

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Administrative Support Offices

Office of General Counsel

SALARIES AND EXPENSES

(Dollars in Thousands)

	2023*	2024			2025		
	Actuals	Carry Over	Annualized CR	Total	Carry Over	President's Budget	Total
Personnel Services	\$113,364	\$8,874	\$117,234	\$126,108	\$1,715	\$127,584	\$129,299
Non-Personnel Services							
Travel	956	65	915	980	-	980	980
Transportation of Things	-	-	-	-	-	-	-
Rent and Utilities	-	-	-	-	-	-	-
Printing	1,122	-	920	920	-	920	920
Other services/Contracts	1,164	595	600	1,195	-	1,195	1,195
Training	342	90	581	671	-	671	671
Supplies	88	-	90	90	-	90	90
Furniture and Equipment	-	-	-	-	-	-	-
Claims and Indemnities	357	-	500	500	-	500	500
Total, Non-Personnel Services	\$4,029	\$750	\$3,606	\$4,356	-	\$4,356	\$4,356
Working Capital Fund	3,375		2,445	2,445		2,810	2,810
Carryover	9,624	-	1,715	1,715	-	-	-
Grand Total	\$130,392	\$9,624	\$125,000	\$134,624	\$1,715	\$134,750	\$136,465
FTEs	578	43	567	610	8	600	608

*Includes 2022 carryover

PROGRAM PURPOSE

The General Counsel is the chief legal officer of the Department of Housing and Urban Development (HUD) and principal legal adviser to the Secretary and other principal leadership in the Department. The Office of General Counsel (OGC) provides legal opinions, advice, and services with respect to all Departmental programs and activities in HUD Headquarters and throughout the field. OGC attorneys draft or review legislation, regulations, and policy guidance to create, revise and implement HUD programs and initiatives. OGC attorneys also provide litigation support for the Department, including representing HUD in defensive litigation, enforcing the Fair Housing Act, and bringing enforcement actions against individuals and organizations that violate the rules of HUD programs, both administratively and in coordination with the HUD Inspector General and the Department of Justice. In addition, OGC attorneys provide transactional legal services in connection with the Department's various housing programs and the activities of the Federal Housing Administration, and advice on the issuance of mortgage-backed securities and various related financial, capital market, and securitization transactions by the Government National Mortgage Association. OGC attorneys represent the Department with other Federal Agencies in support of joint initiatives and projects, and before the Office of Management and Budget and other external parties. The Departmental Enforcement Center (DEC) helps ensure that HUD programs and HUD's external partners operate according to program guidelines and regulations. To this end, DEC offers

support and recommendations to HUD program offices through reviews of program activities in the field and analysis of financial statements and data on the physical condition of housing.

BUDGET OVERVIEW

The 2025 President's Budget requests \$134.8 million for OGC which is \$9.8 million more than the 2024 Annualized CR level. The Budget reflects total funding of \$136.5 million, \$1.8 million above 2024 total funding.

The total OGC Budget in 2025 supports DEC's total funding level of \$20 million, of which \$1 million will be funded through 2024 carryover and \$19 million with new authority.

Personnel Services (PS)

The Budget assumes total funding of \$129.3 million for PS to support 608 FTEs, which is two FTEs less than and \$3.2 million more than the total 2024 PS funding level. DEC's staffing level will remain at 119 FTEs. The requested 2025 PS funding level supports a two percent pay raise.

While the FTE level in 2025 is a small decrease from 2024 (0.3 percent), OGC is essentially maintaining the staffing gains expected in 2024 and achieved in 2023. FTEs funded in 2025 will be strategically positioned to meet legal needs for: program support and legislative and regulatory review for affordable housing and infrastructure; Build America Buy America (BABA) requirements; Green and Resilient Retrofit Program (GRRP) involving approximately 400 transactions; fair housing and civil rights; implementation of the Affirmatively Furthering Fair Housing (AFFH) program and the Violence Against Women Act (VAWA) reauthorization; and continued support of disaster recovery. These funds will also be used for 10 Legal Honor positions in 2025 as part of OGC's succession planning using its over 50 year-old competitive program to bring graduating law students on board in OGC.

Non-Personnel Services (NPS)

The Budget assumes total funding of \$4.4 million for NPS, which is equal to the total 2024 NPS funding level. This will support costs associated with travel, relocation costs, scanning, printing, supplies, contracts, training, and claims and indemnifications (attorney's fees for adverse parties prevailing in non-program related litigation).

- Travel funds in 2025 continue to be vital for OGC staff throughout Headquarters and the Field. Additionally, in 2025, OGC will continue the Peer Technical Assistance Program (PTAP) reinstated in 2024. Through this program, OGC managers conduct 4 to 5 onsite visits to Regional and Field Offices to provide a review of the legal services being provided to the Department and to provide technical assistance to OGC staff in those offices.
- Resources for printing are to support the Department's increase in printing to the Federal Register and the Code of Federal Regulations.
- Investing in training will keep OGC staff abreast of the latest legal requirements associated with program updates and support for GRRP, AFFH, VAWA, and BABA.
- The funding for contracts and other services support OGC's continued access to online legal research and databases. These services include Westlaw, PACER, West LegalEd, CyberFeds, Hein Online, and the Congressional Quarterly.

Working Capital Fund (WCF)

The Budget assumes \$2.8 million for WCF. In combination with \$922 thousand forward funded in 2024, OGC's total share of 2025 WCF expenses is \$3.7 million. Please see the WCF Congressional Justification for details on current and proposed WCF business lines.

KEY OPERATIONAL INITIATIVES

Priority #1: Maintain FTEs to strategically position staff to support HUD programs and priorities, including affordable housing and infrastructure, BABA, GRRP, and VAWA, and continued support of disaster recovery

Requested FTE levels in 2025 will allow OGC to continue meeting the significant increase in demand for legal services necessary to support and implement HUD's strategic objectives, and the President's Executive Orders and Administration priorities, such as GRRP, AFFH, BABA, VAWA, and disaster assistance.

To continue to support timely and effective legal counsel, OGC will strategically place staff in areas of most need to support the success and legal needs of HUD programs and initiatives.

Also, following the implementation of the new HUD initiatives in 2024, OGC will need to sustain litigation support in 2025 to defend the Department against any challenges. These litigation attorneys handle the most consequential and precedential lawsuits related to HUD programs nationwide. These suits entail litigation risk that could cost the Department millions of dollars. Strong legal support for such litigation is vital for the agency to be good stewards of tax dollars while advocating for the Department and the people it serves.

OGC's Budget continues critical support for training, especially staff to improve their capacity to meet the increased demand for legal services. Effective and timely counsel requires training on the latest legal developments and case law. Additionally, with program updates and implementation of legislation, such as AFFH, VAWA and BABA, OGC will also need additional capacity to train program staff on the legal requirements of these Administration initiatives.

Priority #2: Departmental Enforcement Center

In 2025, OGC will maintain the DEC, an integral part of the office, at 119 FTEs by backfilling attrition as it occurs. This level is equal to the 2024 Annualized CR allocation for DEC and these FTEs are needed to fulfill DEC's mission.

- **Program Oversight Reviews:** In 2022 and 2023, DEC completed 35 program oversight reviews. These reviews were targeted regulatory compliance reviews. Requested by HUD's program offices, DEC oversight reviews focus on key areas of program compliance. Key review areas include Financial, Internal Controls, Governance and Physical. As a result of the reviews, DEC made over 250 recommendations pertaining to improved oversight and/or repayment accountability for violations. Additionally, in the same two years, an average of \$19 million in misused funds (e.g., unsupported, ineligible, unallowed and/or unreasonable) was identified. By performing these reviews, the DEC supports HUD Strategic Goal 2: *Ensure Access to and Increase the Production of Affordable Housing* and Strategic Goal 4: *Advance Sustainable Communities* through enforceable program adherence and compliance.
- **Multifamily Housing and Office of Healthcare Program Referrals:** DEC receives over 3,000 automatic/elective referrals from the Office of Multifamily Housing and the Office of Healthcare Programs in a typical year. The referrals focus on late filing of annual financial statements, regulatory compliance, and substandard physical conditions of assisted and non-assisted properties. The results of the DEC reviews on average result in over \$488 thousand

in Civil Money Penalties, more than \$5 million in Recoveries and just under \$900 thousand in Directed Payments. Actions by DEC ensure that affordable housing is being preserved and that owners are aware that non-compliance is not to be taken lightly.

- **Suspensions and Debarments:** DEC processes suspension and debarments against HUD's business partners who do not comply with Departmental requirements. The sanctions result in their exclusion from further participation in HUD and all other Federal Executive Branch procurement and non-procurement programs. These measures have a beneficial effect on the integrity of HUD's major program offices, which include the Office of Housing, Public and Indian Housing (PIH), and Community Planning and Development (CPD). In 2021 and 2022, DEC received on average 113 new referrals. This resulted in DEC issuing an average of 15 Suspensions, 18 Proposed Debarments, and 35 Final Debarments. Additionally, the number of aged case referrals has been reduced by 96 percent.
- **Multifamily Housing (MFH)/PIH Inspection Self Certification Compliance Reviews:** DEC is working with the Office of MFH to conduct onsite reviews of properties that been flagged for environmental, health and safety violations, which result in the owner being required to cure the violations within 60 days. DEC has agreed to go onsite and verify that the flagged violations have in fact been remedied. As of May 2023, five MFH compliance reviews have been completed in the Southeastern portion of the Country as a pilot for the review process. Additionally, PIH, as a result of the new National Standards for the Physical Inspection of Real Estate (NSPIRE) rules, will be making referrals to DEC for Self-Certification Compliance Reviews in 2024 and 2025. Upon nationwide rollout in 2023 and 2024, HUD estimates there will be over 90 reviews (60 MFH and 30 PIH) annually.

Priority #3: Legal Honors and Succession Planning

The key component of OGC's succession planning efforts is its Legal Honors Program. The Legal Honors program has been in place for over 50 years and has developed the leaders of the organization. OGC continues to backfill attorney attrition with Legal Honors at the GS-11 level and then invests in their training and professional development with a career ladder to support advancement and retention. The 2025 Budget will allow OGC to continue this program and fund a full year of salaries for a class of at least 10 Legal Honors.