



# Weighing the Value of Projects and Activities



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# 1. Introduction

Grantees should ensure that the projects (activities, programs, and projects listed as “Projects” in the Consolidated Plan) funded with CDBG, HOME, ESG, and HOPWA dollars align with the “Priority Needs and Goals” identified in the Consolidated Plan. All funding investments should support the goals the grantee has identified to meet local needs, and all projects listed in the Consolidated Plan must be associated with one or more priority need and one or more goals as required by HUD.

Often, a community makes annual grants to ongoing projects in the community, such as senior services programs, after school programs, or down payment assistance programs. The programs may be run by the local grantee or by a local nonprofit organization. Continued, reliable funding is important to ensure that these programs can operate from year to year, but grantees must also ensure that these programs meet the goals identified in the Consolidated Plan. As the grantee identifies the highest priority needs within the community and creates goals to meet these needs, it must also ensure that locally funded projects provide services that will help the grantee meet the five-year and one-year goals within the Consolidated Plan. In evaluating projects, the grantee should evaluate the results of past project investments as well the needs and identified goals that current funding requests are intended to address.

This collection of tools is designed to help grantees evaluate current projects (programs, activities, and projects funded with HUD resources) and applications to fund new projects. The collection is divided into six sections and accompanying worksheets for each evaluation topic are contained in an accompanying Excel-based Tool, [Weighing the Value of Projects and Activities](#) workbook.

## Common Challenges and Responses

Conducting an objective and thorough evaluation of projects and activities that leads to effective program redesign can be difficult. The following chart summarizes some issues that may affect a grantee’s assessment and presents possible ways to mitigate these challenges.

Common Challenges	Potential Responses
<p><b>Political and social environments can affect program performance, efficiency and effectiveness, and leadership may resist change.</b></p> <p>The political and social dynamics of a region can affect a program's success or failure. Grantees may not be able to change these dynamics, but they must be considered in their assessment and redesign process.</p>	<ul style="list-style-type: none"> <li>• When possible, include political leadership in the program assessment and redesign process over and above any required legislative reviews.</li> <li>• Include the community and stakeholders in the process and listen to their concerns.</li> <li>• Factor community resistance or support into the redesign.</li> </ul>
<p><b>Staffing and management structure can affect program performance, efficiency, and effectiveness, and staff may resist change.</b></p> <p>Staffing challenges can include both the loss of staff and resistance to process changes by current staff. Management structures may also impede the efficiency of program design and implementation.</p>	<ul style="list-style-type: none"> <li>• When possible, include staff in the program assessment and redesign process.</li> <li>• Use process mapping to understand how current internal processes work and identify areas that can be modified to improve efficiency.</li> </ul>
<p><b>Data can be subjective.</b></p> <p>While some of the program data will be easily measured and defined (inputs and outputs), some information will be qualitative and subject to the influence of judgments, experience, and opinions. This is especially true of data that relates to community outcomes.</p>	<ul style="list-style-type: none"> <li>• Use multiple assessment methods (such as exit interviews, focus groups, case studies, scoring checklists, and self-assessments) to examine the same program outcome. Gather different perspectives from program staff, sub-recipients, and other community stakeholders.</li> <li>• Use a series of questions to probe the issue: <ul style="list-style-type: none"> <li>– Were the desired or planned objectives achieved?</li> <li>– What were the expected program outcomes and did they occur?</li> <li>– What program activities, actions, or outputs seemed to produce the greatest effects?</li> <li>– What external factors seemed to limit program effectiveness?</li> <li>– What program activities, actions, or outputs seemed to be the most cost effective and which were the least cost effective?</li> </ul> </li> </ul>
<p><b>Program accountability or success needs to be based on realistic goals and projected outcomes.</b></p> <p>If the original or current goals and outcomes were too aggressive, the program assessment will be skewed negatively. Conversely, goals that are too easy to achieve will result in conclusions that are skewed positively. Neither will provide good data for successful program redesign.</p>	<ul style="list-style-type: none"> <li>• Evaluate the goals and objectives as a part of the program assessment and note any unrealistic parameters.</li> <li>• Keep priorities and goals simple but significant and achievable.</li> <li>• Define parameters for success or failure as a part of the program redesign.</li> </ul>
<p><b>Program performance benchmarks are difficult to identify and maintain.</b></p> <p>Often program performance is measured only at the end of a process and benchmarks are overlooked.</p>	<ul style="list-style-type: none"> <li>• Analyze past performance to create activity-level benchmarks.</li> <li>• Assess progress against benchmarks quarterly to identify issues during implementation.</li> <li>• Create levels of achievement to "score" performance.</li> </ul>

## 2. Determining Whether Projects Align with Vision

The template shown below is part of the Weighing the Value of Projects and Activities Tool to help grantees evaluate current and proposed projects or to encourage the creation of a new project to meet identified needs. Grantees also can use this tool to match their goals to existing projects and identify the goal outcome indicators for each.

This Tool is a way for grantees to consolidate information about strategies, existing projects, and desired outcomes to help identify gaps that may exist in the current delivery system. It allows grantees to enter data specific to their existing projects.

Weighing the Value of Projects and Activities Tool						
PROJECT DETAILS						
PROJECT NAME	FUNDING AMOUNT (SETUP: \$900,000)	PRIORITY NEED MET	CONSOLIDATED PLAN GOAL MET	EXPECTED OUTPUTS		
				GOAL OUTCOME INDICATOR	NUMBER OF UNITS	ACTUAL OUTPUT
Workforce development projects	\$ 400,000	Economic Development	Job Creation	Jobs Created/Retained	100	50
Micro-enterprise development projects	\$ 100,000	Economic Development	Job Creation	Businesses Assisted	10	5
Business incubator projects	\$ 200,000	Economic Development	Job Creation	Businesses Assisted	10	8

To use this tool, the grantee should review and consider the specific goals it plans to include in its Consolidated Plan and Annual Action Plan to meet local priority needs. For instance, under a priority need of economic development, specific goals might include:

- **Job Creation:** Improve availability and accessibility of living wage employment for low- and moderate-income persons.
- **Job Training:** Provide education and job training to under-skilled workers.
- **Business Development:** Work with neighborhood business communities to enhance commercial areas with façade and infrastructure improvements.

Next, the grantee should review current and proposed projects operating in the community and supported through CPD funding and those that the grantee plans to include as projects in the Annual Plan. The ConPlan Goals and Accomplishments report can assist in this review as it provides a method to check the success of existing projects in meeting goals by measuring accomplishments against program year and strategic plan goals (see [Using Required Reports to Assess Progress and Inform Planning](#)). Projects may be those operated by the grantee in house, such as infrastructure improvements or a housing rehabilitation program, or they may be operated by a partner. They can be existing ongoing programs or developments that are under construction. The projects should be listed under the goal that they meet. For instance, if Job Creation is the goal, project types might include the following:

- Workforce development projects
- Micro-enterprise development projects
- Business incubator projects

Next, the grantee should list the goal outcome indicator associated with the projects (listed in the “Consolidated Plan SP-45 Goals” screen and “Annual Action Plan AP-35 Projects” screen). The grantee should also list the quantity expected during the next year using the unit of measure or goal outcome indicator, identified in SP-45. In this example, the goal outcome indicators might include:

- Jobs Created/Retained: 100
- Businesses Assisted: 10

Once the Project and Activity Map is complete, it should be used as both a visual and conceptual tool to determine gaps between planned activities and outcomes and existing programs and projects intended to achieve these outcomes. If a grantee has a goal of creating 100 new jobs in a city’s low-income neighborhoods but has no existing job training programs, the grantee can then begin to discuss how to create this type of program either in house or with partners that have the capacity to do so.

 <b>Weighing the Value of Projects and Activities Tool</b>	
REPORT	
PROJECT AND ACTIVITY MAP REPORT	
PROJECTS / GOALS	Job Creation
<b>Project Name</b>	Workforce development projects
Goal Outcome Indicator	Jobs Created/Retained
Output (number of output measures expected)	100
<b>Project Name</b>	Micro-enterprise development projects
Goal Outcome Indicator	Businesses Assisted
Output (number of output measures expected)	10

The grantee may need to find new partners in the community and target projects that meet a goal and priority need listed in the Consolidated Plan. This is discussed below in Section 7: “Soliciting Projects and Partners to Meet Goals.”

Funding decisions in the grantee’s Annual Plan should be based on identified high priority needs. The grantee should review current projects to ensure they align with the vision created in the new Consolidated Plan and Annual Action Plan. Projects that do not align with identified priority needs should be reconsidered. For example, if projects that always receive funding meet no identified priority need in the new plans, the grantee should ask the following questions to determine if the project should continue to receive funding:

- ✓ What is the value of this project? Does the project support the goals of the Consolidated Plan and the outcome indicators committed to in the plan?
- ✓ If not, should the project be shut down or not allocated funding? What are the steps needed to do this and to reallocate funding to projects that meet higher priority needs?

### 3. Evaluating Projects for Strategic Alignment and Effectiveness

Grantees can use the questions and checklist in the Project Strategic Alignment Tool below to evaluate current and proposed projects to determine whether they align with the vision laid out in their Consolidated Plans and to evaluate project efficacy. Grantees should use a two-step process when evaluating projects. First, the grantee should look for strategic alignment. Then, using these questions, it should assess whether the program is operating efficiently and achieving the desired outputs.

The grantee should also ask these questions for each project that may request additional funds during the term of the next program year through a NOFA or RFP. The grantee should refer to existing performance reports, IDIS Goals and Accomplishments report, and the PER or CAPER to answer the questions. [\*Using Required Reports to Assess Progress and Inform Planning\*](#) provides additional guidance on how to use reports to assess project performance and utility in meeting the strategic goals. Reports can include those sent to the grantee or to other funders, boards of directors, or residents.

## Project Strategic Alignment Tool

Question	IDIS Screen Related To	Information Used to Make Assessment	Determination
Does the project meet a stated priority need?	SP-25	Application, PER or CAPER, reporting documents	
Does the project serve a population that has priority needs?	SP-25	Application, PER or CAPER, reporting documents	
Does the project meet a geographic priority?	SP-10	Application, PER or CAPER, reporting documents	
Does funding of the project have secondary impacts (e.g., increase the capacity of CHDOs)?		Interviews, various reports, public meetings, review of other projects operated by the agency	
Is the project efficient in meeting goals (e.g., cost per household/person served or per unit)?	SP-45	Application, PER, or CAPER, IDIS Goals and Accomplishments reports, reporting documents	
Is the cost of the project efficient in meeting needs compared to other programs or projects that could meet the same needs?	PER/CAPER	Comparison of grantee performance measures and cost per unit of service, IDIS Goals and Accomplishments reports	
Has the project done what it set out to do? Have production goals or other measures been met?	PER/CAPER	PER or CAPER, IDIS Goals and Accomplishments reports, other performance reports	
Has the project leveraged other sources of funds, if appropriate, to the extent expected or possible?	PER/CAPER	PER or CAPER, other performance reports, Leveraging Resources Checklist	

## 4. Evaluating Projects for Strategic Investment

In addition to asking the questions above about specific projects, the grantee should also look at the sum of all funds being spent to meet various need categories. By assigning a dollar figure to each type of activity as a percent of all dollars invested, the grantee should be able to see in a broad sense if investments are being made to address the highest priority needs. The grantee may want to look only at current funding applications, or the past Annual Plan, to reduce the time needed to conduct this analysis.

The grantee can then ask the following questions:

- ✓ Is the cost of meeting the identified goals aligned with meeting all high priority needs? Is this the best investment of money compared to other projects that might meet another need?
- ✓ Should there be caps on expenditures for various types of projects to ensure that more than one high priority need could be met? For example, the grantee may decide to limit CDBG expenditures on public infrastructure sidewalk improvements to a small percentage of total CDBG funds because there are few qualified census tracts within the jurisdiction where sidewalks need repairs and there is a great need for rehabilitation of older owner-occupied housing units.

The grantee may want to use the following Project Funding Evaluation Tool to conduct this analysis. For the example analysis shown here, the total amount of funding the grantee has to allocate is \$500,000 in CDBG funds and \$500,000 in HOME funds.

The grantee can use the following rating system to determine if the funds allocated to all projects that meet one priority need are in proportion to the priority placed on that need and the need category (i.e., high or low). Grantees will need to determine if projects meet more than one priority need, and, if so, assign the project either to one priority need or determine the proportion of project funds allocated for each priority need. This exercise is meant to provide a general analysis of expenditures versus need.

Project Funding Evaluation Tool

Priority Need	Need Category (High or Low)	Total Project Funds (Action Plan \$ Only)	Percent of Total Action Plan Funding
Public Services	Low	\$50,000	5%
Production of New Units	High	\$500,000	50%
Economic Development	High	\$250,000	25%

(This example does not include all project funding.)

In the example above, the grantee is providing funds to two of the highest priority needs and the percentage of funds provided to those priorities is higher than the amount provided to the lower priority need. This may not always be the case.

This analysis should include projects operated by partner agencies, as well as internally run projects. For example, if public infrastructure projects are allocated 25 percent of CDBG funds, but the need for new sidewalks and curb cuts is ranked as a low priority need, the grantee may want to shift some of the resources for this project to other projects that could be undertaken internally or by partners to meet higher priority needs.

Grantees should flag priority needs that have not received enough funding to be adequately addressed and those that seem to receive a larger portion of funding than is needed to meet them. Based on the level of need, grantees may want to cap the amount of funding provided to applicants running any one type of project that meets a specific priority need. The grantee may also decide to target funds to projects that address hard-to-meet goals and seek additional partners and projects to meet these needs.

Grantees can gather financial information about currently funded projects from their own reports, their Annual Action Plan, or proposed project application materials. IDIS reports, such as PR-77: CDBG Expenditures by Organization Type, may also be helpful data sources.

## 5. Evaluating Project Outcomes

Grantees should review project productivity against the goals identified in the Strategic Plan. The Program Outcome Evaluation Tool can be used to determine if proposed Goal Outcome Indicator quantities in the Annual Plan are realistic when compared to recent project outcomes and the proposed outcomes of new projects. Again, this evaluation may point out the need to invest in expanded or new projects to meet goals. The following format can be used to conduct this analysis:

Project Outcome Evaluation Tool

Goal	Project	Measure	Goal	Achieved
Residents Have Better Access to Jobs	Roseville Industrial Park Improvements	Jobs Created	100	80

Information from the IDIS Goals and Accomplishments Report, the PER or CAPER, and funding applications can be used as data sources to conduct this evaluation.

## 6. Creating Project Partnerships and Efficiencies

During the evaluation of productivity, costs, and outcomes, the grantee should review how similar projects do or could support each other. The grantee can conduct an analysis of efficiencies to ensure that projects are run as effectively and cost efficiently as possible to meet priority needs. Considerations during this analysis include the following:

- ✓ Do programs that offer similar services in different locations within the jurisdiction provide interagency referrals or share staff, marketing campaigns, or program elements?
- ✓ Do programs that may be used in conjunction with each other provide interagency referrals? For instance, do housing rehabilitation applicants also apply for or get referred to the local housing weatherization program?
- ✓ Could agencies work together at one site? For example, could a housing development provide office space for a service provider on its ground floor? Could the grantee or partners convert an underutilized or blighted building into a suite of nonprofit offices?
- ✓ Could a nonprofit that has multilingual staff provide translation for a group of nonprofit agencies that serve non-English-speaking populations?

By looking for overlaps and potential partnerships, the grantee could help itself and its partners meet needs with less duplication of services and lower cost, or could provide deeper service levels to clients than may have been provided in the past.

## 7. Soliciting Projects and Partners to Meet Goals

After identifying priority needs and goals in the Annual Plan, grantees allocate funding to projects that can meet these needs and goals. Many projects, like those mentioned above, are already in place. But what if there is a new priority need identified by the grantee, or if no specific partner has been identified with a project that can meet this need? The grantee can create a process to find partners that can meet needs.

This is another instance where the grantee may want to reach out to the community and partners and target projects that can meet the priority needs and goals of the Consolidated Plan. There are many ways to do this, and the methods used to solicit projects will vary depending upon the nature of the project and the activity that will be undertaken. By advertising specific projects, the grantee may bring in new partners or steer current partners to projects that meet priority needs.

## Mechanisms for Selecting Projects

Restrictive RFPs	The grantee can restrict the RFP for projects and funding proposals to projects that meet priority goals.
Preferences	Funding applications can provide preferences or priorities for highest ranked needs and goals, so that projects that meet highest priority needs are funded first.
Incentives	If the grantee does not expect to receive applications for projects that will meet high priority needs and goals, incentives can be used to attract projects to meet these goals. For example, the grantee may want to offer incentives for a higher percentage of accessible rental units, housing built near transit, or housing units targeted to people who are homeless. Incentives could include waived fees, free or reduced price development sites, higher funding levels, priority ranking, or streamlined planning reviews.
Develop the project in house or with a partner	If no partners have the capacity or desire to develop or operate a project or program to meet a priority need, the grantee can assess its own capacity to operate the program alone or with a partner. The grantee can also determine if it is easier to design a specific project to be constructed and then request bids for construction of the project.
Use CHDO set-aside funds	Community Housing Development Organization (CHDO) set-aside funds also should be considered for targeting high priority needs and goals. CHDOs making special efforts to meet certain goals can be given preference in the receipt of operating funds.

## 8. New Project Evaluation

Sometimes grantees receive applications for funding new projects and need to determine if the proposal meets identified needs. Grantees also may receive multiple applications in response to a solicitation for a specific type of project and want to evaluate projects against each other to fund the most effective and cost-efficient project.

Evaluating proposals for new projects is similar to reviewing existing projects. However, the grantee will not be able to use its own data and monitoring to assess the capacity of the service provider or developer and will need to request information from the provider that demonstrates its capacity to carry out the activity. The grantee can use the following New Project Evaluation Tool to assess new projects. Application documents should request proposed outcome indicators, units of measure, and the proposed quantity of production.

## New Project Evaluation Tool

Question	IDIS Screen Related To	Information Used to Make Assessment	Conclusion: (filled out by grantee)
Does the program meet a stated priority need?	SP-25	Grantees should require applicants to state which priority need will be met. This information can also be found by reviewing proposal narratives and other application materials.	
Does the program serve a population that has priority needs?	SP-25	Grantees should require applicants to state the population that will be served. This information also can be found by reviewing proposal narratives and other application materials.	
Does the program meet a geographic priority?	SP-10	If the grantee has geographic priorities, they should be listed in the RFP, NOFA, or application form.	
Does funding of the program have secondary impacts (e.g., increases the capacity of CHDOs)?		Grantee review of application narratives. Grantees should consider their knowledge of the applicant and other applicant programs, partnerships, and relationships in the community.	
Is the proposed cost of the program efficient in meeting needs compared to other programs or projects that could meet the same needs?	Application, PER or CAPER reports for other projects, if available	Comparison of proposed project performance measures and cost per unit of service for similar past projects and other applications.	
Does the program already exist? If so, has it been effective in delivering services or units in the past?		Applicant materials, interviews, site visits, reports to other partners and funders.	
Does the agency, developer staff, or team have the capacity to deliver outcomes?		Agency team resumes, list of past projects and experience, application materials, information from other grants, interviews, site visits.	

## 9. Conclusion

When used together or independent of each other, [\*Weighing the Value of Projects and Activities\*](#) collection of tools can help grantees evaluate the effectiveness of their projects. The tools help the grantee identify which projects are working well and which are not, and to begin to understand why. They can be used to determine if current and proposed projects are meeting high priority needs and if the grantee's investments support the goals and strategic approach outlined in its Consolidated Plan.

