

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Program Offices Salaries and Expenses

Office of Public and Indian Housing

SALARIES AND EXPENSES

(Dollars in Thousands)

	2020*	2021			2022		
	Actuals	Carryover	Enacted	Total	Carryover	President's Budget	Total
Personnel Services	\$200,325	\$975	\$219,515	\$220,490	-	\$252,741	\$252,741
Non-Personnel Services							
Travel	1,173	-	730	730	-	1,968	1,968
Transportation of Things	24	-	10	10	-	14	14
Rent and Utilities	4	-	-	-	-	5	5
Printing	7	-	10	10	-	13	13
Other Services/Contracts	5,123	6,216	10,694	16,910	-	6,952	6,952
Training	1,125	-	1,527	1,527	-	1,679	1,679
Supplies	32	-	75	75	-	75	75
Furniture and Equipment	454	-	-	-	-	46	46
Claims and Indemnities	40	-	10	10	-	10	10
Total, Non-Personnel Services	\$7,982	\$6,216	\$13,056	\$19,272	-	\$10,762	\$10,762
Working Capital Fund	9,500	9,975		9,975	10,485	2,912	13,397
Carryover	17,166	-	10,485	10,485	-	2,485	2,485
Grand Total	\$234,973	\$17,166	\$243,056	\$260,222	\$10,485	\$268,900	\$279,385
FTEs	1,238	6	1,307	1,312	-	1,448	1,448

*Includes 2019 Carryover.

PROGRAM PURPOSE

The central mission of the Office of Public and Indian Housing (PIH) is to provide nearly 3.3 million of the country’s most vulnerable households a safe, decent and affordable place to call home, while simultaneously supporting the President’s priorities to: strengthen and broaden the Federal housing safety net for people in need; advance housing equity as a means to improving housing choices and greater economic opportunity; strengthen HUD’s internal institutional capacity to deliver on mission; increase the production of and access to affordable housing; and promote climate resiliency, environmental justice, and energy efficiency across the housing sector.¹

PIH currently partners with more than 3,700 Public Housing Agencies (PHAs) and Tribally Designated Housing Entities (TDHEs) serving 592 tribes, to: increase capacity; administer, operate, and modernize their housing inventories; effectively manage their physical assets and financial resources; and facilitate programs that provide supportive services to improve tenant outcomes and

¹ Includes Tenant-Based Rental Assistance (2.3 million), Public Housing (880 thousand), and Office of Native American Programs (150 thousand).

create strong, sustainable, energy efficient, inclusive communities and quality affordable homes for all.

HUD's mission is critical to achieving the President's vision to ensure that we build back better from the public health and economic challenges and address longstanding systemic challenges, including racial injustice, rising inequality, and the climate crisis. HUD's work is essential to improving the quality of life of the American people, and this investment in PIH's salaries and expenses will assist in ensuring that work is able to be done.

BUDGET OVERVIEW

The 2022 President's Budget requests \$268.9 million for PIH's salaries and expenses, \$25.8 million more than the 2021 enacted level. The Budget reflects total funding (carryover and new authority) of \$279.4 million, \$19.2 million above 2021 total funding. PIH is focusing salaries and expenses on maximizing the Administration's commitments to improving the quality, safety, and accessibility of affordable housing for low-income residents and strengthen HUD's internal institutional capacity to deliver on mission. In line with these priorities, the 2022 funding levels will enable PIH to fill vacant positions, increasing the number of employees on-board to 1,500 by the end of 2022, thereby greatly enhancing capacity to successfully accomplish PIH's mission.

Personnel Services (PS)

The Budget assumes total funding of \$252.7 million for PIH's PS, \$32.2 million above 2021 total funding. This funding will support 1,448 full-time equivalents (FTEs), 136 FTEs above 2021. This Budget will enable PIH to have approximately the same staffing level PIH had in 2012. This staffing level is necessary to properly administer the recently Congressionally enacted programs as well as the new programs associated with the 2022 President's Budget. To recover from a decade-long decline in staffing, PIH began implementing hiring initiatives such as special hiring authorities, recruiting strategies, improving job announcements, implementing aggressive follow-up strategies with the Office of the Chief Human Capital Officer, the Bureau of the Fiscal Service, and hiring managers. In addition, PIH instituted and enforced accountability techniques into the timelines to ensure the selection of the right candidates were made expeditiously. In 2020, for the first time since 2012, PIH was able to end the year with more employees onboard than we began. PIH projects to do the same in 2021. The additional requested funds are needed in order for PIH to carry out its mission in 2022.

The additional 136 FTEs are required at Headquarters, the 46 field offices, and eight Native American program field offices. Additional FTEs are required to support new emergency housing funding and programs authorized by the Coronavirus Aid, Relief, and Economic Security Act, (CARES Act) of 2020 and American Rescue Plan Act (ARP Act) of 2021. PIH's pandemic response will continue in 2022 with the execution, administration, oversight, and financial reporting of approximately \$8 billion in funding. In addition to pandemic response, the expanded workforce will provide each of PIH's program offices increased capacity to ensure PIH properly meets the Administration's priorities, as follows:

The Office of Field Operations (OFO): OFO supports the Administration's priorities by monitoring and providing technical assistance and guidance to approximately 3,700 PHAs. Local OFO employees are the first point of contact for PHAs, residents, political officials, state and local government officials, and community stakeholders. As the focal point for field oversight and resource management, OFO's current staff is spread across headquarters and 44 field offices. OFO will have many new areas of responsibilities in 2022 to support the Administrations priorities as well as PIH's priority to house as many families as possible with existing resources. New field office oversight and monitoring activities include: the Housing Choice Voucher (HCV) services program designed to

reduce the instances of extreme poverty for families with children; the Mobility Demonstration that will be awarded to nine sites and provide mobility services to approximately 10,000 families under a rigorous research methodology; and providing technical assistance, training and policy implementation guidance to PHAs administering these new initiatives and programs. In addition, OFO requires additional FTEs in 2022 to carry out its existing responsibilities, such as: provide oversight and monitoring that is designed to improve PHA performance and enhance the quality of public housing; partner with PHAs to evaluate occupancy challenges and implement mitigation strategies to reduce long-term vacancies: increase Housing Choice Voucher utilization and public housing occupancy to directly aid in PIH's goal to house more families; assist PHA with disaster management and recovery; and manage and oversee the shortfall prevention, recovery, and transformation of troubled and substandard PHAs faced with receiverships, monitorships, default, financial insolvency, and substandard housing. OFO is also responsible for providing technical assistance, guidance, monitoring, and oversight of the CARES Act waivers and ensuring PHAs are using funds appropriately. The pandemic response and recovery have increased workload and additional staff will ensure families continue to have access to safe, decent, and affordable housing. By expanding the workforce, OFO will increase HCV leasing, increase public housing occupancy, assist PHAs with disaster recovery, improve PHA performance, and be able to put additional focus on those PHAs considered to be troubled, substandard or at high risk.

The Office of Native American Programs (ONAP): ONAP supports the Administration's immediate priorities, to respond to the COVID-19 pandemic, climate change, racial equity, and economic development. ONAP traditionally oversees nearly \$1 billion annually in existing grants and loan operations specifically targeted to support Native Americans by increasing the supply of safe, decent, and affordable housing for Native American families and by strengthening communities by creating economic opportunities for Tribes and Indian housing residents. Since the onset of the pandemic an additional \$1 billion has been administered through ONAP. ONAP has staff dispersed across eight field locations to support nearly 600 Native American Tribes. While the number of programs and funding amounts have increase over time, staffing resources for ONAP have actually decreased. ONAP now administers 18 grant and loan programs. ONAP requires additional FTEs to support on-going operations for existing programs to avoid risk of mission failure and to support expanded Congressional mandates. In addition, in 2022, ONAP has initiatives in both the grant and loan programs that are essential to advancing the Administration's priorities for Native Americans and improving inequities. To support the CARES Act, ONAP: administers \$200 million in the Indian Housing Block Grant CARES Act funding to support the most impacted Tribal communities with multifactorial underlying disadvantages; administers \$100 million for the Indian Community Development Block Grant (ICDBG) CARES Act awards to support economic recovery and imminent threat. To support the ARP Act, ONAP developed methods to equitably and non-competitively award \$280 million in ICDBG Imminent Threat (IT) funding to prevent, prepare for, and respond to coronavirus; allocated \$450 million in Indian Housing Block Grant (IHBG) ARP funding to support the most impacted Tribal communities with multiple underlying disadvantages; administered \$5 million in Native Hawaiian Homelands Block Grant program funding to support Native Hawaiian housing efforts; and implemented \$10 million in ARP funding for training and technical assistance to support Tribal grantees in applying their funding through self-determination. To support government-wide and agency-wide efforts, ONAP leads HUD's effort on implementing the Presidential memorandum on Tribal Consultation and Strengthening Nation to Nation Relationships, including developing HUD's action plan, exploring the development of the Tribal Intergovernmental Advisory Committee (TIAC), updating HUD's Tribal consultation policy and providing leadership and guidance on the agency Tribal consultation events; assisting the Department of Treasury with Tribal policy matters in the issuance of \$800 million for the Emergency Rental Assistance Program (ERAP), assisting with the administration of ERAP Training and Technical Assistance funds, and issuing HUD frequently asked questions; providing technical support to the Department of Treasury on Tribal matters regarding the \$8 billion Coronavirus Relief Fund to Tribes; assisting with the \$20 billion second round of Department of Treasury funding for Tribes; supporting the Department of Treasury with \$500 million for the Homeowners Assistance

Fund on Tribal matters in which ONAP's IHBG formula will award the funding. ONAP handles several internal initiatives and efforts that require additional staffing to maintain and address modernizing the grant and loan systems to maintain efficient operations; enhancing ONAP's interactions with and monitoring of grantees and lenders; supporting increased demand for homeownership for loan programs to improve the homeownership on Tribal lands; and addressing a backlog in workload due to the pandemic and historic understaffing, such as monitoring, waivers for report submissions, audits, financial forms, and loan endorsements. Increasing ONAP's FTEs will provide effective oversight of the programs by supporting their communities, improving their living conditions, creating economic opportunities, and promoting climate resiliency and energy efficiencies. Providing additional FTEs to ONAP means broader support of agency and government-wide initiatives. This will strengthen and broaden the Federal housing safety net for people in need. Without the requested FTEs, ONAP's monitoring capacity cannot meet statutory and regulatory requirements, or the PIH mission. With the requested FTE resources, ONAP will ensure that PIH can deliver on the President's promise of increased housing in Indian Country.

The Office of Public Housing Investment (OPHI): OPHI's requirement for additional FTEs in 2022 is essential to meeting mission-critical objectives. Over the past several years and extending into 2022, this office has experienced a substantial increase in workload with minimal additional staff. The areas of focus for OPHI are: (1) facilitating and approving real estate development transactions that expand and improve the quality of HUD-assisted and affordable housing nationwide; (2) administering new grant programs that address lead-based paint and other health hazards as well as expanded supportive services grants for residents; and (3) administering programs that enhance the ability for local communities to expand and improve affordable housing through the Moving to Work (MTW) Demonstration Program. All of these program areas have experienced significant portfolio expansion in the past several years. Without the addition of new staff, OPHI will not be equipped to effectively manage the substantial increase in grant funding programs, monitor grantee fiscal compliance, and track obligations and expenditures of grantees, while at the same time continuing to facilitate the expansion and preservation of affordable housing through public housing repositioning, Mixed-Finance and Choice Neighborhood transactions, and the MTW Program. Nationwide competitions for grant funding administered by this office have nearly doubled in number over the last few years, with no commensurate increase in staffing. Without additional staff, there is significant risk in OPHI's ability to: deliver timely and effective execution of Congressional appropriations; best serve the public in a time of severe need during this pandemic; and meet the Administration's ambitious goals for addressing climate change, expanding the supply and quality of affordable housing, and expanding the potential for all residents to improve their quality of life. OPHI needs additional FTEs to adequately manage the increased responsibilities and workload, resulting from: increased workload to review funding applications; the requirement to provide new guidance to grantees; and a critical and growing need for adequate monitoring and oversight of grants throughout their lifespan. The Congressionally mandated expansion of the MTW Demonstration Program will increase the size of the program portfolio by more than 250 percent with 100 agencies being added to the original 39.

Without additional staff supporting the MTW program, there is significant risk that OPHI will be unable to properly implement and oversee the expansion, while MTW agencies implement innovative policies that go beyond the traditional limitations of the public housing and voucher programs. In addition, more OPHI staff are needed to develop, implement, and administer new programs that support the Administration's agenda to promote climate resiliency, environmental justice, energy efficiency and address the COVID-19 pandemic across the housing sector. With additional FTEs, OPHI will be able to provide expanded training to grantees, incorporating extensive "hands-on" grants management and technical assistance leading to successful projects resulting in construction of affordable housing with more of an impact on targeted neighborhoods, housing, and residents. Without the requested additional staff, Congressionally imposed time limits on the expenditure of funds could be missed, negatively impacting program execution, resulting in reductions in available housing options for those most in need, and a failure to meet Departmental goals.

The Office of Public Housing Voucher Program (OPHVP): OPHVP supports the Administration's priority to strengthen and broaden the Federal housing safety net for people in need. OPHVP administers the HCV Program and is also responsible for the development and management of public housing policy (including energy policy and programs) and the public housing operating funding. Altogether, OPHVP manages a \$30 billion portfolio between public housing and HCV program and is responsible for distributing over \$3 billion per month to PHAs to ensure over 3.5 million families are housed in decent, safe and affordable units. For 2022, OPHVP has a number of new initiatives in both the HCV and public housing program that are imperative to advancing the Administration's priorities. The OPHVP is developing the allocation formula and awarding 200,000 housing choice vouchers to families across the country; creating a HCV services program of \$531 million designed to lift 151,000 families with children out of extreme poverty; implementing the new legislative provisions in the Fostering Stable Housing Opportunities Act for foster youth aging out of foster care; and implementing the first year of the Mobility Services Demonstration that will be awarded to nine sites and provide mobility services to approximately 10,000 families under a rigorous research methodology. For the Public Housing program, additional FTEs are required to implement Secretarial priorities in 2022 as follows: implement expanded and new energy efficiency initiatives around Energy Performance Contracts, Rate Reduction Incentives, Utilities benchmarking, and the Frozen Rolling base implementation for small PHAs and climate resiliency work; and implement cash management improvements to the public housing operating fund that allows for better financial oversight and compliance with accounts closing requirements, improved accounting of pensions, liabilities, and program funds, as well as debt repayments, shortfalls and quality control efforts. OPHVP is also responsible for implementing CARES Act waivers and policies including financial management accountability and controls as well as the ARP Act legislation that provides \$5 billion for 70,000 vouchers that will be dedicated to homeless families and domestic violence providers. The pandemic and the recovery phase of the pandemic requires additional staffing to be able to effectively respond to the needs of the programs. OPHVP also requires staffing to continue to develop and implement major systems (Enterprise Voucher Management System) for HCV and the Operating Fund Portal for public housing and to finalize and implement major regulatory initiatives that will fundamentally change the programs in 2022 such as the Housing Opportunities Through Modernization Act final rule(s) on income, assets, Housing Quality Standards and project-based vouchers.

The Office of Operations (OPS): Prior to the establishment of OPS in 2020, PIH experienced reduced services that affected the ability to execute funds swiftly, hire new employees, and address internal control issues properly. OPS brought together multiple functions under one office, streamlined processes, and instituted procedures to address the capability gaps that hindered productivity, customer satisfaction, and employee morale within PIH. However, in order to strengthen HUD's internal institutional capacity to deliver on mission, OPS requires additional staff to provide increased operational support to PIH's six program offices in achieving the Administration's priorities. By providing the foundational support functions of budget and financial management, funds control and execution, oversight, procurement, human resource and performance management, OPS reinforces PIH and HUD's commitment to increase the production of and access to affordable housing for low-income families. OPS has the responsibility of executing PIH's \$40.7 billion budget which is an increase of over 30 percent from the previous year. This increase of funding stemming from Congressional and Presidential initiatives, CARES Act and ARP funding requires additional personnel to perform budget execution. Even though OPS has made improvements to strengthen PIH's controls over operations and financial reporting, cash management, debt collection, audit remediation, resolution, and reviews, more needs to be done. In addition, OPS is responsible for the oversight of approximately 1,300 employees, while projecting to hire an additional 200 which requires increased on-boarding needs and hiring actions involving validating the need, position classification, job analysis, succession planning, and retention initiatives for all of PIH. OPS is responsible for PIH's contract management, cooperative agreements, data analysis and reporting, evaluation and assessment, technical assistance oversight, reverse auction program, indirect cost rate analysis, PIH training, and professional development programs. The increased demand for

contract services has placed a strain on OPS's ability to communicate proper procedures for performance work statement development, cost estimates, and market research techniques in a timely manner. The additional personnel will provide the necessary expert advice and guidance to program offices to expedite procurements, contracts, technical assistance inquiries, and reduce processing time. With the expanded mission comes increased stressors and employee accountability concerns. An expanded OPS staff is necessary to deter instances of employee grievances by providing oversight, governance, and advisory services for employees and supervisors, Equal Employment Opportunity and Discrimination training for supervisors and managers. The added staff will develop and conduct proactive trainings with the objective of avoiding future litigation and provide oversight of settlement and litigation expenses to reduce the costs associated with these actions. An increase in staff will reduce the burden placed on managers to either require employees to work longer hours or leave some functions unfinished which opposes PIH's servicing model to elevate excellence and optimize results. The impact of the increased workload has stressed the OPS workforce and without additional staff, productivity, timeliness, and customer service will suffer.

Non-Personnel Services (NPS)

The Budget assumes total funding of \$10.8 million for PIH's NPS, \$8.5 million below 2021 total funding. The decreased funding level in NPS is the result of refocusing PIH's dependency on contract services and moving towards maximizing resources to fund increasing FTEs to support the Administration's housing goals. The requested NPS will allow PIH to obtain and develop training to improve staff knowledge and efficiency to meet the ever-changing programmatic challenges facing PIH. The funding will support human capital development and resources to strengthen management and communication of program metrics and goals. Additionally, the funding will procure contract services for program management support for effective workforce and succession planning strategies and measures. We plan to address issues such as workforce environmental concerns, workforce forecasting, and the opportunity to better utilize existing recruitment and retention strategies. This will be specifically aimed to help PIH fundamentally retool organizational functions to improve customer service and reduce operational costs. In addition, the requested NPS will ensure PIH meets the Administration's priorities in the following ways:

- **OFO**: Funding request for OFO procurement actions will support specific activities associated with PHAs in receivership as well as troubled and high-risk PHAs. Contract support is needed to provide staff to serve in a variety of positions including as a HUD assigned Recovery Administrator, key management positions, and other PHA positions to accomplish tasks and activities associated with chronic performance issues. For receivership, troubled and high-risk PHAs, services will include activities such as property/asset management, functions associated with occupancy and unit turnaround, maintenance and modernization, capital planning, financial management, procurement, resident services, and tenant file management. Contract support will help to ensure PHA's are meeting intended goals and decrease the amount of time a PHA is in receivership, troubled or substandard status.
- **ONAP**: Funding requested for ONAP procurement actions will support review of grantee audits and review of Indian Housing Block Grant Program applications to support the timely award of grant funding.
- **OPHI**: OPHI requests funding for contractual support for consulting services in the following areas: (1) strategic and management business process improvements for OPHI grant programs; and (2) data analytics and tracking and improvements to existing data management tools. Such stable of consulting services can assist OPHI and its stakeholders to address challenges experienced in the Choice Neighborhoods, Resident Opportunities and Self-Sufficiency (ROSS), Family Self Sufficiency (FSS), Jobs Plus and Capital Fund programs, especially since the onset of the COVID-19 pandemic. The services may be used to

develop best practices for service coordination, case coaching, integration of financial literacy and empowerment, and how to implement a trauma-informed approach, specifically for self-sufficiency related efforts in the Jobs Plus, Choice Neighborhoods, ROSS and FSS programs. Contract support is also needed for data analytics and improvements to existing data management tools.

- **OPHVP:** Funding request for OPHVP procurement actions will support specific activities including: additional in-depth technical assistance to PHA partners; improvements and support in the review of Energy Performance Contracting (EPC) and Small Rural Frozen Rolling Base (SR-FRB) applications; oversight and monitoring in support of the President's climate resiliency goals; furthering projects that focus on automating cash and change management for public housing and HCV programs, including eVMS and the new Operating Fund Web Portal; assistance with the collection and calculation of 13,000 submissions to PIH for the Operating Fund eligibility for each public housing development (two excel forms for each of the 6,500 developments); insurance support and project expense levels appeal reviews; comprehensive training to HUD staff for the implementation of HOTMA Income and Asset calculations, Operating Fund Web Portal and eVMS, and implementation of processes and systems that allow for ease of information sharing and communications with PIH's customers and stakeholders.
- **REAC:** While REAC principally conducts performance and risk assessments of the public housing and multifamily programs, the organization also supports other areas of PIH for which funding from the financial and physical assessment set-aside cannot be used. The funding request for REAC procurement actions supports specific activities including: implementation of physical condition standards and inspections for 2.4 million voucher units under the National Standards for the Inspection of Real Estate – Voucher (NSPIRE-V) effort; associated hardware in support of the Secretary's goals to improve the physical condition of HUD-assisted units; and a human capital assessment of REAC to inform a reorganization of REAC. Contract support is needed for project and performance management services for two dozen projects spanning multiple business improvements and seven PIH IT modernization efforts including Inventory Management System-Public Housing Information Center (IMS-PIC) modernization, which collects and validates data essential to the calculation of more than \$30 billion in subsidy for the HCV and public housing formula programs. Supplemental IMS-PIC data analysis is essential to the calculation of approximately \$5 billion in operating funds and other PIH functions including enterprise income verification efforts.

Working Capital Fund (WCF)

The Budget assumes total funding of \$13.4 million for PIH's contribution to the WCF, \$3.4 million above 2021 total funding. The increase is primarily attributable to the addition of end-user IT devices and wireless support into the WCF.

KEY OPERATIONAL INITIATIVES

By providing necessary personnel and non-personnel supportive resources, PIH's Salaries and Expenses (S&E) Budget supports the Administration's agenda to:

- Strengthen and broaden the Federal housing safety net for people in need.
- Advance housing equity as a means to improving housing choices and greater economic opportunity.
- Strengthen HUD's internal institutional capacity to deliver on mission.
- Increase the production of and access to affordable housing.

- Promote climate resiliency, environmental justice, and energy efficiency across the housing sector.

Specifically, in 2022, PIH's S&E enables PIH to deliver on its core mission, essential functions, existing programs, and new initiatives:

Ensure that the families we serve have access to opportunities and supports:

- Expand resident support services programs, including ROSS, FSS, and Jobs Plus
- Operate ROSS in Indian territory
- Implement the rule changes to the Family Self Sufficiency Program
- Expand the voucher program
- Operate programs to end homelessness
- Respond to tenant complaints, including OIG hotline and public inquiries
- Respond to the pandemic through TA, FAQs, waiver guidance, PHA calls
- Implement the Section 184 Indian Home Loan Guarantee Program for Professionals

Execute PIH's programs to house and support families:

- Fully implement cash management provisions
- Address audit findings, compliance issues, and internal controls
- Process and review waiver requests
- Implement the Housing Opportunity through Modernization Act (HOTMA) and the Economic Growth Act
- Operate the HUD-VASH Program
- Operate the Tribal HUD-VASH program
- Streamline environmental reviews in Indian country on housing and housing-related infrastructure projects across the Federal Government
- Address PHAs in receivership, troubled PHAs, and those trending toward an insolvent financial position
- Create financial strategies/plans designed to put PHAs on a solid financial footing
- Implement, monitor, and oversee of CARES Act and ARP Act
- Implement new Climate Resilience Initiatives

Ensure that families have safe, long-term affordable housing:

- Implement Moving to Work Expansion
- Expand Choice Neighborhoods
- Monitor HUD's Lead Safe Housing Rule
- Address mold and peeling paint
- Implement NSPIRE
- Perform EPC reviews
- Invest in public housing, including transitioning public housing units onto a more stable platform for long-term affordable housing preservation, including the Rental Assistance Demonstration (RAD)
- Increase public housing occupancy and HCV leasing

Provide assistance to PIH employees to carry out the mission:

- Advocate and execute resources to ensure mission, policies, programs are implemented
- Ensure financial management and appropriations law provisions are followed
- Develop performance work statements
- Execute and manage cooperative agreements and contract actions
- Advocate for IT requirements needed to support program execution and management

- Provide professional development of PIH workforce through innovative training opportunities
- Implement employee engagement initiatives and activities
- Manage hiring actions and on-boarding staff
- Provide advice and guidance when addressing employee and labor relations matters
- Process correspondence and Freedom of Information Act requests