

**NATIONAL SUPPLEMENT**  
**BETWEEN**  
**U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**  
**AND**  
**AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES**  
**NATIONAL COUNCIL OF HUD LOCALS 222**

Subject: Multifamily Reorganization and Transformation

Scope: The scope of this Supplement encompasses the impact and implementation of the Office of Multifamily Housing reorganization of its headquarters and field offices. Under the current Multifamily Housing structure there are 6 headquarters business offices, 17 HUBs, and 34 Program Centers. In addition, there are two property disposition centers. Under the proposed structure, the subject of this Supplement, Multifamily Housing will have 4 headquarters business offices, 5 HUB offices ( New York, Atlanta, Chicago, Fort Worth and San Francisco) and 5 satellite offices (Boston, Jacksonville, Detroit, Kansas City and Denver) reporting to the HUBs. There will be one property disposition center. The Seattle, Washington HUB will become a field office for the Office of Healthcare Programs. The Multifamily Reorganization and Transformation (MFRT) will be implemented in waves beginning in FY2014.

(1) This Supplement shall not diminish or waive any rights that Multifamily Housing (MFH) bargaining unit employees have under the current collective bargaining agreement, law, rule or regulation to address any adverse impact unless expressly provided otherwise in this Supplement. Internal reorganizations, transfers of function, realignments, voluntary/ involuntary relocations, Reductions in Force, Voluntary Early Retirement Authority (VERA) and Voluntary Separation Incentive Program (VSIP) as a result of Management's implementation of the Multifamily Reorganization and Transformation (MFRT) of MFH shall be conducted in accordance with law, rule, regulation, the current collective bargaining agreement and the terms of this Supplement.

(2) Management shall meet with the Union in each implementation wave no less than once per month to brief and discuss recommendations to resolve problems, concerns or issues throughout the MFRT. Either party shall be granted additional meetings upon request. If nothing changes between meetings, Management shall notify the Union. Management shall provide a MFH program representative with decision making authority to these meetings. Local issues shall be addressed with local MFH management.

(3) Management agrees to evaluate the challenges and successes of each phase of the MFRT. Management agrees to notify the Union in accordance with the mid-term bargaining provisions

of the current collective bargaining agreement of any new proposed changes in personnel policies, practices and working conditions resulting from the evaluation.

(4) During the duration of each MFRT wave implementation, including any negotiated training requirements or other negotiated changes, all AFGE Locals will be provided official time as necessary to address all local and National implementation issues or grievances and administrative actions arising out of the MFRT.

(5) This MFRT Supplement shall be provided to employees. The local union representatives shall be allowed to brief bargaining unit members on this Supplement at a meeting. Regular work time shall be allowed for this meeting.

#### **Buyout, Retirement and Separation**

(6) The Department has VERA/VSIP authority to offer buyouts to employees in the consolidating offices. The Department has requested VERA/VSIP Authority for select positions in Headquarters Multifamily, the five (5) Multifamily HUBs and the five (5) Satellite offices that are to receive reassigned employees. The Department agrees to offer these buyouts to the receiving offices in waves. In addition, subject to the availability of funding, at the beginning of Wave I, The Department agrees that all of the offices in Wave II and Headquarters MFH also will be offered buyouts at that time. Also subject to the availability of funding, at the beginning of Wave III, the Department agrees that all of the offices in Wave IV also will be offered buyouts at that time. The Department will, subject to the availability of funds, offer buyouts in Wave V at an earlier time. Pursuant to OPM regulations, buyouts in the receiving offices and Headquarters MFH will be targeted to specific positions.

(7) The Department shall make available buyout windows in each of the following years, FY2014, FY2015, and FY 2016 for employees under the MFRT process. The buyout amount shall be a lump sum equivalent to the lesser of an employee's severance pay entitlement or a maximum of \$25,000.

(8) The VERA/VSIP application window for each MFRT wave will be open for 14 days. Employees shall have five (5) business days once the Department delivers the buyout offer to accept or decline it. Once an employee accepts a buyout, the employee shall separate no later than the mandatory separation date which will be 90-94 days from the acceptance date. The employee may provide alternate contact information (such as a proxy, private electronic mail address or telephone number) on the buyout application to aid employees who are on extended leave, detail, etc.

(9) The Department agrees that if an employee is eligible for retirement within 90 days of their reassignment/report to duty date, they may agree to retire and remain in place until retirement eligibility. If they elect not to retire at the time of their eligibility, the employee will receive an immediate notice of reassignment to the previously communicated location.

(10) The Department agrees that FERS covered employees eligible to retire at the time of the Wave I buyout may delay their retirement until January 1, 2014 so that these employees may receive the benefit of the change in the law regarding the crediting of sick leave.

(11) MFH bargaining unit requests for retirement or separation information will not be shared with the employees' managers.

(12) Each employee requesting pay or benefits information shall be assigned a specialist who will assist them through all steps of the pay and benefits process. Such assistance shall include, but not be limited to, one on one telephone counseling, individual step by step instructions through the pay and benefits process, interactive video conference and when requested by the employee, on-site training shall be provided.

(13) Prior to separation, the Department will provide post-employment ethics counseling pursuant to the government-wide Standards of Conduct. The Department shall provide all possible ethics waiver considerations and reemployment options allowed by law or discretion of the Department.

#### **Relocation**

(14) In the reassignment of MFH employees to different duty stations for the same or equivalent position, Management will solicit preferences from employees in the consolidating offices. Management shall make a onetime solicitation of preferences from all employees required to relocate prior to implementation of the MFRT and will not accept statements of preference after the solicitation. The solicitation period shall be no less than 10 days. Preferences may be chosen from their respective HUB and satellite in their geographic MFH region and two (2) additional preferences from the eight remaining HUB and satellite offices. After the buyout window closes, Management will reconsider the preferences of those who did not receive their first choice. An employee will only be able to move to their destination office if one or both of the following two conditions apply: a. the employee is moving from a consolidating office in the wave currently being implemented; or b. the employee is moving to a receiving office in the wave currently being implemented. Example for a: An employee in Indianapolis, IN [Wave II office] may move to New York, NY [Wave IV office] during the implementation of Wave II. Example for b: An employee located in Manchester, NH [Wave IV office] may move to Ft. Worth, TX [Wave I office] during the implementation of Wave I.

The Department shall reassign the employee to one of the employee's choices in descending order subject to availability of positions in the receiving offices. If there is a tie, seniority will determine the placement using the Service Computation Date. If there is a tie in Service Computation, the Entrance on Duty Date to HUD will be used. If HUD determines it cannot grant one of the employee's alternate choices it shall document the reason why. Regardless of the location determined by Management, employees will receive relocation benefits as agreed to in this Supplement and in accordance to Federal Travel Regulation (FTR).

An employee may receive relocation assistance for only one move associated with MFRT.

(15) Multifamily employees subject to the Small Office Closure Memorandum of Understanding who choose to remain with the Department will be offered their preference of a directed reassignment in accordance with this MFRT Supplement at the time of the implementation of the Small Office Closure with relocation benefits or VERA/VSIP if eligible in accordance with this MFRT Supplement.

(16) All employees must be provided relocation information if requested. Each employee being relocated will be assigned a specialist who will assist them through all steps of the relocation process. Based on their needs, each employee will be assigned a Human Resources specialist to assist with questions regarding retirement, buyouts or other benefit issues. Assistance may include one on one telephone counseling, individual step by step instructions through the relocation process, interactive video conference, and where warranted on-site training. Employees will be responded to within two business days.

(17) HUD bargaining unit employees affected by the MFRT shall have a reasonable amount of duty time as needed, but no less than eight (8) hours, to access paper and electronic information about federal relocation procedures and benefits including, but not limited to the hudatwork.hud.gov website, OPM websites and AFGE websites, or other sources.

(18) The Department will use the HUD Interpretation Line to assist employees with inquiries related to buyouts, retirement, and travel-related allowances during the MFRT.

(19) The Department shall provide additional administrative leave during the house hunting trip up to three (3) days to impacted MFH employees only when it is necessary to locate local service providers for daycare or elder care for immediate family members with unique needs prior to relocation. There shall be no additional per diem, lodging or other travel related expenses paid to the employee for the three days.

(20) No MFH employee affected by the MFRT will be required to report to a new duty station during the period of November 15 through January 15.

(21) The Department will comply with the Federal Travel Regulation (FTR), and all other applicable regulations and Department policies in regards to relocation benefits. HUD will approve the below entitlements up to the maximum shown unless the employee utilizes less:

A) Additional 60, days of temporary quarters for a total of 120 days if requested/needed (only if actual cost is selected);

B) Additional year to complete all aspects of relocation for a total of 2 years.

C) Additional 90 days of temporary storage of household goods for a total of 150 days;

D) An additional year to complete real estate sale and purchase for a total of 2 years. This will also extend the other entitlements for one year;

E) Transportation of employee and immediate family member(s);

F) Shipment of privately owned vehicles (POV), maximum of 2 vehicles when it is cost effective to the Government;

G) Per Diem for the affected employee and the employee's immediate family;

H) Temporary quarters subsistence expense;

I) Transportation of household goods;

J) House hunting per diem & transportation;

K) Miscellaneous moving expenses:

1. Losses on private institutional contracts (such as that provided for handicapped or invalid dependents only) that cannot be recovered by transfer or refund and are incurred due to early termination of a contract, as allowed by law.

2. Transportation of pets including service and companion animals.

3. New public or private contract care initial fees, deposits and expenses (including but not limited to child, elder or dependent care), as allowed by law;

L) Sale and purchase of residence expenses or lease termination expenses including a residence titled in a trust; and

M) Relocation income tax allowance.

HUD will not provide the following discretionary relocation expenses unless there is a change in the AFGC Collective Bargaining Agreement or Departmental policy:

1) Home Marketing Incentive Program

2) Property management services

3) Use of a relocation service company

4) Childcare services during a house hunting/relocation

5) Home sale program (a program offered by the agency through a contractual arrangement with a relocation services company to independently market and sell a residence.)

(22) Employees shall be provided a time limit no more than two years from the date of reporting to duty to incur relocation expenses for all aspects of their relocation.

(23) Travel service agreements provided to employees shall not exceed 12 months from the date the employee reports to new duty station. If the affected employee leaves Government service prior to the expiration of the service agreement without a break in service for reasons of retirement or for issues beyond an employee's control and are acceptable to the Department, the employee will be released from the travel service agreement and travel indebtedness will be waived. This MFRT Supplement shall govern this provision for Multifamily employees affected by the Small Office Closure Memorandum of Understanding.

(24) Immediate family includes any of the following named members of the affected employee's household at the time he/she reports for duty at the new permanent duty station or performs other authorized travel involving family members:

A) Spouse;

B) Domestic partner if allowed by law:

C) Children of the employee, of the employee's spouse, or of the employee's domestic partner, who are unmarried and under 21 years of age or who, regardless of age, are physically or mentally incapable of self-support. (The term "children" shall include natural offspring; stepchildren; adopted children; grandchildren, legal minor wards or other dependent children who are under legal guardianship of the employee, of the employee's spouse, or of the domestic partner; and an unborn child(ren) born and moved after the employee's effective date of transfer.);

D) Dependent parents (including step and legally adoptive parents) of the employee, of the employee's spouse, or of the employee's domestic partner; and

E) Dependent brothers and sisters (including step and legally adoptive brothers and sisters) of the employee, of the employee's spouse, or of the employee's domestic partner, who are unmarried and under 21 years of age or who, regardless of age, are physically or mentally incapable of self-support.

(25) House hold goods (HHG) regarding relocation expenses include the affected employee's property, unless specifically excluded, associated with the home and all personal effects belonging to the employee and immediate family members on the effective date of the employee's change of official station orders that legally may be accepted and transported by a commercial HHG carrier:

A) Professional Books, papers and equipment;

B) Spare parts of a POV (see definition of POV) and a pickup truck tailgate when removed; (this applies to drivable vehicles used for transportation by employee or family member.)

C) Integral or attached vehicle parts that must be removed due to high vulnerability to pilferage or damage, (e.g., seats, tops, wench, spare tire, portable auxiliary gasoline can(s) and miscellaneous associated hardware);

D) Removed as not applicable to the Multifamily Relocation (refers to overseas relocations);

E) Vehicles other than POVs (such as motorcycles, mopeds, jet skis, snowmobiles, golf carts, boats (e.g., boat, sailboat, canoe, skiff, rowboat, dinghies, sculls and kayak, mounted or unmounted on trailers)) of reasonable size.

F) Ultra-light Vehicles (defined in 14 CFR part 103) as being single occupant, for recreation or sport purposes, weighing less than 155 pounds if unpowered or less than 254 pounds if powered, having a fuel capacity NTE 5 gallons, airspeed NTE 55 knots, and power-off stall speed NTE 24 knots.

G) Unaccompanied Air Baggage (UAB)—Unaccompanied air baggage includes personal items and equipment (e.g., pots, pans, light housekeeping items, collapsible items such as cribs, playpens, and baby carriages, and other articles required for the care of the family) that may be shipped by air in accordance with Chapter 302 of the FTR. Household items (i.e., refrigerators, washing machines, and other major appliances or furniture) are not eligible as UAB. This applies to employees relocating from an OCONUS location to a CONUS location.

(26) The Department agrees to authorize one house hunting trip to help the affected employee locate housing at the new duty station. What is considered “one” house hunting trip is either a trip with both spouses or domestic partner, as allowed by law, simultaneously traveling to the new duty station or each spouse separately traveling once to the new duty station. The Department agrees to authorize travel and per diem for the affected employee and the employee’s spouse or domestic partner, as allowed by law, for house hunting trips. The Department agrees that the house hunting trip will be authorized as regular duty hours.

(27) The Department will authorize temporary quarters for the employee to the extent allowed by the Federal Travel Regulation.

(28) Affected employees shall be allowed to receive an allowance for expenses incurred in connection with their residence transactions (i.e. selling current home/buying new home) within the expenses allowed in accordance with the Federal Travel Regulation. This includes no *more* than ten (10) percent of the actual sales price for the sale of the current home and no more than five percent of the actual purchase price for the new home located near the new duty station. Reimbursement for loan origination fees may be approved upon the employee providing evidence that the higher rate does not include prepaid interest, points or a mortgage discount, and

loan origination fees or other similar fees are customarily charged in the locality where the residence is located.

(29) The Department recognizes under the current housing market that there may be employees that are "under water" on their mortgages. Management agrees that employees shall suffer no adverse employment impact, including but not limited to systems access, official travel access, or ethics/conduct for activities outside of the workplace for failure to meet their mortgage obligation.

(30) The parties agree that the Department will maintain records of all relocation travel orders according to applicable records retention policy. It is further agreed that the Department will provide Union officials with such records upon request to the extent permitted by law.

### **Reassignment**

(31) Employees who receive reassignments shall remain at their current duty location for 90 days before relocating unless otherwise stated in this Supplement, the Small Office Closure Memorandum of Understanding and any other agreement.

(32) With the exception of those employees covered by the Small Office Closure Memorandum of Understanding, employees will continue to work in their currently assigned field offices until the date of their reassignment reporting date.

(33) Management agrees to provide employees affected by the MFRT information on how they can use the Career Transition Assistance Program (CTAP) and the Interagency Career Transition Assistance Program (ICTAP) to retain and/or secure Federal government employment. This information shall be provided to employees who are displaced because they have declined a directed reassignment outside of the commuting area and meet the other CTAP-specific requirements. CTAP eligible employees would be afforded a selection priority for the Department's competitively recruited vacancies via CTAP. Employees applying for positions outside of the Department may use the ICTAP selection priority program and are bound by the procedures of that agency. The Department will afford a selection priority to CTAP-eligible candidates who apply for Department positions within their local commuting area and are determined to be well-qualified for the specific vacancy before placing another candidate in the position unless the placement is under one of the CTAP exceptions.

(34) Affected AFGE employees' hardship reassignment requests shall be processed in accordance with the Hardship Reassignment Article negotiated but not yet ratified between the Department and AFGE Council 222 in 2013. The Department shall provide web-based training on Hardship Reassignment requests to the affected employees within 30 days of the complete signing of this Supplement. Hardship Requests will be prioritized for a response by the Department within 30 days of submission. All hardship processing shall be completed prior to any employee being relocated.



(35) For out-stationed employees, Management and the Union agree that Supplements 39 (Operating Protocols) and 86 (New FPM Operating Protocols) between the parties shall be observed, including provisions regarding notification to employees of their chains of command for work assignments and disciplinary matters within 5 days of the affected employees reporting to their new duty station. Such employees will not be denied a preferred location solely because their immediate supervisor is not co-located at that location unless changed in this Supplement.

(36) For consolidating offices, program offices will identify positions to be filled prior to each wave. The approved quarterly hiring plan will be provided to the local unions, and a list of available positions will be provided to MFH employees as soon as practicable after budget approval. MFH employees in consolidating offices who wish to be reassigned to other program areas within their consolidating office may request reassignment to a position at the same or lower grade. Such a request is made by submitting a statement of interest, a resume and the most recent performance appraisal to the servicing Human Resources office. Minimum qualifications determinations will be made by the servicing Human Resources office. The information of qualified employees who have a summary rating of at least a "Fully Successful" will be forwarded to the program manager. The program manager must make a good faith effort and is strongly encouraged to select an MFH employee who is being required to relocate under the MFRT. This provision becomes effective 30 days from the effective date of this Supplement. The employee's eligibility for this provision ends when the employee accepts a directed reassignment. Reassignment notification through the selection process must be completed within 14 days. A report to the Union shall be provided for each wave that lists each applicant that was considered qualified.

**EXCEPTION for 1<sup>st</sup> Wave Employees:** Eligibility for this provision for these employees expires the day they begin their physical relocation. If employees in the first wave are selected after relocation expenses are incurred but prior to the physical relocation, employees will be released from their service agreement and a waiver of indebtedness will be granted. Once a selection is known MFH will delay any physical relocation.

(37) For all non-MFH vacancies arising during implementation of the MFRT which are not filled through Section 36 under of this Supplement and are funded and posted in accordance with established hiring procedures, Management agrees to give first consideration within the commuting area to MFH employees whose positions are subject to relocation or elimination.

(38) The Department is implementing a temporary voluntary program to minimize the impact for employees that may be affected by the MFRT, Wave One, and are in a consolidating office. This program shall have a 90 day test period, after which Management will immediately negotiate with the Union over the program. The negotiated program shall be extended for the duration of the implementation of the MFRT.

MFRT Job Exchange Program: The MFRT Job Exchange Program will allow employees in jobs throughout HUD to "swap jobs" with MFH employees in consolidating offices who are being

directed to relocate or electing to separate through VERA/VSIP as a result of MFRT. Management understands employees swapping into MF positions may be interested in moving to the directed reassignment location identified for the MF employee or interested in taking the VERA/VSIP.

This is a temporary program designed for the purpose of the MFRT and is non-precedent setting. The details on how the program will be implemented will require approval through the Department's clearance process. Management agrees to concurrently provide the Union with the same opportunity to review and provide pre-decisional concerns on an ongoing basis with Management regarding the process and procedures as this is implemented and prior to the new negotiated MFRT program. This exchange of information and concerns by the Union will be considered pre-decisional and may be incorporated as appropriate.

During the term of this program the National Collective Bargaining Agreement shall remain in effect.

(39) Management agrees that prior to issuing a directed reassignment in each respective MFRT wave, the Union will receive a copy of an organizational chart showing the actual employees relocation including but not limited to team assignment current position title, new position title, current position pay grade, new position pay grade, team, and location of the office.

(40) Management agrees that errors in duty stations and locality pay are beyond an employee's control. Management agrees to review all MFRT reassignment actions for accuracy within six months of relocation. If there are errors related to duty stations and locality pay, Management will effect corrections and reimburse the employees for any underpayments. Employees should also review their Notifications of Personnel Actions and earning and leave statements for accuracy and report any errors. If errors result in an overpayment, the employee may request that repayment of the overpayment be waived in accordance with applicable regulations.

**Career Status**

(41) No MFH bargaining unit employee will be involuntarily downgraded as result of the Management's implementation of the MFRT.

(42) Management will not remove any bargaining unit employee from the bargaining unit as a result of directed reassignments resulting from the MFRT.

(43) There shall be no adverse impact on existing upward mobility and /or career ladder promotions as a result of implementation of the reorganization of MFRT.

(44) The Department will abide by all current settlement agreements (EEO) and grievance awards affected by the MFRT. If there are circumstances caused by MFRT that prevent the Department from abiding by any such agreement or award, it will notify the Union as soon as

possible. Employees may avail themselves of any applicable enforcement procedures if they believe an agreement has been breached.

**Leave, Alternative Work Schedules, Telework and Reasonable Accommodations**

(45) Annual leave and/or sick leave previously approved will not be rescinded as result of implementation of the Department's implementation of the MFRT.

(46) Management agrees that employees reporting to their new location will keep their previous alternative work schedules until a work related need to change the schedule is established. Any changes to an affected employee's alternative work schedule shall be in accordance with the current collective bargaining agreement.

(47) The Department agrees that employees reporting to their new location shall keep their existing telework agreements. Any change in a telework agreement shall be in accordance with the current collective bargaining agreement.

(48) The Department shall allow the affected employees to maintain their current telework schedules for a period of 90 days following the report date for each wave of the MFRT. Thereafter employees' request for telework shall be processed in accordance with the collective bargaining agreement. This telework is in addition to the telework permitted under the Small Office Closure Memorandum of Understanding.

(49) All employees teleworking from their new duty stations shall receive appropriate equipment and supplies in a timely manner. Affected employees shall not be required to live within the "normal commuting area" of any reassigned duty station.

(50) Approved reasonable accommodations will remain in effect if employees relocate to a new office location. If a modification is requested by the employee as a result of the relocation, the proposed modification will be processed in accordance with the Departmental Reasonable Accommodation Policy.

**Performance Management and Training**

(51) Management agrees to retain employees at current grade levels.

(52) Management agrees that all Multifamily positions will be properly classified based on their duties and responsibilities and will reflect grade parity for those employees with the same duties and responsibilities.

(53) Prior to providing a directed reassignment, each employee will receive a position description classified in accordance with OPM standards.

(54) All affected bargaining unit employees will be assigned to positions with approved classified position descriptions. Employees shall receive copies of their new Position

Descriptions that accurately define, identify and describe the tasks and duties for which employees will be responsible. Management agrees that employees reassigned as a result of the MFRT meet qualifications for the positions to which they are being reassigned.

(55) Prior to or concurrent with the directed reassignment, all affected Field and Headquarters MFH bargaining unit employees shall be provided a copy of their classified position descriptions for their newly assigned positions and/or duties.

(56) To the extent possible, work as a result of the MFRT reorganization will be distributed equitably among affected bargaining unit employees. The phrase "other related duties as assigned" as used in position descriptions means duties related to the basic job and is not to be used as the basis for the assignment to employees of duties unrelated to the principal duties of their position, except on an infrequent basis and only under circumstances in which such assignments can be justified as reasonable.

(57) Multifamily employees affected by the MFRT shall be provided any and all work and training opportunities including work options that are provided to multifamily employees currently working in the selected Multifamily HUB and satellite Offices.

(58) The Multifamily employees currently working in the selected Multifamily HUB and satellite offices, shall be provided any and all work and training opportunities including work options that are provided to Multifamily employees relocated as a result the MFRT.

(59) Management agrees that the implementation of the MFRT shall be deemed as a factor beyond an employee's control and will not negatively impact an employee's performance evaluation. In the application of the performance elements and standards to affected bargaining unit employee, management shall take into account mitigating factors.

(60) In the event the employee receives a different position description due to the MFRT, Management will provide the employee with a position description, new performance standards and elements and appropriate training. MFH employees shall receive no less than a 90 day period of training.

(61) Upon accepting a directed reassignment, MFH employees who are subject to a skills assessment will not be adversely affected as a result of the assessment (i.e. grades, promotions, potential access to training.)

(62) The Department agrees not to require certification as a precondition for holding any position if certification was not required prior to the MFRT.

(63) Any new performance standards/ EPPEs provided to employees shall be addressed under the current collective bargaining agreement requirements.

(64) Once the proposed training plan is finalized, pre-decisional discussions with the Union will be scheduled and the proposed training plan will be discussed.

(65) Prior to employees having to report to their new assignment, Management will provide a training plan. The training plan will include an outline of learning objectives, live classroom instruction and other appropriate training. Employees shall be allowed to adjust their Individual Development Plans accordingly. Management agrees to provide retraining and cross training to support and maintain Departmental programs which may include communication (i.e. language, oral and written communication) skills.

(66) With the exception of volunteers, there will be no expectation that MFH employees will be required to train higher graded employees.

(67) MFH employees who currently do not complete forms related to construction, inspection, environmental review, and plan approval, shall be provided training that equips them with the knowledge and skills required to perform the job duties should the completion of these forms become required.

(68) Performance appraisals will take into account an employee's training status. Employees' training status shall have no adverse impact on employees' performance appraisals.

(69) Management agrees that team leads are bargaining unit employees and are not supervisors. Team leaders will not have a role in rating other bargaining unit MFH employees at any point during or after the MFRT.

(70) Management agrees that irrespective of position title, it is the Department's intention to assign a MFH employee with a workload that is series and grade controlling, and in compliance with performance standards under the provisions of the current collective bargaining agreement.

(71) There shall be no adverse impact on the performance appraisals of multifamily employees whose primary language is not English if they are meeting the requirements of the performance standards.

#### **Space and Office Relocation**

(72) Management agrees to provide workstations in accordance with Supplement 69 dated March 17, 2006 (Space Management), which provides for workstations of 64 square feet but no less than 56 square feet, unless there is a current local agreement dated after March 17, 2006, that provides for a larger workstation in the MFH consolidated HUBs and satellites. This includes workstations for communal work, architects, construction analysts and appraisers. This workstation provision will be effective until a new National Supplement related to space management or a new negotiated collective bargaining agreement goes into effect.

(73) The development of space in the MFRT shall include high quality furniture and will be in conformance with the current collective bargaining agreement.

(74) In accordance with the midterm bargaining provision of the current collective bargaining agreement, midterm bargaining will be conducted at the local level concerning local space issues not negotiated at the national level related to the Department's implementation of the MFRT.

(75) For each wave of the MFRT, Management agrees to develop a move schedule. The schedules will include, at a minimum, time-frames for the delivery of files, records and data, and will provide a briefing for the Union and a meeting among staff.

(76) Prior to implementing a move schedule, Management will hold discussions with the involved Union locals. Any schedule changes will be discussed with the involved Union locals.

(77) All affected employees shall be provided packing materials and granted up to 16 hours to box their office work station belongings on the designated moving date, and up to 12 hours to unpack their belongings upon arriving to the new duty station. Employees shall not be required to pack or unpack outside of duty hours unless Management approves compensatory time, overtime or credit hours. Employee shall not be required to lift, move or carry boxes outside of their immediate work space. Where appropriate, Management will provide assistance to employees.

(78) All Multifamily Housing employees relocated to a new office will be provided the same full consideration for fair selection of office space as any employee currently in the receiving office. All new and current employees in a receiving office will be provided the same consideration for space.

(79) Management agrees to provide equipment in accordance with all health and safety requirements. Any reused equipment will be sanitized (including but not limited to phones, headphones, computers chairs and workstations). Management will take additional steps to address employees' health concerns which may include replacement of equipment.

(80) Relocated employees shall have space and essential equipment in place prior to reporting to duty in the receiving office. Any delay in providing space and equipment shall not delay pay and benefits.

(81) Information packets will be provided to all employees identifying the amenities available at or nearby the new duty location. This includes but is not limited to Federal Credit Union, Fitness Center, transportation /parking options, Federal Protective Service and food. Information should include at a minimum the hours, location, fee schedule and direct contact information for these services.

(82) Affected employees relocating to the new Multifamily HUB or Satellite offices shall receive transit subsidies or other subsidies provided by HUD and other amenities available in their new location.

(83) Affected employees relocation under the MFRT shall receive a security briefing upon reporting to the new office on the following topics:

- A) Fire drills/ evacuation routes and procedures,
- B) Security briefing by the Federal Protective Service, and
- C) Parking, public transportation and shuttle logistics.

(84) Work assignments shall be adjusted to accommodate the physical office moves of employees affected by the MFRT.

**Miscellaneous**

(85) Pursuant to 5 CFR 537.107 and the terms and provisions of HUD's Service Agreement for Receipt of Repayment of Students Loan(s), The Department agrees to waive Student Loan Repayment Service Agreements for employees separated by the MFRT. There shall be no adverse impact on the employees' alternative work schedules as result of the Department's implementation of the MFRT.

(86) Management will adhere to the terms of the current collective bargaining agreement regarding any decisions it may make in deciding to contract out work.

(87) The Department shall provide a current to/from list concurrent with each wave to include job titles in the office being reorganized. The list shall be provided to the Union and each Union local affected in the wave.

(88) Management agrees to provide a list of any new positions created as a result of the MFRT at any point during the reorganization/transformation period.

(89) Merit staffing principles and requirements shall be followed for staffing all new positions in higher graded job title positions that are created, designed for or listed as part of the MFRT.

(90) Management agrees that merit staffing will be done in accordance with the current collective bargaining agreement and applicable law, rule and regulations.

(91) In accordance with the current collective bargaining agreement, mid-term bargaining will be conducted at the local level for any local issues not covered in this Supplement.

(92) The Department agrees that affected employees will retain their bargaining unit affiliation with AFGE until the actual physical report date in a non-AFGE affiliated office (i.e. Detroit and San Francisco).

(93) The Department agrees to discontinue deduction of union dues from employee paychecks on the date the employee is reassigned to another office including employees who are members for less than one year in accordance with Article 33 of the HUD/AFGE Agreement (Dues Withholding).

(94) Management agrees that travel outside the local commuting area will be approved for overnight travel where appropriate.

(95) Prior to implementation of the MFRT, Management shall provide to the Union the Congressional report on the planned reorganization of the Office of Multifamily Housing. The report will include:

A. The actual analysis used by Management to explain why multifamily housing believes there will be more efficiency with less multifamily housing offices with co-located employees:

B. A detailed analytical based business case for the selection of specific office locations for the MFRT plan which includes the qualitative analysis, including the travel cost changes, relocation costs and any contracting costs, that were used to select the specific offices to remain open and which multifamily housing offices are to be closed while leaving open and operating the HUD offices without a multifamily housing presence; and

C. A review of the experiences and best practices of other similar public and private reorganizations that have been factored into MFRT.

In addition to quarterly projections through fiscal year 2019, Management will include annual projections of costs and savings from the MFRT through 2023 and make certain that projections identified locality pay change costs among other material cost savings identified.

Management will provide the Congressional MFRT report to the Union no later than February 6, 2014. Any revisions to the report or any supplemental information relating to information provided under this section provided to Congress will be provided to the Union within 48 hours of submission. The parties agree that this information will be emailed to the Union's bargaining team.

(96) The AFGE/HUD Memorandum of Understanding titled "Workload Sharing Pilot in Multifamily Housing" signed January 10, 2013 has ended. Concurrent with each wave of the MFRT, Management shall provide a workload analysis for each affected office in the wave including but not limited to any work transferred between offices.

(97) Prior to the implementation and relocation of employees in Wave I, all best practices identified in the Workload Sharing Pilot in Multifamily Housing analysis shall be implemented within the Fort Worth HUB and Kansas City satellite offices.



(98) The MFRT to 5 Multifamily HUBs and 5 Multifamily Satellite offices is not intended to implement a Reduction in Force (RIF).

(99) Nothing precludes the Department from considering additional satellite offices depending on the needs of the organization as identified by Management. The Union will be notified if any decisions are made to add additional satellite offices.

(100) Nothing shall affect Management's right to determine the structure or organization of the Department and nothing shall preclude the Union from negotiating appropriate arrangements for employees affected by the exercise of such management rights. Management can station MFH employees who are subject to directed reassignments or elimination of their position to their current duty location or can permit employees to work from an alternate worksite, which may include their current commuting area or current HUD office full-time. This provision (100) only applies to MFRT affected employees.

(101) This Supplement shall become effective 14 days from the date this Supplement is signed.

FOR MANAGEMENT:

FOR THE UNION:

\_\_\_\_\_  
Mark Zaltman, Chief Negotiator

\_\_\_\_\_  
Perry Casper, Chief Negotiator

\_\_\_\_\_  
Jennifer Leigh Drescher

\_\_\_\_\_  
Salvatore T. Viola

\_\_\_\_\_  
Joseph C. DuBose

\_\_\_\_\_  
William L. Biggs

\_\_\_\_\_  
Lori A. Michalski

\_\_\_\_\_  
Jerry Gross

\_\_\_\_\_  
Courtney B. Minor

\_\_\_\_\_  
Heather Johns

\_\_\_\_\_  
Lisa Surplus

\_\_\_\_\_  
Ricardo Miranda

\_\_\_\_\_  
Marinella Murillo

\_\_\_\_\_  
Holly Salamido

\_\_\_\_\_  
Deborah Slakes

SIGNATURES ON FOLLOWING PAGE

(98) The SFERS to 5 Multibody HHS, and 5 Multibody Satellite offices is to be used to implement a Reduction in Force (RIF).

(99) Nothing prohibits the Department from considering additional satellite offices depending on the needs of the organization as identified by Management. The Union will be notified if any decisions are made to add additional satellite offices.

(100) Nothing shall affect Management's right to determine the position of the President of the Department and the ability shall include the Union shall negotiate any proposals that may affect the employees affected by the exercise of staff management rights. Management can make MGR employees who are subject to directed reassignment or change of their position to their current duty location or can permit employees to work from an alternate work site, which may include their current commanding area or agent (CDA) office full time. This provision (100) only applies to SFERS affected employees.

(101) This Supplement shall become effective 180 days from the date this Supplement is signed.

FOR MANAGEMENT:  
*[Signature]*  
Mark Z. [unclear]  
Chief Executive

*[Signature]*  
[unclear]

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[unclear]

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Feb 13, 2014

## APPENDIX 1 TO MFRT SUPPLEMENT

### 1) Definitions

For the purposes of this Supplement, Field Asset Management employees who work in Multifamily are responsible for oversight and management of Multifamily projects, inclusive of insured and non-insured. This involves review and monitoring of physical and financial condition and other related management functions including, but not limited to, routine mortgage servicing, property risk assessments and monitoring, default prevention and servicing, and disposition activities.

2) To be considered an Asset Management employee, an employee should meet one of four criteria as of the effective date of the MFRT Supplement:

- A. If employee currently has an Asset Management Position Description; or
- B. If an employee has a portfolio of assets in HEREMS and has an Asset Management supervisor in HHRTS; or
- C. If A and B above do not apply to an employee, but that employee is identified as an Asset Management employee by the HUB Director, Program Center Director or first line supervisor; or
- D. If an employee was listed as an Asset Management employee on the from and to list prepared by Management for this reorganization/transformation.

Employee preferences will be considered as part of the Panel process as described in Section 5 below. Employees meeting any of the aforementioned criteria shall have the option of remaining at their current office consistent with Congressional intent.

Management agrees not to reassign employees from Asset Management to Multifamily Production solely to require the employee to relocate with the exception of the Job Exchange Program.

3) Multifamily bargaining unit employees who perform approximately 50 percent or more of their time working on Asset Management work shall be designated as Asset Management employees. Therefore, these employees are not subject to relocation consistent with Congressional intent.

4) In accordance with the above paragraph 2, the determination of whether Multifamily employees have transferable duties, such as a Program Assistant, Program Analyst or employees of the Lender Quality Management Division (LQMD) are Asset Management employees, the employees' Hub Director and immediate supervisor shall base their determination on the actual work duties. Employees may challenge this determination.

5) Management will provide the Union all evidence and procedures used to determine whether or not an employee is in Asset Management. If an employee disagrees with Management's determination, the employee will be able to submit an appeal to a Review Panel. The Panel will be composed of two Hub Directors, representatives from

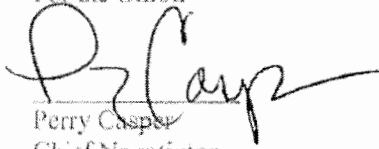
Headquarters Asset Management and Production, and a Union representative. Employees shall be eligible for Union representation before the review panel and will submit all evidence that shows that approximately 50 percent or more of the employee's regular work over the course of the last year was Asset Management work. The Panel will also take into consideration an employee's long term career experience. If an employee's long term career experience is predominately in Asset Management, then it will be determined that the employee is Asset Management. The Panel will review the submitted evidence and materials and make a final determination on the employee's Asset Management status. Union participation on the Review Panel does not constitute nor imply agreement with any Review Panel appeal decision.

In the event the employee disagrees with the Department and all appeal procedures listed in the MFRT Supplement are exhausted, the employee may then file a grievance. For the purpose of grievances involving decisions of the Review Panel only, the Union and Management agree that the following procedures apply.

1. The employee must file the grievance within seven days of the Review Panel decision.
  2. The grievance will not progress through the steps set forth in Section 22.12 of the HUD/AFGE Agreement, but will proceed directly to arbitration. Arbitration must be invoked in accordance with Section 23.01 of the HUD/AFGE Agreement.
  3. Arbitrations must be scheduled with the arbitrator to be held within 30 days. The schedule can be extended upon mutual agreement of all parties.
  4. The parties will not file prehearing or post hearing briefs.
  5. The arbitrator will make a bench decision as soon as practicable.
  6. The parties will inform the arbitrator of these procedures.
  7. A directed reassignment for the aggrieved employee will not be made effective while the arbitration is pending provided that these time frames are met.
  8. All other contractual provisions for arbitrations will apply.
  9. If the Department files an exception to the arbitration award with the FLRA, the employee's relocation stay will remain in effect. If the employee/union files an exception to the arbitration decision with the FLRA the employee may be relocated by the Department to the employees preferred core office, however, if the arbitration decision is changed/reversed, HUD will relocate the employee back to their former non-core office, if the employee still selects that option, and will reimburse all costs and expenses for the new relocation of the employee.
  10. A Multifamily employee who successfully exchanges jobs in the Job Exchange program must withdraw any grievance of the Panel decision regarding the Asset Management determination.
- 6) Employees who utilize official time as Union representatives on Union activities, spend the balance of their time on Asset Management duties or have been identified as Asset Management employees in accordance with the above paragraphs number 2 or 3, shall be designated as Asset Management employees. These employees are not subject to relocation consistent with Congressional intent.

7) In accordance with each Wave of the MFRT, Asset Management employees in non-core offices may stay in place in their current offices, may choose to relocate, or accept one of the options for retirement, buyout, Job Exchange, Resume Bank or may apply for another position in the Department consistent with Congressional intent. (There are 12 core offices that are receiving offices, which include, New York, Boston, Baltimore, Atlanta, Jacksonville, Chicago, Detroit, Minneapolis, Fort Worth, Kansas City, San Francisco, Denver and the remaining offices are non-core offices that employees may be relocated from.)

For the Union

  
Perry Casper  
Chief Negotiator

Date: *May 1, 2014*

For Management

  
Mark Zaltman  
Chief Negotiator

APPENDIX 2 TO MFRT SUPPLEMENT

1. Applicability of Negotiated National Supplement on Multifamily Reorganization and Transformation: All provisions and protections negotiated following the original Article 5 notification of April 26, 2013 and memorialized in the MFRT Supplement on the Multifamily Reorganization and Transformation shall be applicable to the outstationed Multifamily Headquarters employees identified on Attachment 2 of the Clarification Notification of April 18, 2014 (the outstationed employees).

2. Relocation of Outstationed Headquarters Employees: Affected outstationed Headquarters Multifamily employees as listed in Attachment 2 to the Clarification Notification will be relocated at the same time as other affected Multifamily employees in each respective Wave in accordance with the MFRT Supplement.

3. Space Issues: Any space issues concerning outstationed HQ employees will be negotiated at the local level.

4. Appendix 1 to MFRT Supplement: All provisions of Appendix 1 to the MFRT Supplement, dated May 1, 2014, will be applicable to the outstationed HQ employees.

5. Buy-outs: All outstationed HQ employees who are eligible for VSIP or VERA will be offered the opportunity as soon as possible, but no later than May 27<sup>th</sup>, 2014, to submit an application for a buy-out. In addition, all HQ outstationed employees who accept intermediate positions that are located in offices identified in Waves 2 through 5 of the MFRT and who are eligible for VSIP/VERA will be offered an additional opportunity to submit an application for a buy-out concurrent with the other employees in their respective waves. Eligible outstationed HQ employees will be given 14 days from the time of notification to submit a buy-out application. Management will notify outstationed HQ employees if their application has been accepted within 14 days of the close of the window for submission of buy-out applications. Once notified of acceptance, outstationed HQ employees may separate at any time, but no later than 90-94 days of receipt of the acceptance of the buy-out offer.

6. Pending Arbitration: Any decision and/or settlement in the pending arbitration regarding the MFRT will be applicable to the outstationed HQ employees.

7. Assignment to Intermediate Positions: Management agrees that the outstationed HQ employees who receive reassignments to an intermediate position prior to being reassigned to a position in the MFRT will receive 90 days of training to allow them to learn and perform the functions of the position. This training will be formal training including on the job training. Following the expiration of the formal 90 day training period, supervisors will provide limited on the job training as necessary. In the application of performance elements and standards to affected outstationed HQ bargaining unit employees Management shall take into account the date the employee was assigned the new duties, and the type and amount of training provided to the employee. In addition, all pertinent provisions of Supplement 125 will apply to the outstationed HQ employees assigned to intermediate positions in the MFRT.

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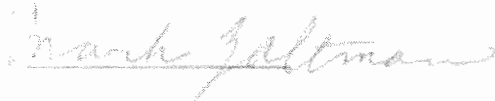
For the Union



Holly Salamido

Chief Negotiator

For Management



Mark Zaltman

Chief Negotiator

Date: 5/15/14