

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Program Office Salaries and Expenses

Office of Community Planning and Development

SALARIES AND EXPENSES

(Dollars in Thousands)

| | 2022* | 2023 | | | 2024 | | |
|--------------------------------------|------------------|----------------|------------------|------------------|----------------|--------------------|------------------|
| | Actuals | Carryover | Enacted | Total | Carry Over | President's Budget | Total |
| Personnel Services | \$135,337 | \$3,944 | \$147,169 | \$151,113 | \$3,500 | \$162,961 | \$166,461 |
| Non-Personnel Services | | | | | | | |
| Travel | 214 | 5 | 800 | 805 | 5 | 830 | 835 |
| Transportation of Things | - | - | - | - | - | - | - |
| Rent and Utilities | - | - | - | - | - | - | - |
| Printing | 4 | - | 35 | 35 | - | 35 | 35 |
| Other services/Contracts | 2,990 | 513 | 5,916 | 6,429 | 520 | 5,988 | 6,508 |
| Training | - | - | 400 | 400 | - | 400 | 400 |
| Supplies | 15 | - | 45 | 45 | - | 45 | 45 |
| Furniture and Equipment | - | - | - | - | - | - | - |
| Claims and Indemnities | 7 | - | 10 | 10 | - | 10 | 10 |
| Total, Non-Personnel Services | \$3,230 | \$518 | \$7,206 | \$7,724 | \$525 | \$7,308 | \$7,833 |
| Working Capital Fund | 6,240 | 4,214 | 2,000 | 6,214 | 3,000 | 2,731 | 5,731 |
| Carryover | 8,676 | - | 7,025 | 7,025 | - | - | - |
| Grand Total | \$153,483 | \$8,676 | \$163,400 | \$172,076 | \$7,025 | \$173,000 | \$180,025 |
| FTEs | 830 | 23 | 862 | 885 | 20 | 908 | 928 |

*Includes 2021 carryover

PROGRAM PURPOSE

The Office of Community Planning and Development (CPD) primarily manages community development, affordable housing, homelessness assistance, disaster recovery, COVID-19, and American Rescue Plan (ARP) related activities that support communities, low-income households, and others requiring assistance. Functions include:

- Policy development
- Grant administration and oversight;
- 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 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.

BUDGET OVERVIEW

The 2024 President's Budget requests \$173 million for the Office of Community Planning and Development (CPD), which is \$9.6 million more than the 2023 enacted level. The Budget reflects total funding (carryover and new authority) of \$180 million, \$7.9 million above 2023 total funding.

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 programs that are helping the American public and that align with the Administration's priorities. The programs, outlined below, are administered by dedicated CPD staff that require adequate funding levels to perform their duties.

Grant Programs

Office of Grant Programs: The Office of Grant Programs oversees a large set of community development, affordable housing, and disaster recovery programs, including Community Development Block Grant (CDBG), CDBG-DR (Disaster Recovery), CDBG-CV (CARES Act), HOME Investment Partnerships (HOME), Neighborhood Stabilization Program (NSP), HOME Investment Partnerships American Rescue Plan (HOME-ARP), Section 108 Community Development Loan Guarantee, Recovery Housing Program (RHP), and Housing Trust Fund (HTF).

The Office of Grant Programs will also oversee the two new competitions provided in the 2023 Appropriations Act: Grants to Remove Barriers to Affordable Housing and Preservation and Reinvestment Initiative for Community Enhancement (PRICE). In addition, Grant Programs manages Departmental cross-cutting functions via the Office of Environment and Energy (OEE) and the Office of Real Estate Acquisition and Relocation. The programs administered by the Office of Grant Programs are critical to the recovery of communities across the Nation.

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. OSN programs include the Continuum of Care (CoC), Emergency Solutions Grants (ESG), Emergency Solutions Grants – CARES Act (ESG-CV), Youth Homelessness Demonstration Program (YHDP) programs, Rapid Re-housing Victims of Domestic Violence Programs, and Housing Opportunities for Persons with AIDS (HOPWA). 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 at risk of or experiencing homelessness.

Economic Development Programs

The Office of Economic Development (OED): The Office of Economic Development supports economic development and capacity-building for local, State, regional, and national nonprofit organizations.

OED's Congressional Grants Division (CGD) is responsible for the administration of congressionally-directed grants, the Economic Development Initiative. The Office of Rural Housing and Economic Development is responsible for the oversight and management of the 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.

CPD Field Operations

Office of Field Operations: The Office of Field Operations, approved in the 2023 Appropriations Act, is being established in 2023. CPD's 43 field offices (currently under the Office of Operations) will be managed under this new office led by a senior executive service (SES) Deputy Assistant Secretary for Field Operations. Ten Regions will be established with 10 Regional CPD Directors reporting directly to the DAS for Field Operations, in addition to a select number of other field offices.

CPD Operations

Office of 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 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 are also all part of Operations and are key contributors to the workflow and the overall operations of CPD. 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. The 2023 Appropriations Act approved a realignment of the Operations Office to establish 3 Divisions to better streamline office functions: Office Budget and Compliance, Office of Resource Management and Office of Technology, Innovation and Evaluation. The realignment process is currently underway and will be completed in 2023.

CPD-wide Programs and Cross-Cutting Programs and Initiatives

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, with the majority of the CARES Act funding allocated to CDBG, ESG, HOPWA, and Technical Assistance.

Supplemental Appropriations Funding: CPD has received supplemental administrative funds from 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 funded by CPD.

- **Environmental Support:** CPD provides departmental environmental and energy policy and compliance and support for environmental reviews and assistance. Through the Office of Environment and Energy, CPD leads Administration priorities relating to climate resilience, environmental justice, and energy efficiency.

- Relocation: CPD manages the relocation efforts for the entire Department (see description below).

Environment and Energy: CPD's Office of Environment and Energy (OEE) develops departmental environmental and energy policy in alignment with the Administration's climate resilience, environmental justice, and energy efficiency priorities. OEE also has oversight of environmental compliance, including performing environmental reviews to assess the potential environmental impacts of a project and determine whether it meets Federal, State, and local environmental standards. Most HUD-assisted projects must be examined to ensure that it does not negatively impact the surrounding environment and that the site itself will not have adverse effects on end users. OEE has a varied workload, which includes, but is 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 Budget assumes total funding of \$166.4 million for PS, \$15.3 million above 2023 total funding. This funding would support 928 (FTEs), 43 FTEs above the 2023 total funding level. The Budget supports a 5.2 percent Federal pay raise. CPD intends to distribute the FTE increases equitably in accordance with CPD's 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 would 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.

Office of Grant Programs:

Office of Block Grant Assistance (OBGA): This office provides annual CDBG grants to more than 1,200 recipients, including large cities, urban counties, States, Puerto Rico and the U.S. Territories. OBGA will need to support technical assistance for all programs and provide policy support for grantees as they approach their expenditure deadlines (beginning in 2023) and, for those that do not meet the deadline, develop expenditure plans. In 2024, OBGA will continue implementation of the pilot program Recovery Housing Program (RHP) while also administering newly-enacted competitive grant programs: Grants to Identify and Remove Barriers to Affordable Housing (\$85 million), and Preservation & Reinvestment Initiative for Community Enhancement (PRICE, \$225 million).

Office of Disaster Recovery (ODR): ODR's active grant portfolio of more than \$83 billion includes \$16.1 billion of relatively new grant funding for a "new business" line for HUD that moves ODR beyond disaster recovery and makes HUD the largest source of Federal funding for State and local government mitigation efforts. ODR relies heavily on several term hires who have term periods that will expire in the next three fiscal years, but who manage workloads that have periods of

performance that are up to 12 years. In 2023, ODR transitioned from a division of OBGA to become an office under the DAS for Grant Programs. The transition from term hires to permanent staff is a main component of building permanency in HUD's disaster recovery efforts.

Office of Affordable Housing Programs (OAHP): Additional staff is needed to support the White House Housing Supply Initiative and draft legislative proposals, undertake rulemaking, issue policy guidance, and make data system and other modifications to the current HOME program, in addition to providing training and technical assistance.

Office of Environment and Energy (OEE): Additional staff will support rulemaking efforts, policy development, and subject matter expertise/training. Also, FTEs will increase capacity to implement technical assistance, monitoring, and training. Additionally, CPD is requesting FTEs to support the workload relating to Congressional grants, including conducting environmental reviews.

Office of Special Needs:

Office of Special Needs (OSN): FTEs will support the management and oversight of CoC, ESG, ESG-CV, Youth Homelessness Demonstration Program (YHDP) programs, and Rapid Rehousing Victims of Domestic Violence Programs, all of which have been growing rapidly without proportionate staffing resources. OSN continues to serve individuals and families impacted by homelessness and OSN's workload is at its highest levels; this year, in addition to the annual CoC competition, OSN announced the first-ever awards focused on unsheltered and rural homelessness.

Office of HIV/Housing: Additional staff is required for policy and program administration. In addition, more Notice of Funding Opportunities (NOFOs) are anticipated which require staffing at all stages from drafting the NOFO to scoring, selecting, awarding, training, tracking, and reporting.

Office of Economic Development:

Congressional Grants Division (CGD): In the ten months between March 15, 2022 to December 29, 2022, the Office of Economic Development's Congressional Grants Division received two appropriations of 2,630 Congressionally-directed grants totaling more than \$4.5 billion. More than half of the grantees are nonprofits and most have no previous Federal grant experience. Nonprofits that cannot find a State or municipality to conduct the required environmental review rely on HUD for this service. HUD is not staffed to complete this level of environmental review.

HUD has previously received Congressional directives to hire up to 35 positions in CPD. HUD has continued to staff the CGD and OEE to meet the needs of these grantees. However, there are significant needs above the 35 positions to decrease the number of grantees per grant officer and to secure enough environmental review specialists dedicated to the program.

These positions are for the Office of Economic Development. OEE's needs are included in that Office's request above.

CPD Operations Headquarters:

CPD Operations HQ: FTEs will support information technology, management, budget, audit, and field management workload. Specifically, FTEs will: better manage grant agreement processing and service level agreements; provide project management for the HUD Environmental Review Online System (HEROS) and the Integrated Disbursement and Information System (IDIS); support CPD's workforce in mission critical areas such as training, space management, recruitment, travel, audits, and procurement; manage increased workload relating to the execution of multiple

supplemental budget appropriations and financial-related inquiries; handle audit mitigation, response, and resolution; provide field policy support and more.

CPD Field Operations:

CPD Field Operations: FTEs within the new Field Operations Office (approved in the 2023 Appropriations Act and currently being established) are needed to meet the basic duties of program oversight, technical assistance, and compliance across 13 formula programs, five competitive programs and nine crosscutting functional areas. Over the past two years, CPD has added four new programs (CDBG-CV, ESG-CV, HOPWA-CV, HOME-ARP) totaling billions of dollars and will now support the \$4.5 billion in 2022 and 2023 Congressional Grant projects. These new programs require additional performance evaluation, monitoring, technical assistance, and closeout support. With thousands of new projects, plan amendments, and monitoring to complete over the next ten years due to these new programs, in addition to the increased environmental review responsibility for Congressional Grants, the Self-Help Homeownership Opportunity Program (SHOP) and the Veterans Housing Rehabilitation and Modification Pilot Program (VHRMP), coupled with current workload, additional staff is required.

Non-Personnel Services (NPS)

The Budget assumes total funding of \$7.8 million for NPS, which is \$109 thousand above the 2023 total funding level. The increases are as follows:

- **Travel:** CPD is requesting \$835 thousand for travel, \$30 thousand above the 2023 total funding level. The funding supports CPD's travel-related workload for monitoring, capacity building, training, and technical assistance.
- **Training:** CPD is requesting \$400 thousand for training, a steady-state compared to the 2023 total funding level. The funding would support CPD training needs relating to managing programmatic functions and would be leveraged to train newly hired staff.
- **Contracts:** CPD is requesting \$6.5 million for contracts, \$79 thousand above the 2023 total funding level. Funding would support CPD's ongoing workload needs relating to data analysis contract for the Office of Special Needs, census data, and more.
- **Printing:** CPD is requesting \$35 thousand for printing, a steady-state compared to the 2023 total funding level.
- **Supplies:** CPD is requesting \$45 thousand for supplies, a steady-state compared to the 2023 total funding level.

Working Capital Fund (WCF)

The 2024 WCF funding level is \$7.7 million, of which \$2 million is forward funded in 2023. The 2024 WCF funding level is \$1.5 million above the 2023 funding level. The WCF funding level reflects payments for baseline WCF services (including inflationary adjustments and changes in service utilization) and the addition of the End-User Devices Scanning and Archiving Services business lines.

Information Technology (IT)

Within the Information Technology Fund, the Budget requests \$5 million to modernize the electronic Special Needs Assistance Program (e-snaps).

electronic Special Needs Assistance Program (e-snaps) - \$5 million: HUD uses the e-snaps system to automate the \$3 billion annual Continuum of Care (CoC) Program Competition, including an online data portal for applicants to submit detailed applications for homeless assistance funding. However, the e-snaps system is almost 16 years old and increasingly unstable, in use far beyond its originally projected technical lifespan. Continued use of e-snaps presents increasing risk to HUD's ability to make accurate and timely award. Basic system changes and updates required annually for each competition are costly; each change risks the stability of the system. A system failure, or significant drop in performance, will be catastrophic to the CoC Program and detrimental to local communities and homeless assistance providers that would experience significant funding delays.

Beginning with 2023 funding (\$3 million) and continuing with 2024 and 2025 funding, this project will replace e-snaps with a modern, reliable, and stable platform improving the efficiency of CoC grants management activities, drastically reducing program risk, and reducing maintenance and licensing costs.

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. 2024 President's Budget also provides CPD with resources to address the following HUD Strategic Goals. A snapshot is below.

Support Underserved Communities

Community Development Block Grant, CDBG-DR, HOME Investment Partnerships Program, Housing Trust Fund, Section 108, Homelessness Assistance Grants, Housing Opportunities for Persons with AIDS, Self-Help Homeownership Opportunity Program, Rural Capacity Building, and Section 4 Capacity Building, and Veterans Housing Rehabilitation and Modification Pilot Program, and Grants to Identify and Remove Barriers to Affordable Housing.

Tackling the Climate Crisis

According to the National Climate Assessment, low-income individuals and neighborhoods will face a disproportionate impact from climate change. CPD's OEE is actively addressing the climate crisis. OEE is assigned the overall Departmental responsibility for environmental policies and procedures for compliance with National Environmental Policy Act (NEPA) and 16 other Federal environmental laws and authorities, including floodplain management, noise, toxics and contamination, environmental justice, and other factors related to climate resilience. In addition, OEE provides staff support for the HUD Climate and Environmental Justice Council, which coordinates Departmental work on those issues. CPD has multiple programs, such as CDBG, HOME, Section 108, and HOPWA, that have environmental-related requirements. CDBG provides State and local governments with tools to support the Administration's climate crisis agenda by targeting funds that can be used for climate resilience and reducing carbon pollution in 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. Further, the Department has invested billions of dollars in activities that combat climate change and mitigate risks from natural hazards that are the result of climate change. For example, CDBG-DR and CDBG-MIT investments

have driven innovation and elevated the national conversation on resilient recovery in housing, infrastructure, and services in neighborhoods and cities across the U.S.

Ensure Access to and Increase the Production of Affordable Housing

CDBG, CDBG-DR, Section 108, HOME, HOME-ARP, HTF, SHOP, HAG, HOPWA, and VHRMP.

Examples include:

- CPD's HOME program is the primary Federal tool of State and local governments used to produce affordable rental and owner-occupied housing for low-income to extremely low-income families, including mixed-income housing and housing for homeless.
- 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 the Nation's most vulnerable populations, including extremely low-income families.
- CPD's Veterans Housing Rehabilitation and Modification Program (VHRMP) 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

HOME, SHOP, Rural Capacity Building, Section 4 Capacity Building. Examples include: 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, CDBG-DR, HOME, Section 108, HOPWA, HAG, VHRMP, Office of Environment and Energy (OEE), Recovery Housing Program.

Examples include:

- 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.
- CPD's homeless assistance programs demonstrate 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, and 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.

Equity

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

Operational Improvements

For 2024, CPD is proposing a reorganization of the Office of Special Needs to align functions properly and improve customer service. Currently, CPD is not requesting additional Salaries and Expenses resources in the 2024 Budget to support the reorganization.

CPD will work to strengthen its internal capacity to optimize service delivery and decision making to better meet customer needs through the following operational improvements:

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.
- Improving CPD's 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.