

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

PROGRAM OFFICE SALARIES AND EXPENSES

OFFICE OF PUBLIC AND INDIAN HOUSING

Program Summary

The Office of Public and Indian Housing (PIH) oversees and monitors the administration of a range of programs authorized and funded by Congress under the basic provisions of the U.S. Housing Act of 1937, as amended. The Act created the foundation for the Public and Indian Housing programs, which now provide affordable housing to approximately 3.2 million households nationwide. Congress provides funds to PIH for the modernization of housing stock, improvement of program management by approximately 4,100 Public Housing Authorities (PHAs), and facilitation of programs to address crime and security and provide supportive services and tenant opportunities.

PIH plays an integral role in carrying forth HUD's broader mission to create strong, sustainable, inclusive communities and quality affordable homes for all. The administration of PIH programs requires a budget of more than \$26 billion, which represents approximately 60 percent of the Department's Budget, as of fiscal year 2011. Oversight of PIH programs necessitates more than 1,500 employees stationed in one Headquarters office, forty-six field offices, and six Native American program area offices. Without a sufficient workforce to execute its share of the Department's mission, the millions of Americans eligible to participate in public and Indian housing programs would be greatly underserved. The majority of PIH's efforts, with respect to the Strategic Plan, will be devoted to Goal 2 - Meet the Need for Quality Affordable Rental Homes.

The PIH staff effort will continue to work to improve management and service delivery in its principal business activity, which is providing decent and affordable rental housing. This work includes implementation of the Department's Strategic Plan and completion of Agency Priority Goals. These goals focus on sustaining and improving the current level of occupancy in Public and Indian housing, homeless assistance, and energy efficiency. Existing PIH staff will support the Strong Cities, Strong Communities Presidential Initiative, implement improved cash management distribution methodologies, and implement the proposed Family Self-Sufficiency Coordinator Program. Headquarters and Field staff will continue to monitor PHAs and provide proactive technical assistance to prevent and remediate troubled PHAs or programs. Office of Native American Program staff will continue to process and improve delivery in the Loan Guarantee and Block Grant Programs for Native American and Native Hawaiian populations.

Of the existing 1,505.8 FTE, 693.4 FTE work in eleven Headquarters offices, the largest ones being the Real Estate Assessment Center and the Office of Public Housing and Voucher Programs. The Real Estate Assessment Center (218.2 FTE) works to improve housing quality and ensure the public's trust by providing timely, accurate and objective assessments of HUD's public housing and multifamily real estate portfolios. It provides vital support to PIH's public housing and voucher management reporting systems. The Office of Public Housing and Voucher Programs (173.5 FTE) ensures safe, decent, and affordable housing through the Housing Choice Voucher program; creates opportunities for residents' self-sufficiency and economic independence; and assures fiscal

integrity by all program participants. It also develops and monitors national policies, procedures, standards, methods and administrative requirements for public housing programs and occupancy and management.

Other Headquarters offices contain between 13 to 84 FTE. The Office of the Assistant Secretary (12.0 FTE) is responsible for the overall mission of PIH to provide decent and safe rental housing, homeownership and self-sufficiency activities for eligible low-income families, the elderly, and persons with disabilities. The Office of Procurement and Contract Services (13.2 FTE) provides PIH with management, technical advice and guidance for a broad range of contracted activities. The Office of Budget and Financial Management (29.2 FTE) formulates budget proposals and executes budgetary resources. It ensures that the mission and policies of PIH are implemented in accordance with appropriated resources and recognized financial management practices. The Office of Policy, Program and Legislative Initiatives (15.0 FTE) is responsible for providing support and advice to PIH on overall policy, program development, and implementation. It develops, analyzes and coordinates legislative and regulatory actions covering the full range of PIH programs. The Office of Field Operations (65.2 FTE) manages PIH's forty-six field offices and promotes the availability of an adequate supply of decent, safe, and affordable housing, free of discrimination; foster opportunities for residents' self-sufficiency and economic independence; and assure fiscal integrity and regulatory compliance by program participants. The Grants Management Center (13.1 FTE) supports individual PIH program offices by providing a centralized and streamlined process for the review, processing, and award of categorical grants; determines formula grant allocations; and supports the public housing operating subsidy. The Office of Public Housing Investments (83.7 FTE) administers all programs related to capital improvements to the public housing inventory. It manages the HOPE VI Grant and Choice Neighborhood Grant Programs. The Office of Planning, Resource Management and Administrative Services (31.3 FTE) provides human resource and administrative oversight and evaluation of PIH programs, prepares the management action plan and coordinates responses to audit findings. The Office of Native American Programs (39.0 FTE) ensures that safe, decent and affordable housing is available to Native American families, creates economic opportunities for Tribes and Indian housing residents, assists Tribes in the formulation of plans and strategies for community development, and assures fiscal integrity in the operation of the programs.

PIH's Field staff of 812.4 FTE is divided between the Public Housing Hubs and Centers (673.0 FTE) and Office of Native American Program Area Offices (139.4 FTE). The Public Housing Hubs and Centers service PHAs, providing quality control and oversight in the delivery and administration of the Department's public housing programs. This is accomplished by ensuring the appropriate level of technical assistance is provided to PHAs with declining performance; ensuring delivery of programs administered by the PHAs are in accordance with statutes and program regulations; and completing risk assessments, and identifying and implementing a monitoring and technical assistance schedule for PHA's. The Office of Native American Program Area Offices performs similar activities for the Native American Housing Block Grant and Indian Housing Loan Guarantee Funds.

PUBLIC AND INDIAN HOUSING

	FY 2010 Actual	FY 2011 Actual	FY 2012 Enacted	FY 2013 Request	Increase/Decrease compared to FY 2012
Personal Services	\$184,930,931	\$191,424,692	\$191,232,000	\$200,134,000	\$8,902,000
Non-Personal Services:					
Travel	5,657,852	4,918,950	4,000,000	5,650,000	1,650,000
Transp. Of Things	36,624	1,702	-	-	-
Rent, Communication, Util.	413	19,500	-	-	-
Printing	159,664	150,822	100,000	81,000	(19,000)
Other Services	6,852,762	6,302,861	4,568,000	5,669,000	1,101,000
Supplies	96,460	134,123	100,000	100,000	-
Furniture	19,599	-	-	-	-
Subtotal Non-Personal Services	\$12,823,374	\$11,527,958	\$8,768,000	\$11,500,000	\$2,732,000
Total	\$197,754,304	\$202,952,649	\$200,000,000	\$211,634,000	\$11,634,000
FTE	1,519.2	1,508.0	1,505.8	1,554.5	48.7

PIH is requesting 1,554.5 FTEs for fiscal year 2013 and \$211.6 million; this is an increase from fiscal year 2012 of 48.7 FTE and a total increase in non personnel services of \$2.7 million.

Personnel:

In fiscal year 2013, however, PIH will also contribute to the other goals in a meaningful way. PIH's rental assistance programs are major contributors to the Agency Priority Goals (APGs), which focus on sustaining and improving upon the current level of occupancy in public and Indian housing and utilization in the voucher program. The goals also include homeless assistance, and energy efficiency. PIH continues to make great advances toward its goals in all program areas. However, the appropriation for Salaries and Expenses is essential to the successful achievement of the strategic and Priority Goals for fiscal year 2013.

This request provides for an additional 48.7 FTE over fiscal year 2012 levels that will target the following priority areas: prevention of homelessness; Choice Neighborhoods; prevention of troubled PHAs; field office monitoring and oversight; Jobs-Plus; and miscellaneous activities. This request is an increase of \$11.6 million over the fiscal year 2012 enacted level of \$200 million.

In fiscal year 2013, work will be undertaken by existing staff to implement the Rental Assistance Demonstration and to implement compliance infrastructure and management improvements. Key efforts here will focus on development of the Next Generation Management System and continued use of the new Voucher Management System tool, which helps PHAs maximize voucher utilization and prevent funding shortfalls.

The fiscal year 2012 spending level for Salaries and Expenses has severely constrained PIH operations. As a result, a hiring freeze has been instituted, preventing PIH from replacing critical staff as they retire or separate in fiscal year 2012. HUD anticipates a loss of over 100 FTE in fiscal year 2012 without the ability to fund replacement hires. The fiscal year 2013 request will allow PIH to hire slightly less than one-half of the losses expected in fiscal year 2012.

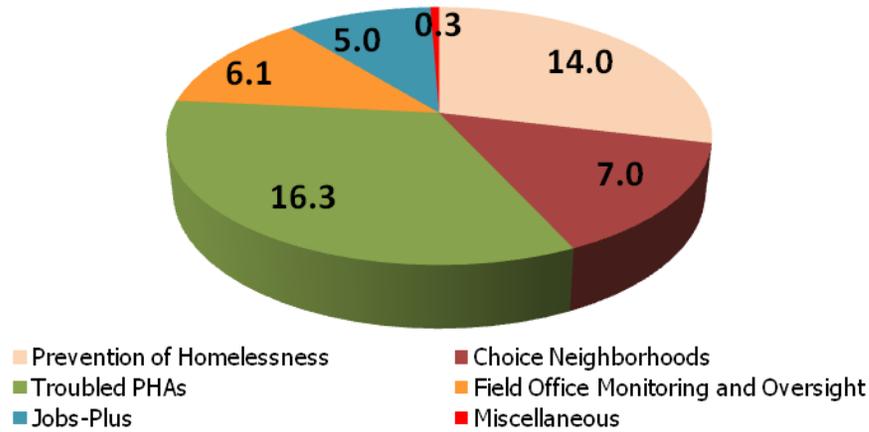
PIH FTE by Program:

PIH FTE: 15 Programs	FY 2011			FY 2012			FY 2013		
	HQ	Field	Sub-Total	HQ	Field	Sub-Total	HQ	Field	Sub-Total
Family Self Sufficiency Program Coordinators ¹			0.0			0.0	2.2	6.7	8.9
Indian Housing Block Grants	36.0	118.7	154.7	36.0	118.7	154.7	36.1	123.9	159.9
Indian Housing Loan Guarantee Fund	11.1	20.9	32.0	11.1	20.9	32.0	11.1	21.8	32.9
Native Hawaiian Housing Block Grants	1.2	0.0	1.2	1.2	0.0	1.2	1.3	0.0	1.3
Native Hawaiian Loan Guarantee	1.2	0.0	1.2	1.2	0.0	1.2	1.3	0.0	1.3
Public Housing Capital Fund	118.6	175.2	293.8	118.1	175.2	293.4	118.2	180.2	298.4
Revitalization of Severely Distressed Public Housing	52.8	20.2	73.1			0.0			0.0
Choice Neighborhoods	0.0	0.0	0.0	52.9	20.2	73.1	57.9	22.2	80.1
Tenant-Based Rental Assistance	260.9	202.2	463.1	260.5	202.2	462.7	267.2	197.5	464.7
Public Housing Operating Fund	212.5	276.3	488.9	211.0	276.3	487.4	214.3	292.6	506.9
Total			1,508.0			1,505.8			1,554.5

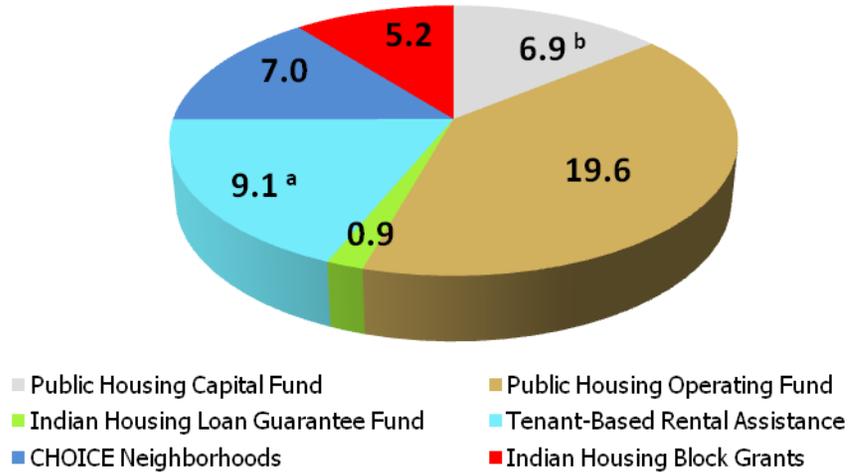
¹ 8.9 FTEs are required for the new Family Self Sufficiency (FSS) Program Coordinators as shown in the program account justification. However, these FTEs will come from personnel who currently work on FSS activities in the Tenant-Based Rental Assistance and Public Housing Capital Fund program accounts.

The charts below illustrate the breakout of the additional 48.7 FTE by priority area, which are discussed further below, and by program account.

Allocation of Additional FY13 48.7 FTE - By Priority Area



Allocation of Additional FY13 48.7 FTE - By Program Account



^a Includes 7.1 existing FTE allocated to the FSS program.
^b Includes 1.8 existing FTE allocated to the FSS program.

Prevention of Homelessness

Homelessness Initiative (Families Homelessness)

In fiscal year 2013, the Department will continue its partnership with the United States Interagency Council on Homelessness and to work on the common goals laid out in the *Opening Doors: Federal Strategic Plan to Prevent and End Homelessness*. In support of that plan, the Department is looking beyond its targeted programs that directly address homelessness to expand opportunities within its traditional rental assistance programs, both Public Housing and Tenant Based Rental Assistance (TBRA), to address the needs of those who are homeless, near homeless or at risk of becoming homeless. This staff intensive effort will receive an additional 7 FTE increase in fiscal year 2013 to provide support for system upgrades and data collection efforts that are currently in the planning stages, development and training on guidance including best practices and program implementation, technical assistance to PHAs to support their work in this area, and robust monitoring to ensure and analyze program effectiveness. PIH will also work with USICH and CPD to organize and conduct stakeholder meetings with PHAs and their continuum of care partners to highlight best practices and successful local initiatives. Staff support will be required for all aspects of these activities, including drafting guidance, developing and administering technical assistance and organizing the logistics and planning of stakeholder meetings.

Veterans Homelessness Initiative (VASH)

In fiscal year 2013 an additional 7 FTE is needed to provide for Field monitoring VASH referral and leasing activity on a regular basis; convening meetings between VA, PHAs, and other local partners; providing technical assistance and monitoring; VASH program compliance; trouble shooting and problem solving when barriers arise, assisting with communication issues between partners; raising issues to HQ when assistance is needed and providing training locally; monthly reporting, monitoring utilization and analyzing trends, providing technical assistance to VA , field staff, and PHAs; preparing training materials; updating the website, developing policy documents, allocating new vouchers; attending meetings with Federal Partners, and supporting VASH related initiatives such as rapid response teams and boot-camps.

In the field offices, VASH work includes monitoring VASH referral and leasing activity on a regular basis; convening meetings between VA, PHAs, and other local partners; providing technical assistance and monitoring; VASH program compliance; trouble shooting and problem solving when barriers arise, assisting with communication issues between partners; raising issues to HQ when assistance is needed; and providing training locally.

The VASH portfolio is a little more than 1 percent of the total number of vouchers currently under lease in the voucher program, yet the program takes up a disproportionate amount of staff time relative to its size. In order for the program to be successful it requires systematic monitoring and consistent follow-up. There is a direct and positive correlation between the level of field office monitoring and involvement in bringing partners together and the success of the VASH program. This monitoring would not be possible without the reports and analysis provided by HQ staff.

Choice Neighborhoods

PIH requires an additional 7 FTE to support the Choice Neighborhoods program. Due to limited resources, the Choice Neighborhoods program has lacked dedicated staff resources to take on the following activities to improve program implementation and outcomes: holding a national conference for the Choice Neighborhood grantees and potential applicants; policy development on overarching policies and protocols for Choice Neighborhoods; robust stakeholder outreach, particularly growing the field of potential multifamily participants; and fuller engagement of philanthropic organizations to support the Choice Neighborhoods program and individual grantees.

These FTE will help meet the need for adequate staffing as the Choice Neighborhood grants begin to come online. These staff are essential for monitoring and providing technical assistance to 30 Planning grants and 5 Implementation grants (not including the Planning and Implementation grants that will be awarded with fiscal year 2012 funds); NOFA writing and administering the Choice competition; procurement; data collection and program improvement; conference planning; policy development; stakeholder/shareholder/philanthropic outreach; and training for Field offices and grantees. Choice Neighborhood grants are complex and incorporate varied partnerships. Choice Neighborhood developments use complex financial arrangements to leverage Federal funding. Staff with advanced financial skill will be paramount for analysis and review of these more complex proposals.

Within the 7 FTE, an increase in field office staff (2 FTE) will play an important role in monitoring, providing expert technical assistance, and data collection from PHAs for Choice Neighborhoods – which, because of the more complex grant proposals it involves compared to HOPE VI – will require more work.

Prevention of Troubled PHAs

PIH has launched the PHA Recovery and Sustainability (PHARS) Initiative, a placed-based approach to recovering troubled and substandard PHAs designated under the Public Housing Assessment System (PHAS) as one of the four priorities for FY 2013. The PHARS team responsible for the development, dissemination and oversight of this initiative is comprised of individuals charged with launching the initiative; training field staff; providing guidance to the field teams; developing a comprehensive tracking tool to measure PHA progress (completely in-house); developing in-house training for PHA boards to address governance concerns at troubled PHAs; enforcing compliance issues as identified; and providing quality control on the entire approach. As of December 2011, 53 PHAs have been assigned regional network-level teams comprised of 3 PIH subject matter experts, and a staff member from Field Policy and Management (FPM) and the Departmental Enforcement Center (DEC) to support the long-term recovery of the PHA and restore local accountability. Additionally, 82 field office-level teams comprised of 3 PIH subject matter experts along with local FPM and DEC staff have been assigned to PHAs. By our estimates, the collective recovery efforts already underway across regions account for 117 FTEs, which accounts for 123 FTEs dedicated to PHARS in PIH, not accounting for management oversight activities in headquarters and the field. An additional 16.3 FTE will be provided to in FY 2013 to support PHARS Teams as they work intensively with troubled portfolios to assess underlying systemic issues causing troubled status and works to create viable and enforceable agreements for recovery and implement action plans that will ensure the sustainability of successful PHA performance. Additionally PHARS teams diligently

engage with the PHA staff to conduct intensive on-site assessments, perform financial analysis, and provide technical assistance.

Field Office Monitoring and Oversight

6.1 FTE is requested to enhance field office monitoring and technical assistance for the Office of Native American Programs. These FTEs will be used to: conduct on sight monitoring visits; track and resolve monitoring and audit findings; process review Indian housing plans; manage and oversee grants; manage the enforcement process; provide training and technical assistance; and perform section 184 loan workload. ONAP field offices have been hit particularly hard with retirements and resignations in FY 2012; these FTE are needed to ensure basic standards of program management and integrity are met.

Jobs-Plus

PIH's requests 5 FTE to support the proposed \$50 million Jobs-Plus Pilot Initiative. The initiative will target all working age residents of public housing by providing competitive grants to partnerships between public housing authorities and the lead organizations in the workforce development system seeking to assist residents in preparing for, finding and maintaining jobs, increasing income, and improving their overall quality of life.

The fiscal year 2013 Non-Personal Services request of \$11.5 million is \$2.7 million higher than the fiscal year 2012 enacted appropriation, but is \$28,000 and \$1.3 million lower than fiscal years 2011 and 2010 actual obligations, respectively. Fiscal year 2012 funding is severely constrained, forcing deep reductions to training and contracts and is well below the need for these resources. As a result, the fiscal year 2013 \$2.7 million increase restores funding to fiscal years 2010 and 2011 levels. Additionally, the fiscal year 2013 request reflects Non-Personal Services costs associated with the additional 49 FTE requested. Non-Personal Services funding supports travel, contract services including training, and the basic office needs of printing, supplies, claims, rent, communications and utilities.

Travel:

One of the major components of this request, \$5.7 million in travel funds is an increase of \$1.7 million from the fiscal year 2012 enacted appropriation, but is equivalent to travel requirements for FY 2010. Travel is critical to PIH's continuation of ongoing operational needs and successful implementation of transformation initiatives. Travel is used for:

- Monitoring PHAs
 - Field staff travel to conduct management reviews, asset management reviews, risk assessment and compliance reviews, and training. GAO-required reviews account for 67 percent of the field travel request. These funds for travel to housing authorities, both urban and rural, combat the Office of Inspector General's (OIG's) criticism of inadequate monitoring of PHAs.

- REAC Inspections
 - REAC staff travels extensively for physical inspections, financial reviews, single-family appraisal reviews, and tenant verification reviews. The inspection/review efforts are critical to the Department's efforts to restore and maintain the integrity in HUD's housing programs.

- Receiverships and Troubled Housing Authorities
 - The oversight and monitoring of Receiverships and Troubled housing authorities requires extensive travel by PIH staff. The repositioning process is time and labor intensive, PIH professionals are on travel status for long periods during the recovery and improvement of the PHA's status. Work by PIH with the Housing Authority of New Orleans and other recovery efforts in the gulf region also falls under this category and requires travel funds.

- ONAP Outreach
 - ONAP staff must travel great distances to TDHEs in order to conduct site visits, provide technical assistance and outreach activities to meet homeownership demands and respond to issues raised during the PART process.

Other Services:

A second major component of the NPS request is \$5.7 million within the Other Services category. These funds provide technical contractor support that promotes efficiencies within PIH programs, including training for staff.

Contracts: As the Department transforms into the 21st century, PIH will require contractor expertise to implement measures to more efficiently manage the PIH workload. Expected limitations on the growth and replacement of staff will require PIH to undergo serious efforts at streamlining program requirements and operations, using technology based work processing systems and measuring, monitoring and managing workload requirements. In FY 2013, PIH's major contract expenses will include funding to perform mandatory Energy Performance Reviews, Independent Real Estate Analysis, and Comprehensive Compliance Monitoring. Additionally, this funding will support processing of PIH Grants, verification of citizenship eligibility for public housing assistance, PHA Plan support, and the Housing Choice Voucher Conversion. Other critical support activities will include Multifamily Rent & Vacancy Data Database, Court Reporting, and Temporary Support Services to Headquarters. These funds are vital to providing necessary expertise and support to achieve these goals. Lack of sufficient resources for these contracts will seriously impair PIH's ability to affectively operate its programs and management its public trust requirement.

Training: The increase in the Other Services request is principally due to the restoration of funding for training to bring funding back in-line with fiscal year 2011 levels. For many years, the Department did not have the resources necessary to provide PIH with adequate funds for training of headquarters and field staff. In fiscal year 2011, a major training initiative was launched to address a backlog of training needs and remedy long-standing skill-gaps and provide productivity enhancement training. Training has been provided in a cost-effective manner, often in groups and at staff locations, to minimize travel costs. Courses have been carefully selected to improve existing staff's skills, with many counting toward completion of certificate programs. A continuation of this level

of training support is vital to PIH for two reasons: (1) with constraints on increases in FTE, existing staff must develop and maintain new skill-sets to perform additional and or newly acquired duties; and (2) with a significant number of PIH staff eligible for retirement and the expected attrition of many supervisors in the near term, staff must be trained in the technical arts as well as leadership skills to maintain a high level of productivity and service of PIH's critical and diverse programs.

Printing and Supplies:

In addition to travel, training and contracts, Non-Personal Services also funds the basic office needs of printing (\$81,000) and supplies (\$100,000) for a total of \$181,000, which is a \$19,000 decrease from fiscal year 2012.



OFFICE OF PUBLIC AND INDIAN HOUSING

