

## Ensuring NAHMA Members Receive the Latest News and Analysis of Breaking Issues in Affordable Housing

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### NAHMAanalysis 2013-0424: HUD ANNOUNCES MAJOR RESTRUCTURING OF FIELD OFFICES

This afternoon, HUD issued a press release announcing major restructuring plans for its field offices. (The press release follows for your review.) NAHMA also participated in a stakeholder call with Deputy Assistant Secretary for Multifamily Housing Marie Head that provided more details on HUD's plans. This NAHMAanalysis summarizes highlights of the stakeholder call.

HUD is working on a formal reorganization plan for its Office of Multifamily Housing which will include headquarters (HQ) and field offices. HUD wants to align the HQ structure with the new field operations. The plan will be put into regulatory clearance shortly. The Department is just opening discussions about the reorganization with its employees' union. *The plan described in today's press release and on the stakeholder call is subject to change as negotiations progress.* Congress was also briefed on the reorganization plan, but at this time, HUD does not anticipate needing any statutory changes to proceed.

HUD is undertaking this effort to distribute the workload more evenly, ensure the right people are in place to handle specific tasks, and to move toward a risk-management model that lets staff focus on the "tough stuff." DAS Head invited feedback from stakeholders on these points.

Under the reorganization plan, there will be four offices within Multifamily at HUD HQ:

- Office of Production (Currently Office of Multifamily Housing Development);
- Office of Recapitalization (Currently the Office of Affordable Housing Preservation);
- Office of Asset Management (May be renamed at some point);
  - The Office of Housing Assistance Contract Administration Oversight and the Office of Housing Assistance & Grant Administration will be merged into the Office of Asset Management; and
- A new Office of Field Operations.

According to HUD's press release:

"A key component of the Multifamily plan will be consolidating its field employees, who currently work in 50 offices around the country, into ten offices that will report to five Multifamily Hubs.... This more streamlined model will allow more consistent, efficient processing of loans and servicing of existing assets. Combined with operational improvements in line with industry standards, these changes will help ensure continued high quality work that creates and protects affordable rental housing opportunities."

HUD believes this consolidation should also improve consistency in operations and policy implementation. The restructuring is also a response to the difficult budget environment and the fact that roughly 66 percent of the multifamily housing staff are eligible for retirement today. Many field staff will have a buyout option.

The seventeen Hubs will be reduced to five, and each Hub will have a corresponding satellite office. The HUBs and their corresponding satellite offices will be:

- HUB New York + Satellite Boston
- HUB Atlanta + Satellite Jacksonville
- HUB Chicago + Satellite Detroit
- HUB Fort Worth + Satellite Kansas City
- HUB San Francisco + Satellite Denver

The first phase of the reorganization, beginning in Fall 2013, will involve HQ, the Fort Worth–Kansas City and Chicago-Detroit plans.

It is important to note this policy was just announced today to stakeholders, HUD employees and Congress. As the reorganization plan goes through regulatory clearance and HUD begins negotiations with the employees' union, the plan may change. NAHMA will also continue to provide information we receive from HUD.

In the meantime, NAHMA welcomes members' feedback on HUD's multifamily housing reorganization plans. NAHMA will review any comments received in consultation with our Regulatory Affairs Committee and Board of Directors to determine the appropriate next steps in response to this announcement.