

## Summary of Proposed Reorganization

Office of Multifamily Housing FTE Impact		
“From”	“To”	FTEs
Office of Multifamily Housing	Office of Multifamily Housing	From 1,547 to 1,181

**a. Justification:**

The Office of Multifamily Housing (MFH) operating model is outdated; impedes optimal efficiency and effectiveness in the delivery its programs; and is cumbersome to staff, our industry partners and stakeholders. A complete restructuring of the operating model is necessary due to on-going budget constraints, dramatic increases in FHA loan volumes, and a need for an enhanced focus on risk-based management across the platform. The reorganization outlined in this brief will require a headquarters and field level restructuring which also includes changes to the operating model. MFH anticipates implementation to commence beginning in CY 2013 concluding with full implementation by the end of CY 2016.

In FY12, Multifamily staffing levels were 1,547 FTE, with 223 FTE in Headquarters and 1,324 FTE in the Field. By FY16, under the new operating model, we expect MFH staffing levels to be about 1,181 FTE, with 212 FTE in Headquarters and 969 FTE in the field. The reduction of 366 FTE will result in an estimated annual salary and expenses savings of \$46 million.

**Overview**

Over the past years, MFH has successfully implemented changes to its programs, policies and processes which will allow it to deliver its programs more efficiently and effectively. The changes to the Section 811 and Section 202 Programs are fundamental changes that impact the way MFH operates across its organizational structure. We implemented the “Breaking Ground” and “Sustaining Our Investments” Initiatives, which enabled MFH to address the large increase in FHA volume and to increase focus on risk-based management at both Headquarters and in the Field. In order to sustain the success of these initiatives and to achieve the maximum efficiency and effectiveness for our stakeholders we need to transform our structure and operating model. These changes include:

**Restructuring the Organizational Model**

Under the proposed structure, MFH will streamline the organizational structure (1) by consolidating 6 Headquarters business offices into 4 offices, (2) by consolidating its field structure of 17 Hubs and 34 program centers to 5 Hub offices and 7 satellite offices reporting to the Hubs, and (3) by consolidating the 2 existing property disposition centers into one. By consolidating the Headquarters business functions, it will reduce redundancies, reduce the direct reports to the DAS, and streamline the functions to be more in line with the

new field structure. We are proposing to incorporate the function of two offices, the Office of Housing Assistance Contract/Admin Oversight and the Office of Housing Assistance and Grant Administration, into the new Office of Multifamily Production and the Office of Asset Management and Portfolio Oversight (formerly the Office of Asset Development and Office of Asset Management). We will also create a new Office of Field Support and Operations. This new model will help establish better spans of control and establish clear reporting lines in the field. The new structure will allow for more active workload balancing which will enable MFH to provide more consistent servicing to its customers and ultimately enhance the level of customer service received. Potential FTE savings resulting from the implementation of this organizational model are estimated at \$46M annually upon full implementation in CY 2016.

#### Introduce Risk-Based Processing and Workload Sharing

MFH will classify its lenders and loans by key risk factors, spending less time on low-risk applications to ensure that sufficient focus is placed on the more high-risk transactions. This will further improve processing timeframes and allow MFH to better manage risk within the organization. Additionally, MFH assets will be classified by troubled and non-troubled, which will provide the ability to designate specific staff to focus on more complex, time-consuming work, requiring more in-depth analysis and attention.

To increase processing consistency and efficiency, workload will be spread virtually across the twelve offices based on utilization. This will result in increased efficiency gains in both Asset Management and Asset Development, and help to balance workload across the twelve offices. More importantly, reducing the field footprint will increase the consistency of MFH processing across the country and provide a standard platform to introduce ongoing enhancements and efficiencies.

#### Create New Roles and Abolish Out-Dated or Under-Utilized Positions

MFH currently has defined roles and positions that are outdated, poorly designed, and not reflective of the specific functional tasks employees must currently perform. Programs like Section 202 and Section 811 have fundamentally changed, as have the skills needed to support them. Roles are overspecialized in the Asset Development arena while they are under specialized in Asset Management. This creates bottlenecks in processing (not enough of a particular role to meet workload demands or processing breakdowns when key players are absent). Overspecialization reduces the ability of employees to perform various functions as workload demand ebbs and peaks. Under specialization limits MFH's ability to effectively manage risk.

### **Justification**

The Department has engaged in a comprehensive effort to strengthen its risk management capabilities and processes to ensure the ongoing health of the FHA Insurance Fund and HUD's portfolio as a whole. In response to recent market conditions and an increase in volume, MFH has taken a number of steps to protect itself from emerging risks and retain the solvency of its

various programs. In implementing a risk-based management approach, MFH is striving to standardize policies, processes, and practices, ensure better policy and risk alignment between the different divisions within Headquarters, provide clear accountability and greater leverage in managing the Field Operations, and provide more consistency in interactions with lenders and other third parties.

In order to ensure better policy and risk alignment across program areas, there is a need to align the program functions for development and asset management. For example, transferring the oversight and the management of the Performance Based Contract Administration (PBCA) to the newly established Office of Asset Management and Portfolio Oversight (OAMPO), formerly called the Office of Asset Management, aligns that activity to the other functions that are performed by project managers in the field that have day-to-day responsibility for those assets that have a project-based Section 8 HAP contract that is managed by a PBCA.

A more consolidated field and HQ organizational footprint is required to standardize policies, processes and practices, ensure better policy and risk alignment between divisions within Headquarters, provide clear accountability and greater leverage in managing the field operations and provide more consistency in interactions with lenders and other third parties. This organization consolidation allows the Department greater oversight over interactions between the lenders and MFH and minimizes the inconsistencies across the current 17 Hubs that have resulted due to the existing number of hubs as well as the varied interaction of lenders with MFH offices. In addition, this new footprint will allow MFH to establish greater controls on how lenders interact with the Department.

Finally, the consolidation allows senior management to oversee and manage risk through performance dialogues with the proposed 5 Hub Director structure, a process which now is very difficult and time consuming due to the large number of hubs. The consolidation allows us to achieve a higher level of standardization and greater consistency in program and policy implementation across the county.

#### Headquarters:

MFH has determined that it is in the best interest of the Department to reduce the number of business offices in Headquarters to streamline the organization. Several functions, regardless of the type of program, will be assigned to the Office of Multifamily Production or the Office of Asset Management and Portfolio Oversight, (formerly the Office of Asset Development and Office of Asset Management).

- Currently, the Offices of Housing and Grant Administration (HAGA) and Housing and Contract Administration Oversight (HACAO) develop and implement their own policies and procedures that often have a significant impact on the existing Office of Asset Management's operations. As a result, there are inconsistencies in developing and implementing policies and procedures to effectively manage the asset as there are three offices developing and implementing policies and procedures for the same assets. It has brought a great

deal of confusion to our industry partners, including owners and residents. One particular example is the policies and procedures for the project-based Section 8 HAP contracts, which HAGA develops, but has a direct impact on the asset for which the Office of Asset Management has the responsibility to conduct oversight and monitoring. The Department and our industry partners have recognized the challenges based on the responsibilities of each office, and management has tried to ease the confusion by attempting coordination between the offices, but it is time consuming and delays policies and procedures from being implemented.

- In addition, the current Grant Policy and Management Division in HAGA has oversight and monitoring of the development process of Emergency Capital Repair Program (ECRP) and Assisted Living Conversion Program (ACLP) projects, pre-development grants and Service Coordinator grants (grants that are awarded to existing projects). HAGA has historically overseen the Section 202/811 Capital Advance program; however as the funding for this program is reduced, there is no longer a need for a specialized team for this program. A reconfigured Office of Asset Management incorporating the functions of HAGA and HCAAO is best suited to assess the needs of multifamily projects for such grants, so the responsibility should be assigned to that Office, particularly since they have the responsibility for the oversight and monitoring of the asset.
- The Field Support Division's functions are being integrated into the OAMPO's Field Asset Management and Program Administration Division, as the functions of that Division are either redundant or been absorbed by other Divisions and Offices within the Office of Multifamily Housing Programs. The technical support to the field and Headquarters in the promotion of affordable housing opportunities is now being done in both the Offices of Development and Asset Management. The Office of Asset Management and this Division monitor Field Office performance against the Management Plan goals, contract renewals, and other activity affecting the day-to-day management of housing assistance/grant programs as well as owner opt-outs of Section 8 contracts, and the provision of tenant protection vouchers, and it is not cost effective or efficient to have two offices duplicating these efforts. The Policy Division in HAGA is developing and implementing multifamily policy regarding tenant issues, so it is not necessary to have another Division coordinate that effort.

The Office of Affordable Housing Preservation is being renamed the Office of Recapitalization, which reflects the re-purposing of the Office to serve as the clearinghouse for transactions and programs designed to recapitalize, preserve and improve federally assisted rental properties. The Office of Recapitalization will oversee and complete transactions to preserve and reposition multifamily and public housing. Today, preservation and recapitalization work is scattered throughout the Department, with reviews and preliminary approvals performed at Multifamily Housing field offices and final approvals issued at HUD Headquarters through the Office of Housing Assistance and Grant Administration (HAGA) and the Office of Asset Management. This structure causes confusion, delay and inconsistency. The Office of Recapitalization will provide focused

staffing to transactions to preserve legacy HUD properties (Section 236, Section 202 Direct Loan and Rent Supplement/RAP properties), public housing and other FHA-insured Section 8 assisted properties, using tools such as mortgage prepayment, IRP Decoupling, Senior Preservation Rental Assistance, the Rental Assistance Demonstration and the Mark to Market program. This centralized approach will create a more efficient process for HUD customers and allow Multifamily Housing to employ cutting edge strategies to preserve our assisted housing stock.

The Office of Field Support and Operations will be established to provide oversight, operational support, and direction to the field level and HQ in the execution of Multifamily Management Plan Goals, HUDStat Goals and other Departmental goals and initiatives.

Field:

MFH has determined it is in the best interest of the Department to align the field organization to be more operationally efficient and cost effective to meet the Department's overall mission and goals, as well as to better adapt to fluctuating volumes of business and the type of loan products currently offered and loan amounts.

MFH has implemented different strategies in both development and asset management to improve the efficiency and effectiveness of our processes including risk-based processing and workload sharing. To further improve the delivery model and streamline processes, MFH will restructure its field model by creating new roles, abolishing outdated or under-utilized positions and actively restructuring the organizational model.

MFH will streamline the organizational structure by consolidating its field structure of 17 Hubs to 5 Hub offices and 7 satellite offices reporting to the Hubs. The other 5 Hubs and 34 program centers will be consolidated into the remaining 12 offices (5 Hubs and 7 satellite offices). The Hub offices will oversee the work for the entire hub with the satellite offices reporting directly up to the Hub offices, thus streamlining the structure to only five reports from the field to Headquarters.

The 2 existing property disposition centers will be consolidated into one. Based on the decreased workload of the two Property Disposition Centers over the last several years, there is no need for two Property Disposition Centers. Based on the larger number of staff currently at the Fort Worth Center, it is cost effective to have the Fort Worth Center remain and the staff in the Atlanta Property Disposition Center either offered buyouts or be reassigned to the Atlanta Hub. With only one center that covers the entire country, it is prudent to have the Property Disposition Center report to the Director of OAMPO in Headquarters not the Fort Worth Hub Director.

**Mission and Functional Statements**

**The Office of the Deputy Assistant Secretary for Multifamily Housing Programs** is responsible for the overall management, development, direction and administration of the Multifamily Housing Programs which includes strategic planning, new product development,

marketing, industry relations, recommending legislative and budget proposals, and developing policies and program processing instructions.

**The Office of Multifamily Production** will be led by a Director who reports to the Deputy Assistant Secretary (DAS) for Multifamily Housing Programs. The office will be responsible for overall FHA multifamily mortgage insurance program and policy administration and implementation and for providing guidance to the Hubs and satellite offices around the country, as well as current and future MAP lenders, GSE partners, and state Housing Finance Agency partners. The office will consist of two divisions:

- 1) **Technical Support Division** which will be responsible for providing technical support to HUD field offices, MAP lenders, and industry partners on various technical issues such as appraisal, architecture & engineering, cost, mortgage credit, environmental and Davis Bacon wage issues, as well as policy development for technical areas; and
- 2) **Program Administration Division** which is responsible for the drafting, vetting and clearance of new policy, and program administration such as oversight and implementation of the Risk Share program, Freedom of Information Act research and response, and the development of special programs and new initiatives.

**The Office of Asset Management and Portfolio Oversight** will be led by a Director who reports to the DAS for Multifamily Housing Programs and will be responsible for the preservation of existing affordable multifamily housing and default and claim prevention. The office will consist of five divisions:

- 1) **Multifamily Asset and Counterparty Oversight Division** - The Division will focus on four areas: Asset, Portfolio, Counterparty & Watchlist Oversight that will be responsible for all watch list activities that include rating the entire multifamily housing portfolio, providing technical assistance to the Hubs and Satellite Office Directors and staff on their most troubled multifamily assets, managing the Sustaining Our Investment initiative and overseeing the monthly credit committee process, and Counterparty Risk Management which includes new lender review processing, conducting lender monitoring reviews and producing reports resulting from those reviews.
- 2) **Assisted Housing Oversight Division** - This Division will be responsible for managing grants including the Service Coordinators, Assisted Living Conversion Program, and the Project Rental Assistance Demonstration program. The Division will also handle all budget and workload associated with the Section 8 program, managing grants, and coordinating activities, evaluations, and actions related to the PBCAs.
- 3) **Business Relationships and Support Contracts Division** - The Division will be responsible for the Department's Active Partners Performance System (APPS) which allows HUD's business partners to manage their company and individual participation information and submit their APPS Previous Participation Certification (APPC) (formerly known as form 2530) requests directly to HUD for processing via the Internet. This Division will also be responsible for managing all new and existing OAMPO contracts, preparing OAMPO's procurement plan, providing assistance when disasters affecting multifamily housing properties occur, and serve as OAMPO's liaison with the Departmental Enforcement Center

and the Real Estate Assessment Center which includes managing the physical inspection and financial statement processes.

**5) 4) Field Asset Management & Program Administration Division** - This Division will consist of three Branches that will provide direct assistance to the five Hubs and their Satellite Offices, and a Program Administration Team that will be responsible for writing policy for OAMPO. The three Branch Chiefs and Team Leader will report to the Division Director. The three Branches will provide assistance to the Field that includes approving prepayments, processing regulatory waivers, interest rate reductions and partial payment of claims, Section 8(bb) requests, and responding to questions raised by these offices. All controlled correspondence will be managed through this Division. The Program Administration Team will develop policy for OAMPO that includes re-writing Handbooks and the Section 8 Renewal Guide and developing Notices and Mortgagee Letters. **Property Disposition Division** which will be responsible for all activities related to the disposition of multifamily assets.

**The Office of Recapitalization** will be led by an Associate DAS who reports to the DAS for Multifamily Housing programs. The office will be responsible for performing transactions to recapitalize and preserve federally assisted rental housing and developing and disseminating policies and programs to advance the goals of recapitalizing rental properties. The office will consist of three divisions and one office:

- 1) Program Administration Division** – The Division will be responsible for the drafting, vetting and clearance of new policy, and program administration such as oversight and implementation of the activities related to the conversion of rental assistance and recapitalization through the Rental Assistance Demonstration, energy efficiency efforts and other programs as determined by senior leadership.
- 2) Affordable Housing Transaction Division** - The Division will oversee the recapitalization of multifamily rental properties through approval of mortgage prepayments and mortgage restructurings and related activities.
- 3) Recapitalization Post-Closing and Closing Division** - The responsibilities for the Recapitalization Closing Office include coordination of closings of recapitalization transactions, management of grants and the administration of rehabilitation escrows for capital repairs.

**The Office of Field Support and Operations** will be led by an Associate DAS who reports to the DAS for Multifamily Housing Programs. The office will be responsible for the field management and operations of Multifamily Programs in the five Regional Hubs (Atlanta, Chicago, Fort Worth, New York, and San Francisco). The office provides oversight and direction at the field level in the execution of Multifamily Management Plan Goals, HUDStat Goals and other Departmental goals and initiatives.

**Program Systems Management Office** will be renamed but remain unchanged. This group reports directly to the DAS, and is not considered a standalone office because it has no

branches.

Additionally, a new **Program Administration Office** will be created to drive consistent programmatic thinking and decision-making from headquarters. This group reports directly to the DAS, and is not considered a standalone office because it has no branches.

## **b. Resource Impact:**

### **STAFFING/ORGANIZATION**

#### Headquarters:

The six Headquarters Offices will be reduced to four Offices: (1) Office of Recapitalization; (2); Office of Multifamily Production; (3) Office of Asset Management and Portfolio Oversight; and (4) Office of Field Support and Operations, which will be established to support the field structure.

- **1) Creation of the Office of Recapitalization (OR)**
  - Disestablish the Office of Affordable Housing Preservation (OAHP)
  - Disestablish the following divisions in OAHP:
    - Office of Portfolio Management
    - Office of Preservation (Washington, DC)
    - Office of Preservation (Chicago, IL)
    - Headquarters Preservation Office
  - Establish the Office of Recapitalization which will be led by an Associate Deputy Assistant Secretary (A/DAS) who will report to the Deputy Assistant Secretary (DAS) for Multifamily Housing.
  - Establish the following divisions within OR:
    - Program Administration Division
    - Affordable Housing Transaction Division
    - Recapitalization Post-Closing and Closing Division
  
- **2) Creation of the Office of Multifamily Production (OMP)**
  - Disestablish the Office of Multifamily Development
  - Disestablish the following divisions in the Office of Multifamily Development:
    - Policy Division
    - Technical Support Division
    - Lender Qualifications and Monitoring Division
  - Establish the Office of Multifamily Production which will be led by a director who will report to the Deputy Assistant Secretary (DAS) for Multifamily Housing.
  - Establish the following divisions within OMP:
    - Program Administration Division
    - Technical Support Division
  
- **3) Creation of the Office of Asset Management and Portfolio Oversight (OAMPO)**



- Disestablish the Office of Asset Management (OAM)
- Disestablish the following divisions in OAM:
  - Policy and Participation Standards Division
  - Business Relations and Special Initiatives Division
  - Field Asset Management Division
- Establish the Office of Asset Management and Portfolio Oversight which will be led by a director who will report to the Deputy Assistant Secretary (DAS) for Multifamily Housing.
- Establish the following divisions within OAMPO:
  - Multifamily Asset and Counterparty Oversight Division
  - Assisted Housing Oversight Division
  - Business Relationships and Support Contracts Division
  - Field Asset Management and Program Administration Division
  - Property Disposition Division
  
- **4) Creation of the Office of Field Support and Operations**
  - Establish the Office of Field Support and Operations which will have responsibility for all hubs. It will be led by an Associate Deputy Assistant Secretary (A/DAS) who will report to the Deputy Assistant Secretary (DAS) for Multifamily Housing and manage the Field Hubs.
    - Atlanta Hub
    - Chicago Hub
    - Fort Worth Hub
    - New York Hub
    - San Francisco Hub.
  
- **Change the name of Program Systems Management Office (PSMO) (Not technically a standalone Office because it has no Branches)**
  - Disestablish the Office of Program Systems Management (OPSM)
  - Establish the Program Systems Management Office which will be led by a director who will report to the Deputy Assistant Secretary (DAS) for Multifamily Housing.
  - Establish the following divisions within PSMO (unchanged):
    - Information Management and Cybersecurity Assurance Division
    - IT Investment Management and Customer Outreach Division
  
- **Create the Program Administration Office (Not technically a standalone Office because it has no Branches)**
  - Establish the Program Administration Office which will be led by a director who will report to the Deputy Assistant Secretary (DAS) for Multifamily Housing.
  
- **Disestablish the Office of Housing Assistance Contract/Admin Oversight**
- **Disestablish the Office of Housing Assistance and Grant Administration**

## **Field Structure**

- The Seattle WA hub will become a field office for the Office of Healthcare Programs (OHP), reporting to the Associate Deputy Assistant Secretary for OHP. Current Seattle Hub, MFH employees will be transferred into like positions within OHP.
- **Office of Field Support and Operations**
  - Disestablish the 34 program centers and transfer the functions into the hubs and satellites.
  - Disestablish the Atlanta Property Disposition Center:
    - The Atlanta Property Disposition Center's functions have been transferred to the Fort Worth Property Disposition Center which will report to the Office of Asset Management in Headquarters.
    - The Atlanta Property Disposition Center employees have been re-assigned to the Atlanta hub.
  - Disestablish the following hubs:
    - Los Angeles, CA
    - Denver, CO
    - Kansas City, KS
    - Minneapolis, MN
    - Detroit, MI
    - Columbus, OH
    - Boston, MA
    - Philadelphia, PA
    - Baltimore, MD
    - Greensboro, NC
    - Seattle, WA
    - Jacksonville, FL
- Each hub will be led by a Hub Director who will report to the A/DAS, Field Operations. Under each hub, establish a satellite office. The following hub/satellite offices will be established:
  - **Atlanta Hub/Jacksonville satellite office** – The Atlanta hub will contain an Operations Office and three divisions – the Production Division, the Atlanta Asset Management Division, and the Jacksonville Asset Management Division – which will report to the Hub Director. The Operations Office will be led by an Operations Officer and each division will be led by a Division Director.
    - Establish the Production Division which will contain branches that are each led by a Chief who reports to the Division Director.
    - Establish the Atlanta Asset Management Division which will contain branches that are each led by a Chief who reports to the Division Director.

- Establish the Jacksonville Asset Management Division which will contain branches that are each led by a Chief who reports to the Division Director.
- **Chicago Hub/Detroit and Minneapolis satellite offices** – The Chicago hub will contain an Operations Office and Four divisions – the Production Division, the Chicago Asset Management Division, the Detroit Asset Management Division, and the Minneapolis Asset Management Division – which will report to the Hub Director. The Operations Office will be led by an Operations Officer and each division will be led by a Division Director.
  - Establish the Production Division which will contain branches that are each led by a Chief who reports to the Division Director.
  - Establish the Chicago Asset Management Division which will contain branches that are each led by a Chief who reports to the Division Director.
  - Establish the Detroit Asset Management Division which will contain branches that are each led by a Chief who reports to the Division Director.
  - Establish the Minneapolis Asset Management Division which will contain branches that are each led by a Chief who reports to the Division Director.
- **Ft. Worth Hub/Kansas City satellite office** – The Ft. Worth hub will contain an Operations Office and three divisions – the Production Division, the Ft. Worth Asset Management Division, and the Kansas City Asset Management Division – which will report to the Hub Director. The Operations Office will be led by an Operations Officer and each division will be led by a Division Director.
  - Establish the Production Division which will contain branches that are each led by a Chief who reports to the Division Director.
  - Establish the Ft. Worth Asset Management Division which will contain branches that are each led by a Chief who reports to the Division Director.
  - Establish the Kansas City Asset Management Division which will contain branches that are each led by a Chief who reports to the Division Director:
- **New York Hub/Boston and Baltimore satellite offices** – The New York hub will contain an Operations Office and Four divisions – the Production Division, the New York Asset Management Division, the Boston Asset Management Division, and the Baltimore Asset Management Division – which will report to the Hub Director. The Operations Office will be led by an Operations Officer and each division will be led by a Division Director.
  - Establish the Production Division which will contain branches that are each led by a Chief who reports to the Division Director.

- Establish the New York Asset Management Division which will contain branches that are each led by a Chief who reports to the Division Director.
  - Establish the Boston Asset Management Division which will contain branches that are each led by a Chief who reports to the Division Director.
  - Establish the Baltimore Asset Management Division which will contain branches that are each led by a Chief who reports to the Division Director.
- **San Francisco Hub/Denver satellite office** – The San Francisco hub will contain an Operations Office and three divisions – the Production Division, the San Francisco Asset Management Division, and the Denver Asset Management Division – which will report to the Hub Director. The Operations Office will be led by an Operations Officer and each division will be led by a Division Director.
    - Establish the Production Division which will contain branches that are each led by a Chief who reports to the Division Director.
    - Establish the San Francisco Asset Management Division which will contain branches that are each led by a Chief who reports to the Division Director.
    - Establish the Denver Asset Management Division which will contain branches that are each led by a Chief who reports to the Division Director.

## **HUMAN RESOURCE IMPACT**

Affected offices that will be consolidated in the field include: Hartford CT, Manchester NH, Providence RI, Newark NJ, Buffalo NY, Philadelphia PA, Washington DC (field office only), Pittsburgh PA, Richmond VA, Charleston WV, Birmingham AL, Miami FL, Louisville KY, Jackson MS, Greensboro NC, San Juan PR, Columbia SC, Knoxville TN, Nashville TN, Indianapolis IN, Cleveland OH, Columbus OH, Milwaukee WI, Little Rock AK, New Orleans LA, Albuquerque NM, Oklahoma City OK, Houston TX, San Antonio TX, Des Moines IA, St. Louis MO, Omaha NE, Phoenix AZ, Los Angeles CA, Honolulu HI, Las Vegas NV, Anchorage AK, and Portland OR.

As previously mentioned, in FY12 Multifamily staffing levels were 1,547 FTE, with 223 FTE in Headquarters and 1,324 FTE in the Field. By FY16, under the new operating model, we expect MFH staffing levels to be about 1,165 FTE, with 212TE in Headquarters and 965 FTE in the field. Below is a list of how many Multifamily employees are in each of the affected offices:

Field Office	Impacted MFH Employees
ALBUQUERQUE, NM	5
ANCHORAGE, AK	2
BIRMINGHAM, AL	22
BOISE, ID	1
BUFFALO, NY	26
CHARLESTON, WV	9
CLEVELAND, OH	25
COLUMBIA, SC	21
COLUMBUS, OH	42
DES MOINES, IA	12
GREENSBORO, NC	33
HARTFORD, CT	15
HONOLULU, HI	7
HOUSTON, TX	26
INDIANAPOLIS, IN	26
JACKSON, MS	19
KNOXVILLE, TN	17
LAS VEGAS, NV	5
LITTLE ROCK, AR	11
LOS ANGELES, CA	53

Field Office	Impacted MFH Employees
LOUISVILLE, KY	20
MANCHESTER, NH	17
MIAMI, FL	9
MILWAUKEE, WI	19
NASHVILLE, TN	22
NEW ORLEANS, LA	15
NEWARK, NJ	25
OKLAHOMA CITY, OK	11
OMAHA, NE	4
PHILADELPHIA, PA	30
PHOENIX, AZ	13
PITTSBURGH, PA	18
PORTLAND, OR	18
PROVIDENCE, RI	7
RICHMOND, VA	33
SAN ANTONIO, TX	20
SAN JUAN, PR	9
ST LOUIS, MO	15
TULSA, OK	3
WASHINGTON, DC	21
<b>Grand Total</b>	<b>706</b>

Employees in affected offices will have the option to either take a buyout or continue their HUD careers in one of the twelve remaining locations via directed reassignments with relocation entitlements. Employees are being given an opportunity to participate in a survey per agreement with the union where employees can indicate a preference for which office they would like to

relocate. No additional FTEs are being requested however limited hiring may occur depending on the number of directed reassignments that occur and final staffing numbers within the remaining twelve locations.

**c. REAP Implications:**

It is anticipated that the staffing will be included in the next Resource Estimation and Allocation Process Study Refresh.

**d. Organization Charts:** See enclosure.

Internal HUD Distribution:						
Identification Lines:						
J :MFH Reorganization FY 2013						
Correspondence Code	Originator AHCBA	Concurrence AHCBA	Concurrence AHE	Concurrence AHF	Concurrence AH	Concurrence
Name	Byrd	Hawkins	Day	Warren	Brooks	
Date						