

GAO

Resources, Community, and Economic
Development Division

July 1995

Housing and Community Development Issue Area

Active Assignments

Foreword

This report was prepared primarily to inform Congressional members and key staff of ongoing assignments in the General Accounting Office's Housing and Community Development issue area. This report contains assignments that were ongoing as of July 6, 1995, and presents a brief background statement and a list of key questions to be answered on each assignment. The report will be issued quarterly.

This report was compiled from information available in GAO's internal management information systems. Because the information was downloaded from computerized data bases intended for internal use, some information may appear in abbreviated form.

If you have questions or would like additional information about assignments listed, please contact Judy England-Joseph, Director, on (202) 512-7631; or James Wells, Associate Director, on (202) 512-6877.

Contents

| | Page |
|--|-------------|
| MORTGAGE ASSISTANCE | |
| • EFFECTS OF MORTGAGE ASSIGNMENT PROGRAM ON AVOIDING FORECLOSURES AND REDUCING RISKS TO THE FHA FUND. | 1 |
| • HRA 18: REVIEW OF FHA NURSING HOME, HOSPITAL, AND RETIREMENT SERVICE CENTER PROGRAMS. | 1 |
| • OVERVIEW OF THE SINGLE-FAMILY HOUSING FINANCE SYSTEM. | 1 |
| <i>New</i> • ACTUARIAL SOUNDNESS OF FHA'S MUTUAL MORTGAGE INSURANCE FUND FOR FISCAL YEAR 1994. | 2 |
| COMMUNITY DEVELOPMENT | |
| <i>New</i> • ECONOMIC DEVELOPMENT ADMINISTRATION DISASTER ASSISTANCE PROVIDED TO FLORIDA AND HAWAII. | 2 |
| • REVIEW OF THE IMPACT OF BROWNFIELDS ON COMMUNITY REVITALIZATION EFFORTS. | 2 |
| • GOALS AND FUNDING FOR SELECTED FEDERAL ECONOMIC DEVELOPMENT PROGRAMS. | 3 |
| • REVIEW OF SELECTED AGENCIES' MONITORING OF SUBCONTRACTING PLANS. | 3 |
| • RESPONSIVENESS OF FEDERAL GOVERNMENT TO REQUESTS FOR DISASTER DECLARATIONS FOR RURAL AREAS AS COMPARED TO URBAN AREAS. | 3 |
| <i>New</i> • STUDY OF FEDERAL, STATE, AND LOCAL PLANS TO MONITOR AND EVALUATE EMPOWERMENT ZONES. | 4 |
| <i>New</i> • INFORMATION ON SSBICS PARTICIPATING IN THE THREE PERCENT BUYBACK PROGRAM. | 4 |
| <i>New</i> • MINORITY-OWNED FIRMS' EXPERIENCES WITH SURETY BONDS. | 4 |
| LOW INCOME HOUSING | |
| • ANALYSIS OF OPPORTUNITIES FOR RESTRUCTURING RURAL HOUSING PROGRAMS MANAGED BY THE FARMERS HOME ADMINISTRATION. | 5 |
| HUD MANAGEMENT | |
| • HRA 18: REVIEW OF HUD'S SINGLE-FAMILY PROPERTY DISPOSITION PROGRAM. | 5 |
| • DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT APPROPRIATIONS. | 5 |
| <i>New</i> • REVIEW OF HUD'S "STANDING UP FOR COMMUNITIES" INFORMATION FORUMS. | 6 |
| OTHER I.A. WORK - HOUSING & COMM. DEV. | |
| <i>New</i> • REVIEW OF SBA EFFORTS TO RECOVER FUNDS OWED BY SBICS IN LIQUIDATION. | 6 |

Housing and Community Development

MORTGAGE ASSISTANCE

TITLE: EFFECTS OF MORTGAGE ASSIGNMENT PROGRAM ON AVOIDING FORECLOSURES AND REDUCING RISKS TO THE FHA FUND (385399)

BACKGROUND : FHA borrowers who have defaulted on their loans can enter HUD's Mortgage Assignment Program to bring their loans current. Since 1980 the value of HUD-held loans has increased to \$3.3 billion, over 1000%. Defaulted loans are paid for from FHA's insurance fund. Only a small percentage of borrowers in the program ever get current on their loans.

KEY QUESTIONS : (1): Is the program successful in helping borrowers avoid foreclosure? (2): Does the program reduce financial losses to the insurance fund?

TITLE: HRA 18: REVIEW OF FHA NURSING HOME, HOSPITAL, AND RETIREMENT SERVICE CENTER PROGRAMS (385425)

BACKGROUND : Public Law 103-233 requires GAO to assess issues relating to the mission, financial performance, and management of FHA's nursing home, retirement service center, and hospital programs. HEHS will be reporting on the hospital program under job code 108213.

KEY QUESTIONS : 1. How do the nursing home and retirement center programs relate to HUD's mission? 2. How have these programs performed financially and are FHA's estimates of future losses reasonable? 3. Does FHA have the ability to manage these programs?

TITLE: OVERVIEW OF THE SINGLE-FAMILY HOUSING FINANCE SYSTEM (385460)

BACKGROUND : The single-family housing finance system has become an increasingly complex web of interrelated players, including lenders, mortgage insurers, and securitizers, from both the government and private sectors. Understanding the system is critical for policy makers revising the role of players in the system, such as the FHA.

KEY QUESTIONS : (1) What products does each player in the single-family housing finance system offer and how many mortgages is each involved with? (2) How are the different players related? (3) What types of customers does each player serve? (4) What housing finance needs have been reported among prospective homeowners? (5) What initiatives are underway to expand the customers served?

Housing and Community Development

MORTGAGE ASSISTANCE

TITLE: ACTUARIAL SOUNDNESS OF FHA'S MUTUAL MORTGAGE INSURANCE FUND FOR FISCAL YEAR 1994 (385463)

BACKGROUND : In 1990, legislative changes were made to FHA's \$315 billion single-family Mutual Mortgage Insurance Fund to make it actuarially sound. A GAO analysis in 1994, however, showed that, while the financial health of the Fund has improved, it still had not met the capital ratio targets established in the legislation as of the end of fiscal year 1993.

KEY QUESTIONS : (1) What is the economic value of the Fund as of the end of fiscal year 1994? (2) What progress has been made by the Fund in achieving the prescribed capital ratios? (3) Are the prescribed capital ratios adequate to cover future losses? (4) If the capital ratios have been achieved and are adequate then what program changes, if any, should Congress consider making?

COMMUNITY DEVELOPMENT

TITLE: ECONOMIC DEVELOPMENT ADMINISTRATION DISASTER ASSISTANCE PROVIDED TO FLORIDA AND HAWAII (385440)

TITLE: REVIEW OF THE IMPACT OF BROWNFIELDS ON COMMUNITY REVITALIZATION EFFORTS (385443)

BACKGROUND : An unintended effect of environmental laws has been that they inhibit the redevelopment of abandoned, unused, and possibly contaminated sites. These sites, known as "brownfields," are prevalent in distressed urban areas. There is no national database of these sites, but environmentalists estimate there are up to half a million of them.

KEY QUESTIONS : (1) What is known about the extent and nature of abandoned industrial sites in distressed urban areas and the barriers they present to redevelopment efforts? (2) What federal initiatives are aimed at helping communities overcome obstacles to reusing brownfield sites?

Housing and Community Development

COMMUNITY DEVELOPMENT

TITLE: GOALS AND FUNDING FOR SELECTED FEDERAL ECONOMIC DEVELOPMENT PROGRAMS (385450)

BACKGROUND : Over two dozen federal departments and agencies administer programs relating to economic development. The House Budget Committee has been exploring ways to reduce the number of these programs.

KEY QUESTIONS : 1) What is the inventory of federal economic development programs? (2) What was the fiscal years 93-95 funding for each program and its associated budget account?

TITLE: REVIEW OF SELECTED AGENCIES' MONITORING OF SUBCONTRACTING PLANS (385457)

BACKGROUND : Federal contracts over \$500,000 (\$1 million for construction contracts) must contain a plan that sets forth a goal for subcontracting to small disadvantaged businesses and steps for achieving the goal. These goals help ensure that disadvantaged businesses receive their fair share of federal procurement dollars.

KEY QUESTIONS : Ques. 1 What processes do agency personnel at the Defense Logistics Agency (DLA), Energy, GSA, and NASA follow to monitor subcontracting goal achievement? 2. How effective are these processes and what improvements can be made to them?

TITLE: RESPONSIVENESS OF FEDERAL GOVERNMENT TO REQUESTS FOR DISASTER DECLARATIONS FOR RURAL AREAS AS COMPARED TO URBAN AREAS (385459)

BACKGROUND : Recent incidents in which a state governor requested federal disaster assistance have raised questions concerning the potential for differential treatment between rural and urban areas. In these incidents, it appeared that the rural communities did not receive the same prompt response or recognition of urgency as the urban areas.

KEY QUESTIONS : 1. Do federal policies and procedures differentiate between requests for rural versus urban areas, and how? 2. For CYs 93 and 94, did the average processing time differ for urban and rural requests? 3. Do decisions to provide assistance differ between urban and rural areas? 4. What factors may have affected disaster assistance request processing time?

Housing and Community Development

COMMUNITY DEVELOPMENT

TITLE: STUDY OF FEDERAL, STATE, AND LOCAL PLANS TO MONITOR AND EVALUATE EMPOWERMENT ZONES (385477)

TITLE: INFORMATION ON SSBICS PARTICIPATING IN THE THREE PERCENT BUYBACK PROGRAM (385482)

BACKGROUND : The Small Business Investment Act, Amended in 1972, created Specialized Small Business Investment Companies (SSBICs) that fund small firms that socially or economically disadvantaged persons own. SBA funded SSBICs by purchasing their 3-percent preferred stock. In 1989 the Congress authorized SBA to permit SSBICs to repurchase the stock at a price less than its par value.

KEY QUESTIONS : (1) What was each SSBIC's capitalization entering the program and at the time of the 3-percent buyback? (2) What has been the investment activity of each of these SSBICs over the last 5-years? (3) How was the transaction financed and was a merger involved?

TITLE: MINORITY-OWNED FIRMS' EXPERIENCES WITH SURETY BONDS (385484)

Housing and Community Development

LOW INCOME HOUSING

TITLE: ANALYSIS OF OPPORTUNITIES FOR RESTRUCTURING RURAL HOUSING PROGRAMS MANAGED BY THE FARMERS HOME ADMINISTRATION (385456)

BACKGROUND : The Rural Housing Act of 1949 authorizes a variety of rural housing programs. These programs, as presently structured, may not represent the best way to meet rural housing needs.

KEY QUESTIONS : (1) What are the purposes and costs of FmHA's rural housing programs and whom do they serve? (2) What unimplemented cost savings measures have GAO, FmHA, OIG, and others proposed? (3) Did FmHA properly analyze the costs/savings of centralizing direct loan servicing within FmHA vs. a private contractor?

HUD MANAGEMENT

TITLE: HRA 18: REVIEW OF HUD'S SINGLE-FAMILY PROPERTY DISPOSITION PROGRAM (385420)

BACKGROUND : Each year, HUD acquires and sells about 60,000 foreclosed homes. These activities have long yielded large financial losses for HUD despite a variety of program changes over the years. HUD's serious financial losses from property disposition continue as do concerns about its internal control environment.

KEY QUESTIONS : (1) How much is HUD losing from the acquisition and sale of foreclosed single family property under its home ownership insured loan programs? (2) What are the key cost areas associated with HUD's acquisition and disposition of these properties? (3) How many properties are passing through HUD's inventory? (4) How long does it take HUD to sell these homes?

TITLE: DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT APPROPRIATIONS (385458)

BACKGROUND : The change in congressional leadership has brought proposals to reduce HUD's budget, e.g., to block grant housing aid and restructure other programs. HUD estimates \$64 billion in savings over 5 years, but this figure needs verification and the Congress will need to know other details about HUD's budget and program proposals.

KEY QUESTIONS : 1. In viable budget cutting proposals, what are the key programs at stake? 2. What is behind HUD's estimates of budget savings? 3. How does HUD's FY96 budget request reflect "reinvention" proposals? 4. Can better budgeting and programming be achieved by deleting non-housing programs from HUD and adding other agencies' housing programs to HUD?

Housing and Community Development

HUD MANAGEMENT

TITLE: REVIEW OF HUD'S "STANDING UP FOR COMMUNITIES" INFORMATION FORUMS (385480)

BACKGROUND : In March and April 1995 the HUD Secretary spoke at eight information forums discussing HUD's blueprint for reinvention and the House-passed \$7 billion rescission. The Anti-Lobbying Act prohibits certain types of lobbying but has never been tested in the courts. Concerns have been raised that these forums may constitute lobbying efforts at the taxpayers expense.

KEY QUESTIONS : (1) What criteria must be met to be in compliance with the Anti-Lobbying Act and do the forums meet the Act's criteria? (2) How were the forums developed and what occurred at the forums and their breakout sessions? (3) What was the total federal cost, including to PHAs, of setting up and attending these forums?

OTHER I.A. WORK - HOUSING & COMM. DEV.

TITLE: REVIEW OF SBA EFFORTS TO RECOVER FUNDS OWED BY SBICS IN LIQUIDATION (385483)

United States General Accounting Office

Distribution for Unrestricted

GAO Reports (Form 115-U)

GAO

Report Number and Title

GAO/AA-95-22 (3)

HOUSING AND COMMUNITY DEVELOPMENT ISSUE AREA: Active Assignments

Classified: (Check one, if applicable)

[] Classified [] Proprietary

B-Number Budget Function Codes Issue Areas/Lines of Effort Assignment Code

[] Check here if Form 115-R (Distribution for Restricted GAO Reports) used with this report

Reports to recipients with an asterisk (*) will be hand carried by:

Initial Distribution

[1. External]

Standard Recipients

Transmittal Document

(Check one, if applicable)

Brief Basic Ltr.

Copies Recipient

Nonbasic Ltr. GAO F.371

- 0 House Appropriations Comm., Attn:
0 House Government Operations Comm., Attn:
0 Senate Appropriations Comm., Attn:
0 Senate Governmental Affairs Comm., Attn:
0 Dir., Office of Management & Budget, Attn:
0 Speaker Of the House
0 President of the Senate
0 House (Legislative) Comm.
0 House Budget Comm., Attn:
0 Senate (Appropriations) Subcomm.
0 Senate Comm.
0 Senate Budget Comm., Attn:
0 Ranking Minority Mbrs. of Comms. & Subcomms.
0 Library of Congress, CRS

- []
[]
[]
[]
[]
[]
[]
[]
[]
[]
[]
[]
[]
[]
[]
[]
[]

Add the Total No. of Copies listed in [1] above: 0

[2.] Enter Total No. of Copies Listed in the Form 115-1: 0

Initial Distribution Continued

[3. Internal]

Copies Room No. Recipient

| | | | |
|------------|-----------------|---|----------------------------------|
| <u>1</u> | <u>7113</u> | ✓ Assist. Comptroller General, Planning & Reporting | |
| | | Assist. Comptroller General, Policy | |
| <u>10</u> | <u>7125</u> | ✓ Office of Congressional Relations | <u>Mr. Hagenstad</u> |
| | <u>1842</u> | ✓ ACG, Originating Division/Office- | <u>Keith O. Fultz</u> |
| | <u>1842</u> | ✓ Cognizant Director of P & R - | <u>Michael Gryszkowiec</u> |
| <u>10</u> | <u>1842</u> | ✓ Cognizant Director - | <u>Judy England-Joseph, RCED</u> |
| <u>10</u> | <u>UCP2 150</u> | ✓ Cognizant Associate Director - | <u>Jim Wells, RCED</u> |
| <u>0</u> | | Cognizant Assistant Director - | |
| <u>0</u> | | Cognizant Divison Report Review | |
| | | Office of Public Affairs | |
| | | To participating regional offices and audit sites: | |
| <u>100</u> | <u>UCP2 150</u> | ✓ Vernesia Middleton, RCED (Library) | |
| <u>10</u> | <u>3B00</u> | ✓ Paul Jones, Director - OPP | |
| <u>1</u> | <u>6X15</u> | ✓ James White, OCE | |
| <u>10</u> | <u>UCP2 150</u> | ✓ Donna Lucas, RCED/H&CD | |
| <u>0</u> | | | |

Add the Total No. of Copies listed in [3] above: 15

[A.] Enter Total Initial External & Internal Distribution: 154 Add items [1], [2] and [3] above)

Subsequent Distribution

| | | | | |
|-------|---------------|------------|---------------|------------|
| [4.] | Subject Codes | No. Copies | Subject Codes | No. Copies |
| | <u> </u> | <u>0</u> | <u> </u> | <u>0</u> |
| | <u> </u> | <u>0</u> | <u> </u> | <u>0</u> |
| | <u> </u> | <u>0</u> | <u> </u> | <u>0</u> |

| | | |
|-------|--------------------------------|------------|
| [5.] | Distribution to the News Media | No. Copies |
| | <u> </u> | <u>0</u> |
| | <u> </u> | <u>0</u> |

[6.] Enter Number of Copies for One-Time Recipients (Typed labels must be attached): 0
 Enter Total No. of Labels Attached: 0

[B.] Enter Total Subsequent Distribution: 0 (Add items [4], [5], and [6] above.)

Determining Number of Copies to be Printed

[C.] Reserve Stock: [0] Add [A,B,C & D]: 154

[D.] Federal Depository Librarian: [0] Add No. of Copies on GAO Form 115-R 0
 Office of Mgmt & Budget: [0] Enter Grand Total (Total No. Copies to be Printed) 154

Approvals and Contact Information

Approved by:

For more infor., contact

Signature of Director or Comparable Official

1/1
Date

Nancy Simmons, RCED/H&CD
Name

Signature of ACG or Comparable Official

1/1
Date

512-6201
Telephone Number

United States General Accounting Office

GAO Distribution for Unrestricted GAO Reports (Form 115-U)

Report Number and Title: GAO/AA-95-22(3)
 HOUSING AND COMMUNITY DEVELOPMENT ISSUE AREA: Active
 Assignments: 1
 Classified:(Check one, if applicable)
 Classified Proprietary

B-Number Budget Function Codes Issue Areas/Lines of Effort Assignment Code

Check here if Form 115-R (Distribution for Restricted GAO Reports) used with this report

Reports to recipients with an asterisk (*) will be hand carried by:

Initial Distribution

1. External Standard Recipients

Transmittal Document
 (Check one, if applicable)
 Brief Basic Ltr.

Copies Recipient

| | | Nonbasic Ltr. | GAO F.371 |
|----------|---|--------------------------|--------------------------|
| <u>0</u> | House Appropriations Comm., Attn: _____ | <input type="checkbox"/> | <input type="checkbox"/> |
| <u>0</u> | House Government Operations Comm., Attn: _____ | <input type="checkbox"/> | <input type="checkbox"/> |
| <u>0</u> | Senate Appropriations Comm., Attn: _____ | <input type="checkbox"/> | <input type="checkbox"/> |
| <u>0</u> | Senate Governmental Affairs Comm., Attn: _____ | <input type="checkbox"/> | <input type="checkbox"/> |
| <u>0</u> | Dir., Office of Management & Budget, Attn: _____ | <input type="checkbox"/> | <input type="checkbox"/> |
| <u>0</u> | Speaker Of the House _____ | <input type="checkbox"/> | |
| <u>0</u> | President of the Senate _____ | <input type="checkbox"/> | |
| <u>0</u> | House _____ Comm. | <input type="checkbox"/> | |
| | (Legislative) | | |
| <u>0</u> | House Budget Comm., Attn: _____ | <input type="checkbox"/> | |
| <u>0</u> | Senate _____ Subcomm. | <input type="checkbox"/> | |
| | (Appropriations) | | |
| <u>0</u> | Senate _____ Comm. | <input type="checkbox"/> | |
| <u>0</u> | Senate Budget Comm., Attn: _____ | <input type="checkbox"/> | |
| <u>0</u> | Ranking Minority Mbrs. of Comms. & Subcomms. _____ | <input type="checkbox"/> | |
| <u>0</u> | Library of Congress, CRS _____ | <input type="checkbox"/> | |

Add the Total No. of Copies listed in [1] above: 0

[2. Enter Total No. of Copies Listed in the Form 115-1: 0

Initial Distribution Continued

[3. Internal]

Copies Recd No. Recipient

| | | | |
|------------|-----------------|--|----------------------------------|
| <u>1</u> | <u>7113</u> | Assist. Comptroller General, Planning & Reporting | |
| | | Assist. Comptroller General, Policy | |
| <u>10</u> | <u>7125</u> | Office of Congressional Relations | <u>Mr. Hagenstad</u> |
| | <u>1842</u> | ACG, Originating Division/Office- | <u>Keith O. Fultz</u> |
| | <u>1842</u> | Cognizant Director of P & R - | <u>Michael Gryszkowiec</u> |
| <u>10</u> | <u>1842</u> | Cognizant Director - | <u>Judy England-Joseph, RCED</u> |
| <u>10</u> | <u>UCP2 150</u> | Cognizant Associate Director - | <u>Jim Wells, RCED</u> |
| <u>0</u> | | Cognizant Assistant Director - | |
| <u>0</u> | | Cognizant Divison Report Review | |
| | | Office of Public Affairs | |
| | | To participating regional offices and audit sites: | |
| <u>100</u> | <u>UCP2 150</u> | Vernesia Middleton, RCED (Library) | |
| <u>10</u> | <u>3B00</u> | Paul Jones, Director - OPP | |
| <u>1</u> | <u>6X15</u> | James White, OCE | |
| <u>10</u> | <u>UCP2 150</u> | Bonna Lucas, RCED/H&CD | |
| <u>0</u> | | | |

Add the Total No. of Copies listed in [3] above: 15

[A.] Enter Total Initial External & Internal Distribution: 154 (Add items [1], [2] and [3] above)

Subsequent Distribution

| [4.] Subject Codes | No. Copies | Subject Codes | No. Copies |
|---------------------|------------|---------------|------------|
| <u> </u> | <u>0</u> | <u> </u> | <u>0</u> |
| <u> </u> | <u>0</u> | <u> </u> | <u>0</u> |
| <u> </u> | <u>0</u> | <u> </u> | <u>0</u> |

| [5.] Distribution to the News Media | No. Copies |
|--------------------------------------|------------|
| <u> </u> | <u>0</u> |
| <u> </u> | <u>0</u> |

[6.] Enter Number of Copies for One-Time Recipients (Typed labels must be attached): 0
 Enter Total No. of Labels Attached: 0

[B.] Enter Total Subsequent Distribution: 0 (Add items [4], [5], and [6] above.)

Determining Number of Copies to be Printed

[C.] Reserve Stock: [0] Add [A,B,C & D]: 154

[D.] Federal Depository Librarian: [0] Add No. of Copies on GAO Form 115-R 0
 Office of Mgmt & Budget: [0] Enter Grand Total (Total No. Copies to be Printed) 154

Approvals and Contact Information

Approved by:

For more infor., contact

Signature of Director or Comparable Official

Date / /

Nancy Simmons, RCED/H&CD
Name

Signature of ACG or Comparable Official

Date / /

512-6201
Telephone Number


