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“REAC is the model of what the future HUD needs to look like, as well as other government agencies,” states Donald J. LaVoy, director of the U.S. Department of Housing and Urban Development’s (HUD) Real Estate Assessment Center (REAC). REAC was created in 1998 to improve housing quality and assure the public trust by providing accurate, credible, and reliable assessments of HUD’s real estate portfolio. With the assistance of partners representing public housing agencies and multifamily owners, resident groups, lenders, and appraisers, REAC set out to design a totally new system based on a paperless, e-business model.

LaVoy runs REAC along with Deputy Director Barbara Burkhalter. Both were brought in to make the idea of REAC a reality. They bring vastly different experiences to their positions. LaVoy is a former jet fighter pilot with the U.S. Marine Corps; Burkhalter is a former financial manager with a large public accounting firm. LaVoy had no HUD experience prior to this position; Burkhalter had worked with the agency for eight years. LaVoy has a background in finance, change management, and building information technology systems; Burkhalter has worked as a private sector financial manager, is familiar with HUD’s housing programs, and designed, installed, and implemented a large financial management system. LaVoy comments that their different backgrounds are “extraordinarily complementary.” While he spends time on construction matters and the external aspects of REAC’s business, Burkhalter focuses on the financial and internal matters. “It’s been the most fun I’ve ever had, and I think it’s because things happen every single day. Every single day we’re able to make a difference, and we’re able to make something happen,” explains Burkhalter.

By moving the assessment tasks to an electronic medium, REAC eliminates cumbersome paperwork and enables employees to spend time solving problems rather than crunching numbers. “For the first time, a government — or any employee for that matter — is able to have all of the

baseline analysis done for them so what they can really focus on are the problems,” LaVoy explains. Adds Burkhalter, “Even with a reduced workforce, if you’re focusing on just the problems, you can actually ... get more done.”

As an e-business, REAC is different from other government entities in both structure and operations. It is a flat, simple organization, with all employees reporting directly to LaVoy and Burkhalter. To foster teamwork, the workspace is an open environment, with programmers working side by side with business analysts. LaVoy comments, “What we want to see happen, and what does happen in our case, is that everybody sits side by side, everybody in the same equal compartment, everybody working on the same type of problems, putting those two very strong skill sets together and coming to the same joint solutions.”

REAC’s organizational culture also differs from typical government agencies, which some employees with government experience find initially disorienting. “Coming from other government sectors as well as from HUD, they’re used to being policy specialists, they’re used to attending meetings, and they’re used to advising and guiding somebody else, and we’re totally not about that,” Burkhalter asserts. “We are about production, output, and outcomes. We’re not as interested in whether they attended the meeting, but what did they go to the meeting for and what are they going to do with that information in terms of bringing it back to their business and producing a better product.”

While employees must adapt to this new culture, they ultimately thrive in it. “I think they are [happy], once they change because this is a more job-satisfaction type of work environment,” Burkhalter explains. LaVoy agrees, “REAC is about job satisfaction. The environment, the way that we treat people, the way that we team build — it really pays off for us because we have a lot of individuals who give us 110 percent.” ■