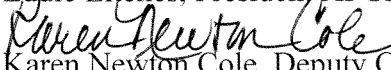




U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-3000

CHIEF HUMAN CAPITAL OFFICER

April 26, 2013

MEMORANDUM FOR: Eddie Etches, President AFGE Council 222
FROM: 
Karen Newton Cole, Deputy Chief Human Capital Officer
SUBJECT: Notification of Reorganization of the Office of Multifamily Housing

In accordance with Article 5 HUD/AFGE Agreement, this memorandum notifies the union that the Office of Multifamily Housing (MFH or Multifamily) is reorganizing its headquarters and field offices. The reorganization outlined in this document will require a headquarters and field level restructuring which also includes changes to the operating model. MFH anticipates implementation to commence beginning in calendar year (CY) 2013 concluding with full implementation by the end of CY 2016.

Statement of the Current Structure and Practice

Under the current Multifamily Housing structure there are 6 headquarters business offices, 17 Hubs, and 34 Program Centers. In addition, there are 2 property disposition centers responsible for the delivery of Multifamily services in headquarters and the field. Currently, each office adheres to space requirements in the Administrative Services Policy Handbook (2200.1), CHAPTER 13: SPACE MANAGEMENT and Supplement 69 for determining employee workstation size (in most cases the standard is 8x8; however, the supplement allows for a reduction to 7x8 if necessary).

Statement of the Reason for Change

Multifamily has made significant strides in responding to the financial crisis through Breaking Ground and Sustaining our Investments; however, more changes are necessary. The Multifamily operating model needs updating and HUD must do more to deal with ongoing challenges. The current organizational structure is outdated; impedes optimal efficiency and effectiveness in the delivery of its programs; and is cumbersome to staff, our industry partners and stakeholders. A complete restructuring of the operating model is necessary due to increases in FHA loan volumes and a need for enhanced focus on risk-based management across the platform. This transformation will help us meet these challenges and better equip us to work with customers to fulfill our mission.

Statement of the Proposed New Structure and Practice

Under the proposed structure, Multifamily will have 4 headquarters business offices, 5 Hub offices and 5 satellite offices reporting to the Hubs. There will be one property disposition center.

The Seattle, WA Hub will become a field office for the Office of Healthcare Programs (OHP) reporting to the Associate Deputy Assistant Secretary for the Office of Healthcare Programs. The agency will be using a standard of 175 square foot space utilization rate in determining size of workstations.

Reorganization

- (a) See attachment 1 for a list of the names, grades, titles, and positions of affected AFGE bargaining unit employees.
- (b) There is no impact upon upward mobility and/or career ladder positions.
- (c) See attachment 1 for the list of affected employees that may have different first and second line supervisors as a result of the reorganization.
- (d) There will be no impact upon employees' receipt of performance ratings. All ratings will be completed in accordance with the Performance Management Handbook in effect at the time of the reorganization.
- (e) Copies of available position descriptions for new positions can be found at attachment 2. Further information will be provided when available in accordance with section 5.04.
- (f) There are no employees detailed in connection with the reorganization.
- (g) The new positions created as a result of the reorganization can be found in attachment 2.
- (h) There will be no employees downgraded as a result of the reorganization. Everyone in Multifamily Housing will have the opportunity to continue their service with Multifamily Housing.
- (i) All employees listed in attachment 1 will potentially be moved as the result of the reorganization. This information will be provided when available in accordance with Section 5.04.
- (j) See attachment 3 for a copy of the before and after organization charts.

To assist you in determining the impact on affected AFGE employees, we have provided you with additional information (Mission and Functional Statements and the Proposed Implementation Plan for the Field) on the restructuring of the Office of Multifamily Housing at attachment 4. All affected employees will be given directed reassignments. HUD is seeking Voluntary Early Retirement Authority (VERA) and Voluntary Separation Incentive Payment (VSIP) to provide affected employees with other options.

In accordance with section 5.02 of the HUD/AFGE Agreement, the union may request negotiations over the proposed reorganization by submitting preliminary primary proposals within 10 calendar days to Karen Newton Cole, Deputy Chief Human Capital Officer. All proposals shall be related to the proposed reorganization.

Attachments (4):

- List of Affected AFGE Employees
- Position Descriptions for New Positions
- Organization Charts (before and after)
- Additional Restructuring Information