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

(Dollars in Thousands)

	FY 2016 Actuals	FY 2017 Annualized CR	FY 2018 President's Budget
Personnel Services	**$100,290**	**$102,569**	**$101,333**
Non-Personnel Services			
Travel	950	858	800
Printing	3	15	5
Other services/Contracts	2,031	969	743
Training	192	170	100
Supplies	14	20	8
Non-Personnel Services Subtotal	**$3,190**	**$2,032**	**$1,656**
Working Capital Fund (WCF)	-	-	$4,565
Grand Total	**$103,480**	**$104,601**	**$107,554**
Associated FTE	**746.4**	**728.8**	**702.8**

1. Program Purpose and Fiscal Year 2018 Budget 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 assistance.

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

- Grant administration;
- Audit resolution;
- Risk assessment and monitoring to ensure program compliance;
- Environmental Review and Mediation; and
- Providing technical assistance and customer support.

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To oversee compliance and program performance, CPD uses the "cross-program" place-based specialist approach. Staff are assigned responsibility for overseeing a range of programs – both formula and competitive – in designated geographical areas. Grantees are issued a single point of contact, which enables CPD to efficiently manage the broad mix of projects found in a typical grantee portfolio.

Under the "cross-program" place-based specialist approach, individual CPD field staff perform grant administration, risk assessment and monitoring, audit resolution, planning review and approval, and technical assistance. The most significant workload drivers and the most important factors when determining salary and expense (S&E) needs, are the numbers of active grants (and projects) in CPD's portfolio, and the ongoing oversight responsibility for tens of billions of dollars of completed projects. CPD staff work to prevent or eliminate instances of waste, fraud and abuse, and the request assumes efficiencies in program administration across HUD, to support this work within requested funding levels. Since fiscal year 2004, (pre-Katrina, Recovery Act, and Sandy), CPD's annual grant portfolio has grown from 9,280 grants to 37,216 grants currently, an increase of 400 percent while staffing levels have decreased by 20 percent.

Approximately $6 to $7 billion has been appropriated each year – on top of a total portfolio of $65.7 billion previously obligated and $22.7 billion yet to be expended for multi-year projects, including disaster recovery grants and Recovery Act stimulus funds. The ongoing oversight responsibilities for these open grants – 37,216 grants and billions invested in projects, with compliance periods of up to 20 years - will by itself keep CPD field staff fully engaged for years to ensure grant compliance.

The fiscal year 2018 President's Budget of $107,554K is $2,953K more than the fiscal year 2017 Annualized CR level. This total includes $4,565K for CPD's allocation towards the Working Capital Fund (WCF).

Personnel Services (PS):   CPD is requesting $101,333K to support 702.8 FTE. This represents a decrease of $1,236K and 26.0 FTE from the fiscal year 2017 Annualized CR level. CPD intends to achieve this reduction of staffing through attrition.

CPD has significant on-going core workload responsibilities relating to grant administration. Its most significant workload drivers are the numbers of grants (and projects) in CPD's portfolio. Historically, CPD's workload grant portfolio has increased steadily. CPD's current portfolio of open grants is 37,216. CPD is requesting 702.8 FTE to support core areas relating to Grants Management, Special Needs Assistance Programs, Field Management, as well as, HUD-wide priorities. 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 HUD initiatives; and
- Manage the cross-cutting program functions of Environment, Relocation, and Technical Assistance for the entire Department.

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Non-Personnel Services (NPS):   CPD is requesting $1,656K. The changes to the NPS accounts are described below.
- o   To preserve the maximum personnel services levels possible, CPD is reducing NPS in travel, printing, other services/contracts, training, and supplies.
- o   Other services decreased by $226K, primarily due to reductions in CPD's largest contract, the Data Analysis contract.
- o   Training is decreased by $70K. CPD will use in-house training resources and intragovernmental partnerships to provide professional training.
- o   Travel decreased by $58K as CPD will leverage technology such as remote monitoring, when applicable.
- o   Supplies decreased by $12K and printing by $10K.

Working Capital Fund (WCF): The request includes $4,565K to pay for working capital fund fees for shared services, and other investments determined by the Secretary.
Programmatic Goals:

- Reducing Homelessness: CPD is leading the efforts of reducing homelessness nationwide by providing a variety of service and housing interventions, including homelessness prevention, emergency shelter, rapid re-housing, transitional housing, and permanent supportive housing.

- Monitoring: CPD currently monitors only 7 percent of its grantees in its portfolio each year. CPD will leverage its fiscal year 2018 FTE resources for grant compliance by providing technical assistance and training and greater leverage on remote monitoring and technology.

- Audits: CPD has a significant backlog of open audit recommendations that CPD will dedicate staff to continue the progress achieved in fiscal year 2017 to further reduce this backlog.

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

- Environmental Review and Remediation: CPD is in the forefront of assessing the environmental risk of current and future HUD-funded projects and identifying solutions for remediation when risk are found.

- Rental Assistance Demonstration (RAD): CPD will provide resources to support HUD's responsibility to ensure that all applicable HUD programs are in compliance with laws and regulations. Staff supporting RAD 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.

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2. Full-time Equivalents

Full-time Equivalents

Staffing	FY 2016 FTE	FY 2017 FTE (Est)	FY 2018 FTE (Est)
Assistant Secretary	8.0	7.0	7.0
DAS for Grant Programs	109.0	106.0	102.0
DAS for Special Needs	50.0	49.0	48.0
DAS for Economic Development	27.0	26.0	25.0
DAS for Operations	75.0	74.0	71.0
Office of Field Management (43 Field Offices)	477.4	466.8	449.8
Total	746.4	728.8	702.8

3. Key Operational Initiatives

In fiscal year 2018, CPD will continue to streamline processes and leverage technology to increase efficiency of operational funding in all our programs.

- Continuum of Care (CoC) Program Competition Re-Imagining Process: The goal of this continuous improvement process is to make the CoC Program competition less time-consuming, enabling HUD to distribute funds more quickly such that both HUD and communities can spend more time focusing on ending homelessness. Several changes have been identified that will make the fiscal year 2018 CoC Program Competition process simpler, shorter, clearer, uniform, and automated.

- Grants Management System Consolidation: The fiscal year 2018 request will focus on modernizing the CoC Homeless Assistance Grant programs. The CoC program has used the current Electronic Special Needs Assistance Programs System (e-snaps) for nearly ten years. E-snaps is aging and has limited capability for automating the online intake, review, award, and reporting for the 8,500 annual applications. The execution of grants management function will enable HUD to more effectively administer CPD's Homeless Assistance Grants program and service communities nationwide.

- Place based Operation Model: CPD has a long history of supporting place-based work and partnering with the communities that we service. CPD has launched a new place-based operation model to enable HUD staff to work collaboratively with each

other and interagency partnerships to support communities. It establishes three new field staffing functions: Community Capacity Liaison (CCL), Regional Community Resources Coordinators (RCRCs), and Data Support Analyst (DSA). It has several key elements such as: training HUD staff in place-based community-focused work; formalizing a collaborative field staffing framework in direct support of communities; establishing a network of subject - matter experts; and encouraging the use of integrated tools that deliver timely information.

These initiatives allow HUD staff to serve as the project lead for specific community engagements, provide leadership on innovation and problem solving around joint goals, and provide data analysis and expertise to assist community partnerships. Ultimately, CPD will provide a greater level of customer service and collaboration with the communities in support, while using HUD's existing staff and resources.