



**U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**  
**THE DEPUTY SECRETARY**  
WASHINGTON, DC 20410-0050

February 7, 2014

The Honorable Ed Pastor  
Ranking Member  
Subcommittee on Transportation,  
Housing and Urban Development, and Related Agencies  
Committee on Appropriations  
U.S. House of Representatives  
Washington, DC 20515

Dear Representative Pastor:

On behalf of the Department of Housing and Urban Development, I am writing to request your review and approval of the enclosed plans for the Office of Multifamily Housing (MFH) Transformation efforts.

*MFH Transformation*

The Department is working to achieve short-term and long-term savings by pursuing the transformation of the MFH in support of the Administration's goal to promote efficient spending, streamline loan processing, improve consistency within MFH, and reduce the Federal Government's real estate assets.

By 2016, MFH will complete a transformation of the way it does business – moving from a 1970s operating model to a more modern, 21st century approach that applies industry best practices, improves the ability to manage risk and deliver excellent customer service, and increases accountability and national consistency. This new model will better align the organization with other areas of HUD. The transformation involves simplifying MFH's presence in the field to improve consistency, and more closely mirror the regional structure used throughout HUD. Specifically, MFH will ultimately consolidate 51 offices into 5 Hubs, with each Hub having at least one satellite location, for a total of 12 MFH field locations.

This transformation is being implemented through a series of waves and will consolidate into the following offices:

- Wave 1: Fort Worth, Texas, and Kansas City, Kansas. Also, within the Headquarters office, MFH will streamline its structure to reduce duplication, and provide better support and service to field offices and external stakeholders.
- Wave 2: Chicago, Minneapolis, and Detroit

- Wave 3: Atlanta and Jacksonville
- Wave 4: New York City, Boston, and Baltimore
- Wave 5: San Francisco and Denver

Multifamily Housing employees in affected offices will have the option to either take a buyout or continue their HUD careers in one of the 12 remaining locations via directed reassignments with relocation entitlements. Employees are being given an opportunity to participate in a survey per agreement with the relevant unions where employees can indicate a preference for which office they would like to relocate to. HUD is not requesting additional full-time equivalents; however, the Department may engage in limited hiring depending on directed reassignment and final staffing numbers within the remaining 12 locations.

Again, I respectfully request your approval of the enclosed MFH Transformation plans. If the Committee has any questions pertaining to this request, please feel free to contact me at 202-708-0123, or Nita Nigam, HUD's Acting Budget Director, at 202-402-6850.

Sincerely,



Helen Kanovsky  
Acting Deputy Secretary

Enclosures