

# DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

## Program Offices Salaries and Expenses

### Office of Community Planning and Development

#### SALARIES AND EXPENSES

(Dollars in Thousands)

	2021*	2022			2023		
	Actuals	Carry Over	Annualized CR	Total	Carry Over	President's Budget	Total
<b>Personnel Services:</b>	<b>\$121,955</b>	<b>\$3,163</b>	<b>\$122,514</b>	<b>\$125,677</b>	-	<b>\$141,019</b>	<b>\$141,019</b>
<b>Non-Personnel Services:</b>						-	
Travel	24	-	1,000	1,000	-	1,000	1,000
Transportation of Things	-	-	-	-	-	-	-
Rent and Utilities	-	-	-	-	-	-	-
Printing	-	-	35	35	-	35	35
Other Services/Contracts	1,515	3,566	3,820	7,386	-	4,000	4,000
Training	-	-	600	600	-	600	600
Supplies	5	3	45	48	-	45	45
Furniture and Equipment	-	-	-	-	-	-	-
Claims and Indemnities	17	-	-	-	-	-	-
<b>Total, Non-Personnel Services</b>	<b>\$1,561</b>	<b>\$3,569</b>	<b>\$5,500</b>	<b>\$9,069</b>	-	<b>\$5,680</b>	<b>\$5,680</b>
Working Capital Fund	4,645	1,134	3,093	4,227	-	7,401	7,401
Carryover	7,866	-	-	-	-	-	-
<b>Grand Total</b>	<b>\$136,027</b>	<b>\$7,866</b>	<b>\$131,107</b>	<b>\$138,973</b>	-	<b>\$154,100</b>	<b>\$154,100</b>
<b>FTEs</b>	<b>766</b>	<b>20</b>	<b>755</b>	<b>775</b>	-	<b>835</b>	<b>835</b>

\*Includes 2020 Carryover

### PROGRAM PURPOSE

The Office of Community Planning and Development (CPD) primarily manages community development, affordable housing, homelessness assistance, disaster recovery, and funds provided in response to the COVID-19 pandemic that support communities, low-income households, and others requiring assistance. Functions include:

- Grant administration and oversight (including CARES and ARP funds);
- Audit management and resolution;
- Risk assessment and monitoring to ensure program compliance;
- Environmental Review and mediation;
- Technical assistance and customer support; and
- Long-term Disaster Recovery;

In headquarters, CPD focuses more on policy development, implementation, and administration. To oversee compliance and program performance, CPD uses the "cross-program," placed-based specialist approach. Field 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 a variety of duties, including, but not limited to, grant administration and oversight, risk assessment and monitoring, audit management and resolution, consolidated plan review and approval, and technical assistance.

In 2021, CPD's program appropriation was over \$8.3 billion and was supported by 766 full-time equivalents (FTEs). In the past five years, CPD received an additional \$47.5 billion to support disaster impacted areas, \$9.08 billion from the Coronavirus Aid, Relief and Economic Security (CARES) Act and \$5 billion from the American Rescue Plan (ARP) on top of its annual appropriations. CPD will need to dedicate significant resources to help manage and monitor its core workload, in addition to the supplemental emergency assistance to ensure successful program delivery and guard against waste, fraud, and abuse.

## **BUDGET OVERVIEW**

The 2023 President's Budget requests \$154.1 million for the Office of Community Planning and Development, which is \$23 million more than the 2022 annualized CR level. The Budget reflects total funding (carryover and new authority) of \$154.1 million, \$15.1 million above 2022 total funding. CPD is projecting no carryover from 2022 into 2023 under an annualized CR funding level scenario in 2022.

The President's Budget funding level for CPD will: 1) Support Underserved Communities, 2) Ensure Access to Increase the Production of Affordable Housing, 3) Promote Homeownership, 4) Advance Sustainable Communities, and 5) Strengthen HUD's Internal Capacity.

CPD has a solid track record managing several programs that are helping the American public and that align with the Administration's priorities.

### **Grant Programs**

Office of Grant Programs: The Office of Grant Programs has the largest and broadest development program in the Nation, including Community Development Block Grant (CDBG), CDBG-DR (Disaster Recovery), CDBG-CV (CARES Act), HOME Investment Partnerships (HOME), Neighborhood Stabilization Program (NSP), Section 108 Loan Guarantee, Recovery Housing Program (RHP), and Housing Trust Fund (HTF). In addition, Grant Programs has the Departmental cross-cutting functions and manages the Office of Environment and Energy (OEE) and the Office of Real Estate Acquisition and Relocation. These programs are critical to the recovery of the Nation.

Community Development Block Grant: Currently, the CDBG program has 1,236 formula recipients (units of general local government and states). Its loan guarantee component, Section 108, has 475 outstanding guaranteed loans with maturities of up to 20 years. CPD is responsible for oversight and program management, including the closeout of approximately 30,000 grants that were administered under the "first in, first out" funding approach used from the inception of the program in 1974 to 2015. Further, the CDBG-CV program received \$5 billion that was distributed in three tranches and added an additional 1,233 grants that require oversight and continuing technical assistance.

HOME Investment Partnerships: Currently, HOME has 651 eligible participating jurisdictions. However, an appropriation increase may create new HOME participating jurisdictions by formula. HOME-assisted projects have 5-, 10-, 15-, or 20-year compliance periods. CPD is responsible for providing guidance and technical assistance to participating jurisdictions and for ensuring compliance with program requirements. Additionally, the HOME Program received \$5 billion of supplemental funds through ARP.

Housing Trust Fund (HTF): The Housing Trust Fund Program grew 115 percent between 2020 and 2021. These grants will require staffing oversight for several years. HTF-assisted projects have 30-year compliance periods. Resources are needed to provide guidance and technical assistance to HTF grantees to ensure compliance with program requirements.

ARP: In 2021, CPD received \$5 billion as part of the ARP to help thousands of people experiencing homelessness or housing instability by further leveraging HOME. Specifically, the program will provide tenant-based rental assistance, development and support of affordable housing, supportive services, and acquisition and development of non-congregate shelter units. Additionally, funds were allocated to provide technical assistance and administrative support. However, CPD core staff are needed to begin implementing the program, including on-boarding and training new staff and managing responses to audits and inquiries regarding the program execution.

Disaster Recovery and Mitigation: When Congress appropriates supplemental emergency funding through CDBG-DR, HUD provides flexible grants to help cities, counties, and states recover from Presidentially declared disasters, especially in low-income areas. In recent years, CPD has experienced a significant workload relating to disaster recovery and currently manages an active grant portfolio of more than \$82 billion in CDBG-DR funding. CDBG-DR funding serves impacted areas including those affected by the 2017 Hurricanes (Harvey, Irma, and Maria), Western Wildfires, and 2018, 2019, 2020, and 2021 natural disasters. CDBG-DR grantees from these disaster events include, but are not limited to, Alaska, California, Florida, North Carolina, South Carolina, Texas, Wisconsin, Ohio, Iowa, Arkansas, Nebraska, Alabama, Louisiana, Mississippi, and Tennessee. HUD requires additional FTE resources to manage the CDBG-DR portfolio.

### **Special Needs Programs**

Office of Special Needs (OSN): The Office of Special Needs operates the Nation's primary resource to serve individuals and families across the U.S. who are affected by homelessness. The number of people experiencing unsheltered homelessness is rising in cities across the country. The increase is a result of the rising cost of housing and the lack of assistance provided to segments of the homeless population. After receiving historic appropriation levels, coupled with an unprecedented housing crisis that has been exacerbated by the pandemic, OSN workload is at the highest levels. Staff must manage the Continuum of Care (CoC), Emergency Solutions Grants (ESG), Emergency Solutions Grants – CARES Act (ESG-CV), Youth Homelessness Demonstration Program (YHDP) programs, and Rapid Re-housing Victims of Domestic Violence Programs; all which have been growing rapidly without proportionate resources. Additionally, HUD has partnered with many other agencies and community partners to ensure that HUD resources combine with other Federal, State, and local resources to provide an efficient system to serve people experiencing homelessness. For example, HUD, including OSN, is partnering with the Department of Treasury to support the Emergency Rental Assistance Program. As communities take on more responsibility for ending homelessness by responding to public health crises and more efficiently utilizing affordable housing and health resources, OSN will need additional capacity to provide guidance and oversight.

CoC New Projects: The 2023 President's Budget requests \$134 million for new projects to support CoCs, as they partner with Public Housing Authorities (PHA) and other housing and healthcare providers and utilize more mainstream resources to reduce homelessness; including youth experiencing homelessness and for projects dedicated to survivors of domestic violence. The President's Budget also includes \$20 million to increase CoC planning capacity; this funding is critical to providing the capacity and support to communities as they work to coordinate an effective homeless response system in a trauma-informed and equitable way and will require additional resources for OSN.

Housing Opportunities for Persons With AIDS (HOPWA): In 2022, new tasks emerged that require higher level staffing support. In addition to the continued renewal process, there is now an

additional “replacement” option process requiring staffing resources. CPD now must carry out the administrative work to accommodate both the renewal and replacement processes for those HOPWA grantees eligible to renew should some elect to replace instead. Also, the HOPWA program will have a more frequent Notice of Funding Opportunity (NOFO) process. Ultimately, looking forward, CPD expects to award competitive grants yearly or every other year.

### **Economic Development Programs**

The Office of Economic Development (OED) supports economic development and capacity-building for local, state, regional, and national nonprofit organizations. The Office of Rural Housing and Economic Development (ORHED) is responsible for the oversight and management of Self-Help Homeownership Opportunity Program (SHOP), Veteran Housing Rehabilitation and Modification Pilot Program (VHRMP), and the Rural Gateway Clearinghouse which ultimately expands access to affordable housing and supports economic development. OED is responsible for the administration of congressionally directed grants. The 2022 appropriation included approximately \$1.5 billion in such funding. The end-to-end grants management for these awards include project narrative and budget review and approval; funds drawdown approval; the provision of periodic technical assistance for active grants; project monitoring; and grant closeout. OED is also responsible for responding to or supporting responses to the congress or other agencies as directed regarding these grants.

### **CPD Operations, CPD-wide Programs and Workload, and Cross-Cutting Programs and Initiatives**

Operations: CPD’s Operations is the backbone of CPD, providing a variety of services to ensure the effective and efficient management of CPD’s program. CPD headquarters staff is responsible for budget, audits resolution, and working with both the headquarters program offices and the 43 field offices. The Operations team is also responsible for the grant closeout of the grants administered by the various CPD headquarters program offices. Budget, Human Resources, the Chief Risk Advisor, Correspondence, Procurement, and the System Development and Evaluation Division (or IT) are also all part of Operations and are key contributors to the workflow and the overall operations of CPD. Additionally, CPD’s 43 field offices are managed through Operations. Finally, the Capacity Building for Affordable Housing and Community Development Program (Section 4) and Rural Capacity Building (RCB) Program currently are administered in Operations. The substantial increase in the number of grants, projects, and annual/supplemental appropriations have dramatically increased the workload for all of Operations and warrants additional staff needs.

Monitoring: Historically, CPD monitors 21 percent of its grantees in its portfolio each year. (Note: This metric changed for 2020 and 2021 as monitoring was suspended due to the impacts of the pandemic.) For 2022, given the present climate, CPD has been conducting 100 percent remote monitoring of selected grantees. For 2023, as the pandemic improves, CPD will transition to in-person monitoring. CPD leverages its resources for grant oversight and compliance by providing technical assistance and training to grantees. CPD is pursuing opportunities to streamline a risk-based monitoring process and utilize remote monitoring and technology to enhance its monitoring capabilities.

Decreased Capacity of Grantees: There will be a need for additional CPD staffing to assist grantees that have experienced their own staffing reductions while experiencing an influx of new funding. The pandemic has further negatively impacted the capacity of grantees at a time when the same grantees are becoming responsible for expending much more funding from new programs (CDBG-CV, ESG-CV, HOPWA-CV, HOME-ARP, disaster appropriations, etc.) and larger appropriations. Additional CPD staff will be required to provide additional guidance, training, and technical assistance to ensure the proper program administration and guard against fraud, waste, and abuse.

Audit Resolution/Grant Closeouts: CPD has 107 open Office of the Inspector General (OIG) audits, with 431 open recommendations, of which 117 recommendations are overdue for resolution. CDBG-DR grant program has 16 open audits and nearly 119 open recommendations. In 2021, CPD closed 124 OIG audit recommendations and so far in 2022, CPD has closed 13 recommendations. Additionally, CPD has over 4,734 grants that are open and will eventually be reviewed for closeouts. With the addition of more funding and grants, there are more audits and closeouts with greater attention by the OIG and General Accountability Office (GAO). More CPD staff is needed to ensure the proper compliance in the use of core CPD funds, as well as the CARES Act and the ARP funding.

CARES Act: CPD is charged with proactively supporting efforts to prevent, prepare for, and respond to the coronavirus. In 2020, CPD received \$9.08 billion in program funds, the majority of the CARES Act funding allocated to HUD, with CDBG, ESG, HOPWA, Technical Assistance, and administrative funds for salary and expense, all receiving allocations.

Supplemental Appropriations Funding: CPD has received supplemental administrative funds with disaster, pandemic, and ARP related appropriations. However, CPD will still need to dedicate significant permanent staffing resources throughout the life of the grants to ensure successful program delivery and compliance to guard against waste, fraud, and abuse.

Cross-cutting Activities: It is important to note that while the below activities support the entire Department, they are funded solely with FTEs from CPD's allocation.

- **Environment Support:** CPD provides Departmental support for environmental reviews and assistance and leading the Administration's priority goal relating to climate resilience, environmental justice, and energy efficiency.
- **Relocation:** CPD manages the relocation efforts for the entire Department.

Environment and Energy: CPD's Office of Environment and Energy (OEE) performs environmental reviews to assess the potential environmental impacts of a project and determine whether it meets Federal, State, and local environmental standards. Every HUD-assisted project must be examined to ensure that it does not negatively impact the surrounding environment and that the site itself will not have adverse effect on end users. OEE has a varied workload, which includes, but not limited to responding to the Department's many requests for energy policy recommendations and providing technical assistance to grantees and HUD staff performing environmental reviews.

Relocation: HUD's Relocation and Real Estate Division (RRED) has departmental delegated authority for the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA). RRED is also responsible for developing and implementing national policies for real estate and relocation activities in connection with HUD programs.

## **Personnel Services (PS)**

The 2023 Budget assumes total funding of \$141 million for CPD personnel services to support 835 FTEs, which is \$15.3 million and 60 FTEs above the 2022 total funding level. The Budget supports a 4.6 percent Federal pay raise. CPD intends to distribute the FTE increases equitably in accordance with our risk registry and workload priorities to headquarters and field offices. CPD utilizes its risk registry to inform and prioritize its hiring plan and decisions. This will ensure that CPD's limited resources are leveraged to mitigate risk associated with its workload. CPD has streamlined its hiring process and has a solid track record of processing and on-boarding external and internal candidates. CPD is confident that the groundwork has been laid to hire qualified candidates timely to support CPD's workload.

The proposed increase in positions would allow CPD to better manage its core workload relating to grant administration and oversight, continue the progress made in addressing and reducing

homelessness, more aggressively address its audit and closeout backlogs, manage the Departmental functions of Environment and Relocation, lead efforts for current and future disaster-related response and recovery, and continue to manage outstanding CARES and ARP funds.

Operations Field (35 FTEs): The FTEs will support CPD's grant administration workload, which is 3,900 grants annually in addition to the 3,600 grants and \$14 billion in supplemental funding from the CARES Act and ARP. FTEs are needed for monitoring and supporting grantees that have experienced their own staffing reductions while receiving an influx of new funding (CDBG-CV, ESG-CV, HOPWA-CV, HOME-ARP, and disaster appropriations). Additional CPD staff will be required to provide additional guidance, training, and technical assistance to ensure the proper administration of program and ensure against, fraud, waste, and abuse.

Office of Grants Programs (12 FTEs): The FTEs will support grant management core workload and supplemental workload relating to disaster recovery and CARES Act. Also, OEE, the Department's experts on environment and energy, plays a critical role in supporting the Administration's goal of promoting climate resilience, environmental justice, and energy efficiency to build inclusive communities and need additional FTE resources.

Office of Special Needs (6 FTEs): The FTEs will support the management and oversight of Continuum of Care, Emergency Solutions Grants, ESG-CV, Youth Homelessness Demonstration Program programs, Rapid Re-housing Victims of Domestic Violence Programs, and Housing Opportunities for Persons with AIDS; all programs which have been growing rapidly without proportionate resources. As OSN continues to serve individuals and families impacted by homelessness during an unprecedented housing crisis that has been exacerbated by the pandemic, workload is at the highest levels.

Operations Headquarters (6 FTEs): The FTEs will support the variety of services (budget, audit resolution and grant closeouts, human resource management, field management, risk management, and system development and evaluation) necessary to ensure the effective and efficient management of CPD's programs. The substantial increase in the number of grants and projects and annual and supplemental appropriations have dramatically increased the workload for all of Operations and warrants additional staff.

Office of Economic Development Programs (1 FTE): The FTE will support the management of CPD's economic development programs.

### **Non-Personnel Services (NPS)**

The 2023 Budget assumes \$5.7 million for non-personnel services, which is \$3.4 million less than the 2022 total funding level.

Travel: CPD is requesting \$1 million for travel, a steady-state compared to the 2022 total funding level. The funding supports CPD's travel-related workload for monitoring, capacity building, training, and technical assistance.

Printing: CPD is requesting \$35 thousand for printing, a steady-state compared to the 2022 total funding level to support CPD printing workload needs.

Other Contracts: CPD is requesting \$4 million for contracts, a decrease of \$3.4 million, when compared to the 2022 total funding level. In 2022, CPD's larger contracts will be awarded and will not be re-competed in 2023, which contributes to the decrease. Funding will support CPD's ongoing workload needs relating to the CARES Act, data analysis contract for the Office of Special Needs, census data, and more.

Training: CPD is requesting \$600 thousand for training. The funding will support CPD training needs relating to managing programmatic functions, expand efforts to respond to training needs associated with pandemic response, and new proposed programs such as the Historically Underfunded Communities Initiative. Additionally, the funds will be leveraged to train newly hired staff.

Supplies: CPD is requesting \$45 thousand for supplies, a steady-state compared to the 2022 total funding level to supports the needs of CPD's workload and increase in staffing.

### **Working Capital Fund (WCF)**

The 2023 Budget assumes total funding of \$7.4 million for the WCF, which is \$3.2 million above the 2022 total funding level. The WCF funding level reflects payments for baseline WCF services (including inflationary adjustments and changes in service utilization) and the additions of the End-User Devices business line, the Printing Services business line, HR platform licensing, and the full cost recovery of Financial Services Acquisition and Development Division (FSADD) Financial Management expenses.

### **Information Technology**

Within the Information Technology Fund, the Budget requests \$3 million to modernize the electronic Special Needs Assistance Program System (e-snaps).

#### Program Pain Point

HUD continues to use the e-snaps data system to automate the \$2.5 billion Continuum of Care (CoC) Program Competition. The e-snaps system provides an online data portal for all CoC applicants to prepare and submit to HUD a detailed project application for funding. However, the system is brittle and unstable, approaching 14 years old, which is far beyond the original technical limits of the platform. Basic system changes and updates are costly and each change risks the stability of the system. HUD staff constantly employ manual interventions to overcome functional gaps in the system. The CoC Program depends completely on e-snaps performance. System failure, or a significant drop in performance, will be catastrophic, public-facing, and detrimental to local communities and homeless assistance providers.

#### Mission Benefits

A more modern and stable platform would speed up and streamline the CoC application and grant processes for grantees and HUD staff. This reduces risk and uncertainty to grantees who provide direct homeless assistance, which should improve staffing consistency and improve outcomes. Replacing e-snaps would also make it easier for HUD to quickly implement special initiatives like the Youth Homelessness Demonstration Program. A new solution may also provide better integration with HUD financial systems, improved credentialling and authentication of users, and better data integration and standardization with other HUD grant systems.

#### Target Functionality

- Improved system performance and stability; reduction in current risks related to long term availability and support for acute technical problems.
- Improved efficiency for grants management activities, including reduced administrative burden for HUD staff and grantees, reduced time to award, and improved business automation such as data analytics and financial system interface.

#### Projected Cost Savings

A modernized e-snaps should reduce costs of:

- Annual Operations and Maintenance of the system by streamlining the annual configurations required to meet the NOFO and other programmatic efforts, allowing further investment into new capabilities and free staff time towards program oversight or analytics.
- Annual licensing for the CSDC/Grantium COTS platform.
- Manual interventions performed by HUD staff, Technical Assistance providers, HUD infrastructure staff, and grantees required due to functional or process gaps in the system, performance issues requiring troubleshooting, repetitive reporting in more than one system, or the manipulations performed to aggregate data originating from multiple systems (SAGE, HDX, e-snaps, LOCCS, etc.).

For additional information regarding HUD's Information Technology investments, please see the Information Technology Fund justification.

## **KEY OPERATIONAL INITIATIVES**

CPD programs align directly with the Administration's priorities as articulated in recent Executive Orders, policy directives, and other Administration actions relating to expanding equity and economic opportunities to underserved groups. The 2023 President's Budget also provides CPD with resources to address the following HUD Strategic Goals: 1) Support Underserved Communities; 2) Ensure Access to and Increase the Production of Affordable Housing; 3) Promote Homeownership; 4) Advance Sustainable Communities; and 5) Strengthen HUD's Internal Capacity. A snapshot is below.

### **Support Underserved Communities**

- Community Development Block Grant, Home Investment Partnerships Program, Housing Trust Fund, Section 108, Homelessness Assistance Grants, Housing Opportunities with Persons with AIDS, Self-Help Homeownership Opportunity Program, Rural Capacity, and Capacity Section 4, and Veterans Housing Rehabilitation and Modification Pilot Program, CPD's Office of Real Estate Acquisition and Relocation (Relocation and Historically Underserved Communities Initiatives).

Examples include, but are not limited to:

The Historically Underserved Communities Initiative will direct funding toward removing barriers to affordable housing and community development in underserved communities. The initiative will provide additional grants to CDBG grantees to identify and address regulatory, structural, and capacity barriers to revitalization in these communities. The initiative would encourage grantees to address existing barriers, seed future revitalization, and improve models of CDBG-funded community development across the entire CDBG portfolio.

CPD's Homeless Assistance Grants are focused on ensuring people who have no housing, people experiencing homelessness, or at risk of homelessness have access to affordable housing. The program provides housing subsidies, as well as the supportive services necessary to help individuals and families become stably housed. Through the implementation of such practices as Housing First and rapid rehousing, these programs assist individuals and families experiencing homelessness receive quick and fair access to affordable housing.

### **Ensure Access to and Increase the Production of Affordable Housing**

- CDBG, HOME, HTF, SHOP, HAG, HOPWA, and VHRMP

Examples include, but are not limited to:



CPD's HOME program is the primary Federal tool of States and local governments use to produce affordable rental and for-sale housing for low-income to extremely low-income families, including mixed-income housing and housing for homeless and persons with HIV/AIDS. It is an anchor of this nation's affordable housing finance system and can be an important factor for community revitalization. In addition to its annual appropriations, HOME received \$5 billion as part of the American Rescue Plan.

CPD's Housing Trust Fund (HTF) is a formula-based program for the States and U.S. Territories that finances the development, rehabilitation, and preservation of affordable housing for extremely low-income families and the nation's most vulnerable populations.

CPD's Veterans Housing Rehabilitation and Modification Pilot (VHRMP) Program in partnership with the Department of Veteran Affairs provides grants to nonprofit organizations to rehabilitate and modify the primary residence of veterans who are low-income and living with disabilities.

### **Promote Homeownership**

- SHOP, Rural Capacity, Capacity Section 4

Examples include, but are not limited to:

SHOP provides funding to national and regional nonprofit organizations and consortia to purchase home sites and develop or improve the infrastructure needed to set the stage for sweat equity and volunteer-based homeownership programs for low-income persons or families.

CPD's Section 4 Capacity Building for Community Development and Affordable Housing and Rural Capacity Building for Affordable Housing Programs help build capacity of organizations in both urban and underserved rural communities. The work done through these programs helps to build capacity among community organizations to develop affordable housing and improve housing choices for families.

### **Advance Sustainable Communities**

- CDBG, HOME, Section 108, HOPWA, HAG, VHRMP, Office of Environment and Energy (OEE), Recovery Housing Program

Examples include, but are not limited to:

As the Department's experts on environment and energy, CPD's Office of Environment and Energy (OEE) plays a critical role in supporting sustainable communities, climate resiliency and energy efficiency, environmental justice and health. While situated in and wholly funded by CPD in the Office of Grant Programs, OEE is a statutory compliance office that serves the entire Department.

CDBG provides state and local governments with tools to support the climate justice goals by providing funds that can be used for planning and resilient infrastructure benefitting low- and moderate-income neighborhoods. A CDBG grantee's Consolidated Plan must involve consultation with residents and local emergency management staff and include consideration of the climate resilience needs of vulnerable, low- and moderate-income persons and communities.

CPD's homeless programs demonstrates that there is a clear intersection between health and homelessness. Providing homeless services and housing through the Homeless Assistance Grants is a significant step HUD takes to promote health. CPD incentivizes the connection between its homeless resources and other mainstream benefits, including health benefits, to promote greater health opportunities for people experiencing homelessness.

CPD's HOPWA program include critical support such as housing case management, mental health services, substance abuse treatment, or employment training that sustain housing stability, promote better health outcomes, and increase quality of life. Ultimately, housing stabilization can lead to reduced risk behavior and reduced HIV transmission, a significant consideration for Federal HIV prevention efforts.

### **Strengthen HUD's Internal Capacity**

Examples include, but are not limited to:

CPD has taken several steps to increase internal capacity by engaging in continuous operational improvements relating to workload, human resource management, training, and professional development to ensure that CPD delivers on mission. Selected highlights include improving technology, expanding data access, and creating a modern and responsive workforce equipped to deliver on mission:

- Improving CPD's formula grant data modeling and allocation process. This will bring automation and efficiencies to the formula allocation process and reduce human error.
- Expanding on several dashboards and reports that are customized per user and provides a range of information that include status of program funds, salary and expense funds, payroll reconciliation, staffing and recruitment, among others.
- Enhancing the capacity of Disaster Recovery Grant Reporting (DRGR), a cross-cutting government cloud system that provides Federally compliant post-award support for a wide range of programs, supporting both those using grant and cooperative agreement instruments.
- Developing a Financial Management Training Program for existing and new Financial Analysts (FA). This will bring consistency across the field and create training curriculum and modules for FAs to learn the functions and responsibilities of their position.
- Creating a pilot Talent Management Program for CPD Representatives.
- Conducting climate assessments in various CPD program offices to build stronger staff/management relationships, address diversity and equity tensions, and improve the working environment.
- Creating an environment of continuous learning and improvement by piloting Continuous Improvement (CI) 101 and 201 courses. These courses will provide basic and advance level CI principles, strategies, and best practices for CPD employees to use on future process improvement efforts.
- Improving our training management process through updated assessments, targeted training, and enhanced resource allocation.
- Implementing a comprehensive team-level onboarding process to focus on time to productivity and cultural assimilation.
- Establishing a standard CPD Standard Operating Procedures (SOP) template. This will document existing key processes across CPD and allow for enhanced knowledge transfer as people attrit.

- Improving our employee engagement efforts by employing a year-long plan full of activities, trainings, and resources. Launching road show for intimate discussions with our senior leadership team and our field offices across the country.

### **Advancing Equity**

CPD is at the forefront of advancing equity through its Federal programs and processes. CPD's CDBG, HOME, HTF, Section 108, HAG, HOPWA, SHOP, VHRMP, Rural Capacity, and Capacity Section 4 all support expanding equity, particularly in lower income, marginalized, and/or underserved communities. CDBG funds support affirmatively furthering fair housing planning and implementation in many communities.

### **Risk Profile for CPD**

Many CPD programs have risks that cannot be mitigated with current staffing levels. In recent years, CPD has experienced a significant increase in the number of grantees, grants, and funding levels, particularly in Grants Programs and associated supplemental funding programs such as CDBG-DR, CARES Act, and ARP. CPD requires additional resources to not only guard against fraud, waste, and abuse, but also to expand the expertise and capacity of grantees so we can deliver on mission.

Current staffing levels have impacted CPD's ability to effectively carry out its core grants management functions and does not allow CPD to have the capacity to provide the necessary expertise to carry out the Administration's priorities. Additional staff resources provided in the 2023 President's Budget will increase CPD's capacity to provide guidance, training, improved oversight of CPD grant management functions, and strengthen internal controls.

Many of CPD grantees have expressed challenges presented by the increased funding in response to the pandemic. The opportunity to transform communities – including beginning to correct the underlying systemic conditions that led to the vulnerabilities – is available now, but many of these communities lack expertise to best leverage and administer these resources, and this opportunity could be lost, squandered, or underperformed. Therefore, CPD requires additional S&E resources, as requested in the Budget, to ensure that communities maximize the funding to fulfill the Departmental goals in a timely and equitable manner.

### **Summary of Reorganization and Operational Improvements**

For 2023, CPD proposes to move the Technical Assistance Division (TAD), which is currently located in CPD Operations, Office of Technical Assistance and Management, to the Office of Policy Development and Research (PD&R).

This reorganization will involve the following:

- Increase operational efficiencies for program delivery across the Department.
- Make TA a cross-office function and prioritizes the staffing to serve all of the offices of HUD
- Improve the ability to create cross-program benefits and efficiencies for TA that can serve multiple programs.
- Allow HUD to allot separate TA set-asides to PD&R to centralize the number of Cooperative Agreement Officers and GTRs to ensure proper standardization and risk mitigation for the Department.
- Improve the ability to facilitate the transfer of research evidence and learning to TA providers so they can transfer knowledge to grantees more efficiently.
- Realign 24 FTEs from CPD to PD&R.

For 2023, in an effort to align functions properly, foster better communication, effective succession planning and employee engagement in CPD, HUD proposes the following organizational changes:

- Establish the Deputy Assistant Secretary (DAS) for Field Operations (Senior Executive Service) and the Associate Deputy Assistant Secretary (ADAS) for Field Operations.
- Relocate the 43 field offices from the DAS for Operations to the DAS for Field Operations. Establish 10 Regions with 10 Regional CPD Directors that will report directly to the DAS for Field Operations and manage a select number of field offices.
- Dissolve the Office of Technical Assistance and Management to reduce an unnecessary management level.
- Elevate and change the Budget Division to the Office of Budget and Compliance with the following divisions:
  - Program Management Division.
  - Risk Management Division (managing CPDs Enterprise Risk, audits, and grants closeout).
  - Salaries and Expenses (S&E) Division.
- Elevate and change the Management Division to the Office of Resource Management (led by the Administrative Officer) with the following divisions:
  - Administrative Services Division (managing space, travel, credit cards, printing, supplies, and the Correspondence Branch).
  - Human Resources Division (managing recruitment, workforce management, training, and performance management).
  - Strategic Transformation Division (managing continuous process improvements, strategic planning, and employee engagement).
- Elevate and change the Systems Development and Evaluation Division to the Office of Technology, Innovation, and Evaluation with divisions:
  - Evaluation and Analytics Division
  - Operations Division
  - Systems Division
- Move the formula allocation process to PD&R.
- Move the Section 4 and Rural Capacity Building Programs to the DAS for Economic Development within CPD.

For 2023, CPD is not requesting additional S&E directly related to the reorganizations. However, CPD would like to have the appropriate structure in place and work towards the goal of better realigning CPD's limited resources.