



**SMALL OFFICE PROJECT
OFFICE CLOSURE
QUESTIONS AND ANSWERS**
(based on Management proposed changes; may be amended following
required Union bargaining)

Q1: Is HUD offering employee buy outs and if so, how much?

A1: The Department is applying to OPM for buyout authority. The buyouts will be up to \$25,000, the maximum amount authorized by law.

Q2: How much will HUD save by consolidating offices?

A2: Savings may be realized in salaries and benefits; administrative service and lease costs; and technology costs. The total estimated operating costs as of the date of this communication is \$18.7 million annually for the identified 16 offices. However, actual savings will depend on the number of employees that select buyouts; the number of employees opting for reassignment and relocation; and the actual date the agency will be able to close an office. Savings are projected to range from \$110 million to \$150 million over a ten year period.

Q3: How many offices are being closed?

A3: A total of 16 offices, affecting approximately 120 employees.

Q4: Are other closures planned in the future?

A4: No other closures are planned at this time. Any future closures will depend on the budget environment, business and mission requirements of the agency or mandates from Congress or OMB.

Q5: Will employees be offered early retirement?

A5: The Department is applying to OPM for early out authority and anticipates this will be available to eligible employees.

Q6: Is HUD offering employees relocation assistance?

A6: Relocation assistance will be offered to every employee who accepts the directed reassignment option. For additional information on relocation assistance, see the [Relocation](#) links on hud connect or hud@work.

Q7: How many employees are expected to take the buyout?

A7: It's hard to project in advance since these are individual decisions. We

will provide updates once the buyout process concludes.

Q8: Is this part of an overall effort to reduce the number of HUD employees?

A8: **There is no overall effort to reduce HUD employees. The Department is closing these offices to better utilize its limited resources.**

Q9: Are there plans to reassess at this strategy if service gaps are detected?

A9: **The need to avoid or minimize any negative customer service impacts is a critical consideration in planning for the closures. A customer service plan will be developed for each jurisdiction which takes into consideration the office closures.**

Q10: How will customer service be affected by the office closures and consolidations?

A10: **Every effort will be made to ensure there is minimal impact on HUD customers or the public.**

Q11: Has HUD considered building access and security concerns when moving employees to other Federal buildings?

A11: **Yes, employees' safety and security is a critical factor.**

Q12: Why were some states with multiple offices unaffected by the office closure and consolidation process?

A12: **All office closure decisions were based on the business needs of the Department. The affected offices have in common the fact that they are not home to Hubs or Centers delivering any of HUD's core programs, i.e., Housing, CPD, FHEO, PIH. Therefore, program delivery to these jurisdictions is not disrupted by the office closures.**

Q13: When will the closure process take place?

A13: **This is projected to take place prior to the end of the fiscal year.**

Q14: When will the closure and consolidation process begin?

A14: **No actions to begin closing offices and notifying employees will begin until discussions and negotiations with the unions are completed. OPM must also approve HUD's pending request for buyout/early out authority after which the buyout will be conducted. This is projected for early July through August, 2013.**

Q15: When will the closure and consolidation process conclude?

A15: **The reassignment process is projected to conclude by October 2013.**

Q16: When will HUD begin to see the financial savings from these changes?

A16: **It is anticipated the savings will be realized in FY 2014 and beyond.**

Q17: If personnel retire or separate, what will happen to the FTE?

A17: **Some of the anticipated savings will be used to fund non-personnel**

expenditures to benefit the entire Department, i.e. in the Working Capital Fund to support automated systems improvements. Some of the savings will be reinvested to fund positions in locations designated by program areas.

Q18: Why are all of the changes focused on the Field and not the Headquarters?

A18: HUD began the process of eliminating lease arrangements that are not cost effective in FY 2006. Prior to that time, HUD's headquarters presence in Washington, DC comprised the Robert C. Weaver Federal Building (Weaver Building) and six leased satellite locations. HUD initiated a program to consolidate its headquarters operations and in FY 2006, vacated 3,789 square feet of space at 400 Virginia Avenue, and reduced its space at L'Enfant Plaza by 51,934 square feet, yielding a combined annual rent savings of \$3,363,000. During FY 2008, 8,481 square feet at 501 School Street, NW was vacated, for an annual savings of \$393,000. This aggressive down-sizing has left HUD in a position where it is unlikely that further reductions of its headquarters presence are possible at this time.

During FY 2010, HUD closed its 14 kiosk information centers which had been located nationwide. This resulted in a rent reduction of approximately \$67,000 annually.

Since June, 2010, HUD has experienced space reductions at 27 of its field offices, resulting in a reduction of 48,525 square feet of space and an annual rent cost reduction of approximately \$1,522,500. While it may not be possible to continue to achieve this level of reduction at all HUD offices, it will be its goal.

Q19: Which offices are specifically being closed?

A19: The following 16 field offices are being closed:

Region II

Camden, New Jersey and Syracuse, New York

Region IV

Orlando, Florida and Tampa, Florida

Region V

Springfield, Illinois, Cincinnati, Ohio, Flint, Michigan and Grand Rapids, Michigan

Region VI

Shreveport, Louisiana, Dallas, Texas and Lubbock, Texas

Region IX

Tucson, Arizona, Fresno, California, Sacramento, California and San Diego, California.

Region X

Spokane, Washington

Q20: Do these closings have anything to do with Sequestration?

A20: Not at all. Sequestration and the current budget challenges reinforce that the changes being planned are well timed and will help position the agency to meet future economic and resource challenges.

