

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
PROGRAM OFFICE SALARIES AND EXPENSES  
COMMUNITY PLANNING AND DEVELOPMENT**

*(\$ in Thousands)*

	<b>FY 2015 Actual</b>	<b>FY 2016 Enacted</b>	<b>FY 2017 Request</b>
<b>Personnel Services</b>	<b>\$98,900</b>	<b>\$101,053</b>	<b>\$102,758</b>
<b>Non-Personnel Services</b>			
Travel	848	900	900
Transportation of Things	3	-	-
Printing	49	15	15
Other services/Contracts	682	2,642	937
Training	171	170	170
Supplies	25	20	20
Claims and Indemnities	10	-	-
Working Capital Fund	-	-	5,459
<b>Non-Personnel Services Subtotal</b>	<b>\$1,788</b>	<b>\$3,747</b>	<b>\$7,501</b>
<b>Grand Total*</b>	<b>\$100,688</b>	<b>\$104,800</b>	<b>\$110,259</b>
<b>Associated FTE</b>	<b>747.0</b>	<b>748.0</b>	<b>748.0</b>

\*These figures exclude disaster/emergency supplemental appropriations.

**Program Area Overview:**

The Office of Community Planning and Development (CPD) manages a wide range of community development, affordable housing, homeless, special needs, disaster recovery, and economic stimulus and mobility programs that support communities, low-income households and others requiring such assistance.

CPD staff workload is primarily driven by the fiduciary and oversight responsibilities with which we are charged and include, among others, the following activities:

- Grant administration;

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- Audit resolution;
- Risk assessment and monitoring to ensure program compliance; and
- Providing technical assistance and customer support.

CPD field office oversight of grantee regulatory compliance and program performance uses the “cross-program” place-based specialist approach where staff is assigned responsibility for overseeing a range of programs – both formula and competitive – in designated geographical areas. This structure provides grantees with a single point of contact, for the most part, and enables CPD to more efficiently manage the broad mix of projects in a typical grantee portfolio, as well as our own staff resources.

Under the “cross-program”, place-based specialist approach, individual CPD field staff performs multiple functions that include, among others, grant administration, risk assessment and monitoring, audit resolution, planning reviews and approval, and technical assistance. The most significant workload driver for CPD is the number of grants (and projects) in CPD’s portfolio. Consequently, it is the number of active grants in CPD’s portfolio that is the most important factor when determining S&E needs – not program funding levels. As long as the number of grants remains the same or increases, the staffing necessary to carry out our fiduciary and oversight responsibilities cannot be reduced without consequences. Since fiscal year 2004, (pre-Katrina, stimulus, and Sandy), CPD’s annual grant portfolio has grown from 9,280 grants to 20,593 grants in fiscal year 2015, an increase of 122 percent. However, FTE resources have decreased by 18 percent over that time. Presently, CPD maintains a ratio of 42.9 grants per field staff person, an increase of 28.3 grants per person compared to 14.6 per person in the fiscal year 2004—up 293 percent.

Approximately \$6 to 7 billion is appropriated each year – on top of a total portfolio of \$57 billion obligated and \$18.2 billion to be expended, including disaster recovery grants and stimulus funds. The ongoing oversight responsibilities for these open grants – 20,593 grants and billions invested in projects, with compliance periods of up to 20 years - will by itself keep CPD field staff fully engaged indefinitely to ensure grant compliance.

In fiscal year 2015, CPD funds directly touched the lives of millions of households and individuals – not including emergency disaster recovery funds – for new housing production, rehabilitation, rental assistance, housing counseling, public services, public improvements, and the creation of 16,328 jobs nationwide. CPD’s produced 30,718 units and funded 251,168 beds and served 353,585 in beds at a point in time. Together, CPD contributed to the reduction of the number of unsheltered homeless by 1.2 percent and by 16 percent for unsheltered persons in families.

To ensure maximum impact of CPD’s funds, CPD is expanding its placed-based delivery model by streamlining CPD’s program funds. In addition, CPD has increased workload requirements and initiatives, which include, but are not limited to: Strong Cities and Strong Communities Initiative (SC2), Rental Assistance Demonstration (RAD), Affirmatively Furthering Fair Housing (AFFH), and the Housing Trust Fund (HTF).

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### **Requested Level and Justification**

In fiscal year 2017, the Office of Community Planning and Development (CPD) requests \$110,259K; this amount represents an increase of \$5,459K from fiscal year 2016 enacted.

- Personnel Services: CPD is requesting \$102,758K and 748.0. This represents an increase of \$1,705K from fiscal year 2016 enacted, reflecting the increased cost of salaries and benefits.
- Non-Personnel Services (NPS): CPD is requesting \$7,501K. This represents an increase of \$3,754K from fiscal year 2016 enacted. The changes to the NPS accounts are described below:
  - Other Services decreased \$1,705K primarily due to reductions in CPD's largest contract, the Data Analysis contract. In fiscal year 2017, CPD will utilize Research and Technology (R&T) funds to fund the Data Analysis contract.
  - Travel, training, printing, and supplies remained constant.
  - Request includes \$5,459K to pay working capital fund fees for shared services, and other investments determined by the Secretary.

CPD has significant on-going core workload responsibilities relating to grant administration. The most significant workload driver for CPD is the number of grants (and projects) in CPD's portfolio. Overall, CPD workload grant portfolio has increased steadily. CPD's current portfolio of open grants is 205,252. CPD is requesting 748.0 FTE to support core areas such relating to Grants Management, Special Needs Assistance Programs, Field Management, as well as Department-wide priorities relating to Strong Cities and Strong Communities Initiative (SC2), Rental Assistance Demonstration (RAD), Affirmatively Furthering Fair Housing (AFFH), and the Housing Trust Fund (HTF).

Beyond CPD's core grant workload, the FTE will be needed to do the following:

- Manage the National Disaster Resilience Grants;
- Manage supplemental grants and appropriations relating to disasters;
- Train and provide customer support to grantees on important Departmental initiatives;
- Implement new regulations for HOME and HEARTH that requires an extensive training program for grantees to be developed and delivered over the next several years; and
- Manage the cross-cutting program functions of Environmental and Relocation for the entire Department.

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For Monitoring, CPD currently monitors only 7 percent of its grantees in its portfolio. CPD will leverage its FTE resources in fiscal year 2017 for grant compliance by:

- Increased technical assistance and training; and
- Greater leverage on remote monitoring and technology.

For Audits, CPD has a significant backlog of open audit recommendations that CPD will dedicate staff to continue the progress of fiscal year 2016 to reduce the backlog.

For Disaster Recovery and Special Issues, CPD is dedicating staff to assist with the backlog and on-going workload relating disaster recovery, particularly relating to closeout, audits, and disaster resilience.

Cross Cutting Initiatives:

For SC2, CPD will allocate 4.0 FTE to provide resources to strengthen local capacity and spark economic growth in local communities, while ensuring taxpayer dollars are used wisely and efficiently.

- Provide training and technical support to stakeholders; and
- Work closely with local government and assist with efforts to build on local assets, strengthen regional economies, develop transportation infrastructure, improve job-training programs, and support community revitalization.

For RAD, CPD will allocate 13.0 FTE to provide resources to support the Departmental responsibility to ensure that all applicable HUD programs are compliance. The FTE will primarily be for:

- Conducting compliance review of documents and relocation plans;
- Monitoring, training, and/or providing technical assistance for HUD staff and grantees; and
- Responding to public inquiries and complaints from persons displaced in connection with HUD programs and projects.

For AFFH, CPD will allocate 8.0 FTE to ensure successful implementation of the AFFH rule by:

- Providing extensive upfront guidance, training, and technical assistance;
- Monitoring;
- Reviewing of submissions and provision of feedback; and
- Evaluating progress and effectiveness.

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**Full-time Equivalents**

<b>Staffing</b>	<b>FY 2015 FTE</b>	<b>FY 2016 FTE (Est)</b>	<b>FY 2017 FTE (Est)</b>
PDAS Immediate Office	26	26	26
DAS for Grant Programs	120	119	119
DAS for Special Needs	40	40	40
DAS for Economic Development	9	9	9
DAS for Operations	78	77	76
Office of Field Management (43 Field Offices)	474	477	478
<b>Total</b>	<b>747.0</b>	<b>748.0</b>	<b>748.0</b>

**Key Operational Initiatives**

In fiscal year 2017, CPD is proposing major changes and streamlining processes to increase efficiency of operational funding in all of our programs. The below are system improvements to be made in fiscal year 2017 funded by working fund dollars.

**Grants Management System Consolidation**

In an effort to enhance grants management, HUD will develop an enterprise grants management solution that reaches across multiple program areas by analyzing common business processes, leveraging mature technologies, and reducing duplicative and redundant systems to decrease costs and infrastructure complexity. This will involve enhancing internal controls and improve management integrity by separating the program policy duties and responsibilities from grantee selection duties. It also improves management efficiencies by streamlining procedures, facilitating implementation of best practices, and improving internal controls. This move to centralize grants management aligns with the HUD Target Enterprise Architecture. This investment will also help address audit findings and mitigate future audit risk, support analysis of grant programs and finances, and facilitate proactive, data-driven management decisions.

**HUD Environment Review Online System (HEROS) Improvements for system use across all Agency programs**

This project is to address Office of Inspector General (OIG) audits and correct findings and to make enhancements to the HUD Environmental Review Online System (HEROS) required to automate all Environmental Review Records (ERR) for HUD. These needs originate from OIG Audits of HUD’s Environmental Review process; requirements to effectively automate PIH and Housing Responsible Entities (REs); and opportunities to expand capabilities identified during the pilot period by CPD REs.

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Specifically, HUD will modify HEROS to:

- Respond to OIG audit including enhance User Roles and enhancements for Housing and PIH;
- Deliver system updates required by changes to Policy/Guidance/Regulation;
- Implement a Central Library function to economize file storage;
- Deliver enhancements identified by HEROS Pilot Users; and
- Implement centralized Energy Efficiency Reporting.