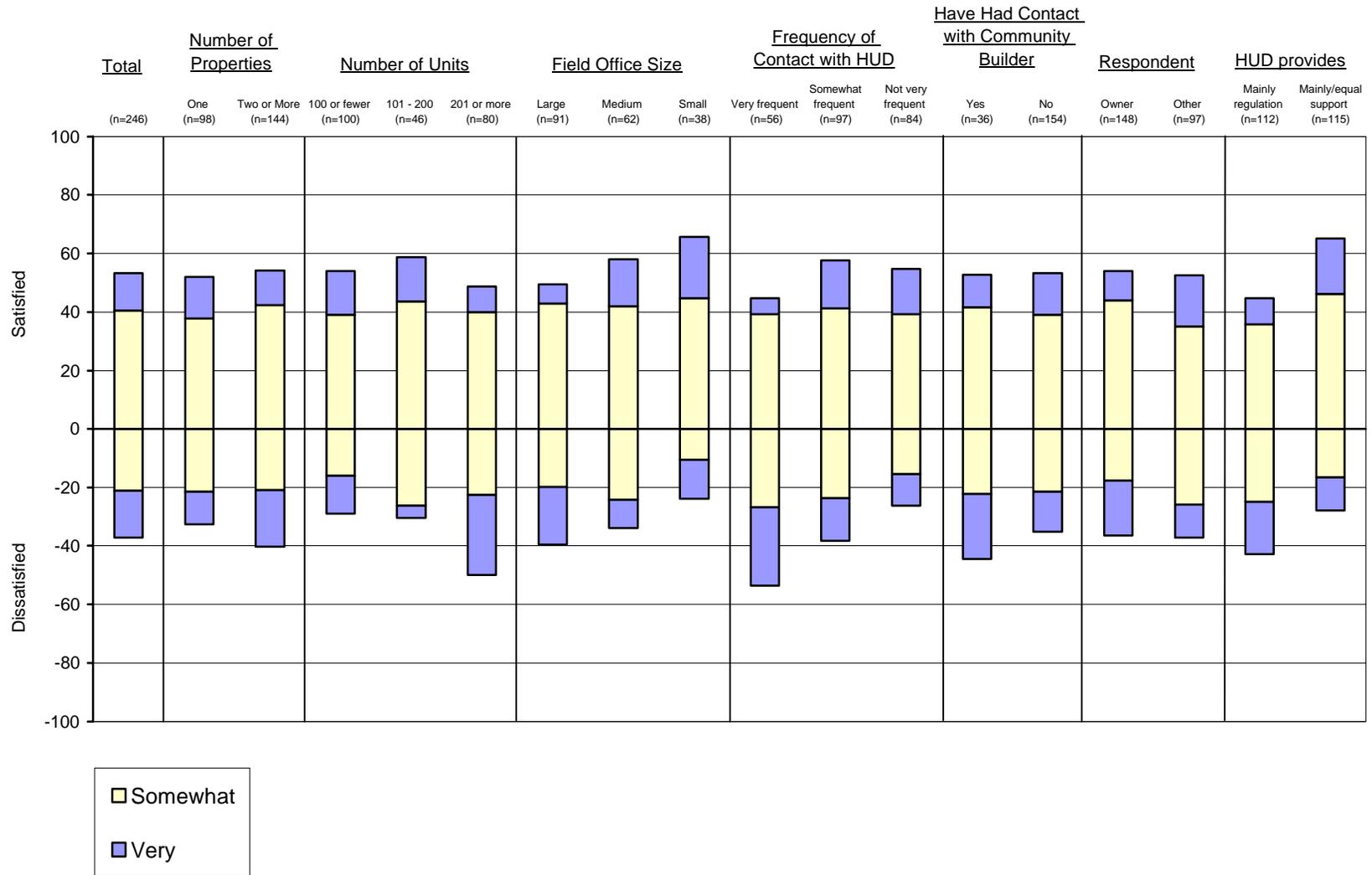
Question 13: How satisfied are you with the transition to electronic financial reporting to HUD's Real Estate Assessment Center (REAC)? Are you very satisfied, somewhat satisfied, somewhat dissatisfied or very dissatisfied?



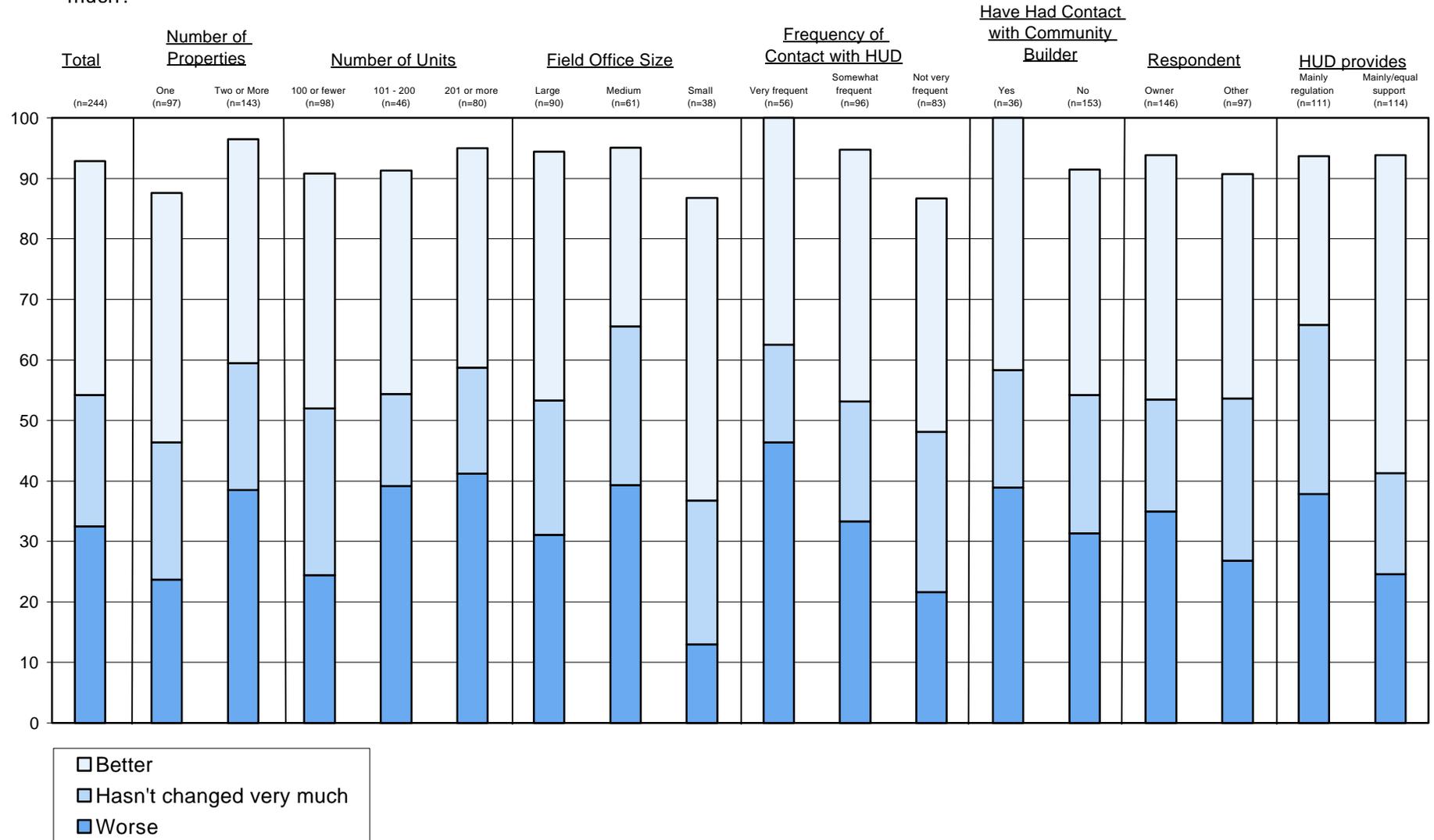
Question 14: Once fully implemented, do you expect the electronic financial reporting to HUD's Real Estate Assessment Center (REAC) to be an improvement over previous methods used by HUD to report financial information?



Question 15: How satisfied are you with the ability of HUD field office personnel - those in the multifamily hubs and program centers - to consistently and reliably interpret policies and regulation that pertain to your properties? Are you very satisfied, somewhat satisfied, somewhat dissatisfied or very dissatisfied?



Question 16: Over the last several years, would you say HUD's capacity to monitor and provide oversight related to your property or properties is generally getting much better, somewhat better, somewhat worse, much worse, or hasn't changed much?



Part 8: Evaluations of HUD By Non-profit Housing Organization (NAHP-affiliated) Partners

The non-profit housing organization partners surveyed for this report are all affiliated with the National Association of Housing Partnerships—a group of 59 organizations across the nation engaged in a wide variety of housing-related activities. Most of them are sophisticated housing developers, lenders, or providers who, in the course of their activities, may deal with one or more HUD programs and offices—including the Offices of Housing and Community Planning and Development.

The views of (non-profit housing) partners regarding HUD's performance range from relative satisfaction on some measures to relative dissatisfaction on others.

The sample. Of the universe of 59 NAHP affiliates nationwide, 50 responded to the survey—constituting an effective response rate of 84 percent.¹ Ten were interviewed by telephone; the remainder returned a mailed survey form. Eighty percent of the respondents were agency directors; 4 percent were deputy directors; and 16 percent were other senior organization officials. Instructions accompanying the survey forms emphasized that, if the director could not

¹ One additional survey form was returned, bringing the total to 51 (an 86 percent response rate), but the respondent had removed the identification number necessary to assure that duplicate surveys were not received from the same persons or organizations. This additional form, therefore, was not included in the data set.

personally respond to the survey, those answering should be in a position to respond on the director's behalf.

The HUD-partner relationship, and partners' overall performance evaluations. One half of (non-profit housing) partners see the Department as equally supporting and regulating them, while 26 percent see the relationship as mainly involving regulation and 20 percent see it as mainly providing support. Those who had very frequent contact with HUD are considerably more likely to see the Department mainly as a regulator compared to those who had less frequent contact.

NAHP-affiliated partners report somewhat mixed levels of overall approval of the Department's performance. Sixty-two percent of them are satisfied with HUD's programs, a simple majority (52 percent) is satisfied with the way HUD administers them, but a larger majority (82 percent) is satisfied with how the Department performs overall.

Evaluations of service quality. Seventy-one percent of NAHP-affiliated partners are satisfied with the quality of information they receive from HUD, and 65 percent are satisfied with the timeliness of that information. Curiously, those who have infrequent contact with HUD are more likely to be satisfied with the timeliness of the information they receive than those who have frequent contact.

Smaller proportions of NAHP-affiliated partners are satisfied with the quality (46 percent) or consistency (50 percent) of guidance they get from HUD. Compared to all but one other partner group (PHAs), this represents a relatively low level of satisfaction. There is no relationship between satisfaction with the quality of HUD's guidance and frequency of contact with HUD. However, those NAHP-affiliated partners who are in frequent contact with the Department are more likely to be satisfied with the consistency of guidance they receive than those who are in less frequent contact.

More than three-fourths of NAHP-affiliated partners are satisfied with the responsiveness and competence of the people they deal with at HUD. Those who have more frequent contact with the Department, compared to others, are also somewhat more likely to be satisfied with HUD staff.

In contrast to other service quality measures, only a small proportion of NAHP-affiliated partners are satisfied with the reasonableness of HUD rules and requirements. Sixty percent of them are dissatisfied, with 30 percent saying they are very dissatisfied.

Finally, 59 percent of NAHP-affiliated partners report satisfaction with the *overall* quality of service they receive from HUD. About half of them believe service quality has improved over the last several years, while 22 percent say it has not changed very much and 24 percent report that it has gotten

worse. Those who have had infrequent contact with HUD tend to be less satisfied with the overall quality of HUD service than those who have had either somewhat or very frequent contact.

Assessments of management changes. NAHP-affiliated partners have a range of reactions to the management changes made at HUD over the last several years—those that involved structural, functional, staffing, and financial management systems. Most of them are aware of the changes and have opinions about their effects—with the possible exception of changes to HUD's financial management systems (26 percent are unaware and 14 percent have no opinion).

Between 16 percent and 22 percent of NAHP-affiliated partners do not believe any of the changes that have occurred at HUD have had much effect. Of those who see some impact, there is divided opinion as to whether or not the changes have improved the Department.

Thirty-one percent see HUD's organizational changes—such as the establishment of new centers and hubs—as making things better, while 37 percent see them as making things worse. More NAHP-affiliated partners believe things are better as a result of functional changes (such as the establishment of Community Builder and Public Trust functions) and financial management systems changes than believe otherwise. Forty-eight percent of them believe the

functional changes have improved HUD compared to 20 percent who believe they have done otherwise; and 26 percent believe the financial management systems changes have improved the agency as compared with 10 percent who say otherwise.

With respect to staffing changes, however, there is much more disapproval than approval: 56 percent of NAHP-affiliated partners believe reductions in staff, staffing reassignments, and retraining of HUD staff have made matters worse compared to 18 percent who believe they have made HUD better.

Achievement of management reform objectives.

HUD's management reforms over the previous several years were an attempt to achieve certain objectives. Among them are the following:

- To restore the public trust in HUD;
- For HUD to be "the best in the business;"
- To replace a top-down bureaucracy at HUD with a new customer-friendly structure;
- To instill an ethic of competence and excellence at HUD; and

- To replace the emphasis on process at HUD with an emphasis on performance.

As of late-2000 and early-2001, NAHP-affiliated partners were somewhat more positive about the objectives of restoring the public trust in HUD and emphasizing performance over process than the other three objectives. With respect to the former, one-half of them believed that the objective had at least been partially, and 21 percent believed that it had been either mostly or fully achieved. With respect to the latter, 46 percent believed that it had been at least partially achieved, and 15 percent said it had been either mostly or fully achieved.

NAHP-affiliated partners were least positive about the objective of HUD being "the best in the business." Few of them believed that objective was yet close to achievement: 45 percent said it had not been achieved at all, 35 percent said it had been partially achieved, and only 8 percent said it had been mostly or fully achieved. On this objective, as well as most others, those partners who see HUD as mainly regulating them are considerably more likely than others to have concluded that HUD had not at all achieved its stated goals.

Questions specifically designed for NAHP-affiliated partners. NAHP-affiliated partners were asked a series of questions specific to their organizations' relationship to the Department. Their responses are as follows:

- Almost one-half of NAHP-affiliated partners report that HUD's Community Builders improved HUD's overall service to their organizations compared to what it had been; 14 percent thought that service had been improved "very much." About one-third of them said that service had not been improved.
- Almost two-thirds (64 percent) of NAHP-affiliated partners report that HUD's use of a SuperNOFA over the last several years has improved the way it announces and manages the grants process.
- More than seven of every ten NAHP-affiliated partners claim that, across the range of their activities in which they relate to HUD, the Department is generally clear about what it expects of them; 16 percent say HUD is not. Eighty percent of those with very frequent contact with HUD are satisfied compared with 68 percent of those with some or not-very-frequent contact.
- Almost two-thirds (64 percent) of NAHP-affiliated partners say HUD has consistent standards of enforcement with respect to their organizations' activities, while 22 percent say this is not at all the case.
- Seventy-eight percent of NAHP-affiliated partners report that HUD's accounting requirements are reasonable and appropriate as they pertain to their organizations.
- About one-third (32 percent) of NAHP-affiliated partners have not had experience with HUD's Regional Housing Opportunity Centers (HOCs), and 20 percent do not know if such Centers have provided good service. Fourteen percent say such centers provide good service to their organizations, while 28 percent say they do not.
- Finally, 53 percent of NAHP-affiliated partners report that HUD's organizational changes over the last few years have allowed them more direct access than they had before to the person at HUD who is best able to respond to their needs. Thirty-seven percent say this is not at all their experience.

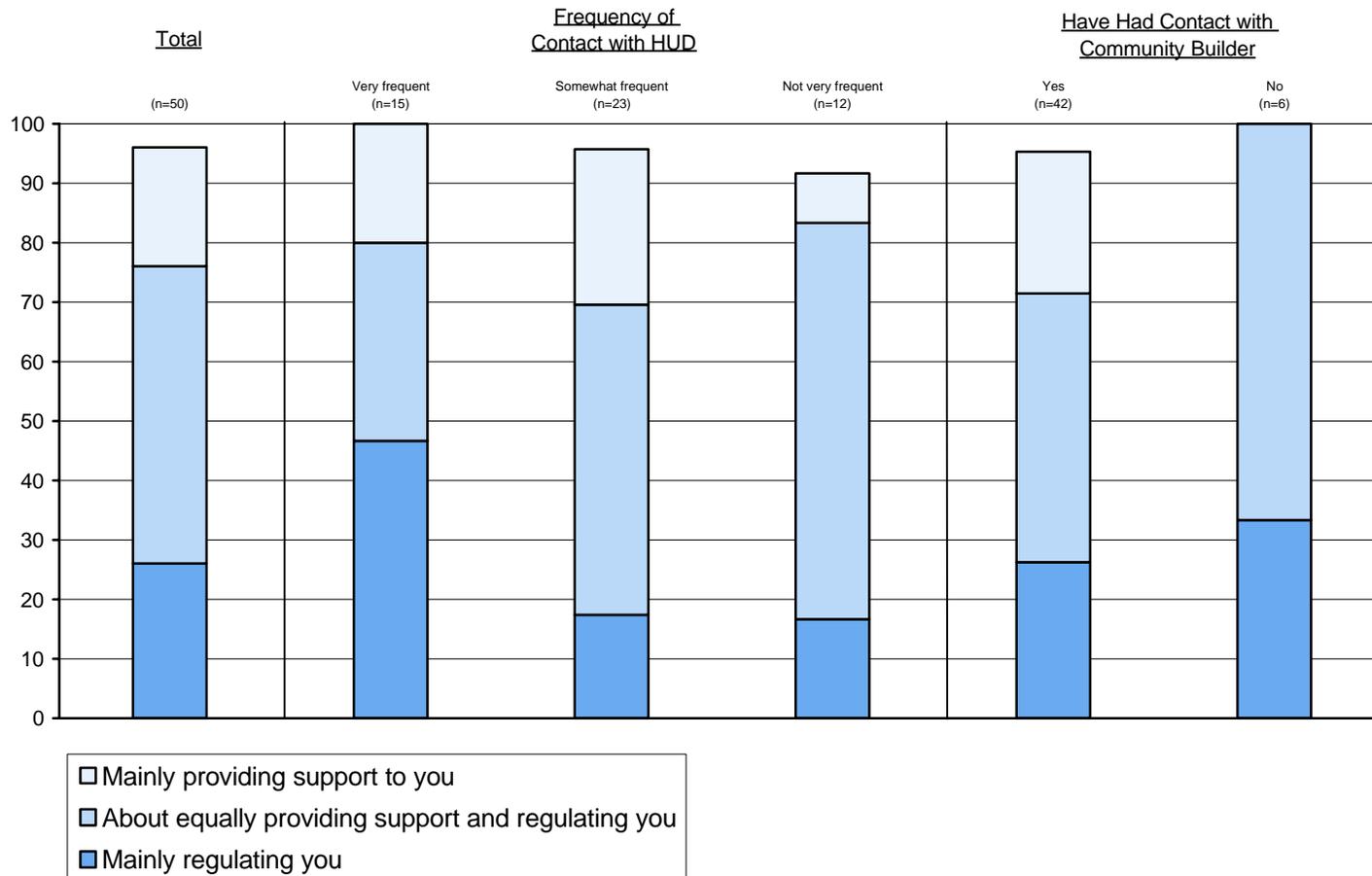
Open-ended comments provided by respondents.

At the end of the survey, respondents were given an opportunity to provide additional comments in their own words, and 48 percent of NAHP-affiliated partners chose to do so. The comments were varied, involving positive (35 percent) and negative (65 percent) feedback. Positive comments from multiple partners included those complimentary of HUD staff, those indicating general satisfaction with services received

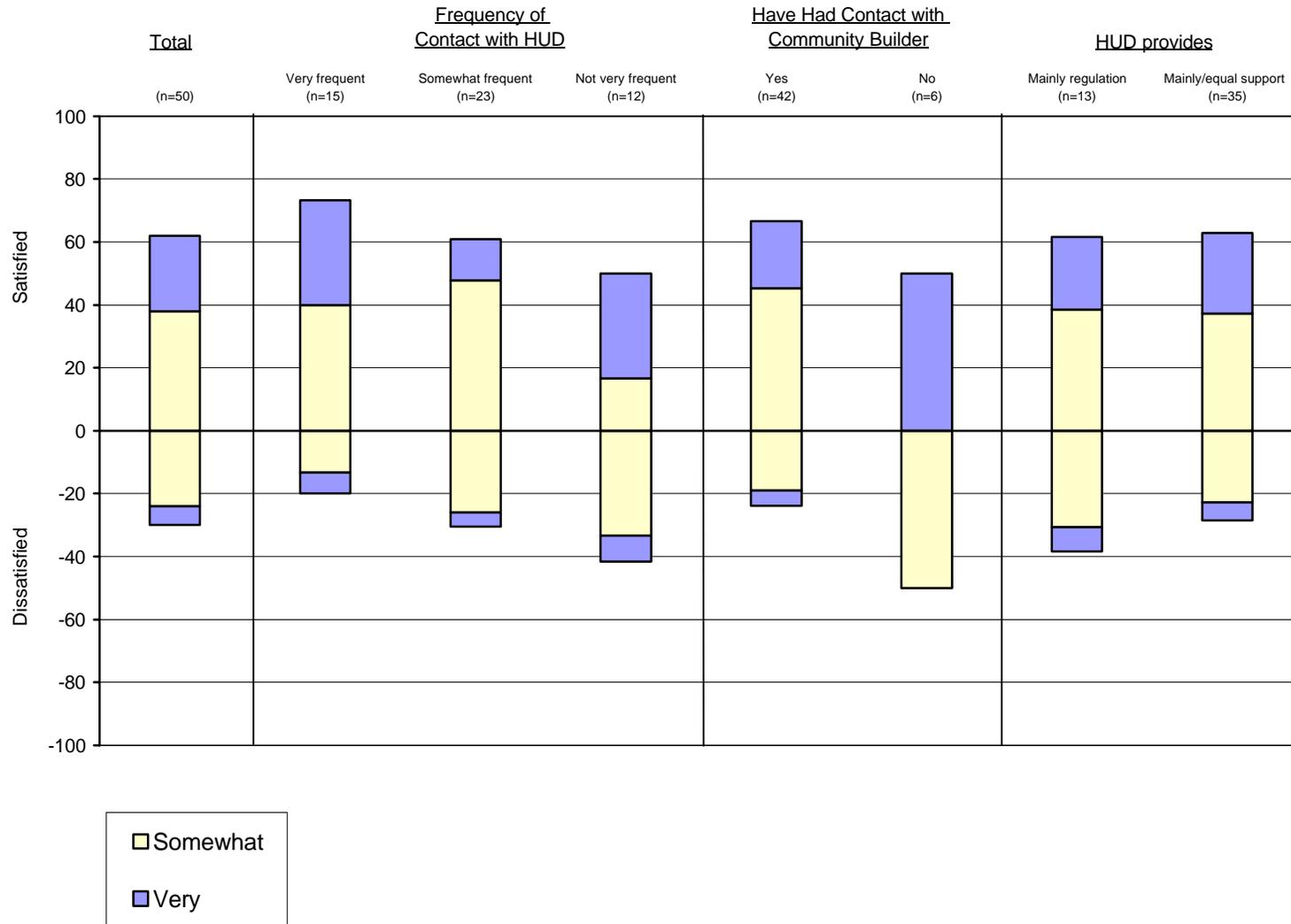
from HUD, and those noting specific improvements in service over the past several years. Negative comments from multiple partners included criticism of inconsistencies in the way HUD interprets rules and regulations, criticisms of the Community Builders program, and concerns about the understaffing of HUD field offices. Remaining comments covered a range of topics, including the allegation that HUD is not complying with OMB circulars and that the closing of a particular HUD office had an adverse impact on one organization's relationship with the Department.

Overall Performance

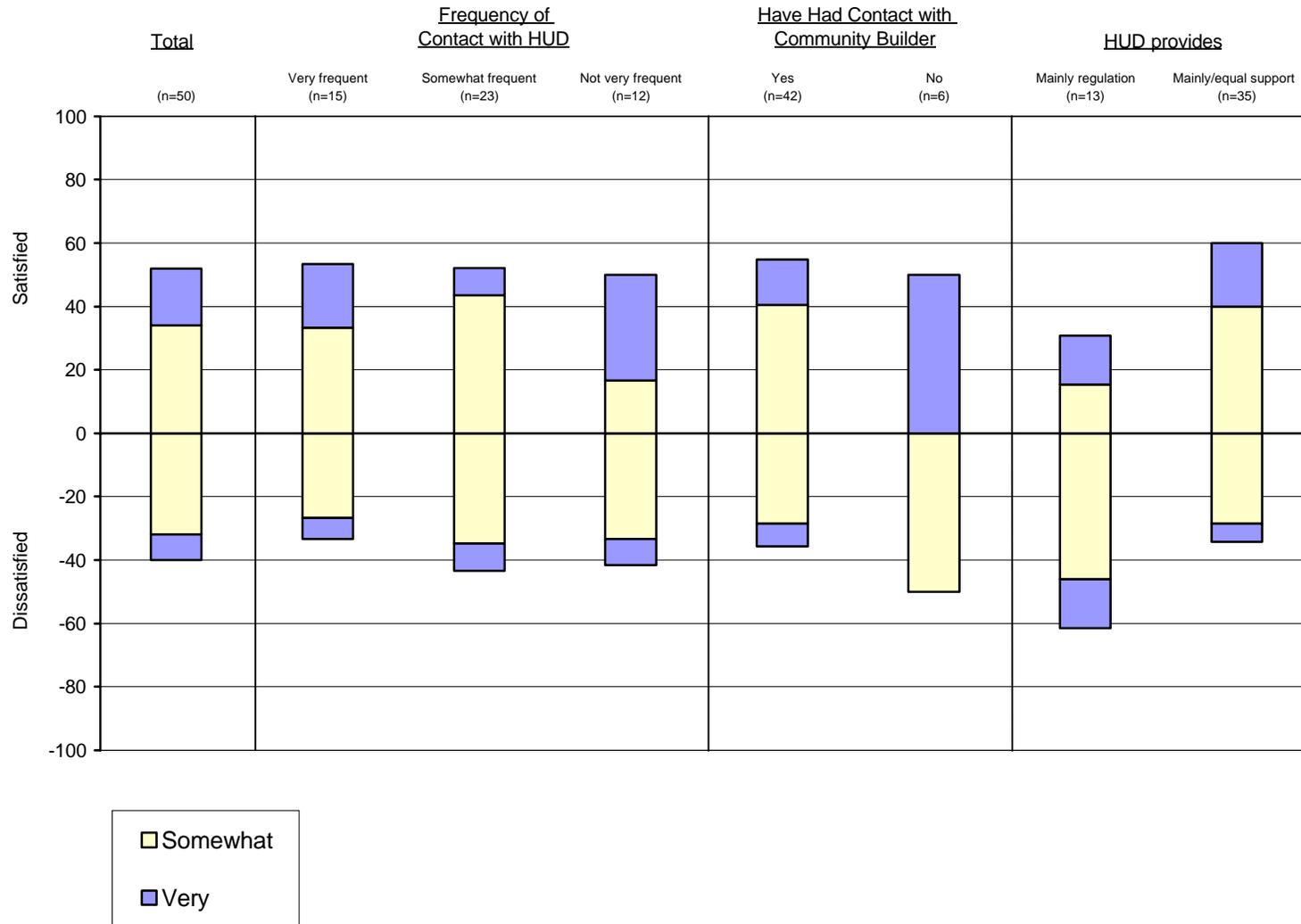
Question 6: HUD has several different responsibilities. On one hand, it provides various forms of support (for example, funding, technical assistance, information) and, on the other, it has a regulatory responsibility (that is, it makes rules, assures compliance with those rules, does assessments). In your organization's relationship with HUD, would you say HUD is mainly providing support to you, about equally providing support and regulating you, or mainly regulating you?



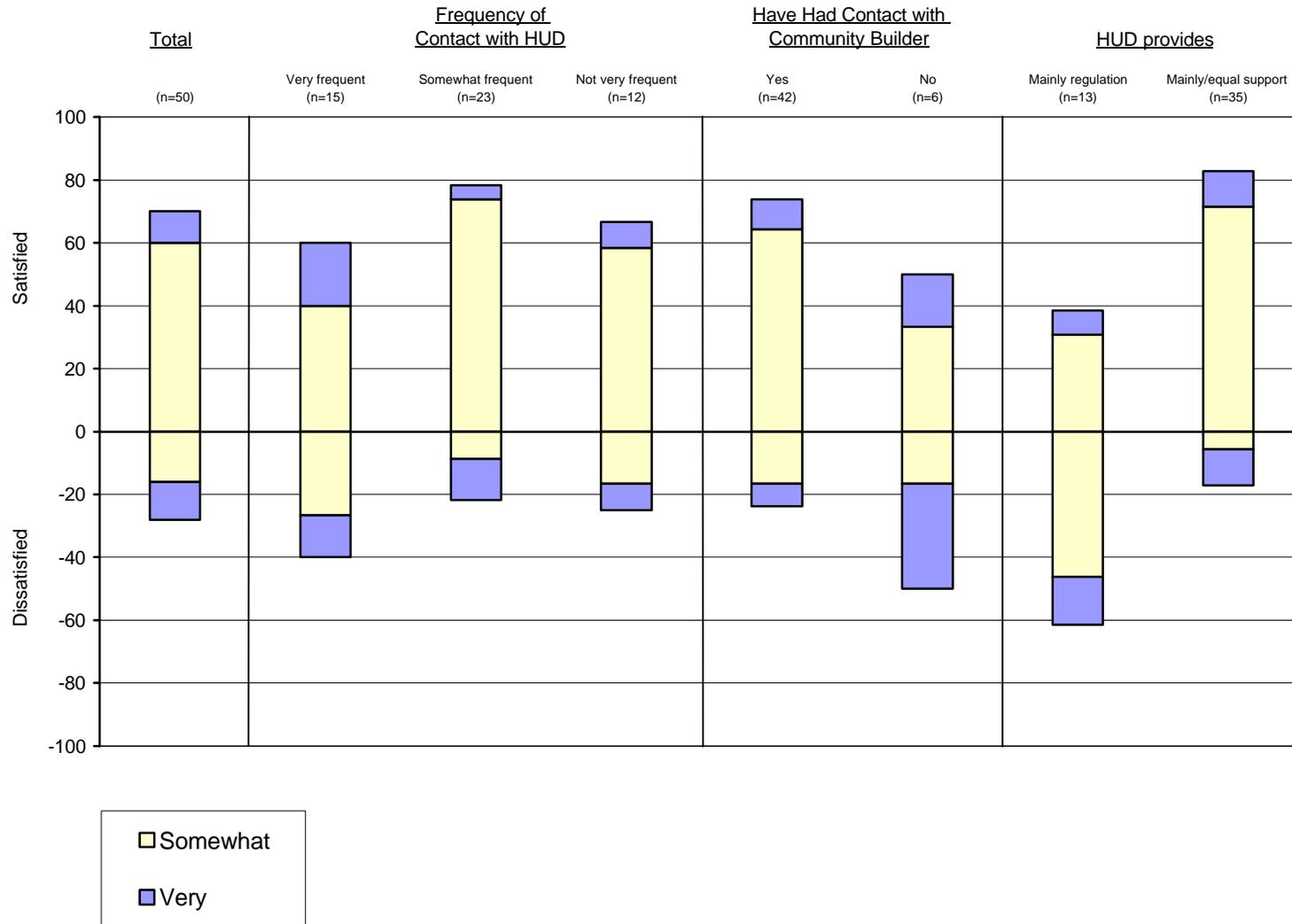
Question 3a: Thinking separately about the HUD programs with which you currently deal and about how HUD runs those programs, how satisfied or dissatisfied are you, in general, with the HUD programs you currently deal with?



Question 3b: Thinking separately about the HUD programs with which you currently deal and about how HUD runs those programs, how satisfied or dissatisfied are you, in general, with the way HUD currently runs those programs?

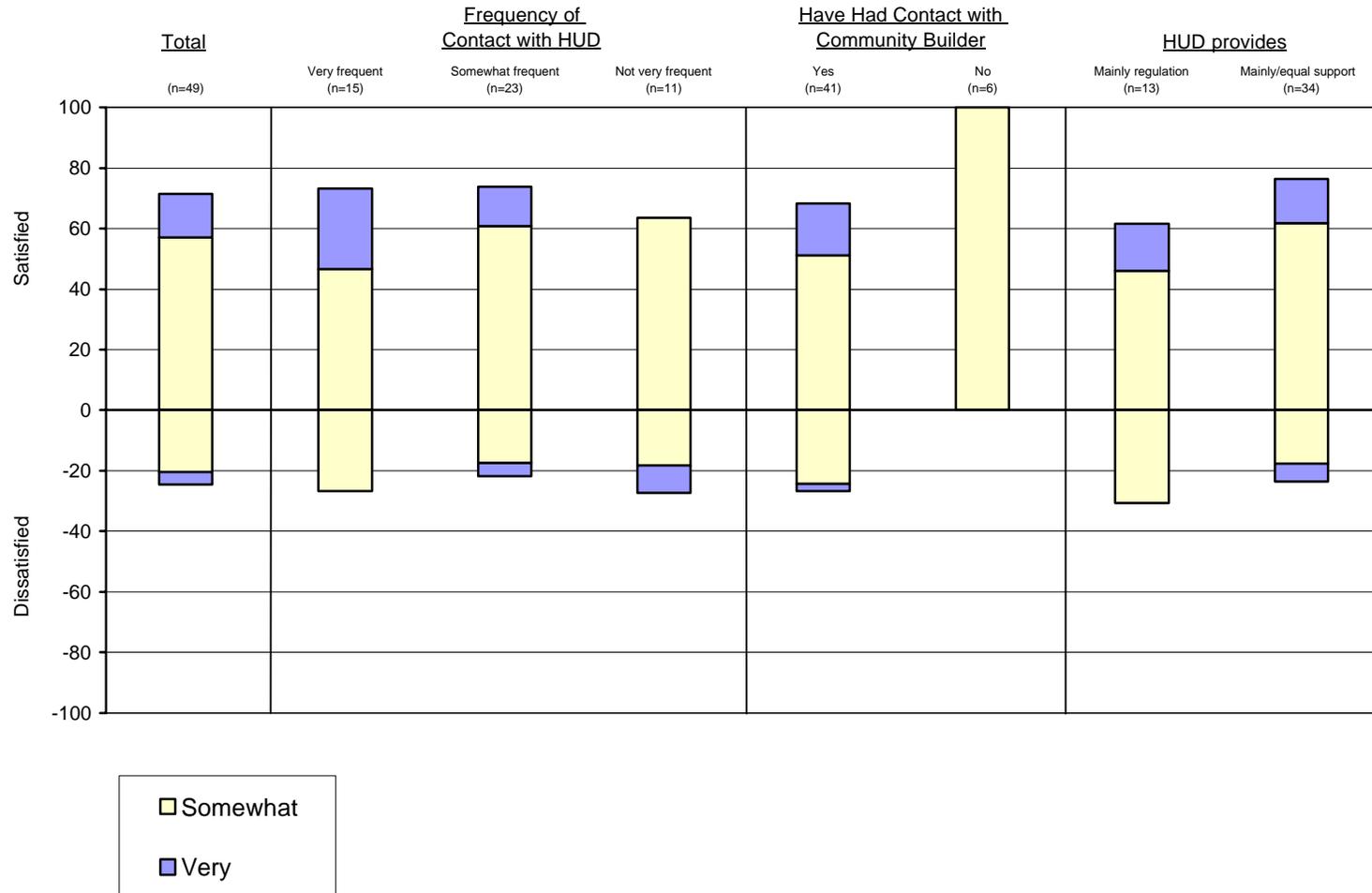


Question 11: At present, taking everything into consideration, how satisfied or dissatisfied are you with HUD's overall performance?

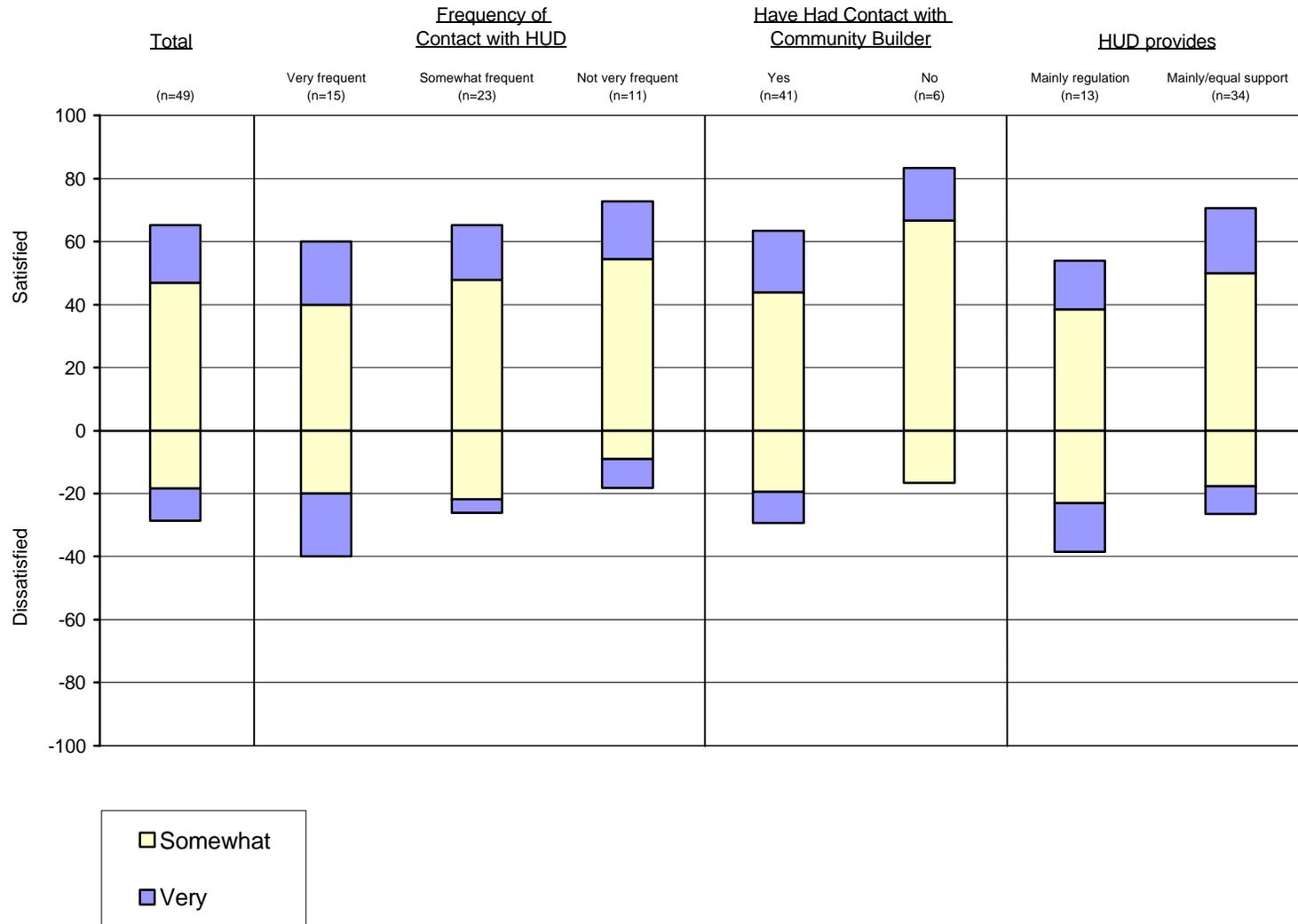


Service Quality

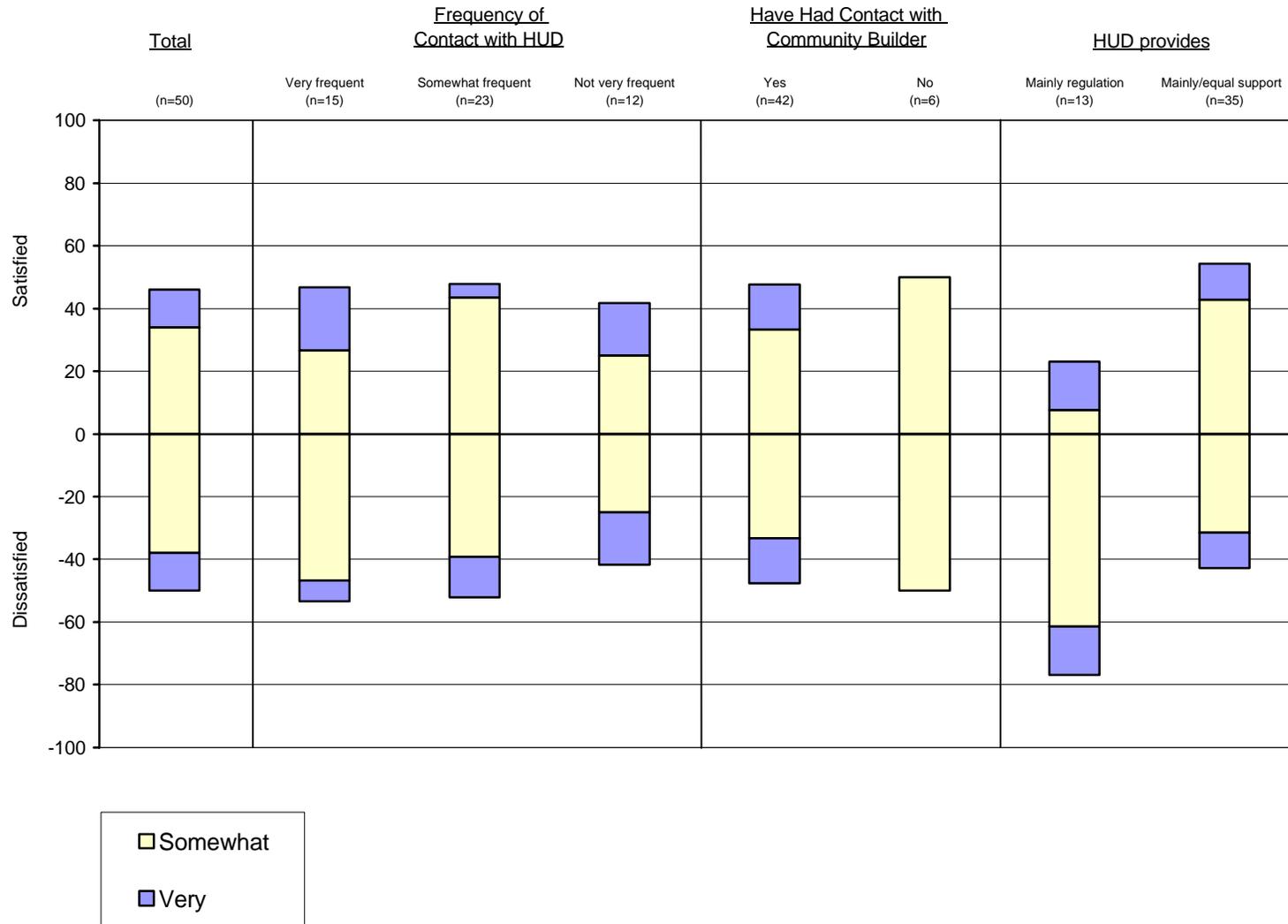
Question 4a: How satisfied or dissatisfied are you at the present point in time, in general, with the quality of the information you currently receive from HUD?



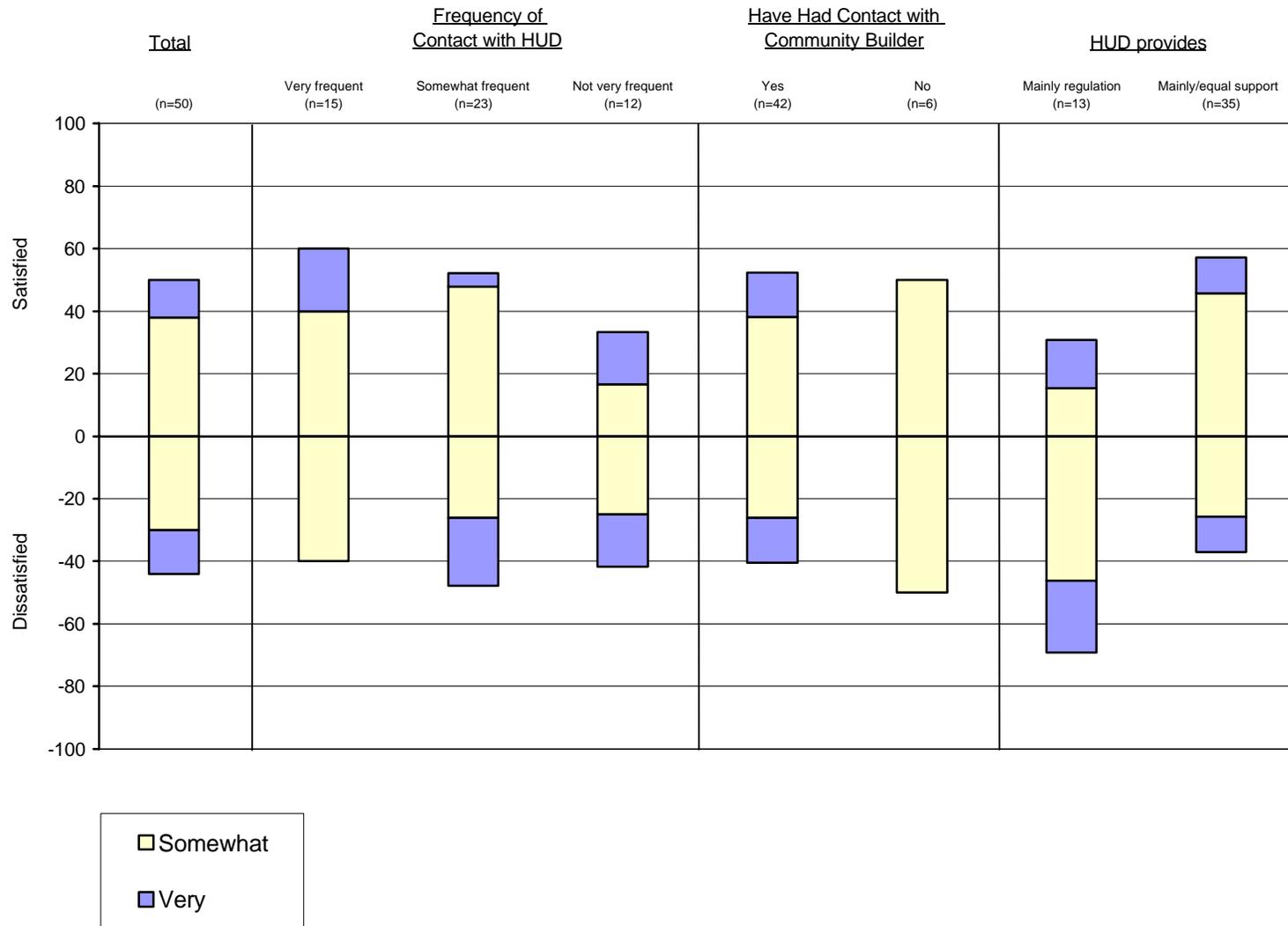
Question 4b: How satisfied or dissatisfied are you at the present point in time, in general, with the timeliness of the information you currently receive from HUD?



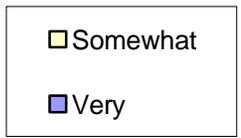
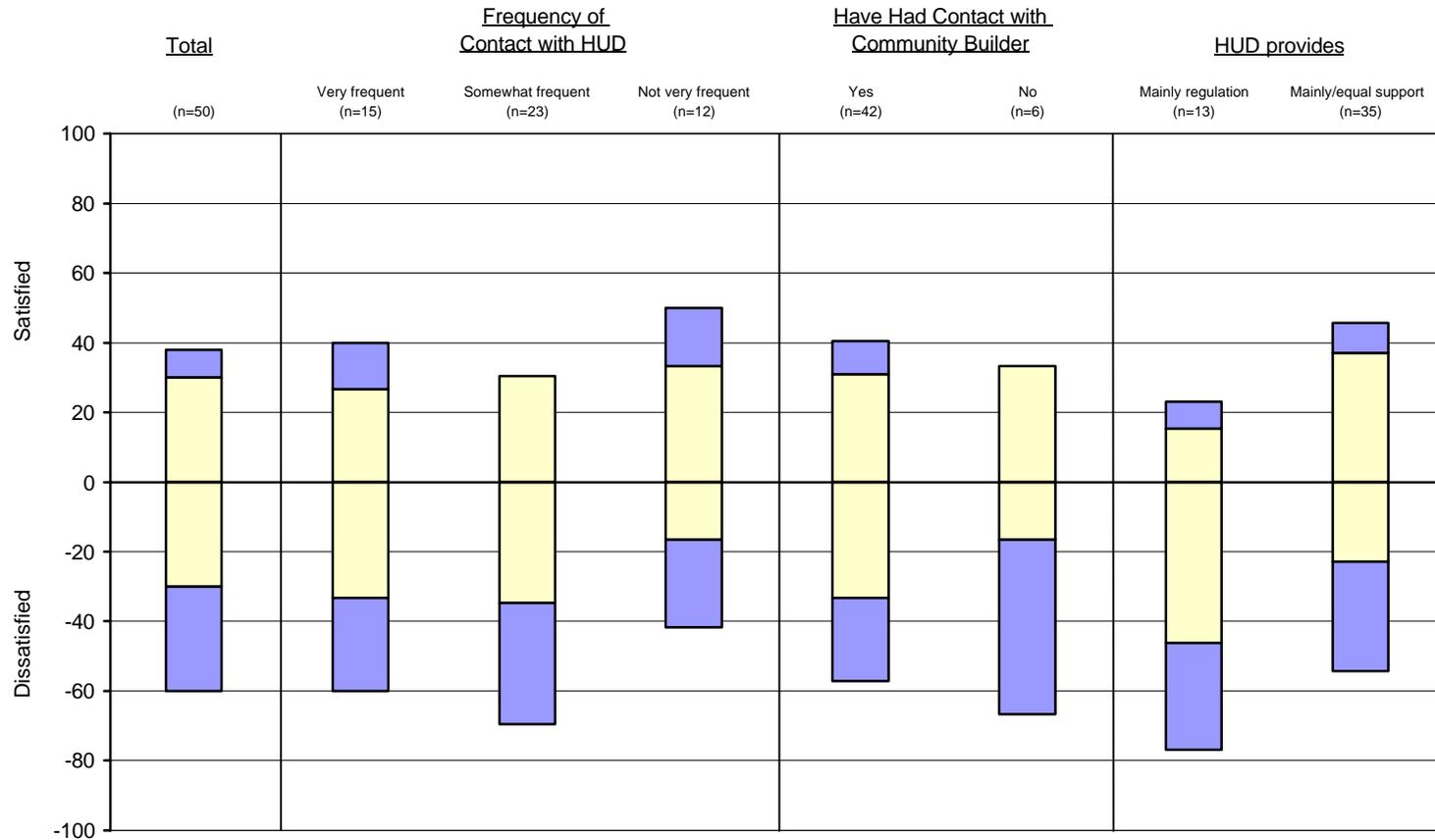
Question 4c: How satisfied or dissatisfied are you at the present point in time, in general, with the quality of guidance you currently get from HUD?



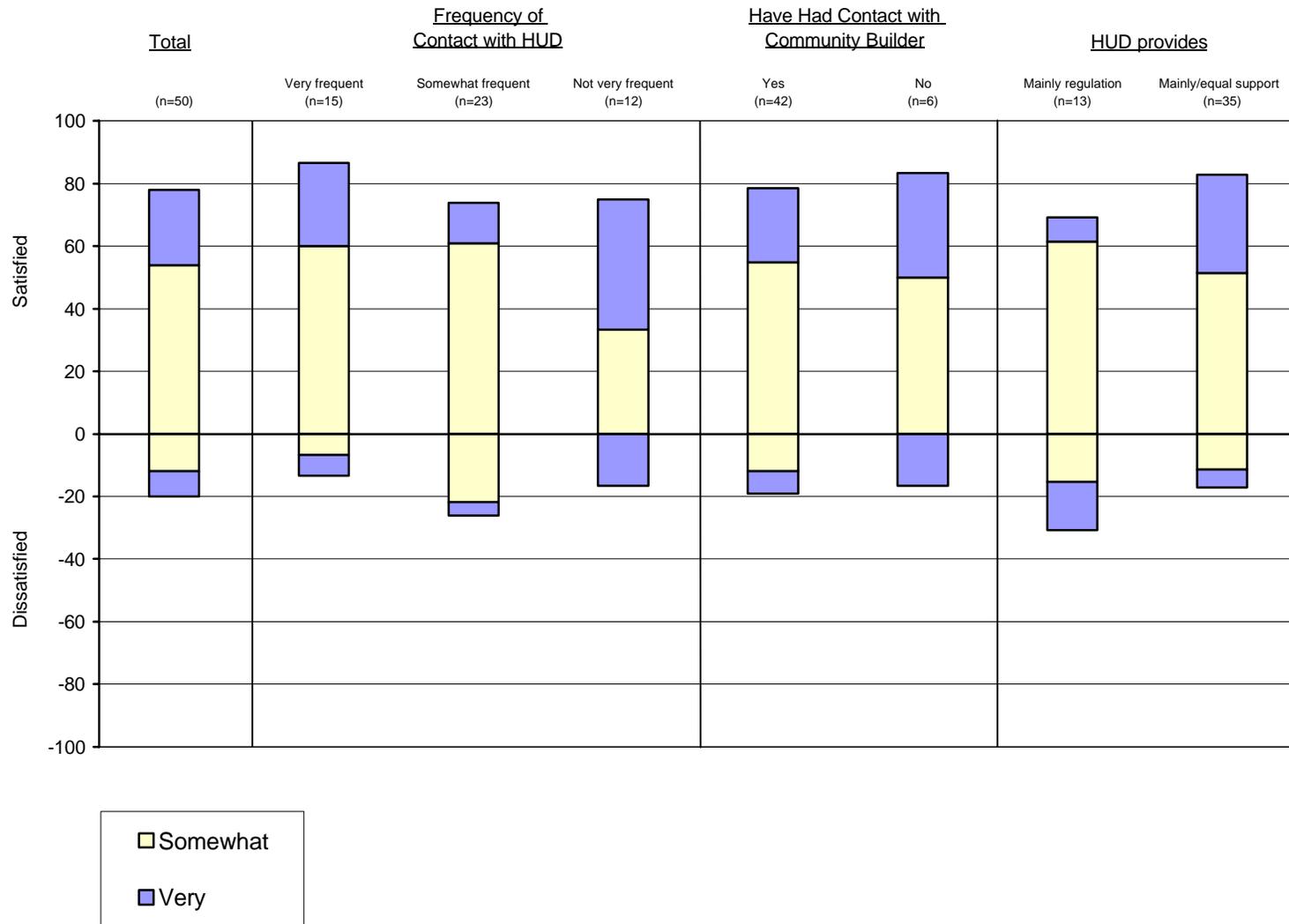
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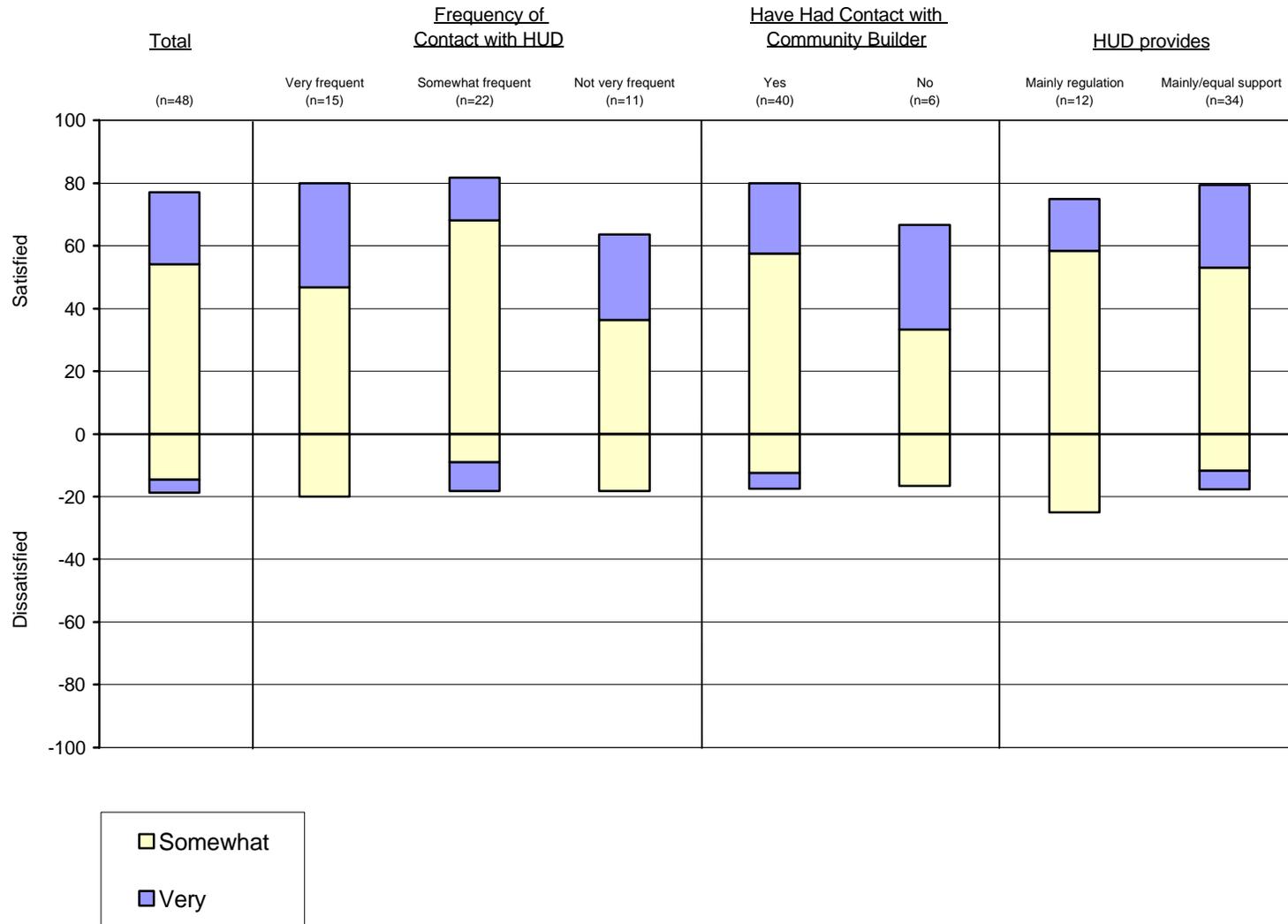
Question 4e: How satisfied or dissatisfied are you at the present point in time, in general, with the reasonableness of HUD rules and requirements that apply to your organization?



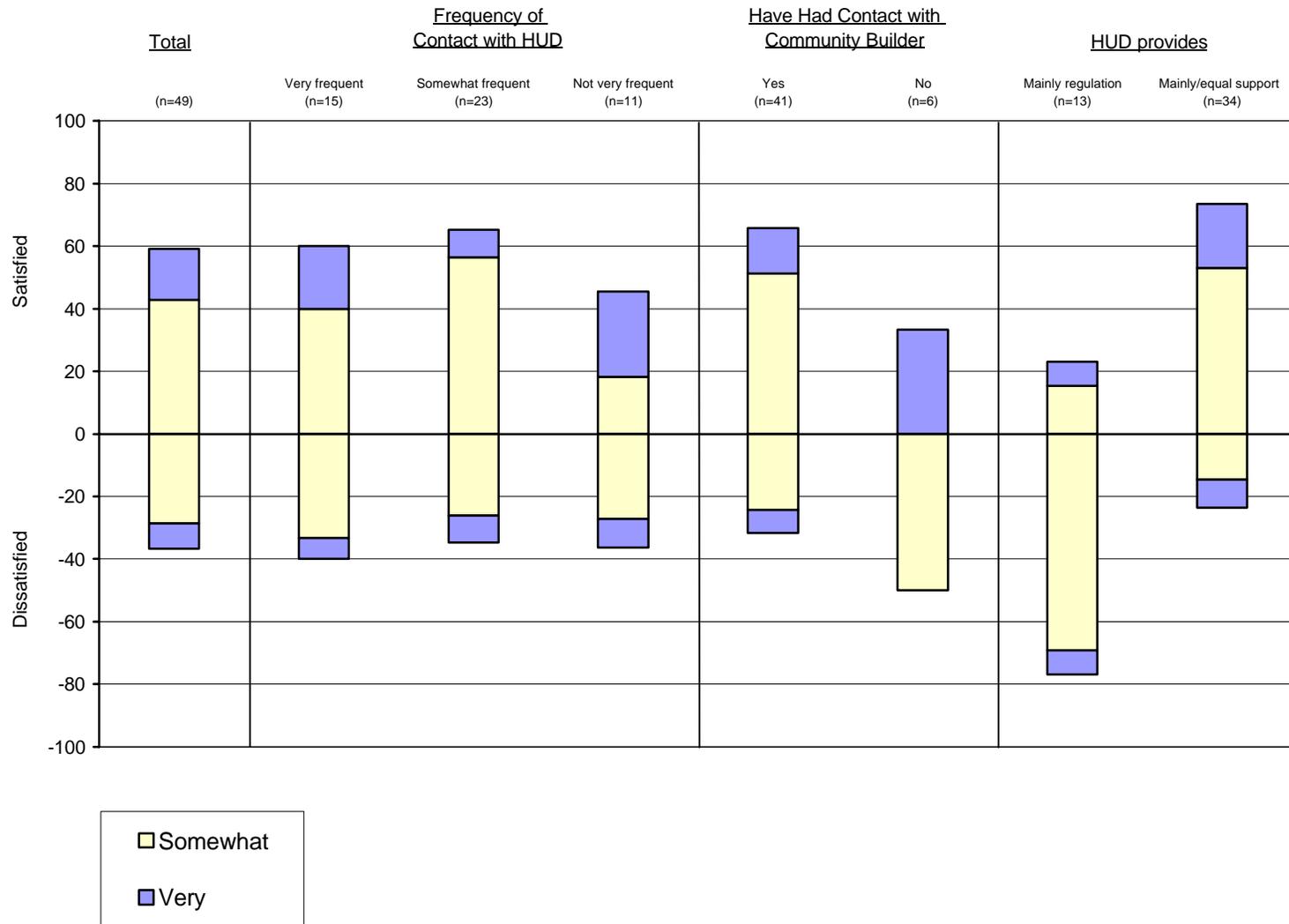
Question 4f: How satisfied or dissatisfied are you at the present point in time, in general, with the responsiveness of the people with whom you currently deal at HUD?



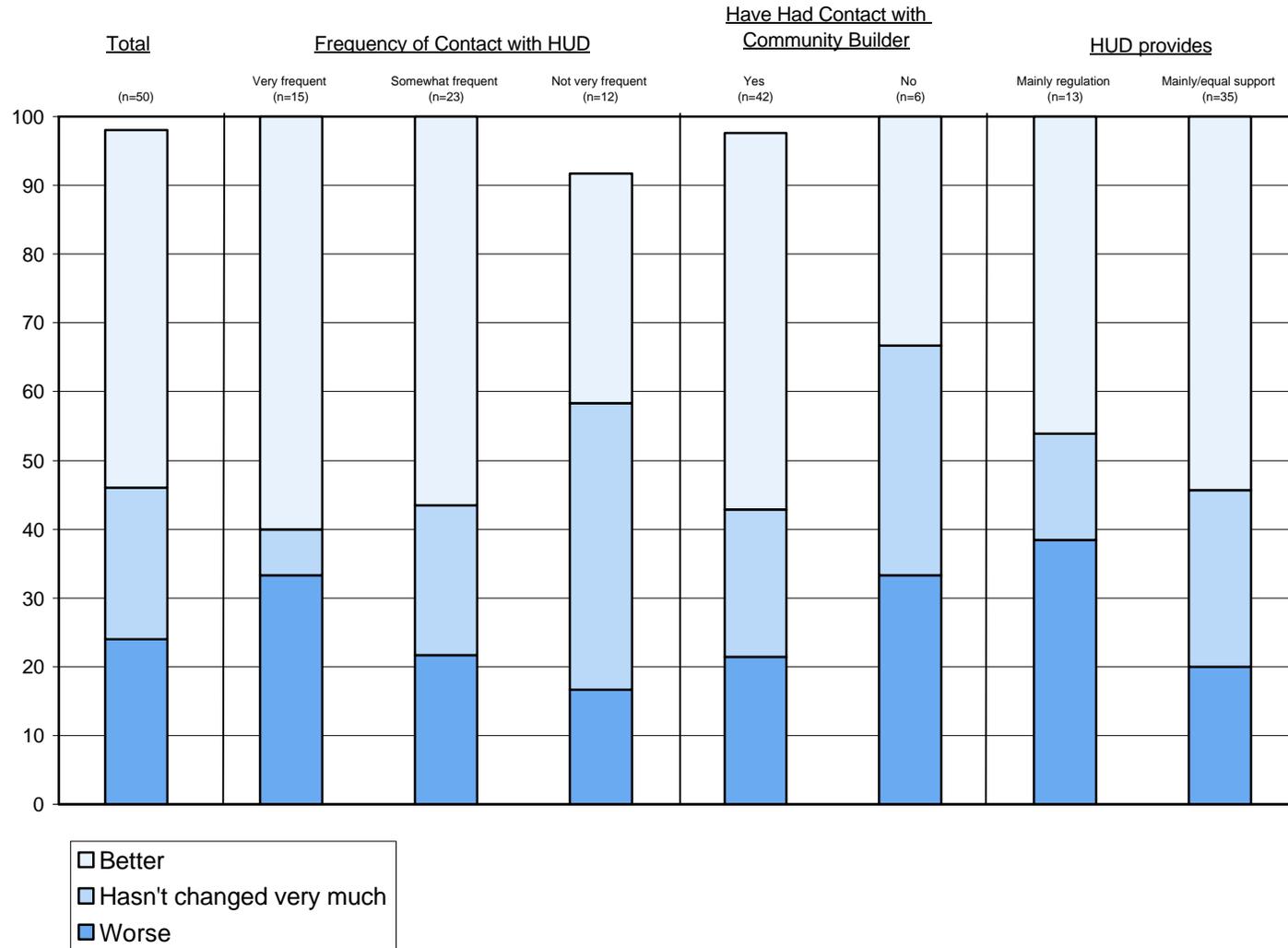
Question 4g: How satisfied or dissatisfied are you at the present point in time, in general, with the competence of the people with whom you currently deal at HUD?



Question 4h: How satisfied or dissatisfied are you at the present point in time, in general, with the overall quality of service you receive from HUD today?

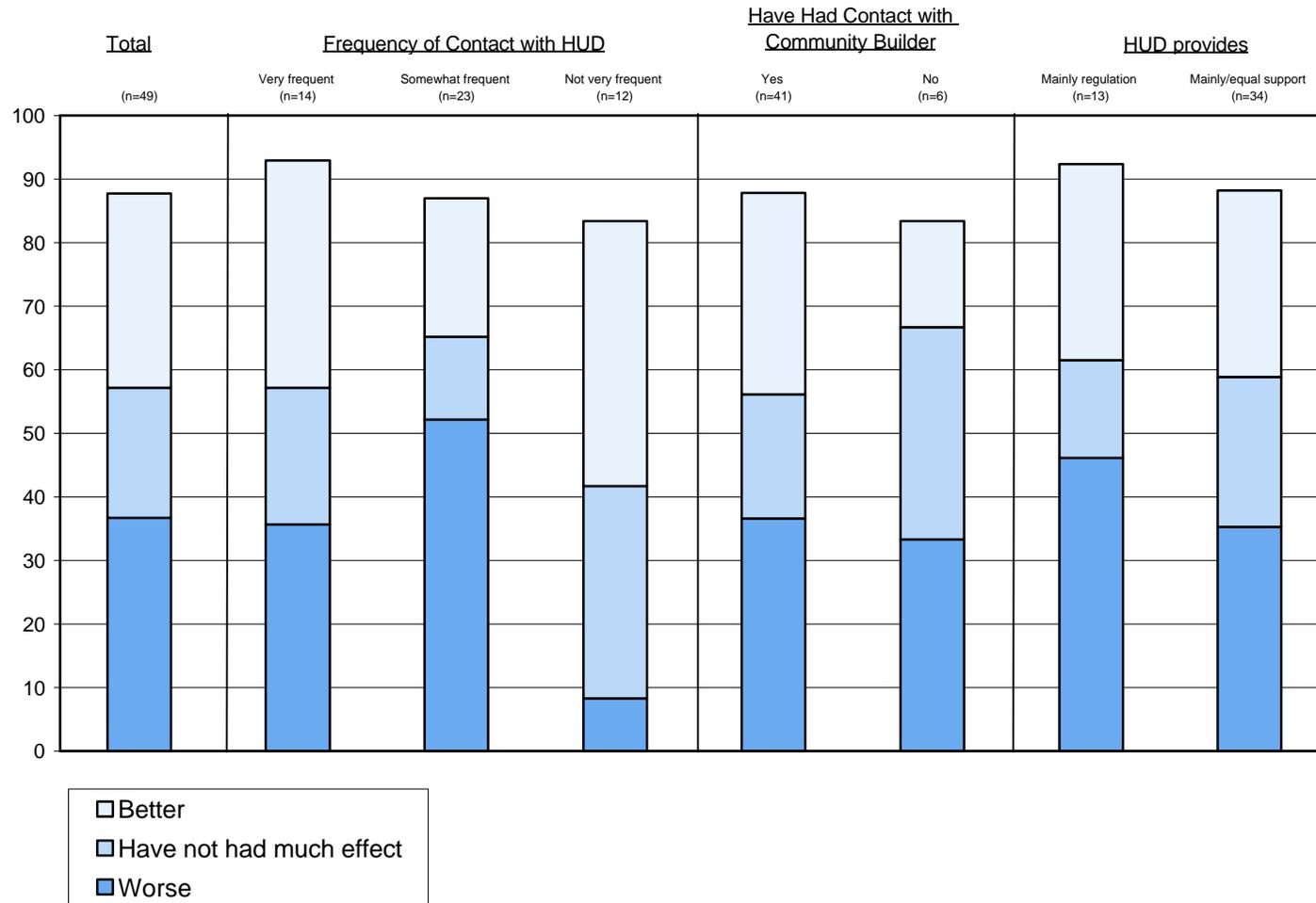


Question 5: Over the last several years, would you say the overall quality of service you received from HUD is generally getting much better, somewhat better, somewhat worse, much worse, or hasn't changed much?

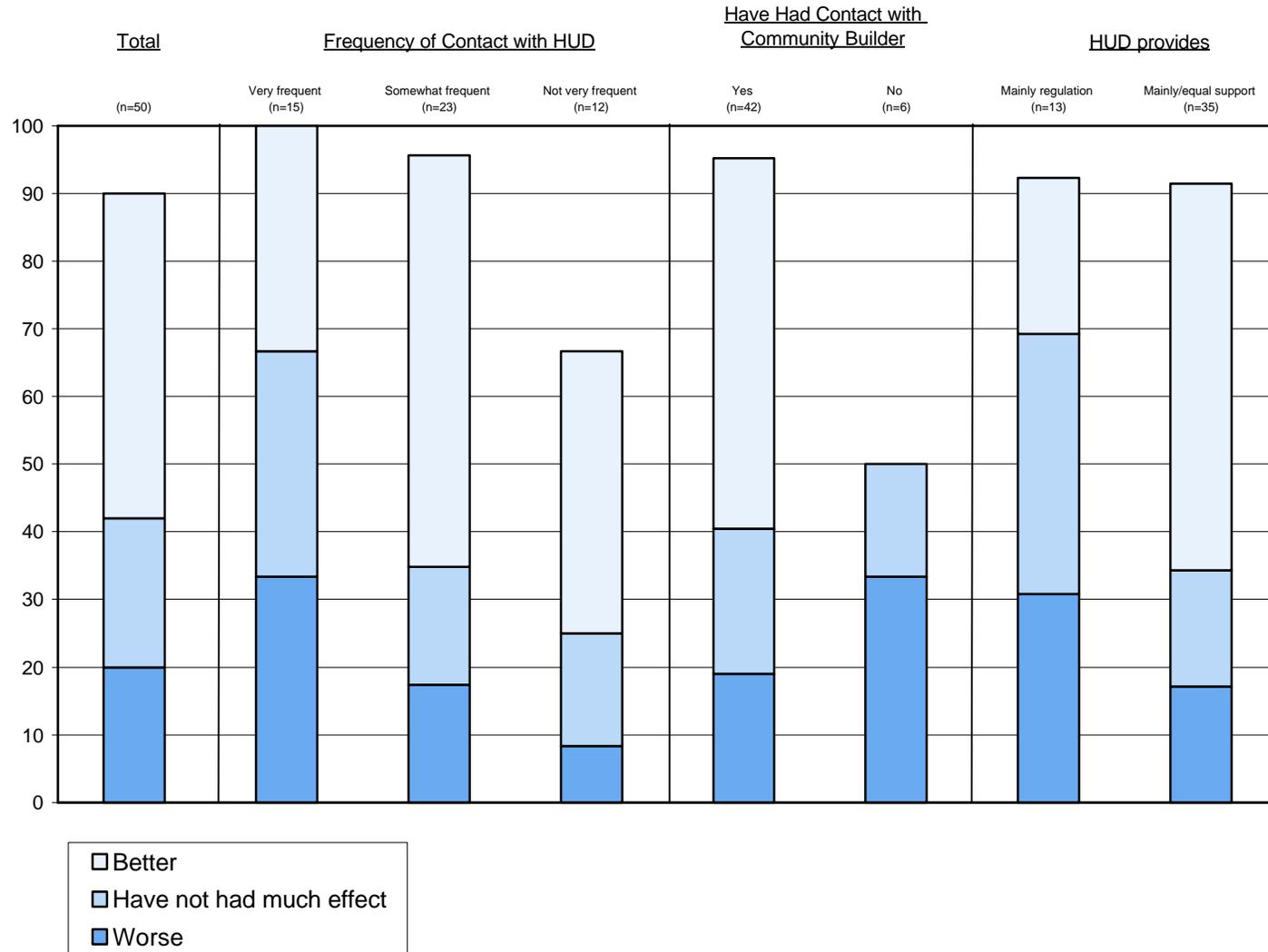


Management Changes

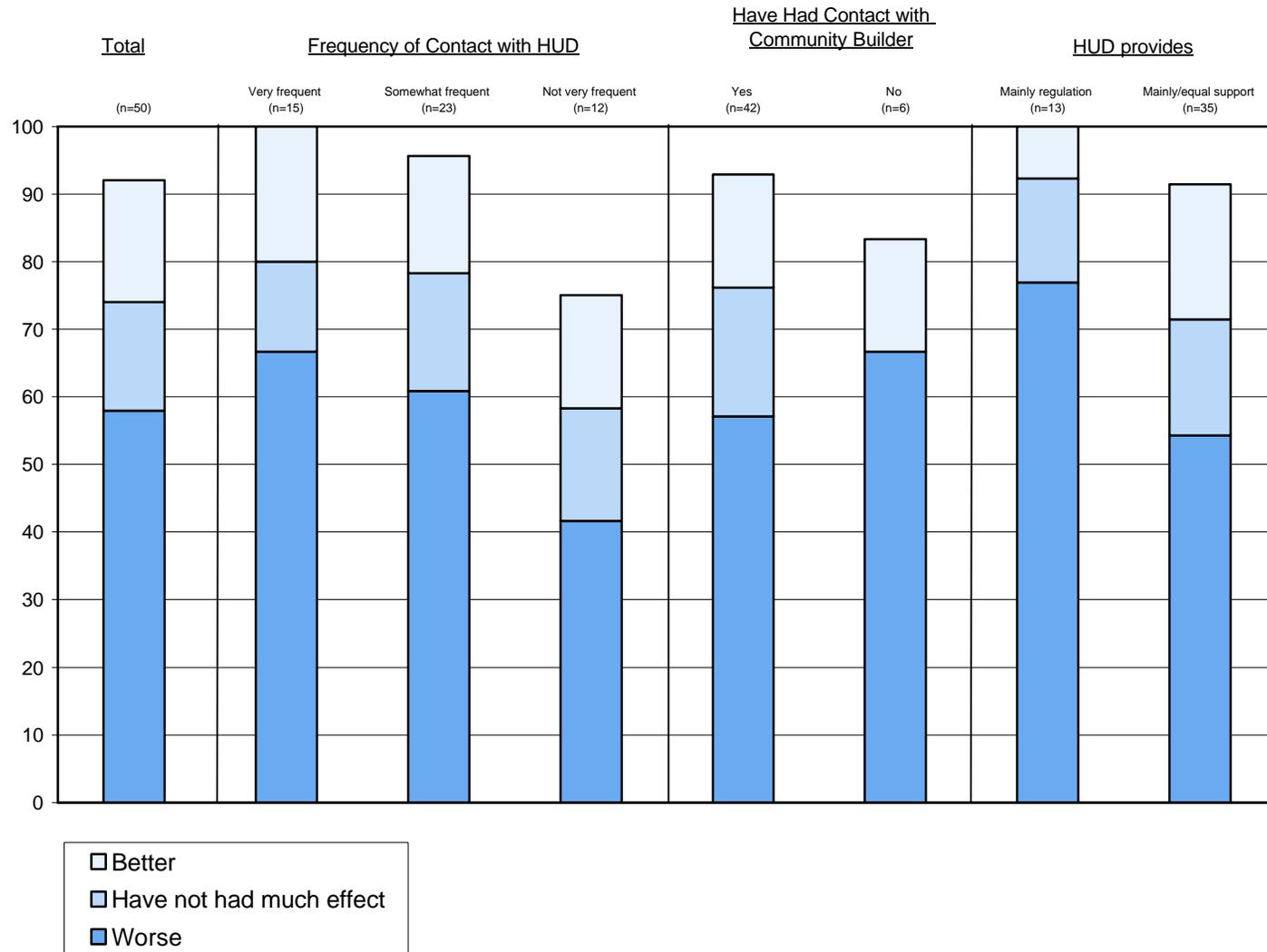
Question 7a: Would you say that the changes, over the last several years, in HUD's organizational structure, such as the establishment of new centers and hubs, have made HUD much better, somewhat better, somewhat worse, much worse, or have not had much effect?



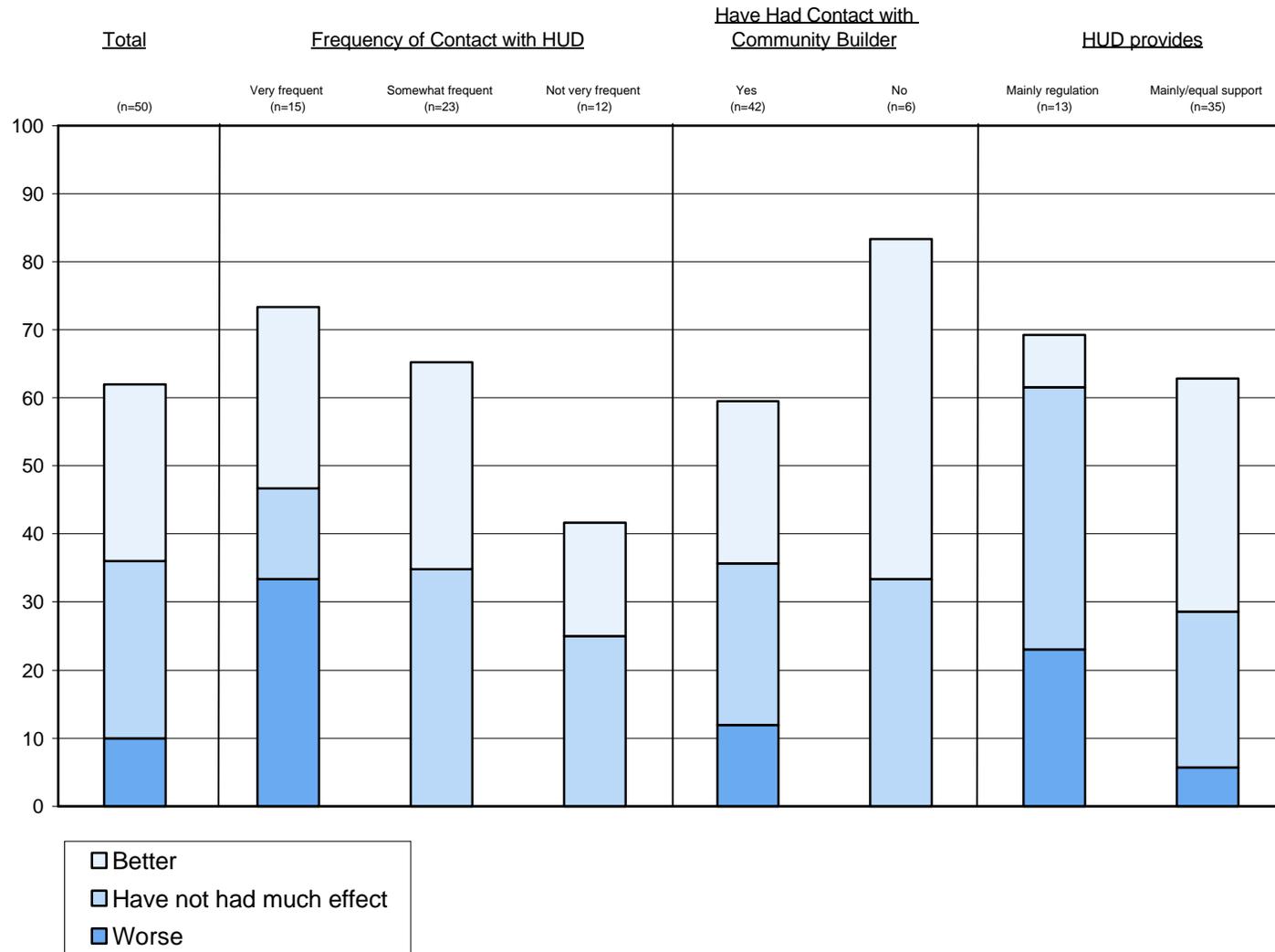
Question 7b: Would you say that the changes, over the last several years, in HUD functions, such as the establishment of the new Community Builder and Public Trust Officer functions, have made HUD much better, somewhat better, somewhat worse, much worse, or have not had much effect?



Question 7c: Would you say that the changes, over the last several years, in HUD's staffing, such as the overall reduction in staff, staffing reassignments, and retraining of HUD staff, have made HUD much better, somewhat better, somewhat worse, much worse, or have not had much effect?

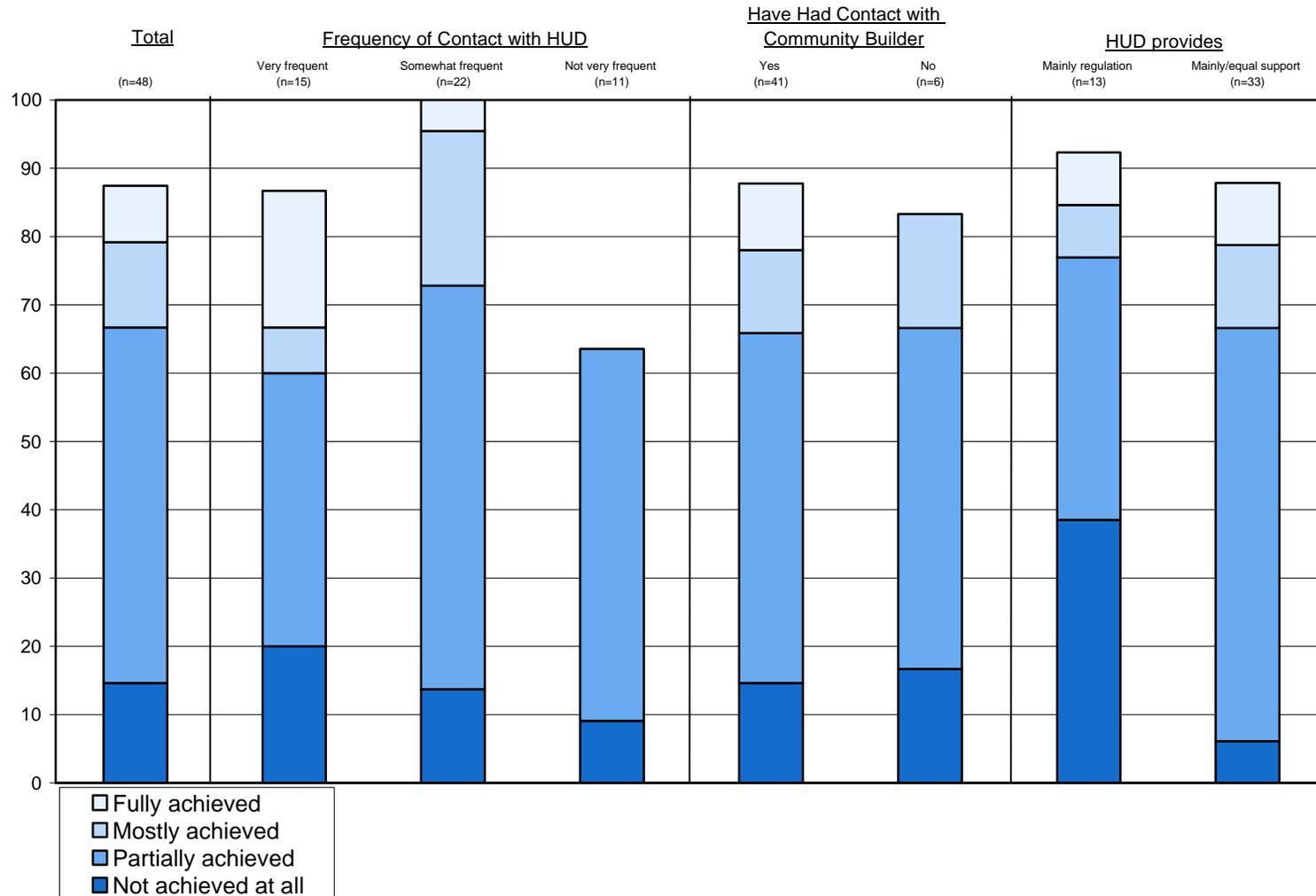


Question 7d: Would you say that the changes, over the last several years, in HUD's financial management systems, such as the creation of new systems and the consolidation of older ones, have made HUD much better, somewhat better, somewhat worse, much worse, or have not had much effect?

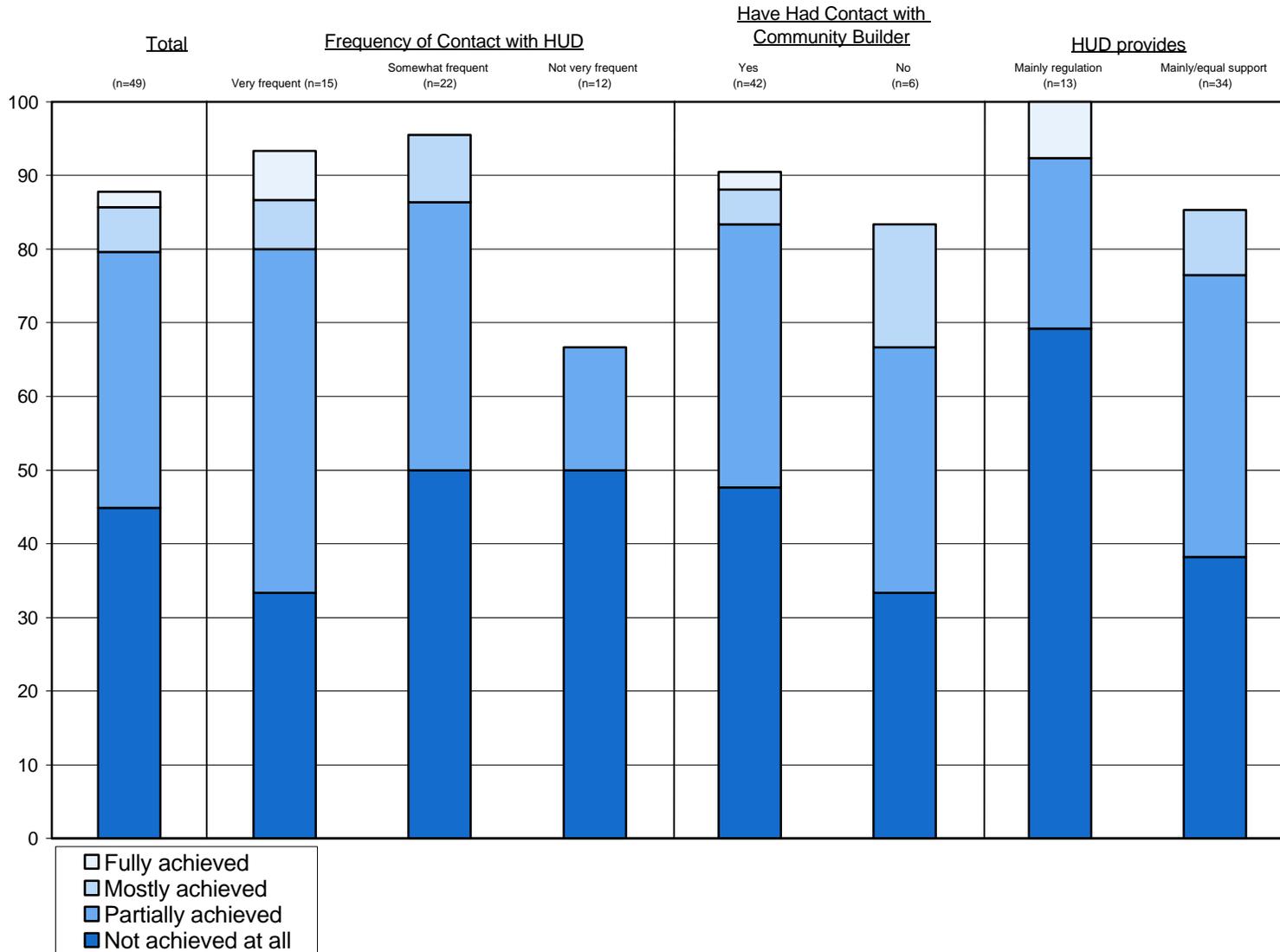


Achievement of Management Objectives

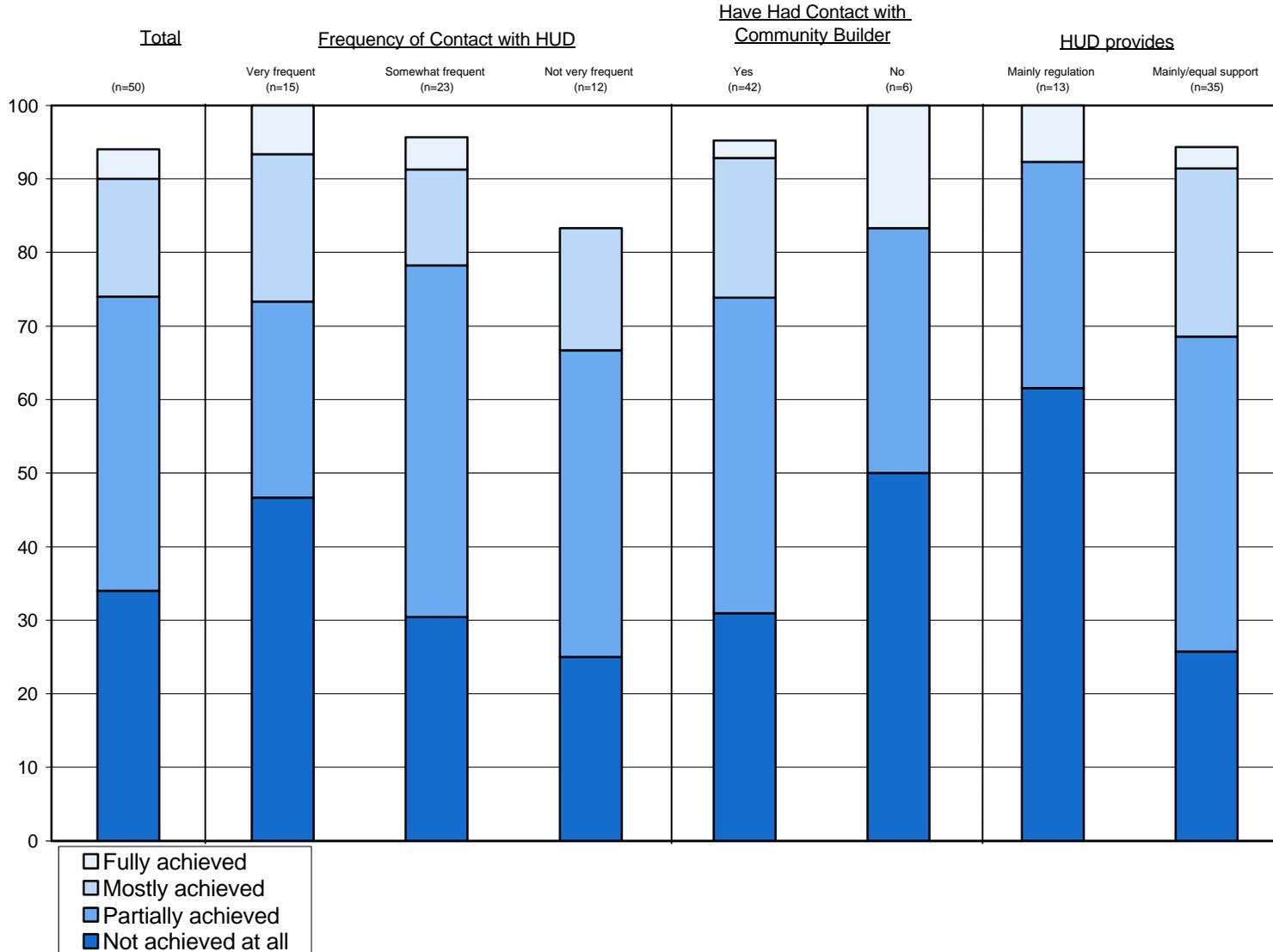
Question 8a: Please indicate the extent to which you believe the following HUD reform objective has been fully achieved, mostly achieved, partially achieved, or not achieved at all: To restore the public trust in HUD.



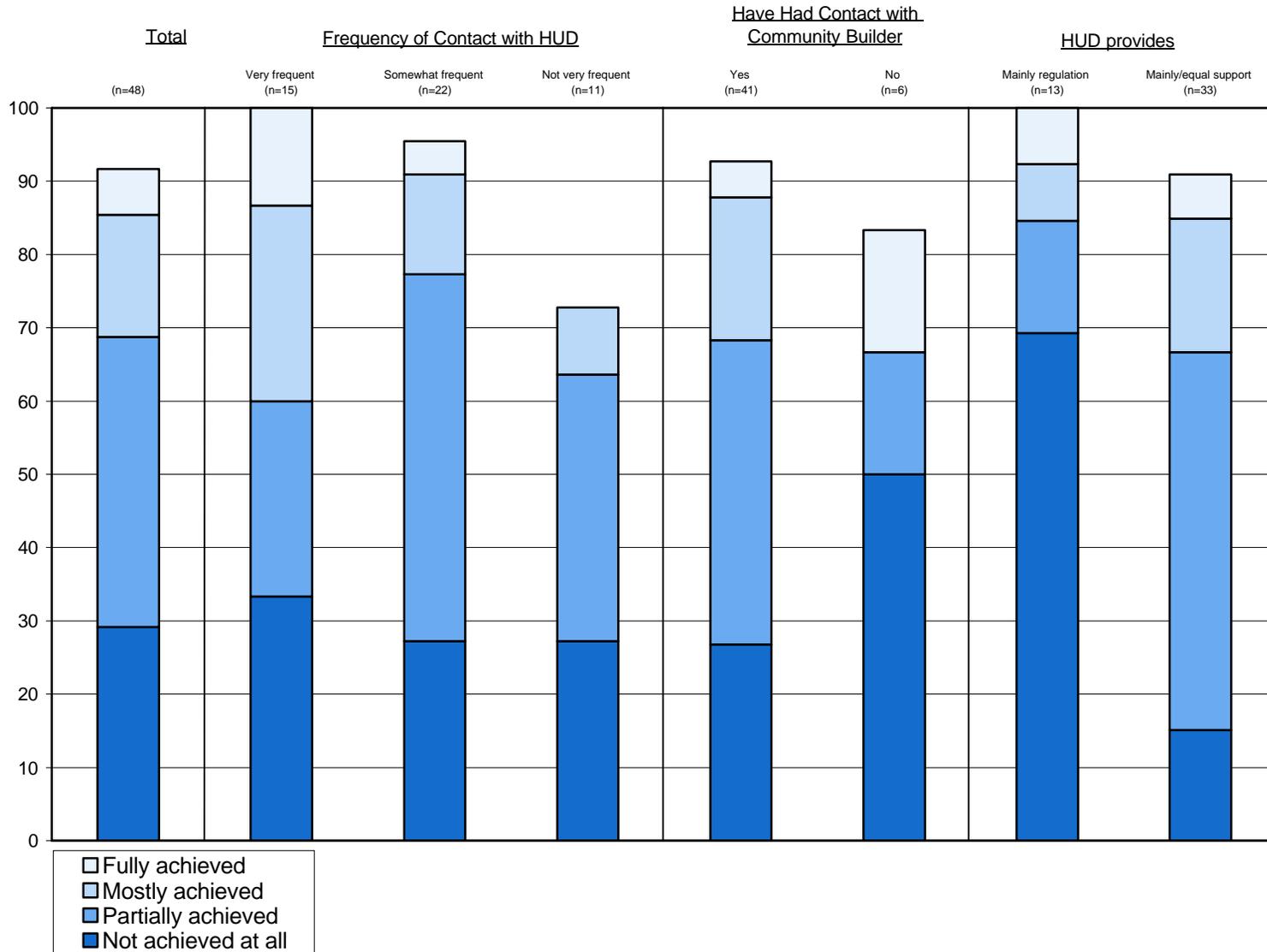
Question 8b: Please indicate the extent to which you believe the following HUD reform objective has been fully achieved, mostly achieved, partially achieved, or not achieved at all: To be "the best in the business."



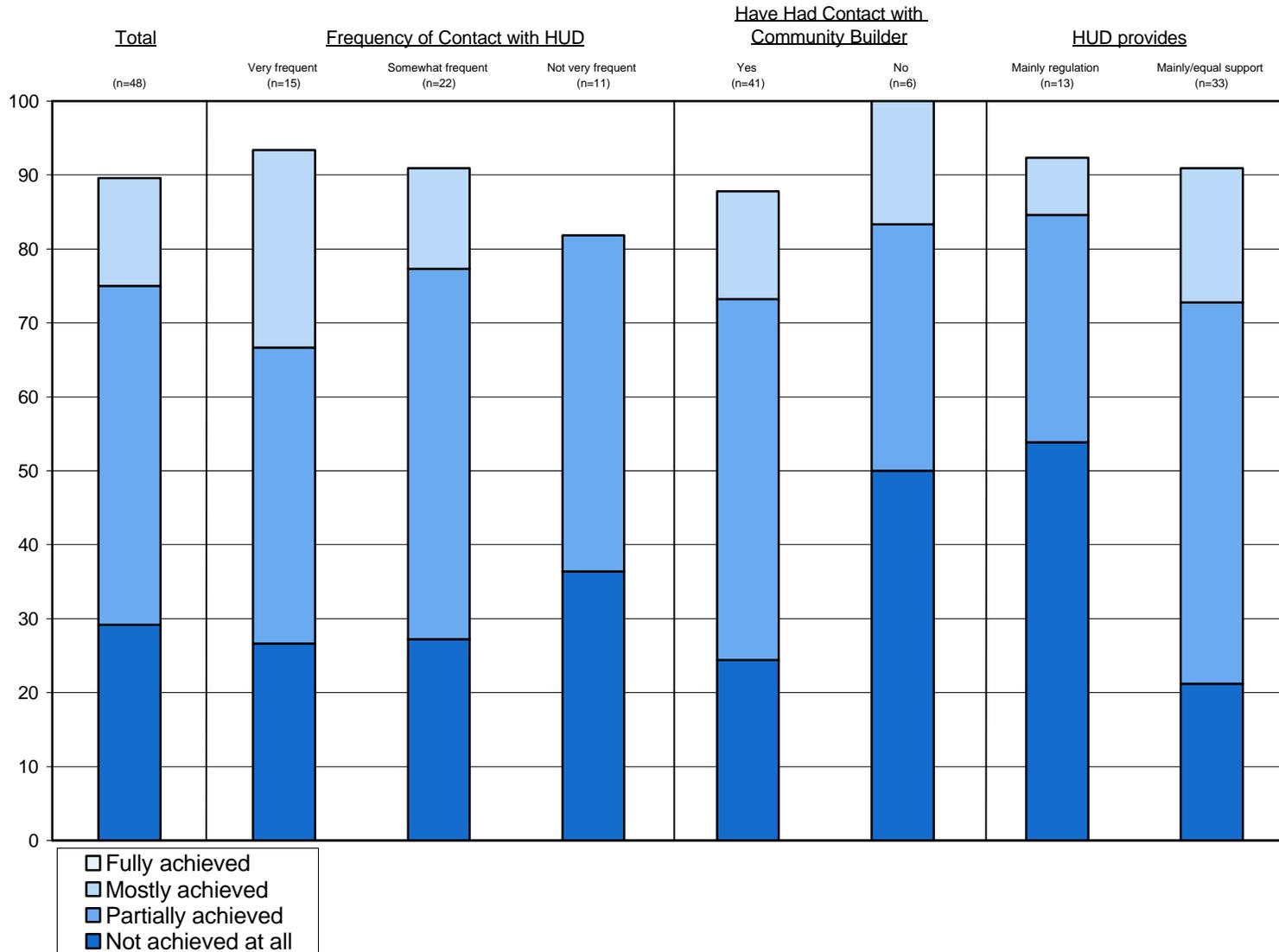
Question 8c: Please indicate the extent to which you believe the following HUD reform objective has been fully achieved, mostly achieved, partially achieved, or not achieved at all: To replace a top-down bureaucracy with a new customer-friendly structure.



Question 8d: Please indicate the extent to which you believe the following HUD reform objective has been fully achieved, mostly achieved, partially achieved, or not achieved at all: To instill an ethic of competence and excellence at HUD.

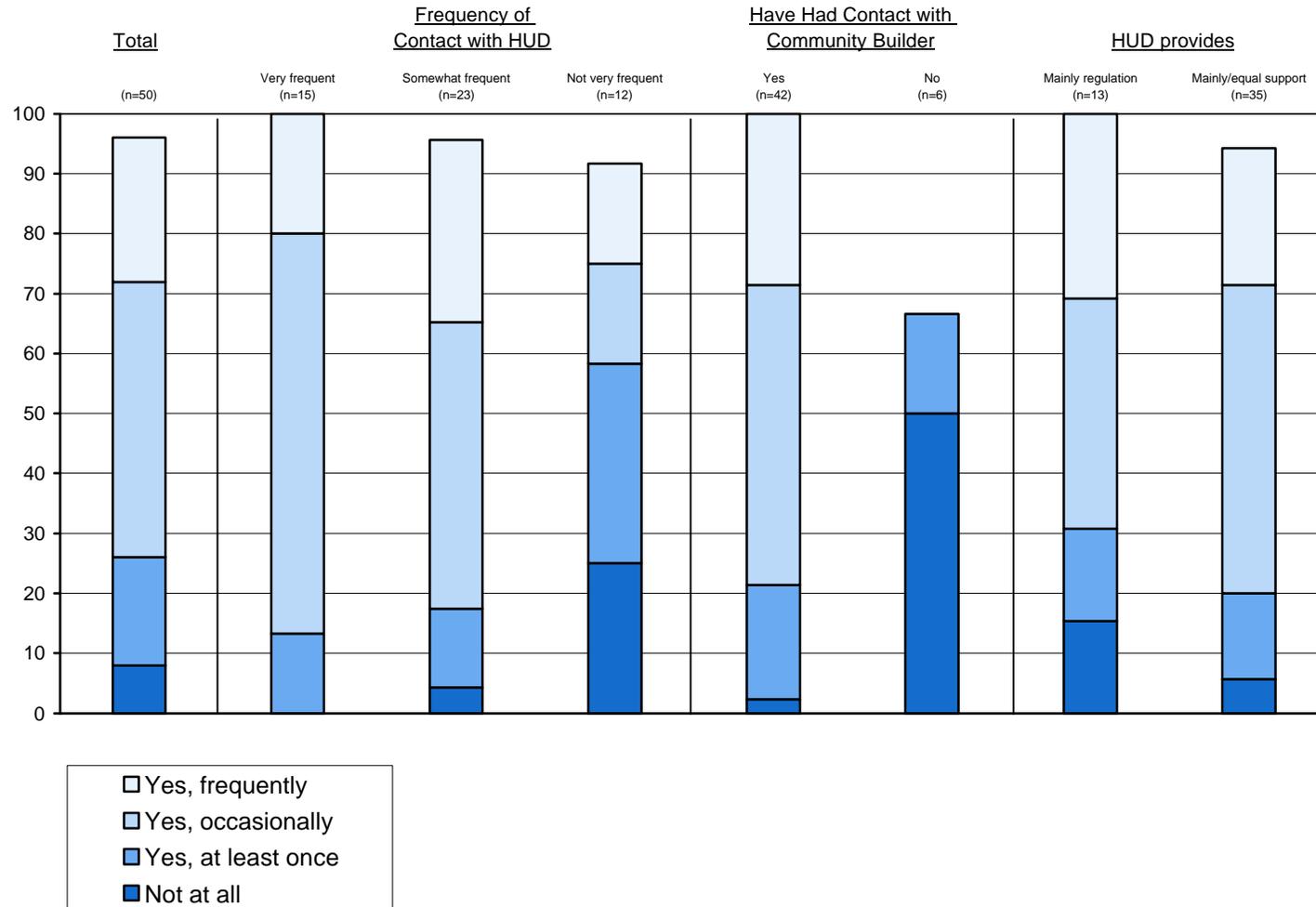


Question 8e: Please indicate the extent to which you believe the following HUD reform objective has been fully achieved, mostly achieved, partially achieved, or not achieved at all: To replace the emphasis on process with an emphasis on performance.

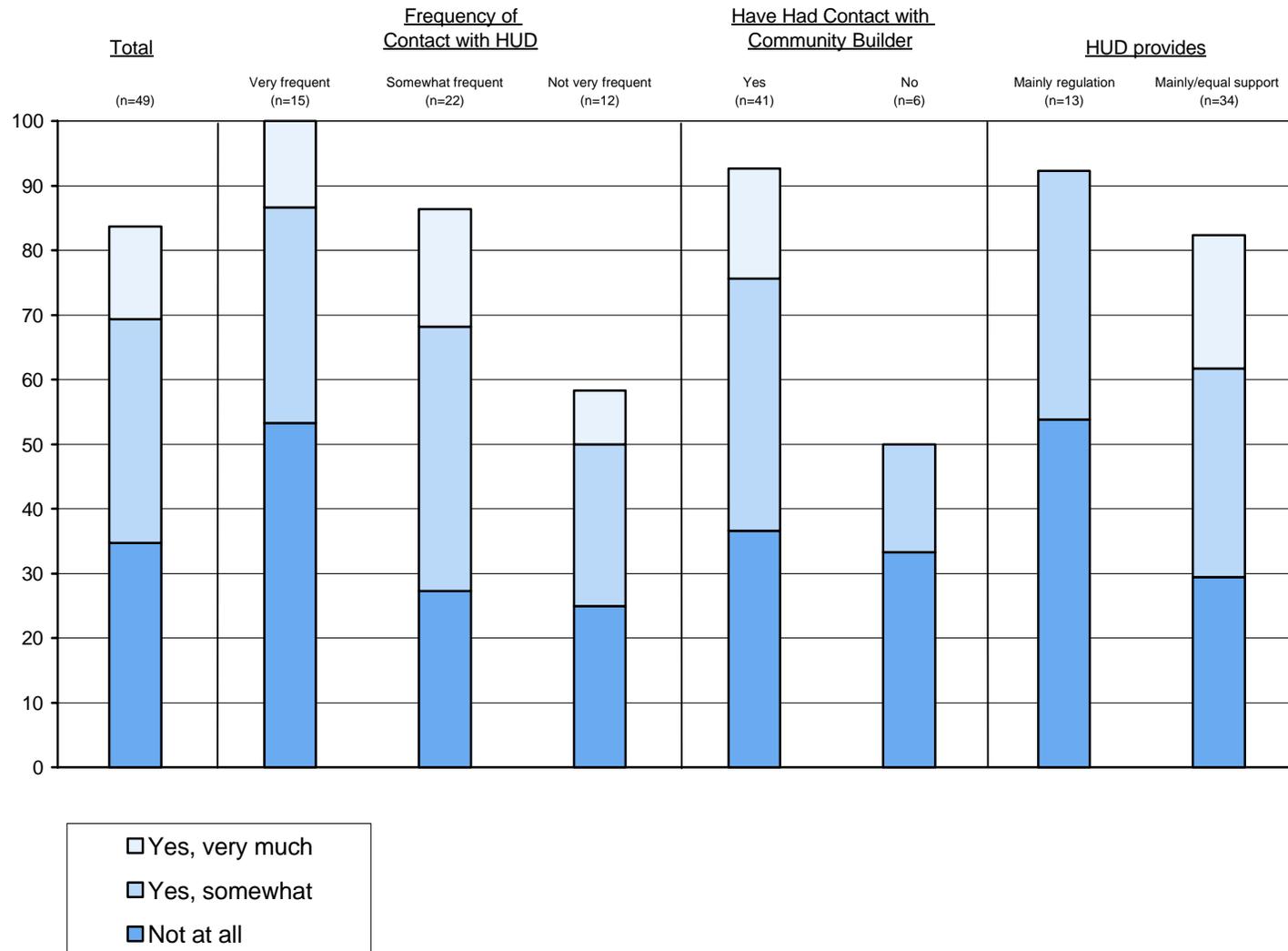


Questions Specific to NAHP Non-Profit Partners

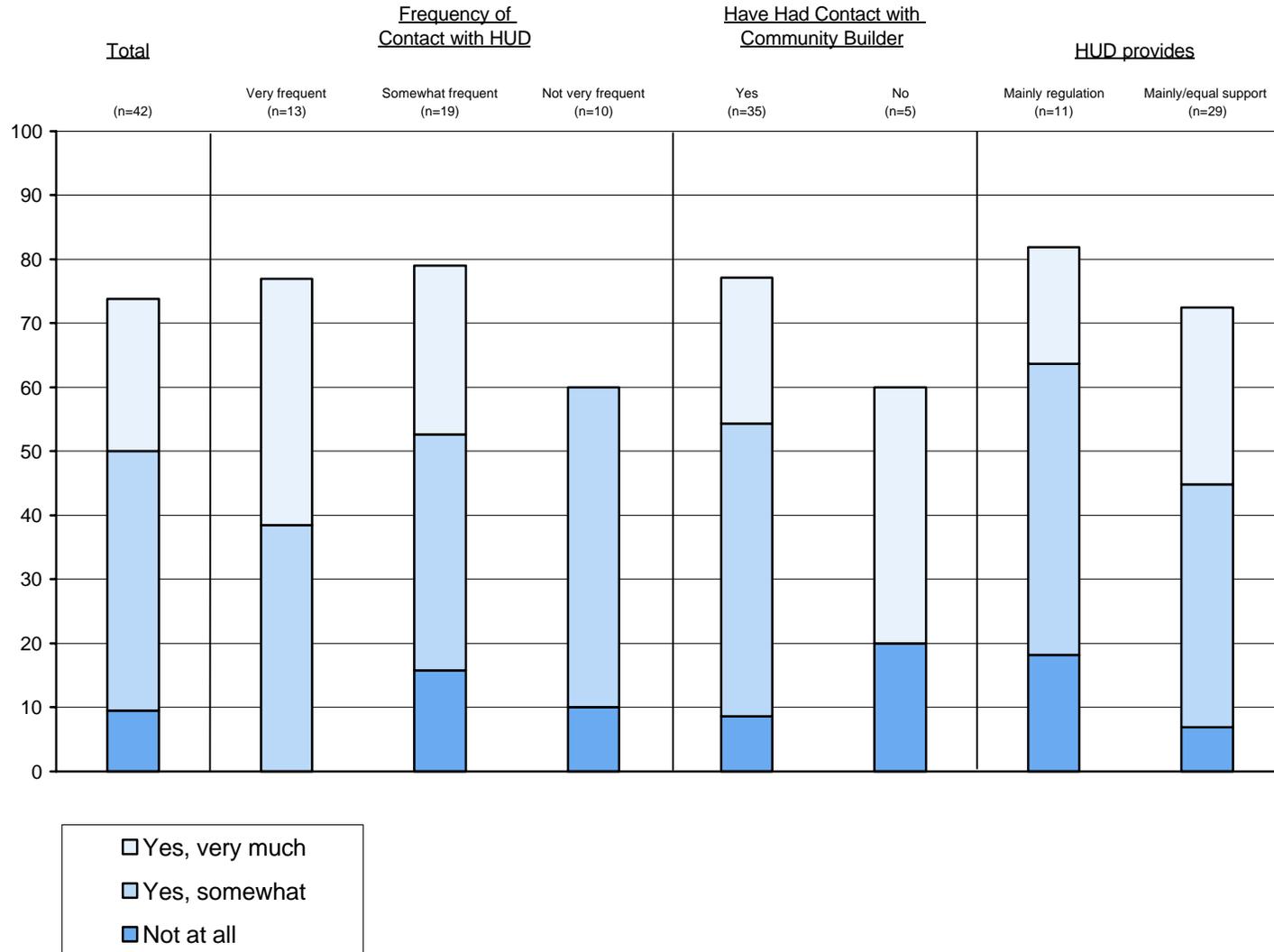
Question 9: Has one or more of HUD's Community Builders been in personal contact with you or others in your organization within the last year or so?



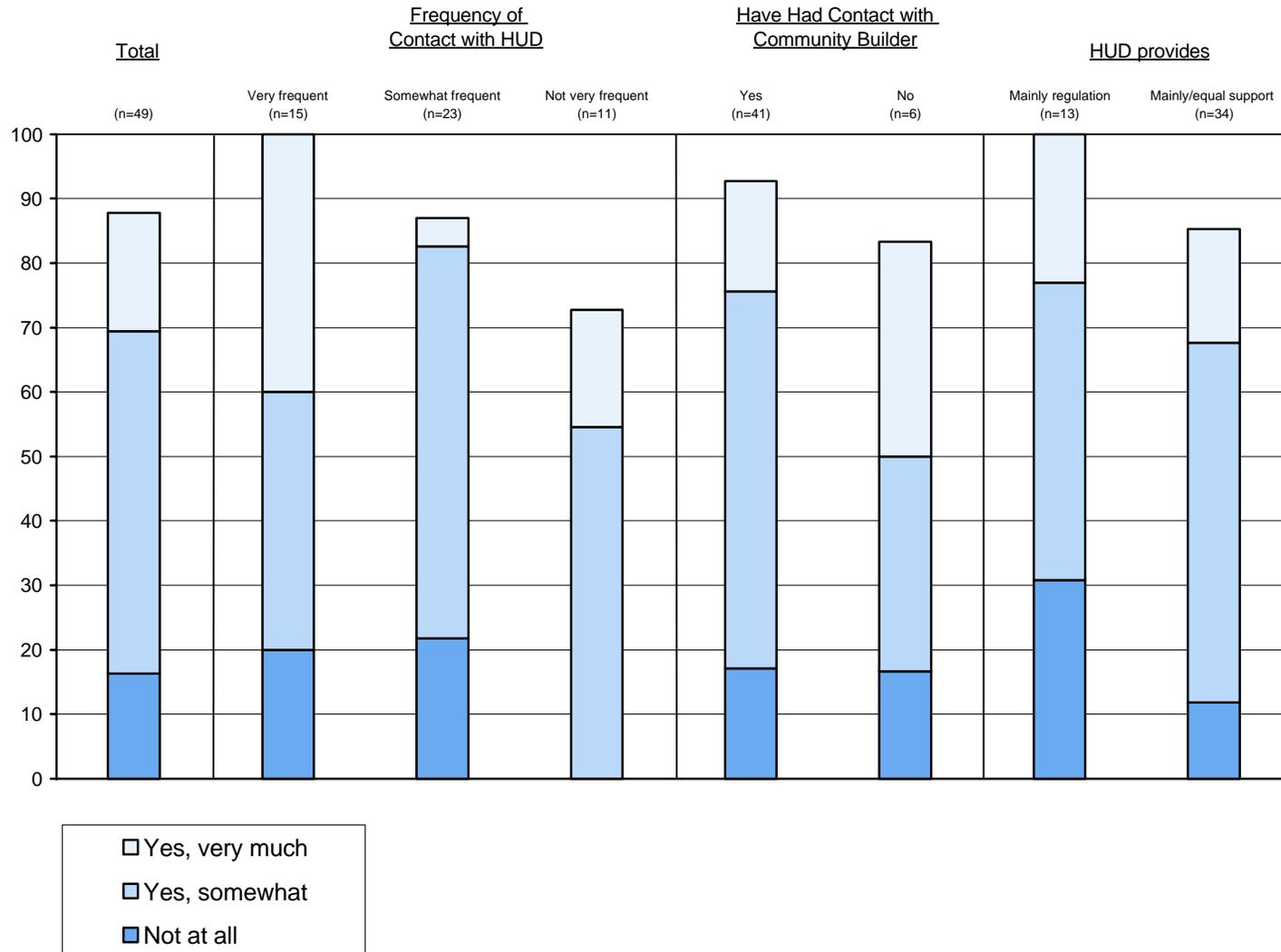
Question 10a: Please indicate your level of agreement with the following statements regarding HUD's services or requirements (Check "Not Applicable" if a situation does not apply to your organization): the addition of HUD's Community Builders has improved HUD's overall service to our organization compared to what it had been.



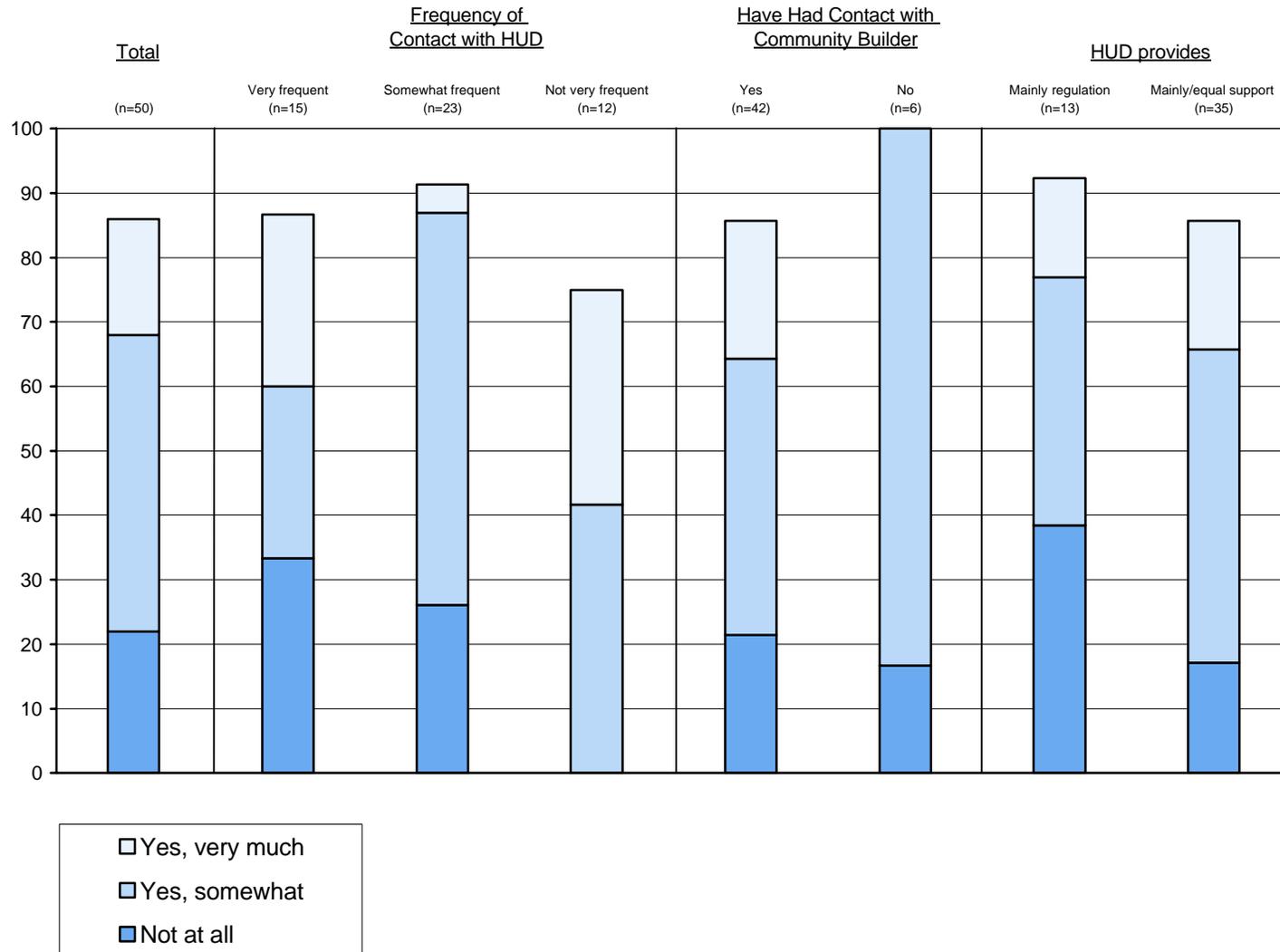
Question 10b: Please indicate your level of agreement with the following statements regarding HUD's services or requirements (Check "Not Applicable" if a situation does not apply to your organization): HUD's use of a SuperNOFA over the last several years has improved the way it announces and manages the grants process.



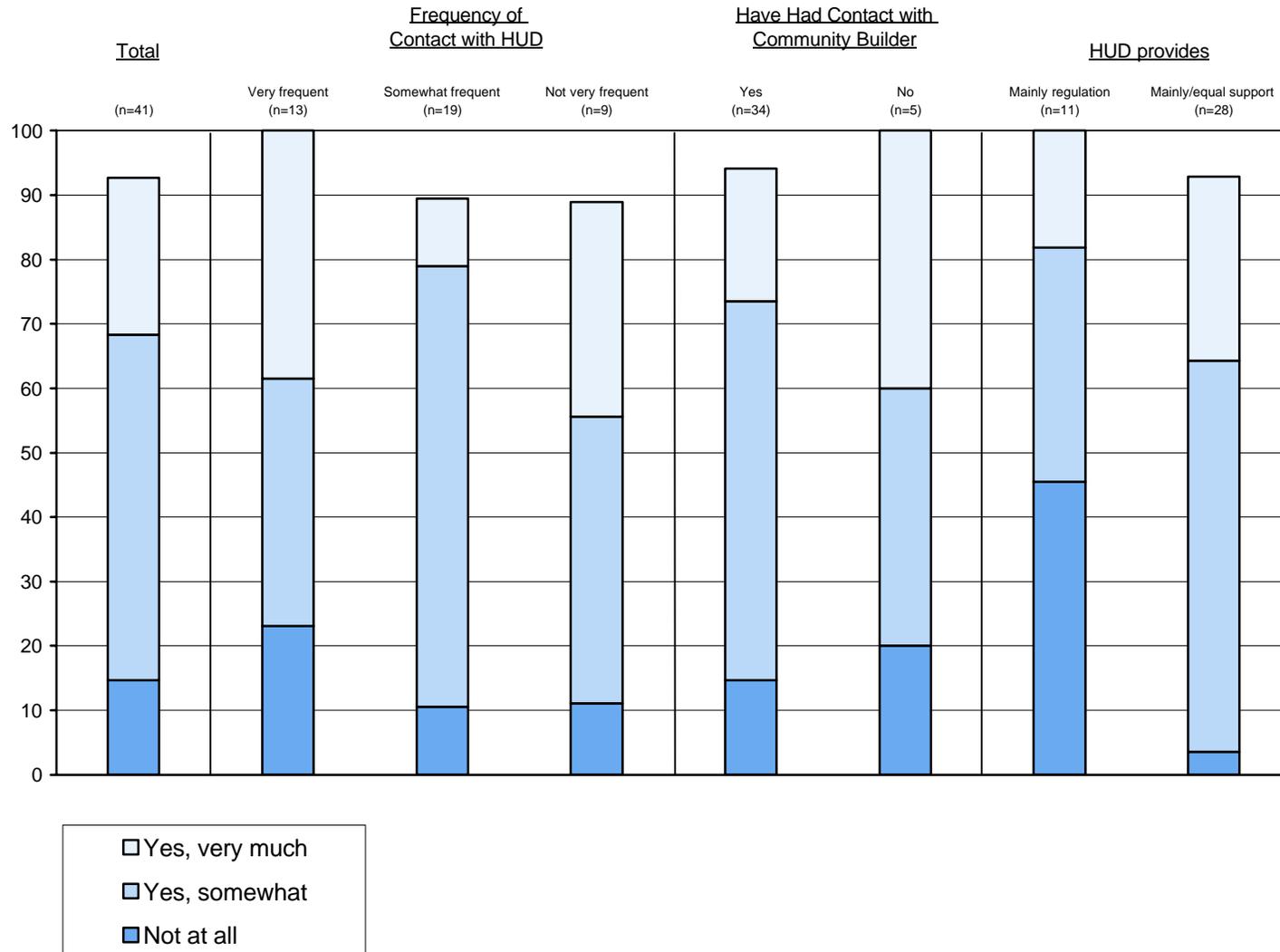
Question 10c: Please indicate your level of agreement with the following statements regarding HUD's services or requirements (Check "Not Applicable" if a situation does not apply to your organization): across the range of our activities, HUD is generally clear about what it expects of our organization in its various relationships with our organization.



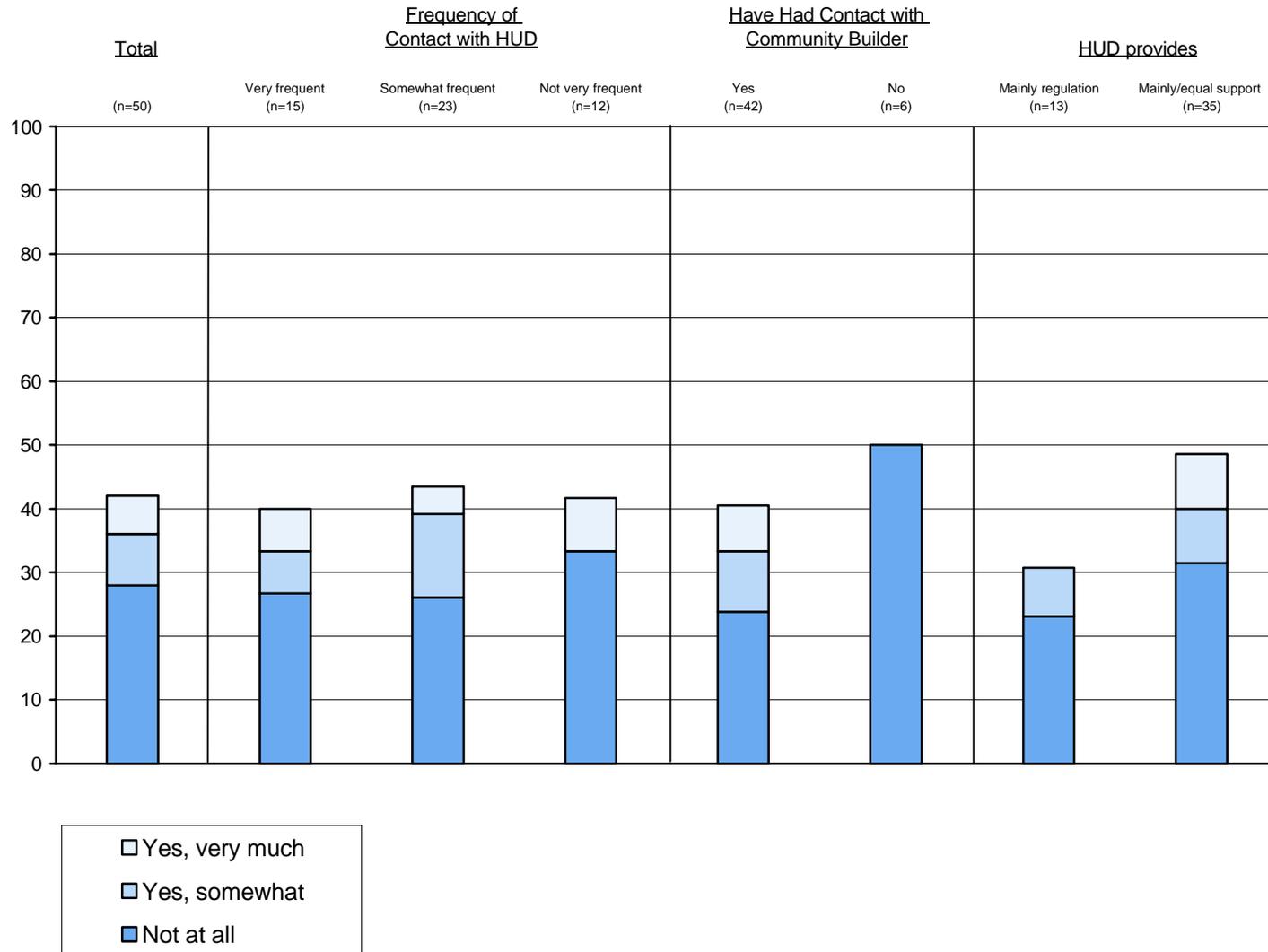
Question 10d: Please indicate your level of agreement with the following statements regarding HUD's services or requirements (Check "Not Applicable" if a situation does not apply to your organization): in general, HUD has consistent standards of enforcement with respect to our organization's activities.



Question 10e: Please indicate your level of agreement with the following statements regarding HUD's services or requirements (Check "Not Applicable" if a situation does not apply to your organization): HUD's accounting requirements are reasonable and appropriate as they pertain to our organization.



Question 10f: Please indicate your level of agreement with the following statements regarding HUD's services or requirements (Check "Not Applicable" if a situation does not apply to your organization): HUD's Regional Housing Opportunity Centers (HOCs) have provided good service to our organization.



Question 10g: Please indicate your level of agreement with the following statements regarding HUD's services or requirements (Check "Not Applicable" if a situation does not apply to your organization): HUD's organizational changes over the last few years have allowed more direct access than we had before to the person at HUD best able to respond to our needs.

