

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

(Dollars in Thousands)

	FY 2017 Actuals	FY 2018 Annualized CR	FY 2019 President's Budget
Personnel Services	\$101,477	\$102,077	\$99,271
Non-Personnel Services			
Travel	1,020	1,238	903
Rent and Utilities	14	-	-
Printing	30	30	5
Other services/Contracts	1,738	1,738	743
Training	197	197	100
Supplies	27	27	8
Non-Personnel Services Subtotal	\$3,026	\$3,230	\$1,759
Working Capital Fund	\$4,123	\$3,946	\$4,876
Grand Total	\$108,626	\$109,253	\$105,906
Associated FTE	725	695	669

1. Program Purpose and Fiscal Year 2019 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.

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;

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- Risk assessment and monitoring to ensure program compliance;
- Environmental Review and Mediation; and
- Providing technical assistance and customer support.

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, planning review and approval, and technical assistance. The most significant workload drivers and the most important factors when determining salary and expense (S&E) needs, are the numbers of active grants (and projects) in CPD’s portfolio, and the ongoing oversight responsibility for tens of billions of dollars of completed projects. CPD staff work to prevent or eliminate instances of waste, fraud and abuse, and the request assumes efficiencies in program administration across HUD to support this work within requested funding levels.

The fiscal year 2019 President’s Budget of \$105,906K is \$3,347K less than the fiscal year 2018 Annualized Continuing Resolution (CR) level.

Personnel Services (PS): CPD is requesting \$99,271K to support 669 Full-Time Equivalents (FTE), a decrease of 26 FTE as compared to the fiscal year 2018 annualized CR level. Community Planning and Development (CPD) FTE will support core areas relating to Grants Management, Special Needs Assistance Programs, Field Management, as well as, HUD-wide priorities. Beyond CPD’s core grant workload, the FTE will be needed to do the following:

- Manage supplemental grants and appropriations relating to disasters including the National Disaster Resilience Competition Grants;
- Train and provide customer support to grantees on important HUD initiatives; and
- Manage the cross-cutting program functions of Environment, Relocation, and Technical Assistance for the Department.

With the proposed elimination of the United States Interagency Council on Homelessness (USICH), CPD will absorb certain key functions of USICH, such as interagency coordination efforts aimed to end homelessness. CPD also has significant on-going core workload responsibilities relating to grant administration. Its most significant workload drivers are the numbers of grants (and projects) in CPD’s portfolio.

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Non-Personnel Services (NPS): CPD is requesting \$1,759K to support their NPS expenses. To preserve the maximum personnel services levels possible, CPD is reducing costs in travel, contracts, and training.

Working Capital Fund (WCF): CPD requests \$4,876K for WCF fees to support its use of shared services and other investments determined by the Secretary.

2. 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.

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 13 percent of its grantees in its portfolio each year. CPD will leverage its fiscal year 2019 FTE resources for grant compliance by providing technical assistance and training to grantees as well as looking at opportunities to streamline the monitoring process and utilize remote monitoring and technology.

Audits: CPD has a significant backlog of open audit recommendations that CPD will dedicate staff to continue the progress achieved in fiscal year 2018 to further reduce this backlog.

Technical Assistance (TA): CPD administers the TA cooperative agreements for the Department.

Within the Office for the Deputy Assistant Secretary for Grant Programs, no new funding was requested in the fiscal year 2019 President's request to support Community Development Block Grants (CDBG), Community Development Loan Guarantee (Section 108), and the Homeownership Investment Partnerships Programs (HOME). Nevertheless, significant workload remains that requires dedicated on-going FTE resources. For example:

- Fiscal Year 2017 Community Development Block Grants (CDBG) funding will require oversight and monitoring and will not be fully expended until 2024;
- Community Development Loan Guarantees (Section 108) could extend up to twenty years into the future and existing loan guarantee commitments could extend up to twenty-five years into the future. CPD must continue to ensure timely repayment of these loans on a quarterly basis as well as continue to provide regulatory and programmatic oversight;

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- Fiscal year 2017 HOME Investment Partnerships (HOME) funding will not expire until 2026 and units must be monitored for affordability and physical condition for 20 years;
- Supplemental disaster appropriations (CDBG-DR) will continue to outlay beyond 2019 (for example, appropriations for Hurricane Sandy have until 2023 to be expended); and
- As a consequence of no new program funding, grantees will not receive program administrative funds to support their current staff, resulting in decreased capacity of CPD's grantees. Consequently, CPD employees will see their workload increase to fill the gap as grantee capacity decreases.

3. Key Operational Initiatives:

CPD is currently revisiting our processes relating to risk analysis and on-site monitoring to achieve additional efficiencies. We are also exploring the use of technology to increase our capability to conduct remote monitoring.

CPD and the Office of Strategic Planning and Management (OSPM) have assessed Grant Solutions – the shared service grants management platform operated by the Department of Health and Human Services – as a potential replacement for *e-snaps*. Grant Solutions provides approximately a 50 percent fit for the Continuum of Care (CoC) requirements. If approved for implementation, it is estimated this will take 2-3 years to complete and would streamline processes and increase efficiency.