

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

[Docket No. FR-4266-N-02]

**The HUD 2020 Management Reform Plan; Notice of New HUD Field Structure****AGENCY:** Office of the Secretary, HUD.**ACTION:** Notice of the New Field Structure under the HUD 2020 Management Reform Plan and Cost-Benefit Analysis.

**SUMMARY:** On August 12, 1997, HUD published in the **Federal Register** notice of the "HUD 2020 Management Reform Plan." The HUD 2020 Management Reform Plan is HUD's plan for significant management reforms at the Department. The reforms contained in the plan are directed toward (1) empowering people and communities to improve themselves and (2) restoring HUD's reputation and credibility by improving the efficiency and effectiveness of the Department's programs, operations and provision of services.

This notice presents the new HUD Field structure under the HUD 2020 Management Reform Plan, including an analysis of the costs and benefits of that plan. The new Field structure is designed to reallocate the Department's resources to strengthen service delivery from HUD's current 81 Field Offices. The HUD 2020 Management Reform Plan does not result in the closing of any HUD offices and calls for no reduction or transfer in the location or in the amount of services currently provided by the Department to its constituents.

**FOR FURTHER INFORMATION CONTACT:** For further information, contact the Office of Departmental Operations and Coordination, the Department of Housing and Urban Development, 451 Seventh Street, SW, Washington DC 20410, (202) 708-0988. (This is not a toll free number.) Comments or questions can be submitted through the Internet to Candis\_B.\_Harrison@hud.gov. More information on HUD's Management Reform Plan can be found on HUD's Home Page on the World Wide Web at <http://www.hud.gov>, and the plan is available at <http://www.hud.gov/reform/mrindex.html>.

**SUPPLEMENTARY INFORMATION:****I. Introduction and Background**

On August 12, 1997 (62 FR 43204), HUD published in the **Federal Register** notice of the "HUD 2020 Management Reform Plan." The HUD 2020

Management Reform Plan is HUD's plan for significant management reforms at the Department. This plan is directed to restoring HUD's reputation and credibility by improving the efficiency and effectiveness of the Department's programs, operations and delivery of services. The restructuring of HUD's internal operations (as distinct from its services to its constituency) is needed to resolve a series of management deficiencies identified by the Secretary, the General Accounting Office, and the Office of the Inspector General. The restructuring of HUD's internal operations includes restructuring of the Department's Field Offices. Indeed, HUD's internal operations at its Field Offices will undergo significant change under the HUD 2020 Management Reform Plan. The change is designed to strengthen HUD's field operations.

For some time, the Department has needed to find new and more efficient ways to carry out its mission because of budget constraints and related downsizing pressures. One strategy that HUD will pursue in this connection is the consolidation of certain internal operations and moving the responsibility for these operations to field locations. Consolidation of operations in field locations does not constitute a novel way of doing business. Many private sector companies reorganized and restructured under this type of model over a decade ago. Models of this type in the financial services industry are particularly compelling and relevant to HUD. Over the past decades, many banks, such as Citibank and NationsBank, consolidated their routine functions into centralized "back office" processing centers and established "store-front" customer offices closer to their markets. HUD's consolidated operation centers outlined in the HUD 2020 Management Reform Plan are based in part on these private sector models.

Therefore, to address the Department's current outdated and outmoded top-down Headquarters/Field structure, the HUD 2020 Management Reform Plan reallocates the Department's resources in a way that is designed to strengthen HUD's current 81 Field Offices, and improve service delivery capacity. The plan does this by creating at every Field Office a Community Builder Staff with the ability to provide the full range of HUD programs, liaison, and customer services to individuals, community organizations, and governments. This makes the Field Offices more customer-friendly and community-oriented. In creating these offices, there is no reduction or transfer in the location or

amount of services provided by the Department to the recipients of its services. Additionally, no offices are being closed as a result of this restructuring. The design of the plan is for HUD's 81 Field Offices to remain and to be better focused in serving their constituents. Section III of this notice provides a cost-benefit analysis of the new field structure.

**II. Description of Changes**

The HUD 2020 Management Reform Plan will fundamentally alter the structure of HUD and the way it serves America's communities. The current field structure has State offices with a staff of program-specific employees. This structure will be replaced by Field Offices staffed with Community Builders and Public Trust Officers. While none of the Field Offices will close, their internal operations will change dramatically, becoming processing centers and new Service Centers. In this way, HUD will maintain an enhanced presence in the communities while improving the allocation of its resources.

**Consolidated Operations Centers**

The HUD 2020 Management Reform Plan provides for the consolidation of several major functions of the Department. The most important consolidation efforts involve creating both department-wide and program-specific centers. Overall, the HUD 2020 Management Reform Plan calls for the establishment of 17 types of consolidated operation centers in the field. The location of these centers reflects a geographic balance throughout the United States. The major consolidations include an Enforcement Center, a Real Estate Assessment Center, Section 8 Financial Management Center, Single Family Homeownership Centers and the Chief Financial Officer's (CFO) Accounting Center. The specific operations of these centers were discussed in more detail in the August 12, 1997 **Federal Register** notice. (See 62 FR 43212-43213.)

The consolidation of operations and functions in certain centers is exclusively a redesign of internal processing. While the consolidation may include the transfer of certain internal functions from Headquarters to the field or from one Field Office to another, there will be no impact on the level of government services to the local area since these functions by nature are not location specific. Since the consolidation of processing functions is designed to speed processing times and increase accuracy, the generalized impact is expected to be beneficial to

program customers, regardless of geographic location. The establishment of consolidated operations centers in the field will bring HUD services closer to

the customers who need these services, and closer to the customers who can help ensure that HUD is making the best decisions that it can with respect to its

services and operations. A complete list of HUD's Consolidated Operations follows:

#### HUD'S CONSOLIDATED OPERATIONS CENTERS

Consolidated operation	Function
Assessment Center .....	Standardizes the financial and physical evaluations of housing and public housing portfolios.
Enforcement Center .....	Takes aggressive action against troubled housing and public housing portfolios that fail physical and financial inspections, along with enforcement actions for FHEO and CPD grantees.
Section 8 Financial Management Center .....	Integrates and restructures the financial management systems and payment processes for all Section 8 programs.
Title I Asset Recovery Center .....	Manages the collection of deficiency balances owed to FHA as a result of buyer defaults.
FHA/Single Family Homeownership Centers (4) .....	Manage insurance endorsements, technical reviews, underwriting, loss mitigation, marketing and outreach, and lender monitoring.
Property Disposition Centers (2) .....	Manage the foreclosure and disposition of HUD-owned and HUD-assigned properties.
FHA Multifamily Hubs (18) .....	Supervise multifamily centers and administer all FHA multifamily mortgage insurance, direct loan, and capital grant programs with the exception of Multifamily Property Disposition, Processing of Rent Supplement and Section 8 Voucher/Monthly billings and coinsured loans.
FHA Multifamily Program Operations Centers (33) .....	Administer all FHA multifamily mortgage insurance, direct loan, and capital grant programs with the exception of Multifamily Property Disposition, the processing of Rent Supplement and Section 8 Voucher/Monthly Billings and coinsured loans.
Field Legal Centers (8) .....	Provide full range of legal services.
Field Legal Hubs (22) .....	Provide program specific legal services to Housing and PIH.
PIH Troubled Agency Recovery Centers (2) .....	Develop and implement strategies to improve the performance of troubled PHAs.
PIH Special Applications Center .....	Administers the processing of PIH demolition/disposition, mixed-income allocation plans, and 5(h) Homeownership applications.
PIH Grants Processing Center .....	Manages all aspects of competitive grants, as well as the public housing operating and capital funds.
PIH Hubs (27) .....	Supervise and perform all PIH functions within a defined geographic area, including program performance, administration, technical assistance and compliance functions.
PIH Program Centers (16) .....	Perform all PIH program performance, administration, technical assistance and compliance functions.
Fair Housing Hubs (10) .....	Supervise all FHEO functions within a defined geographic area. Perform all FHEO compliance and enforcement or complaint intake functions for the defined area.
Fair Housing Program Centers (18) .....	Perform all FHEO compliance and enforcement functions.
Fair Housing Local Sites (24) .....	Perform all FHEO compliance and enforcement functions for a local jurisdiction.
Economic Development and Empowerment Service .....	Coordinates all HUD economic development and job skills programs to provide improved focus on community empowerment.
Administrative Service Centers (3) .....	Support Field Offices with such services as information technology, human resources, procurement and space planning.
Employee Service Center .....	Handles all payroll, benefits and counseling services.
CFO Accounting Center .....	Manages all field program and administrative accounting operations.
HUD Area Office .....	In addition to being the location of one or more consolidated program operations hubs and centers, Area Office operations will consist of community resource and liaison services for public-private partnerships, marketing and outreach for homeownership, community and economic development, technical assistance and general trouble-shooting. They will also continue to perform the full range of field management functions.
Community Service Center .....	Area Offices will continue to perform major management responsibilities (e.g. funding, policy interpretation, monitoring and assistance) relating to FHEO, CPD, Housing, Public and Indian Housing Programs, as well as legal counsel and administrative support. Coordinators and Community Builders, with direct linkages to consolidated program operations, will provide the broad range of HUD programs, liaison and customer services to state, local and community organizations, that is, for public and assisted housing, homeownership, community and economic development, fair housing, technical assistance, public-private partnerships and complaints resolution.

#### Field Office Operations by Location

The restructuring of program operations in the Field Offices is designed substantially to increase the current level and quality of service to local communities. The HUD Management Reform Plan states that "it is paramount that HUD retain its scope and presence in communities across the country; HUD's 81 Field Offices will remain and be better focused in serving their constituents." The plan calls for

every HUD Field Office to have a Community Service Center and the establishment of community builders to augment the quality and quantity of service delivery to local communities. With respect to the location of the consolidated centers to be established throughout the U.S., the general criteria for determining the locations of these centers are as follows:

*Economy of Scale/Scope.* Greater workload productivity and customer

service by consolidating program operations at one or more sites as compared with current operations.

*Projected Population Bases.* Anticipated location of future customers, based on projected metropolitan area growth.

*Workload and Portfolio.* Current/anticipated concentration of program workload portfolio.

*Location of Industry Partners.* Sites convenient to the Department's primary program users/facilities.

*Accessibility.* Convenience of travel/transportation and other business requirements.

Consolidation of functions is designed to achieve consistency and uniformity in the performance of these functions,

and to avoid duplication of effort and streamline operations. Consistency and uniformity make these functions easier for HUD employees to perform, and make HUD programs simpler and more understandable for HUD's program participants. Under this restructuring of internal, back office operations, there is

no reduction or transfer in the location or amount of services provided by the Department to the recipients of its services as a result of the HUD 2020 Management Reform Plan. A complete description of how HUD's internal operations will be structured at each field location follows:

#### NEW HUD FIELD STRUCTURE LOCATIONS AND PROGRAM OPERATIONS

Location	Proposed HUD operations
Albany .....	Community Service Center, Local Administrative Support, Title I Asset Recovery Center.
Albuquerque .....	Area Office, Community Service Center, CPD Field Office, Fair Housing Local Site, FHA Multifamily Programs Operation Center, Local Administrative Support, PIH Program Center.
Anchorage .....	Community Service Center, CPD Field Office, FHA Multifamily Programs Operation Center, Local Administrative Support.
Atlanta .....	Administrative Service Center, Area Office, Community Service Center, CPD Field Office, Fair Housing Hub, Fair Housing Program Center, FHA/Single Family Homeownership Center, FHA Multifamily Hub, Field Legal Center, PIH Hub, Property Disposition Center.
Baltimore .....	Area Office, Community Service Center, CPD Field Office, Fair Housing Program Center, FHA Multifamily Hub, Field Legal Hub, Local Administrative Support, PIH Hub.
Bangor .....	Community Service Center.
Birmingham .....	Area Office, Community Service Center, CPD Field Office, Fair Housing Local Site, FHA Multifamily Programs Operation Center, Field Legal Hub, Local Administrative Support, PIH Hub.
Boise .....	Community Service Center.
Boston .....	Area Office, Community Service Center, CPD Field Office, Fair Housing Hub, Fair Housing Program Center, Federal Tort Claims Center, FHA Multifamily Hub, Field Legal Center, Local Administrative Support, PIH Hub.
Buffalo .....	Area Office, Community Service Center, CPD Field Office, Fair Housing Local Site, FHA Multifamily Hub, Field Legal Hub, Local Administrative Support, PIH Hub.
Burlington .....	Community Service Center.
Camden .....	Community Service Center.
Caribbean .....	Area Office, Community Service Center, CPD Field Office, FHA Multifamily Programs Operation Center, Fair Housing Local Site, Field Legal Hub, Local Administrative Support, PIH Hub.
Casper .....	Community Service Center.
Charleston .....	Community Service Center, FHA Multifamily Programs Operation Center, Local Administrative Support.
Chicago .....	Area Office, Community Service Center, CPD Field Office, Employee Service Center, FHA Multifamily Hub, Field Legal Center, Multifamily Quality Assurance Unit, PIH Special Applications Center, PIH Hub, Fair Housing Hub, Fair Housing Program Center.
Cincinnati .....	Community Service Center, Local Administrative Support.
Cleveland .....	Community Service Center, FHA Multifamily Programs Operation Center, Field Legal Hub, PIH Troubled Agency Recovery Center, Local Administrative Support, PIH Hub.
Columbia .....	Area Office, Community Service Center, CPD Field Office, Fair Housing Local Site, FHA Multifamily Programs Operation Center, Local Administrative Support, PIH Program Center.
Columbus .....	Area Office, Community Service Center, CPD Field Office, Fair Housing Program Center, FHA Multifamily Hub, Field Legal Hub, Local Administrative Support, PIH Program Center.
Coral Gables .....	Area Office, Community Service Center, CPD Field Office, Fair Housing Program Center, FHA Multifamily Programs Operation Center, Field Legal Hub, Local Administrative Support, PIH Hub.
Dallas .....	Community Service Center, Local Administrative Support.
Denver .....	Administrative Service Center, Area Office, Community Service Center, CPD Field Office, Fair Housing Hub, Fair Housing Program Center, FHA/Single Family Homeownership Center, FHA Multifamily Hub, Field Legal Center, Local Administrative Support, PIH Hub.
Des Moines .....	Community Service Center, FHA Multifamily Programs Operation Center, Local Administrative Support.
Detroit .....	Area Office, Community Service Center, CPD Field Office, Fair Housing Program Center, FHA Multifamily Hub, Field Legal Hub, Local Administrative Support, PIH Hub.
Fargo .....	Community Service Center.
Flint .....	Community Service Center.
Fort Worth .....	Area Office, CFO Accounting Center, Community Service Center, CPD Field Office, Fair Housing Hub, Fair Housing Program Center, FHA Multifamily Hub, Field Legal Center, Local Administrative Support, PIH HUB, Property Disposition Center.
Fresno .....	Community Service Center.
Grand Rapids .....	Community Service Center, Local Administrative Support.
Greensboro .....	Area Office, Community Service Center, CPD Field Office, Fair Housing Local Site, FHA Multifamily Hub, Field Legal Hub, Local Administrative Support, PIH Hub.
Hartford .....	Area Office, Community Service Center, CPD Field Office, Fair Housing Local Site, FHA Multifamily Programs Operation Center, Local Administrative Support, PIH Program Center.
Headquarters .....	Assessment Center, Enforcement Center, PIH Grants Processing Center, Economic Development and Empowerment, Service.

## NEW HUD FIELD STRUCTURE LOCATIONS AND PROGRAM OPERATIONS—Continued

Location	Proposed HUD operations
Helena .....	Community Service Center.
Honolulu .....	Community Service Center, CPD Field Office, FHA Multifamily Programs Operation Center, Fair Housing Local Site, Local Administrative Support.
Houston .....	Community Service Center, Fair Housing Local Site, FHA Multifamily Programs Operation Center, Local Administrative Support, PIH Program Center.
Indianapolis .....	Area Office, Community Service Center, CPD Field Office, Fair Housing Local Site, FHA Multifamily Programs Operation Center, Local Administrative Support, PIH Program Center.
Jackson .....	Area Office, Community Service Center, CPD Field Office, Fair Housing Local Site, FHA Multifamily Programs Operation Center, Local Administrative Support, PIH Program Center.
Jacksonville .....	Area Office, Community Service Center, CPD Field Office, Fair Housing Local Site, FHA Multifamily Hub, Field Legal Hub, Local Administrative Support, PIH Hub.
Kansas City, KS .....	Area Office, Community Service Center, CPD Field Office, Fair Housing Hub, Fair Housing Program Center, FHA Multifamily Hub, Field Legal Hub, Local Administrative Support, PIH Hub.
Kansas City, MO .....	Section 8 Financial Management Center.
Knoxville .....	Area Office, Community Service Center, Fair Housing Local Site, FHA Multifamily Programs Operation Center, Local Administrative Support, PIH Program Center.
Las Vegas .....	Community Service Center, FHA Multifamily Programs Operation Center, Local Administrative Support.
Little Rock .....	Area Office, Community Service Center, CPD Field Office, Fair Housing Local Site, FHA Multifamily Programs Operation Center, Local Administrative Support, PIH Hub.
Los Angeles .....	Area Office, Community Service Center, CPD Field Office, Fair Housing Program Center, FHA Multifamily Hub, Field Legal Hub, Local Administrative Support, PIH Hub.
Louisville .....	Area Office, Community Service Center, CPD Field Office, Fair Housing Program Center, FHA Multifamily Programs Operation Center, Local Administrative Support, PIH Hub.
Lubbock .....	Community Service Center, Local Administrative Support.
Manchester .....	Community Service Center, FHA Multifamily Programs Operation Center, Local Administrative Support.
Memphis .....	Community Service Center, Field Legal Hub, Local Administrative Support, PIH Troubled Agency Recovery Center.
Milwaukee .....	Area Office, Community Service Center, CPD Field Office, Fair Housing Local Site, FHA Multifamily Programs Operation Center, Local Administrative Support, PIH Program Center.
Minneapolis/St. Paul .....	Area Office, Community Service Center, CPD Field Office, Fair Housing Local Site, FHA Multifamily Hub, Field Legal Hub, Local Administrative Support, PIH Hub.
Nashville .....	Community Service Center, CPD Field Office, FHA Multifamily Programs Operation Center, Local Administrative Support, PIH Program Center.
New Orleans .....	Area Office, Community Service Center, CPD Field Office, Fair Housing Program Center, FHA Multifamily Programs Operation Center, Local Administrative Support, PIH Hub.
New York City .....	Administrative Service Center, Area Office, Community Service Center, CPD Field Office, Fair Housing Hub, Fair Housing Program Center, FHA Multifamily Hub, Field Legal Center, PIH Hub.
Newark .....	Area Office, Community Service Center, CPD Field Office, FHA Multifamily Programs Operation Center, Local Administrative Support, PIH Hub.
Oklahoma City .....	Area Office, Community Service Center, CPD Field Office, Fair Housing Local Site, FHA Multifamily Programs Operation Center, Local Administrative Support, PIH Program Center.
Omaha .....	Area Office, Community Service Center, CPD Field Office, Fair Housing Local Site, FHA Multifamily Programs Operation Center, Field Legal Hub, Local Administrative Support, PIH Program Center.
Orlando .....	Community Service Center.
Philadelphia .....	Area Office, Community Service Center, CPD Field Office, Fair Housing Hub, Fair Housing Program Center, FHA/Single Family Homeownership Center, FHA Multifamily Hub, Field Legal Center, Local Administrative Support, PIH Hub.
Phoenix .....	Community Service Center, FHA Multifamily Programs Operation Center, Local Administrative Support.
Pittsburgh .....	Community Service Center, CPD Field Office, Fair Housing Local Site, FHA Multifamily Programs Operation Center, Field Legal Hub, Local Administrative Support, PIH Hub.
Portland .....	Community Service Center, CPD Field Office, Fair Housing Local Site, FHA Multifamily Programs Operation Center, Local Administrative Support, PIH Program Center.
Providence .....	Community Service Center, FHA Multifamily Programs Operation Center, Local Administrative Support.
Reno .....	Community Service Center.
Richmond .....	Community Service Center, CPD Field Office, Fair Housing Local Site, FHA Multifamily Programs Operation Center, Local Administrative Support, PIH Program Center.
Sacramento .....	Community Service Center, Local Administrative Support.
Salt Lake City .....	Community Service Center, Local Administrative Support.
San Antonio .....	Area Office, Community Service Center, CPD Field Office, Fair Housing Local Site, FHA Multifamily Programs Operation Center, Local Administrative Support, PIH Hub.
San Diego .....	Community Service Center, Local Administrative Support.
San Francisco .....	Area Office, Community Service Center, CPD Field Office, Fair Housing Hub, Fair Housing Program Center, FHA Multifamily Hub, Field Legal Center, Local Administrative Support, PIH Hub.

## NEW HUD FIELD STRUCTURE LOCATIONS AND PROGRAM OPERATIONS—Continued

Location	Proposed HUD operations
Santa Ana .....	Community Service Center, FHA/Single Family Homeownership Center, Local Administrative Support.
Seattle .....	Area Office, Community Service Center, CPD Field Office, Fair Housing Hub, Fair Housing Program Center, FHA Multifamily Hub, Field Legal Hub, Local Administrative Support, PIH Hub.
Shreveport .....	Community Service Center, Local Administrative Support.
Sioux Falls .....	Community Service Center.
Spokane .....	Community Service Center.
Springfield .....	Community Service Center.
St. Louis .....	Area Office, Community Service Center, CPD Field Office, Fair Housing Local Site, FHA Multifamily Programs Operation Center, Local Administrative Support, PIH Program Center.
Tampa .....	Community Service Center.
Tucson .....	Community Service Center.
Tulsa .....	Community Service Center, Local Administrative Support.
Washington, DC .....	Area Office, Community Service Center, CPD Field Office, Fair Housing Local Site, Local Administrative Support, PIH Program Center.
Wilmington .....	Community Service Center.

### III. Impact of Restructuring of Internal Operations

HUD is publishing its cost-benefit analysis of the reorganization with this notice. (The reorganization of HUD proposed by the HUD 2020 Management Reform Plan does not result in the closing of any HUD offices or in the reduction of services. Therefore, publication of this study is not required, but HUD is publishing it as a matter of policy to provide background for its organizational decisions.) HUD considered the costs and benefits that the reorganization would have particularly on HUD's field operations since the restructuring of internal operations in the field is more profound than in Headquarters. HUD's analysis of costs and benefits includes:

- (1) An estimate of cost savings supported by the background information detailing the source and substantiating the amount of the savings;
- (2) An estimate of the additional cost which will result from the reorganization;
- (3) A study of the impact on the local economy; and
- (4) An estimate of the effect of the reorganization on the availability, accessibility, and quality of services provided for recipients of those services.

#### A. Cost-Benefit Analysis

Former Secretary Henry Cisneros committed to the Congress to reduce personnel by 3,000 employees by or near the year 2000. HUD intends to honor that commitment, and the HUD 2020 Management Reform Plan targets the year 2002 as the date by which the reduction will be achieved. By the year 2002, HUD staff will be reduced from its October 1, 1996 level of 10,500 employees to 7,500 employees. The

HUD 2020 Management Reform Plan presents a new HUD that is staffed by this workforce of 7,500 employees. This restructuring of internal operations presented in the HUD 2020 Management Reform Plan is based on the principle that HUD's workload can be handled by a reduced workforce. The consolidation of functions is designed to make it possible for a HUD workforce of 7,500 employees to handle effectively and efficiently those functions that HUD must carry out to serve its constituents successfully.

Costs associated with the HUD 2020 Management Reform Plan amount to \$289 million. These costs are related to employee buyouts and relocations, facility modifications and information technology for the new centers, and contract support. Reform costs appear only in fiscal years 1998 and 1999 and would be entirely funded within budget requests for those years.

Savings from the HUD 2020 Management Reform Plan begin to accrue in fiscal year 1999 and are primarily realized through reduced personnel costs and related reduced facilities needs. Figure 1 presents the analysis of projected savings from implementation of the Plan. The net present value of savings computed through fiscal year 2012 equates to \$1.4 billion. Stated simply, the Department's planned spending for management is less under the Plan than it otherwise would have been. The value of those savings through 2012 is \$1.4 billion, in today's dollars.

Because the entire cost of reform will be accommodated within the resources already available or planned for the Department, there is no additional cost of the HUD 2020 Management Reform Plan. The investments necessary to achieve the reforms will be funded by

reallocations within the Department's existing budget or by savings generated by the Plan. Hence, there is no recovery period (as that term is commonly used).

#### B. Impact on Local Economies

The HUD 2020 Management Reform Plan calls for significant redeployment of HUD staff. Nonetheless, the proposed reorganization will have only a minimal economic impact on any single locality. Moreover, HUD expects that as the reforms contained in this Plan take effect, positive economic effects will accrue in all of the communities HUD serves, due to the Department's greater efficiency and responsiveness to addressing their needs.

#### C. Impact on the Quality of Services

The Department's main goal in implementing the HUD 2020 Management Reform Plan is to improve the quality of services it provides and to do so in the most efficient, fiscally responsible manner possible. The overall effect of the proposed reforms is to change fundamentally the way HUD works. These reforms will make the agency more efficient, competent and capable of carrying out HUD's dual mission—empowering communities and restoring the public trust. HUD expects that its ability to provide services that facilitate community empowerment will be improved through:

—Proposed legislative reforms to create performance-based grants—many communities' planning processes are hampered by the uncertainty associated with the need to apply for competitive grants funds each year. The creation of performance-based formula grant programs for homeless assistance and Public and Indian Housing will enable communities to plan for their futures with an

assurance of funding to make those plans a reality.

—The Community Builder position—in addition to other HUD staff, there will be in every Field Office a cadre of highly trained individuals who are specifically dedicated to working with HUD's partners and customers in helping them to access the full range of HUD services. Since HUD will have consolidated many program operations into "back-office" processing centers away from the Field Offices, these staff will be focused only on helping communities to address their housing and community development needs.

Although there will be a reduction in Field Office staff levels, much of this reduction will be reflected in the segregation of processing functions to centers and hubs. Community Builders—linked by state-of-the-art technology to program centers, hubs,

back office processing centers, and policy makers—will be responsible for meeting their communities' service needs. This specialization will thus enhance the public's access to high-quality services.

Other reforms—from the consolidation of program operations to the creation of the Enforcement Center and legislative reforms to facilitate enforcement actions—will improve the quality of HUD services by strengthening the integrity of the underlying programs. Moreover, HUD's new Public Trust Officers will focus on oversight, leaving other staff available to provide customer service and processing as their primary functions. Thus, HUD expects to see improvements in all aspects of departmental operations and service delivery to the public.

#### IV. Conclusion

The HUD 2020 Management Reform Plan states that "it is paramount that HUD retain its scope and presence in communities across the country; HUD's 81 Field Offices will remain and be better focused in serving their constituents." HUD's plan calls for an increase in area community service centers and the establishment of community builders to augment the quality and quantity of service delivery to local communities. Through implementation of the HUD 2020 Management Reform Plan, HUD will maintain its presence in the communities while allocating resources the way a customer-friendly Department should.

Dated: November 18, 1997.

**Andrew Cuomo,**  
*Secretary.*

BILLING CODE 4210-32-P

Figure 1

