The Office of Policy Development and Research (PD&R) supports the Department’s efforts to help create cohesive, economically healthy communities. PD&R is responsible for maintaining current information on housing needs, market conditions, and existing programs, as well as conducting research on priority housing and community development issues. PD&R’s research, surveys and policy analyses inform all aspects of HUD programs providing a comprehensive and historical understanding of past program performance as well as objective data for policymakers and stakeholders to make informed decisions.

PD&R is playing a key role in current and proposed HUD initiatives including research and evaluation work related to the Transformation Initiative, disaster response and recovery research, HUD program evaluations, as well as, enhancement of the housing surveys and the national housing data infrastructure. Staff will also continue the emerging work in the disaster planning and recovery, transit oriented development and energy conservation initiatives.

Office of the Assistant Secretary, 7 FTE

The Office is headed by the Assistant Secretary for Policy Development and Research and it is comprised of four key program offices. No additional staff is requested for this Office in fiscal year 2013. A brief description of the work performed by each Office follows:

Office of Economic Affairs (OEA), 23 FTE

OEA is responsible for providing economic information and analyses and policy recommendations to the Secretary, Deputy Secretary, Assistant Secretaries, and the principal staff within the Department. The Office analyzes the economic impact of Departmental and other federal regulatory and legislative proposals, directs the surveys of national housing conditions, analyzes private sector data on mortgage markets, supports FHA operations, develops program operating parameters for HUD rental assistance programs and government programs and provides data on the socioeconomic conditions of cities. OEA also oversees and edits the regional summaries and local housing market profiles prepared by the field economists for HUD's quarterly publication, U.S. Housing Market Conditions. There is a decrease of 1FTE for this office in fiscal year 2013.
Program Office Salaries and Expenses - Office of Policy Development and Research

OEA’s funded efforts include:

- The American Housing Survey, fully restored to statutorily mandated coverage levels,
- Survey of Construction including building permits, housing starts, completions, and new home sales,
- Survey of Manufactured Home Placements,
- Rental Housing Finance Survey,
- Rental Housing Assistance Quality Control study, and
- Performing economic analysis of all HUD regulatory actions and review of other agency regulations affecting housing,
- Estimating Fair Market Rents, Area Median Family Income, rental assistance program income limits, and establish other program operating parameters,
- Conducting research and analysis in support of the Administration’s housing finance reform proposals,
- Compiling data on rental housing projects funded by the Low-Income Housing Tax Credit (LIHTC) and tenants of these projects,
- Publishing quarterly U.S. Housing Market Conditions reports containing national statistics and narrative descriptions of conditions regional and selected local housing markets,
- Supporting FHA’s Single Family and Multifamily programs and operations by providing research and analytical support using FHA administrative and other external data to refine FHA policies related to improved mission accomplishment and risk management.

Office of Research Evaluation and Monitoring (OREM), 30.3 FTE

The Office of Research Evaluation and Monitoring conducts research, evaluation and monitoring efforts for a wide variety of HUD programs and activities. The workload of this office includes research and development services, evaluation services, monitoring of contracts and grants, analysis, technical and analytical support and support for key data products and services. Among OREM’s major projects were:

- Administration of grants for research related to Sustainable Communities, Natural Experiments that permit the evaluation of outcomes of housing programs, and the Homeless Families demonstration,
- Assessment of Native American, Alaska Native, and Native Hawaiian Housing Needs,
- Evaluation of Choice Neighborhoods program,
- Study of Outcomes from the Disaster Housing Assistance Program (post-Katrina),
- Evaluation of the Homeless Veterans Prevention demonstration,
- Affordable Housing Pilot Program building science and social science evaluations
Program Office Salaries and Expenses—Office of Policy Development and Research

- Housing Choice Voucher Program administrative fee study,
- Impact evaluation of Housing and Services Interventions for Homeless Families,
- Evaluation of the Office of University Partnerships programs,
- Recovery Act Energy Retrofit Evaluation,
- Study of PHAs’ Engagement with Homeless Households,

Office of Policy Development (OPD), 22.5 FTE

The Office of Policy Development advises the Secretary, the Deputy Secretary, and principal staff on program policy issues arising from the formulation of legislative and budget proposals, from regulatory responsibilities, and from other proposed major actions of the Department. To ensure that research and analysis conducted by the Department is being used effectively and reaching a broad audience, OPD employs a number of strategies to connect these materials to policy makers, researchers, practitioners, and policy analysts and will build further upon them in fiscal year 2013. In addition, policy staff provides technical support, data, maps and other materials to assist program offices and HUD’s partners and stakeholders. There is a decrease of .5 FTE for this office in fiscal year 2013.

The workload includes formulation of legislative and budget proposals, technical support, publications, support for PD&R information gathering and information exchange efforts, policy analysis, policy development, policy-related research and data analysis and dissemination support. Activities of this office include:

Policy Analysis, Development and Technical Support

Worst Case Needs Report for 2011 – Using the latest data from the American Housing Survey, complete this report on the basic housing needs of low-income renters and develop a supplemental report on housing needs among persons with disabilities.

Implementation and Management of the Transformation Initiative – The Office of Policy Development’s management of the TI portfolio including research and demonstrations as well as technical assistance.

Integrated Housing and Education Data – Finishing pilot and analyzing results of linking children in assisted housing to longitudinal student-level education data and potentially health, human services, and other administrative datasets. Administration of the Multidisciplinary Research Team will build on this pilot to launch other data sharing agreements linking HUD’s data with administrative data from other agencies and provide short turnaround research projects.
Program Office Salaries and Expenses-Office of Policy Development and Research

Affirmatively Furthering Fair Housing – Continue to develop guidance, including providing potential benchmarks and thresholds, to assist jurisdictions in assessing fair housing issues in their communities.

Strong Cities, Strong Communities (SC2) – In addition to providing ongoing support for the oversight of the SC2 community solutions teams, OPD has primary responsibility for two key parts of this important initiative – The Fellowship Placement Pilot Program and the National Resource Network. Through a competitive process, the German Marshall Fund was selected to administer the $2.5 million grant program that will deploy fellows into six pilot cities to assist in local capacity building efforts. The NRN pilot, allowed in the fiscal year 2012 Transformation Initiative (once other agency support is confirmed), will serve as an on-call group of experts to help economically distressed local governments solve problems and maximize their resources.

Dissemination/Research Support

- Evidence Matters -- reach broad audiences through Evidence Matters, a quarterly publication highlighting policy-relevant research on major housing and community development topics.
- The Edge -- Publish the Edge, an on-line magazine that includes various PD&R dissemination products and commentaries from the Assistant Secretary.
- HUDUSER -- Enhancements to the PD&R website to include additional mapping capabilities, information sharing via wikis and other Web 2.0 social network additions, and portals for various special program areas within PD&R.
- HUD Library - Operate the HUD library as a central information resource for all HUD employees. The library will integrate printed and web resources to serve as a go-to location for HUD research, both current and historical, and outside sources that informs HUD programs.

Office of University Partnerships (OUP), 6 FTE

The Office of University Partnerships provides grants to institutions of higher education. As of January 2012, OUP had approximately 117 active grants. Additional grants will be awarded as a result of the funds transferred to OUP from the Social Security Administration that will be awarded in fiscal year 2012 with additional funds from SSA to be transferred in fiscal year 2013. There is a decrease of 1 FTE for this office in fiscal year 2013.
Program Office Salaries and Expenses-Office of Policy Development and Research

The workload includes monitoring of grants and interagency agreements, performing risk assessments for grantees, NOFA development, grant peer reviews, and provide technical assistance to grantees.

In addition to these PD&R program offices, there is also the Office of International and Philanthropic Innovation that coordinates the Department’s international exchanges and contacts including diverse bilateral (e.g. Canada and Mexico) and multilateral (e.g. UN and OECD) programs concerning issues in housing policy, housing finance, urban development, and the environment. OIPI duties include philanthropic outreach to identify and better understand innovation in housing and urban policy originating from those sources. The office will continue to coordinate the Department’s international exchanges and contacts from the Office of Policy Development and Research, including diverse bilateral and multilateral programs concerning issues in housing policy, housing finance, urban development and the environment.

Office of International and Philanthropic Innovation (OIPI), 7 FTE

In addition to these PD&R program offices, there is also the Office of International and Philanthropic Innovation that coordinates the Department’s international exchanges and contacts including diverse bilateral (e.g. Canada and Mexico) and multilateral (e.g. UN and OECD) programs concerning issues in housing policy, housing finance, urban development, and the environment. OIPI duties include philanthropic outreach to identify and better understand innovation in housing and urban policy originating from those sources. The office will continue to coordinate the Department’s international exchanges and contacts from the Office of Policy Development and Research, including diverse bilateral and multilateral programs concerning issues in housing policy, housing finance, urban development and the environment.

Office of Administrative Services and Budget, Contracts and Program Control Divisions, 11.6 FTE

The Office of Budget, Contract and Program Control Division and the Administrative Management Division provide procurement planning, financial management and administrative support to PD&R. There is a decrease of .4 FTE in fiscal year 2013 for these two divisions in fiscal year 2013.

The Management and Administrative Services Division is responsible for providing all administrative and management support for the Office of Policy Development and Research. There is a decrease of .4 FTE in fiscal year 2013 for these two divisions in fiscal year 2013.

Field Economists, 38 FTE

The economists in each field office are responsible for closely tracking the local economies in their region. With the information they gather, the economists inform and advise the department’s leadership as they consider policy choices, engage with local constituencies at conferences and smaller meetings, and seek deeper understanding of economic dynamics in the marketplace. Importantly, this support is offered department-wide and reaches beyond the activities of the Office of Policy Development and Research. For example, field economist products are routinely used by Regional Administrators to help improve their effectiveness.
In addition, field economists have been key participants in HUD’s efforts around the use of and reporting on ARRA funds. Moreover, the Administration’s emphasis on place-based approaches to policy heightens the importance of having knowledgeable “feet on the ground” to support efforts to craft, execute, and evaluate policy.

The Field Economists’ work products that are published on PD&R’s Internet site, including comprehensive housing market analyses, quarterly regional and local spotlight reports, are widely read and reviewed by citizens, developers, local governments, and community-based organizations and are among the most frequently accessed documents on the HUD User Web site. The Field Economist staffing will allow HUD to offer more of these products to improve nationwide coverage.

The field economists also offer independent support to HUD’s FHA multifamily insurance programs. They provide an independent review of local demand and supply conditions, which is used to help control credit (default) risk in the FHA’s multifamily portfolio. Often, developers of rental housing will seek FHA insured financing in local markets when existing rental unit supply plus units in the construction pipeline approaches or exceeds the market’s demand potential. HUD’s field economists have developed expertise in identifying when local markets reach this saturation point, and thus can help prevent overbuilding and excessive government exposure to risk and losses. Last year, the field economists reviewed nearly 400 applications valued at over $8.6 billion.

Third, field economists also provide technical and analytical support to the program offices for a number of the Department’s strategic goals, including the Regional and Field Office management plans.

The reduction in field economist presence in past years resulted in a reduction in the level of support offered to program areas. With this level of staff, the field economists will resume reviewing purchase and refinance applications under the Section 223(f), Section 223(a) and FHA risk-sharing programs, as well as section 811 applications.

Finally, as HUD moves to integrate programs across program lines, analytical support by the field economists to PD&R-HQ and the local offices will become increasingly important. Similarly their role as a resource for local governments, community-based organizations, and the public at large is expected to grow. There is a decrease of 1 FTE for the Field Economists in fiscal year 2013.
Program Office Salaries and Expenses-Office of Policy Development and Research

OFFICE OF POLICY DEVELOPMENT AND RESEARCH

<table>
<thead>
<tr>
<th></th>
<th>FY 2010 Actual</th>
<th>FY 2011 Actual</th>
<th>FY 2012 Enacted</th>
<th>FY 2013 Request</th>
<th>Increase/Decrease compared to FY 2012</th>
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<tr>
<td>Personal Services</td>
<td>$18,270,000</td>
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<td>Non-Personal Services:</td>
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<td>Travel</td>
<td>341,000</td>
<td>315,000</td>
<td>200,000</td>
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<td>Transp. Of Things</td>
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<td>-</td>
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<td>Printing</td>
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<td>109,000</td>
<td>100,000</td>
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<td>Other Services</td>
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<td>Supplies</td>
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<td>33,000</td>
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<td>Furniture</td>
<td>10,000</td>
<td>179,000</td>
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<td>-</td>
<td>-</td>
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<tr>
<td>Subtotal Non-Personal Services</td>
<td>$2,795,000</td>
<td>$2,508,000</td>
<td>$2,105,000</td>
<td>$1,800,000</td>
<td>($305,000)</td>
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<td>Total</td>
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<td>$22,211,000</td>
<td>$21,394,000</td>
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<td>FTE</td>
<td>140.5</td>
<td>155.3</td>
<td>151.2</td>
<td>145.4</td>
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PDR is requesting 145.4 FTE's for fiscal year 2013 and $21.3 million; this is a decrease from fiscal year 2012 of 5.8 FTE which will be achieved through attrition.
Travel

Travel funding of $125 thousand is requested in fiscal year 2013 for travel requirements needed by PD&R’s staffing level for increased responsibilities associated with the Transformation Initiative that began in Fiscal Year 2010, and increased disaster research travel. These funds will also support travel associated with contract and related research project monitoring. Examples of travel usage include: (1) Presentation of papers or invitation to speak at conferences; (2) Attendance at job-related housing conferences; (3) Monitoring visits to contractors that are performing research studies on behalf of PD&R; (4) Field Economists travel; (5) Attendance at training courses; (6) Provision of technical assistance to grantees by the Office of University Partnership staff; (7) Disaster related travel; and (8) International housing meetings or conferences.

Printing

The requested amount in 2013 is a decrease of $38 thousand. Funding prints documents including: “Research Works” and “Cityscape”, as well as releases of new research.

Other Services

The requested amount for training and conferences in 2013 will provide funds for outside courses for employee and for conference fees. The requested amount for General Support in 2013 will provide funds mainly for the Temp Services Contract and miscellaneous charges. The requested amount for Data and Statistical Services in 2013 will provide funds for the purchase of housing market reports, housing data and data subscriptions. These purchases and data services are utilized by the economists in the performance of their research work.

The requested amount for Technical Services in 2013 for will provide funds for the technical support contract for field economists and language and interpretation services. The technical assistance on housing assistance programs contract occurs every other year.

The requested amount of in 2013 for Visual Services will provide funds for display and exhibit materials for meetings and conferences.
Program Office Salaries and Expenses - Office of Policy Development and Research

OFFICE OF POLICY DEVELOPMENT AND RESEARCH

Assistant Secretary

Office of University Partnerships

General Deputy Assistant Secretary

Management and Administrative Services Division

Office of the Deputy Assistant Secretary for Economic Affairs

Office of the Deputy Assistant Secretary for International Affairs

Office of the Deputy Assistant Secretary for Policy Development

Office of the Deputy Assistant Secretary for Research, Evaluation & Monitoring

Economic Market Analysis Division

Housing and Demographic Analysis Division

Policy Development Division

Program Evaluation Division

Housing Finance Analysis Division

Economic Development and Public Finance Division

Research Utilization Division

Program Monitoring & Research Division

Financial Institutions Regulation Division

Affordable Housing Research and Technology Division

February 4, 2008