

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

(Dollars in Thousands)

	FY 2018 Actuals	FY 2019 Annualized CR	FY 2020 President's Budget
Personnel Services	\$100,578	\$101,720	\$107,055
Non-Personnel Services			
Travel	973	1,070	1,070
Transportation of Things	-	-	-
Rent and Utilities	-	-	-
Printing	13	13	13
Other services/Contracts	927	927	927
Training	84	84	84
Supplies	27	27	26
Furniture and Equipment	-	-	-
Claims and Indemnities	-	-	-
Non-Personnel Services Subtotal	\$2,024	\$2,121	\$2,120
Working Capital Fund	3,946	3,713	4,825
Grand Total	\$106,548	\$107,554	\$114,000
Associated FTE	694	680	709

1. Program Purpose and 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.

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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;
- Technical assistance and customer support; and
- Disaster Response and Recovery.

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 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, consolidated plan review and approval, and technical assistance. The most significant drivers and important factors when determining salary and expense (S&E) needs, are the number of active grants (and projects) in CPD's portfolio, and the ongoing oversight responsibilities of completed projects.

The 2020 President's Budget of \$114 million is \$6.4 million more than the 2019 Annualized Continuing Resolution (CR) level. The request includes \$4.8 million for Working Capital Fund (WCF), which is \$1.1 million more than the 2019 Annualized Continuing Resolution (CR) level, and supports the inclusion of Real Estate Assessment Center services under WCF. The 2020 President's Budget will assist in meeting programmatic goals, including reducing homelessness and disaster management.

Personnel Services:

The 2020 President's Budget for personnel services of \$107.1 million which supports 709 full-time equivalents (FTEs) is an increase of \$5.3 million and 29 FTEs when compared to the 2019 Annualized CR level. CPD FTEs will support core areas relating to Special Needs Assistance Programs, Grant Management, and Field Operations, in addition to Presidential Management Agenda and HUD's Agency Priority Goals. Beyond CPD's core workload, FTEs will support the following:

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- Manage supplemental grants and appropriations relating to disasters,
- Train and provide customer support to grantees on important HUD initiatives,
- Reduce significant backlog and workload relating to audit resolution and grant closeouts, and
- Manage the cross-cutting program functions of Environment, Relocation, and Technical Assistance for the Department.

The additional FTE resources of 29 FTEs above the 2019 Annualized CR level will be placed in the following offices:

Office of Special Needs Assistance Programs (SNAPS): CPD will allocate 3 FTEs to support the Office of Special Needs Assistance Programs in headquarters. CPD's programs are the keys to addressing the homelessness crisis nationwide. SNAP's programs allow HUD to serve vulnerable individuals and families who are homeless or at-risk of homelessness through a wide variety of service and housing interventions such as homelessness prevention, emergency shelter, rapid- re-housing, transitional housing, and permanent supporting housing.

Operations, Field Management: CPD will allocate 14 FTEs to support cross-cutting program workload in CPD field offices. CPD field staff work on a myriad of CPD programs. They are required to perform functions relating to disaster management, mandated audit resolution, grant closeout, monitoring, review of consolidated plans, action plans and annual performance plans of grantees, grant administration, oversight and management of the homeless programs, including the management of the two proposed new homeless programs, and more. Additional FTEs will ensure that CPD has resources for grant administration and improved program delivery, while guarding against waste, fraud, and abuse.

Office of Block Grant Assistance (OBGA), Disaster Recovery and Special Issues Division (DRSI): CPD will allocate 6 FTEs to support Disaster Recovery efforts. CPD would like to hire permanent staff to address CPD's current and likely growing workload relating to disaster recovery and special issues. In fiscal year 2018 alone, CPD responded to Hurricane Harvey, Hurricane Irma, Hurricane Maria, Western Wildfires, and flooding and tornadoes in Georgia and Missouri, coupled with the on-going workload from previous disasters. In 2018, CDBG-DR received the largest disaster appropriation to date which requires adequate FTE resources to ensure that the appropriated funds are serving the intended recipients, while minimizing misuse and fraud associated with the funds.

Office of Grants Program (OBGA): CPD will allocate 4 FTEs to manage the Departmental-wide core and disaster-related environmental and relocation review workload. The environmental review process is required for all HUD-assisted projects.

Operations, Technical Assistance Division (TAD): CPD will allocate 1 FTE to support its technical assistance workload. CPD manages the technical assistance cooperative agreements for the entire Department. TAD oversees 1,000 current active workplans and

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the number of workplans continue to grow. TAD reviews every tasking, workplan scope, and invoice draw request in detail. The entire program is treated as high risk, which creates an intensive workload to ensure eligibility and compliance of every awardee for every engagement Department-wide.

Operations, System Evaluation and Development Division (SDED): CPD will allocate 1 FTE to the Office of System Evaluation and Development Division, which performs critical data, IT budgeting, IT operations and project management, IT contract management, system security, and grant allocation functions for CPD. The additional FTE will help SDED coordinate CPD efforts to modernize IT systems, improve data quality and access, including the rollout of the financial dashboard which will enhance CPD's ability to administer its programs and mitigate risk.

Non-Personnel Services: The 2020 President's Budget for Non-Personnel Services is \$2.1 million which is in line with the 2019 Annualized CR funding level. CPD will maintain a steady state of funding, with no changes in travel, printing, other services/contracts, and training funding levels.

Travel: \$1.1 million will support travel relating to monitoring and technical assistance of grantees.

Other Services/Contracts: \$927 thousand for contracts that support delivery of CPD programs, including Homelessness/Special Needs Assistance Programs.

Training: \$84 thousand to support CPD's training needs relating to grant administration, program delivery, monitoring, audit resolution, grant closeout, and disaster recovery to increase the capacity of CPD's staff, improve program delivery, and modernize the workforce.

Working Capital Fund (WCF): The 2020 President's Budget for WCF fees is \$4.8 million to support its use of shared services and other investments determined by the Secretary. The increase of \$1.1 million from 2019 to 2020, is primarily attributed to \$566 thousand for REAC Financial Assessment costs, this is new for CPD in 2020, \$211 thousand for WCF support services, and the remaining increase is due to improved usage data and reporting. Therefore, allowing for better allocation of services for all WCF customers' fair share of services.

Key Factors Driving CPD's Workforce:

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.

Disaster Relief and Recovery: CPD plays a critical role in providing disaster relief and recovery to cities, counties, parishes, and states that are in presidentially declared disaster areas. CPD's Community Development Block Grant Disaster Recovery (CDBG-DR) Assistance provides flexible grants to rebuild the affected areas and bring crucial funding to stimulate recovery and renewal.

Housing Opportunities for Persons With AIDS: CPD is also leading the efforts to provide permanent supportive housing, transitional/short-term housing, and supportive services and case management to persons with AIDS.

Monitoring: CPD currently monitors approximately 21 percent of the grantees in its portfolio each year. CPD leverages its resources for grant compliance by providing technical assistance and training to grantees, as well as pursuing opportunities to streamline the risk-based monitoring process and utilize remote monitoring and technology.

Audits: CPD has a significant backlog of open audit recommendations and grant closeouts. CPD has more than 140 open audits with nearly 650 recommendations and more than 300 overdue recommendations. Disaster Recovery has 23 open audits and nearly 100 open recommendations. Additionally, CPD has 44,000 grants to closeout.

Technical Assistance (TA): CPD administers and monitors the TA cooperative agreements for the Department, including disaster related assistance.

Program Funding: In 2018, CPD's program appropriation was \$7.7 billion dollars and was supported by nearly 700 staff with a salary and expense appropriation of \$107.6 million. In 2018, CPD received an additional \$35 billion to support disaster impacted areas, which was several times CPD's annual appropriation. Although, CPD received \$20 million for administrative support with the disaster appropriation, CPD will still need to dedicate significant staffing resources to help manage and monitor the disaster funds to ensure successful program delivery and to guard against waste, fraud, and abuse.

Within the Office of the Deputy Assistance Secretary for Grants Programs, no new funding was requested in the 2020 President's Budget to support Community Development Block Grants (CDBG), Community Development Loan Guarantee (Section 108), and the

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Homeownership Investment Partnerships Programs (HOME). Nevertheless, significant workload remains that requires dedicated on-going FTE resources.

- Community Development Block Grants (CDBG) 2018 funding will require oversight and monitoring that will not be fully expended until fiscal year 2025;
- Community Development Loan Guarantees (Section 108) and existing loan guarantee commitments could extend up to 25 years in the future. CPD must continue to ensure timely repayment of these loan on a quarterly basis as well as continue to provide regulatory and programmatic oversight;
- HOME Investment Partnerships (HOME) 2018 funding will not expire until 2027 and units must be monitored for affordability and physical condition for 20 years;
- Supplemental disaster appropriations (CDBG-DR) will have outlays and expenditures for the foreseeable future;
- As a consequence of a lack of new program funding as proposed in the 2020 President's Budget, grantees will not receive program administrative funds to support their current staff, resulting in decreased capacity of CPD's grantees. Therefore, CPD employees will see their workload increase to fill the gap as grantee capacity decreases.

CPD Priority Goals

CPD has taken several steps to implement the President's Management Agenda by modernizing information technology, providing tools to expand data access, accountability, and transparency, and creating a modern workforce equipped to address evolving mission needs.

- CPD is developing a prototype and will build a Financial Dashboard to display summary-level grant data for all CPD programs (awarded, drawn, balance).
 - Powerful analytic capability provides talking points for CPD's site visits or discussions with grantees, elected leaders, or local communities.
 - Helpful for identifying slow spenders, analyzing trends, and tracking progress across programs.
 - Assists in identifying and mitigating potential risk.
- CPD is enhancing the Disaster Recovery Grants Reporting system (DRGR) to improve disaster grant management.
 - Streamlines monitoring and action plan processes, improves system performance, and enhances data capabilities and access for grantees, HUD staff, and the public.
 - Reduces administrative burden to save staff time.

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- \$10 million was earmarked for this purpose in HUD’s 2018 funding.
- CPD is re-platforming and modernizing the Electronic Special Needs Assistance Programs System (e-snaps).
 - The e-snaps system is used to process, review, award 8,000 applications online annually; however current platform is antiquated and unstable.
 - Will stabilize and ensure performance of the Continuum of Care homeless assistance program.
- CPD is expanding access to training opportunities and employee professional development.
 - CPD works to provide internal training certification to employees to increase staff capacity.
 - CPD initiated the Management Development Program (MDP) to develop the next generation of civil servant leaders. Participants receive training on the Office of Personnel Management’s (OPM) Executive Core Qualifications (ECQ), participate in team building exercises, perform case studies, participate in job shadowing, conduct leadership interviews, provide peer to peer training, engage in developmental assignments and rotations, and more.

HUD Agency Priority Goals

CPD programs align with HUD’s Agency Priority goals, particularly the Office of Special Needs and Assistance Programs. The requested personnel services and non-personnel services funding levels will position the Office of Special Needs and Assistance Programs, the Office of Grant Programs Disaster Recovery and Special Initiatives, and Field staff to improve program delivery and meet HUD Agency Priority Goals.

- **Promote economic opportunity for HUD-assisted residents and reduce the average length of homelessness**

CPD’s homeless programs aim to assist persons experiencing homelessness, with special focus on vulnerable individuals and families who are homeless or at-risk of homelessness, through a variety of service and housing interventions. Between 2010 and 2017, as a direct result of CPD’s programs, chronic homelessness among individuals have declined by 27 percent, veteran homelessness is down by 46 percent, and family homeless has been reduced by 24 percent. The personnel and non-personnel resources requested in the 2020 President's Budget will help CPD continue its efforts to further reduce homelessness.

2. Key Operational Initiatives

CPD is in the forefront of several innovative initiatives that jointly supports the Department's Strategic Goal of Reimagining the Way HUD Works, in addition to, the President's Management Agenda.

- Initiating the Continuum of Care (CoC) Re-Imagining: The Goal of the CoC Re-Imagining Process is making the CoC Program competition less time-consuming for CoC recipients, allowing HUD to distribute funds more quickly and both HUD and communities can spend more time focusing on ending homelessness.
- The Community Compass Technical Assistance is transitioning from a 1 year to a 2-year Notice of Funding Availability (NOFA) model which will result in time savings for HUD employees and TA providers.
- CPD is actively streamlining the Consolidated Planning process by incorporating more automation, improving the consistency of reviews, eliminating unnecessary steps in the process, identifying higher risk plans sooner, and expediting processing. The new process is being piloted with a sample of consolidated plans submitted with the current award cycle and is targeted for roll-out in 2019.
- CPD has partnered with Public and Indian Housing (PIH) Real Estate Assessment Center to review its current risk analysis process. The proposed process will include more automation, reduce subjectivity, and develop quicker results, thereby allowing CPD to load-level the monitoring workload across the year.
- CPD is working to revise key portions of environmental regulations and related guidance to reduce costs, reduce burden, and speed project execution across all CPD programs.
- In addition to planned reimagining initiatives, CPD has a successful track record of recent accomplishments that aligns with HUD's Strategic Goal. Recent examples include: CPD has shortened the SNAPS competition by up to 65 days, eliminated seven percent of 2017 project reviews by streamlining efforts such as providing recipients the option to submit renewals without changes, and established a uniform procedure for field offices to send executed agreements to HUD's Ft. Worth Accounting Center, which eliminated inconsistencies and saved time.