From: Glenn Mendiaz One Resolution Services [mailto:onecivilglenn1.1@gmail.com]
Sent: Monday, April 17, 2017 11:02 PM
To: FiduciaryRuleExamination - EBSA
Subject: One Resolution Services

I am the owner and founder, author of One resolutions plan to help consolidate HUD from 9 into one cohesive operation for the future.

The labor dispute is simple was I forced out of business while the government to ideas through open govt!!

I have received several federal registers, HUD, documents, and a severance package to shore up our relationship and team together to build a share and release operational programs that work for everyone!!

Reference ITEMS -

1. i SPOKE TO THE INDIAN PRESIDENT MICHAEL PREITO

2. I WROTE THE USICH PLAN IN 2009 IF NOT COMPLETE READ THEIR PLAN AND ASK ME QUESTIONS I CAN ANSWER THEM WITHOUT NOTES OUT OF MY HEAD AND BRAIN THAT WROTE THE ITEMS.

3. ONE WANTS TO SET UP A HIGH LEVEL MEETING TO DISCUSS HOW ONE RESOLUTION SERVICES CAN HELP!
ONE ONCE OPERATIONAL WITH A BUDGET AND MY TEAM IN PLACE.

4. I PROPOSED 9 CHANGES TO DOD FRANK TO HELP!

5. MY TACTICS ARE NOT TRADITIONAL BUT THEY ARE HONEST IM NOT FOR THE GOVERNMENT IM A PUBLIC CITIZEN ASK ME ILL TELL YO THE TRUTH AND PROVIDE SOLUTION.... 27 YEARS IN REAL ESTATE 10 YEAR OF CONSTRUCTION AND PROJECT MANAGEMENT WHILE OTHERS WERE AT SCHOOL I WAS CLOSING DEALS....NOW THEY CALL ME

I AM NOT AFRAID AND NOT AFRAID TO UNDERGO MORE ..... MY NAME IS GLENN MENDIAZ IM HERE TO HELP!

TAKE TIME TO LISTEN AND I WILL OPEN YOU EYES TO THE REALITY OF TODAY AND THE FUTURE...WE CAN BE BETTER!!

MY GOAL IS TO LOOK FORWARD TO SHOW WHAT WE CAN DO BETTER, WHY WE ARE NOT GOING TO MAKE THE MISTAKES OF THE PAST AND TO PUSH SPEAK AND SHARE LEARN THE IDEAS OF OTHERS TO KEEP EVERYONE LOOKING TO THE FUTURE.......

ONE CAN PROVIDE A LOOK INTO THE OPERATIONS AND HELP FIX ORGANISED OPERATIONS TO MAKE CUTS WHILE SAVING THE HUMAN CAPITAL KEEPING MORAL UP!!

ONE ORGANISATION HAS WHILE THE ABILITY TO TRIM AND GROW AT THE SAME TIME!! WHILE MAINTAINING TRANSPARENCY, SHARING OF NEW IDEAS AND LOWERING OVERHEAD MASSIVE OVER BUDGET REDUNDANCY.

I CAN PROVE WITH A SMALL STAFF HOW TO ACHIEVE RESULTS WHILE TRANSITIONING BY SHIFTING MORAL AND CULTURE INTO THE NEW PROGRAM.

OUR GOVERNMENT IS A HUGE BUREAUCRACY OF PEOPLE THAT WANT GOOD THINGS TO HAPPEN AND HAPPEN NOW!!

THE COMPENSATION PLAN DESCRIBED TO ME IN THE FEDERAL REGISTER WILL BE ACCEPTED WITH TERMS AND CONDITIONS. FIRST LET OPEN THE DOOR OF THE PILOT I WILL HAVE IMMEDIATE RESULTS IN ABOUT 60-90 DAYS.

THEN ONCE OPERATIONAL AND BY WELL THOUGHT OUT RELEASE OF PROGRAM ADJUSTMENT INTO PROGRAMS THAT WORK WE BUILD AN OPERATIONAL FUNCTION THAT EVERYONE WILL WANT TO BE A PART OF... I HAVE DEDICATED MY LIFE TO SERVICE TO THE PUBLIC AND HELPING THOSE WHO NEED HELP MOST.....

RIGHT NOW GOVERNMENT IT YOU THAT NEEDS THE HELP.....THAT WHAT IM PAID TO DO.

NOT BE AFRAID OF SHUT OUT BUT BRINGING THE ANSWERS TO THE TOUGH QUESTIONS BACKED WITH RESULTS THAT WE ALL CAN TAKE CREDIT FOR..... BEST THING ONE SIMPLY STAND BACK AND PERFORMS IY DUTY WHILE THE COUNTIES CITIES STATES AND FEDERAL GOVERNMENT TAKE CREDIT.

SET UP A TIME WE ALL HAVE A LOT TO DO AND MANY MOUNTAINS TO CLIMB. BUT IF WE CAN BELIEVE IN OUR SELVES WE CAN ACHIEVE ANYTHING TOGETHER END THE DIVISION RESPOND WITH TANGIBLE RESULTS AND CHANGE THE NARRATIVE FRO THE INSIDE OUT.

IT STARTS WITH US AND UNDENIABLY ENDS WITH THE GOOD DECISIONS AND CHOICES WE ME MAKE TODAY FOR A BETTER TOMORROW.

AS THE FUTURE OWNER OF ONE I ALLOW MY BROKERS, CONTRACTORS, AND LICENSED TEAM TO ANSWER THE QUESTIONS IN THEIR CHOSEN PROFESSION.....

MY JOB IS TO KEEP THEM ON STAFF TO ANSWER, RESPOND,

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WORKING CAPITAL FUND
(Dollars in Thousands)

	FY 2015 Actual	FY 2016 Enacted	FY 2017 Request
Financial Management, Procurement, Travel and Relocation	...	$27,206	$28,151
Human Resources	...	16,477	18,801
Federal Register Printing	...	...	906
Grand Total	...	43,683	47,858

Program Area Overview:

The Working Capital Fund (WCF) will serve as a mechanism for the Department of Housing and Urban Development (HUD) to finance enterprise goods and services. The WCF will assist HUD program offices achieve their missions by providing cost-effective, customer-focused enterprise support services on a fully cost recoverable, fee-for-service basis, proposed to start in fiscal year 2017. During 2016, the Department is standing up a strong governance structure with a customer service focus and business processes for timely, accurate cost-accounting data for WCF goods and services. When fully implemented, the WCF will enable the Department to achieve the following outcomes:

- Aligned incentives for efficient operations by charging costs to users;
- Transparent and timely cost estimates for goods and services, and the overall costs to administer programs; and
- Efficient and effective delivery of enterprise goods and services.

In fiscal year 2016, the Department will transfer funding from Administrative Support Offices (ASO) to the WCF for shared services. The Office of the Chief Financial Officer (OCFO) will oversee the financial operations of the WCF, while management and oversight responsibilities for providing the core WCF goods and services will remain with the appropriate business function leads.

The Federal shared services financed through the WCF will include shared services agreements with the Department of the Treasury for HUD financial management, procurement, and travel in which the OCFO will be the business function lead. These shared services include a full range of accounting and procurement services such as budget and financial transaction processing, purchase and fleet card services, and financial reporting. Travel and relocation services provided to HUD include E-Gov Travel Service (Concur), travel help desk, travel card administration, travel payments, and relocation processing and payments. The Department also receives human resources services from Treasury, under the leadership of the Office of the Chief Human Capital Officer

(OCHCO). OCHCO-managed shared services include: job classification, staff acquisition, payroll (including WebTA), processing and personnel records, employee benefits, workers' compensation, personnel background checks, back-office HR functions through HR Connect, talent acquisition through CareerConnector, and performance management through InCompass.

Starting in fiscal year 2017, the Department will seek to include *Federal Register* printing for regulations and other notices managed by the Office of General Counsel.

The Department proposes creating a new office within OCFO that will oversee the financial management and governance of the fund over the next year, as the WCF and its governing committees are established. The WCF office's primary responsibility will be to ensure the solvency of the fund. While each service financed through the WCF will remain operationally accountable to the appropriate ASO office, the WCF office will manage the fund's day-to-day financial operations, including the establishment of transparent and reliable unit cost accounting for all services and customers that use the fund.

Requested Level and Justification

The 2017 request provides for each office to pay for its use of WCF goods and services, through transfers to the WCF for its estimated share. HUD estimates $47,858,000 in total WCF costs for 2017, which is an increase of $4,175,000 over the estimated costs for fiscal year 2016. The requested level is expected to support:

- The human resources transactional services provided by the Bureau of Fiscal Services (BFS) at a cost of $15,028,000.
- The human resources platforms provided by the Department of the Treasury's Shared Services Programs at a cost of $3,773,000.
- The financial management and procurement services provided by BFS at a cost of $24,889,000.
- The travel and relocation services provided by BFS at a cost of $3,262,000.
- *Federal Register* printing at $906,000.

Key Operational Initiatives

A strong governance and performance management regime: As HUD implements a true WCF fee-for-service model for shared services, core criteria for success are HUD's ability to measure performance and track outcomes.

Smart expansion of the WCF: At the discretion of the Secretary, HUD anticipates expanding the WCF to incorporate other common administrative goods and services, including additional investments that are consistent with the goals of the WCF. For any proposed investment, HUD will evaluate the benefits and efficiencies of financing through the WCF, and whether there is an accurate, practical, and transparent method for assessing costs for the good or service to the program offices. Investments will only be added to the extent that they are reasonably anticipated to result in improved efficiencies.

Taking a business-like buyer and seller approach to centralized services will align incentives and bring transparency to both the program offices and HUD at the enterprise level. As program offices begin to bear the cost of transactions, offices will be better equipped to manage business operations to maximize limited resources by continually evaluating and refining core business processes, resulting in cost-conscious incentives for the customer. Additionally, adopting this financing mechanism expands the base of stakeholders who will be invested in the continuous improvement of the delivery of these goods or services. Customers will push for effective and efficient service delivery, and support offices will have the data to negotiate for better services and lower costs.

WORKING CAPITAL FUND
Appropriations Language

The fiscal year 2017 President's Budget includes proposed changes in the appropriation language listed and explained below. New language is italicized and underlined, and language proposed for deletion is bracketed.

WORKING CAPITAL FUND
(INCLUDING TRANSFER OF FUNDS)

[There is hereby established in the United States Treasury, pursuant to section 7(f) of the Department of Housing and Urban Development Act (42 U.S.C. 3535(f)), a] *For the* working capital fund for the Department of Housing and Urban Development (referred to in this paragraph as the "Fund")[: Provided, That]*, pursuant, in part, to section 7(f) of the Department of Housing and Urban Development Act (42 U.S.C. 3535(f)),* amounts transferred to the Fund under this heading shall be available for Federal shared services used by offices and agencies of the Department, and for such portion of any office or agency's printing, records management, space renovation, furniture, or supply services as the Secretary determines shall be derived from centralized sources made available by the Department to all offices and agencies and funded through the Fund: Provided[further], That of the amounts made available in this title for salaries and expenses under the headings "Executive Offices", "Administrative Support Offices", "Program Office Salaries and Expenses", and "Government National Mortgage Association", the Secretary shall transfer to the Fund such amounts, to remain available until expended, as are necessary to fund services, specified in the first proviso, for which the appropriation would otherwise have been available, and may transfer not to exceed an additional $10,000,000, in aggregate, from all such appropriations, to be merged with the Fund and to remain available until expended for use for any office or agency: Provided further, That amounts in the Fund shall be the only amounts available to each office or agency of the Department for the services, or portion of services, specified in the first proviso: Provided further, That with respect to the Fund, the authorities and conditions under this heading shall [supplant] *supplement* the authorities and conditions provided under *such* section 7(f) [of the Department of Housing and Urban Development Act]. (Department of Housing and Urban Development Appropriations Act, 2016.)

Glenn Mendiaz

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Professional Summary

Detail oriented Sales Manager with more than 25 years experience building business relationships in Real Estate, Mortgage, Title and Insurance industries in sales negotiations.

Areas of Expertise

- Strong management and negotiating skills
- Processing of contracts, loan docs, title insurance, appraisal and tax issues
- Manage loan process from start to completion
- Proficient with Point Mortgage Software, Siebel, Microsoft Office

Work Experience

Loan consultant, Landmark Financial (2004-Current)

- Originate and service new clients through home mortgage loan process
- Effectively communicate with internal staff and vendors to execute smooth transaction
- Manage and coach new agents to close team goals

Director of Sales, eStorage, Inc. (2001-2004)

- Represented a third party drive manufacturer who completed against IBM's proprietary AS/400 hard drives
- A $4.6 billion dollar marketplace and offered a cost effective alternative solution to IBM
- A motivational team manager, led team to establish national and worldwide business
- Managed existing client relationships as well as hunted for new resale retail clients
- Sourced new business via outbound calls (100+per day)

Account Manager, Global Crossing/Exodus Communications (1999-2001)

- Created recurring revenue of $75k - $100k per month
- Closed multiple wireless internet connections to local small to medium businesses
- Provided web hosting, co-location and web design
- Managed 100+ existing customer accounts, resolved issues and provided the highest level of service
- Generated new business opportunities as part of the Business Development Team

Account Executive - Export Sales, Ingram Micro (1996-1999)

- Instrumental in the roll out of Ingram Micro's worldwide export program
- Managed sales and grew new export business from $0 - $5 million per month in two years
- Provided export sales training to sales force of 2,000+ employees
- Negotiated and maintained tier one vendor relations with HP and Compaq
- Developed international government contracts and established business relationship with United Stated Aid for International Development

Manager, Albertson's Supermarket (1988-1994)

- Positions held: Key Holder, Checker, Clerk
- Checking, Stocking, Inventory control and ordering
- Managed $200,000 in staff cash drawers and safe, end of shift audits

Related Coursework

- Miller Heiman - Conceptual Selling
- Miller Heiman - New Strategic Selling
- Real Estate Principals
- Upward Bound Life and Health Agent CDI Course
- IBM A$400 Sales Certification
- Cisco Certified Sales Expert
- HP and Compaq Certified Sales Specialist

Key Words

Business development, loan processing, foreclosure, loan administration, administrator, negotiate, cash drawer, safe, audit, inventory control, communicate, coordinate, legal, title, escrow, closing instructions, sales, Microsoft Office, Point Mortgage, software, Cisco, HP.

References

References upon request

HOUSING
RENTAL ASSISTANCE DEMONSTRATION PROGRAM
2017 Summary Statement and Initiatives
(Dollars in Thousands)

RENTAL ASSISTANCE DEMONSTRATION PROGRAM	Enacted/ Request	Carryover	Supplemental/ Rescission	Total Resources	Obligations	Outlays
2015 Appropriation	...	...	...	...	...	...
2016 Appropriation	...	...	...	...	...	...
2017 Request	$50,000[a]	...	...	$50,000	$50,000	...
Program Improvements/Offsets	+50,000	...	...	+50,000	+50,000	...

a/ Includes an estimated transfer to the Research and Technology (R&T) account of $250 thousand.

1. What is this request?

The Department requests $50 million in fiscal year 2017 for the Rental Assistance Demonstration (RAD) program to support the conversion of public housing properties that cannot feasibly convert to long-term Section 8 rental assistance contracts at existing funding levels; and a targeted expansion of the RAD authority to include Section 202 Project Rental Assistance Contracts (PRAC) properties. Through conversion, Public Housing Agencies (PHAs) and other owners, working with private industry, will be able to raise capital using private and public financing tools to rehabilitate or redevelop affordable housing in their communities.

In general, the transformation of some properties with significant need for recapitalization is not viable at current funding levels, and these properties are in need of limited incremental subsidy to feasibly convert under RAD. With respect to public housing, funds would specifically be applied to those properties located in high-poverty neighborhoods, including designated Promise Zones, and areas where the Administration is supporting comprehensive revitalization efforts as well as transfer of assistance to high opportunity locations where there is a limited supply of affordable housing. For Section 202 PRACs, this request both establishes the authority for HUD to convert these contracts at existing funding levels and permits a portion of the $50 million requested to increase the funding for properties with significant recapitalization needs, including those properties with service coordinators for frail and elderly residents.

This funding request will cover the incremental subsidy cost of converting approximately 25,000 public housing and Section 202 PRAC units, thereby increasing private investment in targeted projects and surrounding neighborhoods and creating thousands of new jobs.

Rental Assistance Demonstration Program

HUD also seeks to expand the authority to convert properties under RAD without additional incremental subsidy. In addition to re-proposing the elimination of the unit cap on RAD public housing conversions, the Budget also includes proposals, described in Section 5, which would expand the number of cost neutral conversions that could occur under RAD, while ensuring that tenants' rights are protected and the public interest is preserved. As noted above, one such proposal is to make Section 202 PRACs eligible to convert to long-term, Section 8 contracts via RAD. The opportunity to sign fifteen or twenty-year contacts under the Section 8 program will allow owners to leverage private debt and equity to address preservation needs to an extent not possible under current PRAC contracts, which run for one-year and must be renewed annually by HUD. Though many PRAC properties would require incremental subsidy in order to fully recapitalize, a significant number are expected to benefit from restructuring of the existing subsidy stream through a cost neutral conversion. Similar to cost neutral conversions of public housing, the conversion of Section 202 PRACs would entail the transfer of renewal subsidy from the Section 202 account to either Project-Based Rental Assistance or Tenant-Based Rental Assistance.

HUD would meanwhile continue to facilitate cost neutral conversions of currently authorized affordable housing programs to preserve and enhance critical affordable housing using the following existing funding sources:

- Transfer of amounts made available under the existing Public Housing Operating Fund and Capital Fund programs;
- Tenant Protection Vouchers (TPVs) that otherwise would be issued to tenants upon expiration or termination of Section 8 Moderate Rehabilitation (MR), Mod Rehab SRO (MR SRO), Rent Supplement (RS) and Rental Assistance Payment (RAP) contracts (see Other Assisted Housing justification);
- Amounts made available under Rental Housing Assistance heading; and
- Budget authority recaptured from expired or terminated RS or RAP contracts and contract authority recaptured from contracts converting to RAD, which may be re-appropriated as budget authority.

2. What is this program?

The main goal of RAD is preservation of affordable housing, specifically by converting public housing and other HUD-assisted properties to long-term, project-based Section 8 rental assistance (PBRA) and project-based vouchers (PBVs). This conversion allows PHAs and owners to leverage private debt and equity to address their properties' immediate and long-term capital needs. As of December 2015, under the RAD First Component, more than 26,000 public housing units have been converted with over $1.7 billion in construction investments leveraged to improve and preserve their assets. Meanwhile, 135 RS, RAP, and MR projects with over 17,000 units[1] have been preserved through conversion.

[1] In addition to units receiving RS or RAP rental assistance at the time of conversion, this number includes unassisted units at a project that are eligible for Tenant Protection Vouchers at the time of prepayment and are included on the project-based HAP.

Rental Assistance Demonstration Program

The Consolidated and Further Continuing Appropriations Act of 2012 (P.L. 112-55), amended, authorized RAD to test new preservation tools for HUD-assisted housing stock. RAD currently allows:

1. Public Housing properties to convert assistance to long-term Section 8 rental assistance contracts (capped at 185,000 units and with rents limited to existing subsidy amounts); and

2. RS, RAP, MR, and MR SRO properties, upon contract expiration or termination, to convert to project-based vouchers (PBVs) or to Project-Based Rental Assistance (PBRA).

RAD targets HUD-assisted properties that are at risk of being lost from the nation's affordable housing inventory. The 1.1 million units in the Public Housing program have a documented capital needs backlog of nearly $26 billion and are largely inhibited from accessing non-federal sources to help to address this need. As a result, the public housing inventory had been losing an average of 10,000 units annually through demolitions or dispositions. Meanwhile, the units currently assisted under the MR (20,515 units), MR SRO (13,568 units), RS (1,747 units), RAP (8,757 units), and 202 PRAC (121,614 units) programs areineligible to renew their contracts on terms that favor modernization and long-term preservation. Under RAD, PHAs and owners of rental properties assisted under the Public Housing, MR, MR SRO, RS and RAP programs, and as proposed the owners of 202 PRAC properties, are offered the option to convert the current form of assistance on these properties to long-term, project-based Section 8 rental assistance contracts. By offering a long-term contract tied to a historically more reliable funding stream and a regulatory structure that facilitates partnerships with other forms of private and public financing, RAD achieves the following goals:

1. Promotes local public-private development activity with access to safe, proven tools to leverage private capital;
2. Recapitalizes the HUD-assisted housing portfolio to ensure its long-term stability and affordability while ensuring the public's interest is maintained;
3. Increases housing choice for residents and safeguards strong resident rights; and
4. Places properties on a regulatory structure that allows flexible, local decision-making.

Funding Conversions

Public housing units that converted through 2015 are reflected in the fiscal year 2017 Project-Based Rental Assistance (PBRA) and Tenant-Based Rental Assistance (TBRA) budget requests for renewals.

Public housing units that may convert in 2016 are still reflected in the fiscal year 2017 funding requests for the public housing Operating Fund and Capital Fund. In fiscal year 2017, once it is known how many units converted to PBRA and PBV, respectively, HUD will transfer corresponding funds from the Public Housing Operating Fund and Capital Fund into PBRA and TBRA. Authority to execute this transfer is provided within Public Law 112-55. HUD currently estimates that a total of $278 million will be transferred in fiscal year 2017, though the precise number will be based on the actual number of conversions and the specific funding levels of the converting properties.

Under the second component, conversions to PBV are funded by the Tenant Protection Voucher funding HUD provides at contract expiration or termination. For PBRA conversions, MR conversions are funded by appropriations that are already made for MR and MR SRO properties into the PBRA account. RS and RAP conversions are funded by transfers to the PBRA account from budget authority recaptured from expired or terminated RS or RAP contracts; contract authority recaptured from contracts converting to RAD, which may be re-appropriated as budget authority; unobligated balances and new appropriations for amendments or extensions in the "Other Assisted Housing" account; and TPV funding that would have otherwise been issued for the project at expiration or termination.

3. Why is this program necessary and what will we get for the funds?

Preservation Challenges

The Public Housing program provides much-needed affordable housing to about 1.1 million low-income households, many of whom are elderly, disabled, and veterans at risk of homelessness without this resource. Unlike other forms of assisted housing that serve very similar populations, the public housing stock is nearly fully reliant on federal appropriations from the Capital Fund to make capital repairs. Funding and regulatory constraints have impaired the ability for these local and state PHAs to keep up with needed life-cycle improvements. As a result, a very large capital needs backlog has accumulated. Despite the addition of replacement public housing units, there has been a net loss of over 139,000 public housing units since fiscal year 2000, representing an average loss of approximately 8,700 units annually.

In addition to the public housing stock, RAD targets certain "at-risk" HUD legacy programs. Without RAD, the properties assisted under MR and MR SRO contracts are limited to short-term renewals and constrained rent levels that inhibit recapitalization. Similarly, the properties supported under 202 PRACs, which are newly proposed in this budget request to be eligible for conversion under RAD, are also limited to short-term contract renewals that prevent owners from accessing capital as well as an expiring use agreement that put at risk the ongoing affordability of this critical housing source for low-income seniors. Finally, without RAD the properties assisted under RS and RAP contracts would have no ability to retain long-term project-based assistance beyond the current contract term without RAD, threatening their ongoing affordability as their contracts expire.

Rental Assistance Demonstration Program

RAD as a Preservation Tool

Conversion to long-term Section 8 rental assistance under RAD is essential to preserving these scarce affordable housing assets. Long-term Section 8 rental assistance allows for PHAs and other owners to leverage sources of private and public capital to rehabilitate their properties. While the Department expects and continues to process Public Housing conversions without additional incremental subsidy, HUD requests $50 million for the incremental subsidy costs of converting assistance under RAD. Such funding will be targeted to public housing and 202 PRAC projects that cannot be converted at current funding levels. These efforts will support the Administration's broader efforts in high-poverty areas, including designated Promise Zones, as well as transfer of assistance to high opportunity locations where there is a limited supply of affordable housing. The Department estimates that the $50 million in incremental subsidies will support the conversion and redevelopment of approximately 25,000 public housing and 202 PRAC units that otherwise could not convert, thereby increasing private investment in targeted projects and surrounding neighborhoods.

The Budget also includes various proposals that would expand the number of HUD-assisted affordable housing units that could be preserved under RAD without additional cost, while ensuring that tenants' rights are protected and the public interest is preserved. These proposals include eliminating any constraints on the number of public housing units that could convert; making 202 PRACs eligible for conversion; ensuring ongoing public interest in converted public housing properties; and strengthening the right to return requirements for MR, RS, RAP, and 202 PRACs. If enacted, HUD could preserve substantially more units, which would preserve and improve affordable housing for low-income households, and create thousands of new jobs.

4. How do we know this program works?

RAD serves as a bridge to bring older subsidized housing programs to the safe, proven, and reliable Section 8 platform. For nearly 40 years, long-term Section 8 rental assistance contracts have proven to be the most effective method of financing and preserving low-income housing. HUD supports 1.2 million units of affordable housing through the Office of Multifamily Housing's Project-Based Rental Assistance program and 100,000 Project-Based Vouchers administered through PHAs. Property owners in these programs have leveraged billions in public and private investment in order to make lifecycle property improvements while maintaining an industry-low foreclosure rate. Because of this program's success, the bi-partisan Millennial Housing Commission and other panels of experts for years have recommended allowing public housing properties to leverage limited public resources with private debt and equity, in a manner similar to that done with the Section 8 programs for decades.

Indeed, as of December 2015, with more than 26,000 units converted, PHAs and their partners have raised over $1.7 billion to improve and preserve public housing assets and properties with formerly public housing RAD units, and have begun to make regular deposits into an ongoing "replacement reserve" account to ensure that repair and replacement needs that arise in the future are funded. HUD has made awards to public housing properties up to the statutorily authorized 185,000 unit cap and has a waiting list that includes nearly 11,000 additional units that PHAs have proposed for conversion. This is a strong demonstration of the model and how substantial amounts of capital can be accessed. At the same time, since enactment of RAD, the Department has fielded hundreds of inquiries from PHAs and public officials and reviewed countless analyses of worthy projects that are not feasible for conversion at current funding levels; however, these projects would be much more likely to convert under RAD if afforded a modest incremental subsidy. Accordingly, the Department believes that offering limited incremental subsidy would further test and advance RAD's goals.

Meanwhile, the Department has converted 135 RS, RAP, and MR projects, covering over 17,000 units, that would have otherwise expired or been terminated, and has 39 projects that are actively being processed for preservation.

Finally, to ensure that the program is achieving the desired results, RAD also includes an ongoing evaluation component, which will assess, across different markets and geographic areas and within portfolios managed by PHAs of varying sizes, the following research areas:

- Conversion impact on properties' physical and financial stability;
- Amount and types of capital leveraged; and
- Affected residents' access to residential mobility.

5. Proposals in the Budget

Below are the proposals included in the 2017 request:

- Eliminating the 185,000 unit cap on public housing projects that could convert assistance to long-term Section 8 rental assistance contracts,
- Eliminating the deadline of September 30, 2018, for submission of RAD Applications under the first component,
- Standardizing ownership and control requirements for converted public housing properties by permitting non-profit ownership in conversion where low-income housing tax credits are used or where foreclosure, bankruptcy, or default occurs,
- Authorizing a tenant's right to continued occupancy for conversions under the second component; and
- Expanding the second component of RAD to include the conversion of Section 202 PRAC properties. (Sec. 269)

HOUSING
RENTAL ASSISTANCE DEMONSTRATION PROGRAM
Summary of Resources by Program
(Dollars in Thousands)

Budget Activity	2015 Budget Authority	2014 Carryover Into 2015	2015 Total Resources	2015 Obligations	2016 Budget Authority	2015 Carryover Into 2016	2016 Total Resources	2017 Request
Incremental Conversion Cost	...	...	...	...	...	...	...	$50,000
Research and Technology (transfer)	...	...	...	...	...	...	...	[250]
Total	...	...	...	...	...	...	...	50,000

HOUSING
RENTAL ASSISTANCE DEMONSTRATION PROGRAM
Appropriations Language

The fiscal year 2017 President's Budget includes proposed changes in the appropriation language listed and explained below. New language is italicized and underlined, and language proposed for deletion is bracketed.

For continuing activities under the heading "Rental Assistance Demonstration" in the Department of Housing and Urban Development Appropriations Act, 2012 (Public Law 112–55), and in accordance with priorities established by the Secretary, $50,000,000, to remain available through September 30, [2019]*2020*: Provided, That such funds shall only be available to properties converting from assistance under Section 9 of the United States Housing Act of 1937 (42 U.S.C. 1437g), *or under section 202(c)(2) of the Housing Act of 1959 (12 U.S.C. 1701q(c)(2)).*

POLICY DEVELOPMENT AND RESEARCH
RESEARCH AND TECHNOLOGY
2017 Summary Statement and Initiatives
(Dollars in Thousands)

RESEARCH AND TECHNOLOGY	Enacted/ Request	Carryover	Supplemental/ Rescission	Total Resources	Obligations	Outlays
2015 Appropriation	$72,000	$2,744	...	$74,744	$44,632	$35,818
2016 Appropriation	85,000	30,123	...	115,123	115,123	67,000
2017 Request	185,000 [a/]	...	...	185,000	185,000	107,000
Program Improvements/Offsets	+100,000	-30,123	...	+69,877	+69,877	+40,000

a/ The 2017 request includes $120 million in programs transfers.

1. What is this request?

The 2017 Budget requests $185 million for the Department's Research and Technology (R&T) account through a combination of direct appropriation and transfer authority. This request will support a range of research, data infrastructure, technical assistance, and capacity building all under one account:

- $65 million in direct appropriations for the category of core research support, surveys, data infrastructure, and knowledge management (research dissemination.) "Core research support" is proposed as a new component of the core data and research infrastructure request, which supports: 1) the long-term commitment to evaluate Moving-to-Work policy initiatives and expansion, and 2) research on new innovation that facilitates behavior changes among builders, property owners and tenants that results in lower consumption of carbon based energy.

- Authority to transfer up to $120 million from program accounts to the R&T account for the categories of research, evaluations, and demonstrations ($33 million); technical assistance ($52 million); and capacity building ($35 million).

Program transfers for these purposes reflect the Department's enterprise-wide commitment to integrate evidence and cross-disciplinary intelligence throughout program policy, management, and operations. The transfer funding provides a devoted source of funds for research, evaluations and technical assistance as previously made available under the TI account during fiscal years 2010 to 2014.

A summary of R&T funding for fiscal years 2015, 2016 and 2017 follows: Research & Technology	**FY 2015 Enacted**	**FY 2016 Enacted**	**FY 2017 Request**
Housing Market Surveys	$37.7	$41.5	$41.5
*Knowledge Management	5.7	5.7	5.7
**Non-Survey Data Acquisition	0.6	0.6	0.6
Housing Finance Studies	1.0	1.0	1.0
Research Partnerships	1.0	1.0	1.0
Housing Technology	0.2	0.2	0.2
Core Research Support – Moving To Work	-	-	10.0
Core Research Support – Energy and Housing Innovation	-	-	5.0
Subtotal PD&R Research and Technology	**$46.2**	**$50.0**	**$65.0**
Research and Demonstration a/	3.8	10.0	[33.0]
Technical Assistance a/	22.0	25.0	[52.0]
Section 4 – Capacity Building a/ b/	-	-	[35.0]
Total PD&R	**$72.0**	**$85.0**	**$185.0**

* Formerly referred to as "Research Dissemination."

** Formerly referred to as "Program Metrics/Urban Data."

a/ The 2017 request reflects transfers from programs.

b/ The Section 4 Capacity Building program was funded at $35 million within the Self-Help Homeownership Opportunity Program account in 2015 and 2016, equal to the 2017 request.

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The table below provides the estimated program transfers:[1]

Research and Technology Account - Program Transfers	Treasury Account	FY 2017 Budget Request	FY 2017 Estimated Transfers
Choice Neighborhoods Initiative	86-0349	$ 200,000,000	$ 1,000,000
Community Development Fund	86-0162	2,880,000,000	14,400,000
Fair Housing Activities	86-0144	70,000,000	350,000
Family Self-Sufficiency	86-0350	75,000,000	375,000
HOME Investment Partnerships Program	86-0205	950,000,000	4,750,000
Homeless Assistance Grants	86-0192	2,664,000,000	-
Housing Counseling Assistance	86-0156	47,000,000	235,000
Housing for Persons with Disabilities (Section 811)	86-0237	154,000,000	770,000
Housing for the Elderly (Section 202)	86-0320	505,000,000	2,525,000
Housing Opportunities for Persons with AIDS	86-0308	335,000,000	1,675,000
Lead Hazard Reduction	86-0174	110,000,000	550,000
Mortgage Mutual Insurance Program Account	86-0183	160,000,000	800,000
Native American Housing Block Grants	86-0313	700,000,000	3,500,000
Native Hawaiian Housing Block Grant	86-0235	500,000	-
Project-Based Rental Assistance	86-0303	10,816,000,000	28,325,500
Public Housing Capital Fund	86-0304	1,865,000,000	9,325,000
Public Housing Operating Fund	86-0163	4,569,000,000	22,844,000
Rental Assistance Demonstration	86-0406	50,000,000	250,000
Tenant-Based Rental Assistance	86-0302	20,854,000,000	28,325,500
Total		**47,024,500,000**	**120,000,000**

[1] Represents estimated R&T transfers based on the 2017 Budget priorities, program requirements, and application of $28.3 million cap per account.

2. What is this program?

The Office of Policy Development and Research (PD&R) provides fundamental support for the mission of the Department and the policy agenda of the Secretary. PD&R performs policy analysis, research, surveys, studies, and evaluations, both short- and long-term, to assist Congress, the Secretary, and other HUD principal staff to make informed decisions on HUD policies, programs, budget, and legislative proposals. In addition, PD&R provides data and information to support program operations and serves as a key resource to stakeholders for data, research, and best practices through knowledge management (research dissemination) activities.

Strategic investments in research and evaluation build knowledge, provide public accountability, and inform policy to increase efficiency and effectiveness of the Department's existing programs. The major program demonstrations funded through R&T are used to explore fundamental questions about housing market dynamics and their impact on economic, social and environmental objectives. The demonstrations will improve programs, help state and local governments, non-profits, and for-profit organizations develop more effective strategies for housing and community and economic development, and improve the delivery and reduce the cost of public services.

The technical assistance and capacity building funds are used for the benefit of all of HUD's programs. PD&R's role is to ensure an efficient allocation of these funds – identifying where the funds can be used cross-program, program specific, or grantee specific – and allocating the funds in a way to increase the probability that HUD's grantees and other partners succeed at achieving program goals efficiently. After allocation of the resources, the actual management of technical assistance and capacity building resources are done by program office staff – in PIH, CPD, Housing, and FHEO - with the knowledge and expertise to effectively manage the funds.

3. Why is this program necessary and what will we get for the funds?

Research, Evaluations, and Demonstrations - $33.0 million (Transfers)

High quality research, evaluations and program demonstrations are essential for building knowledge, providing public accountability, and informing policy in the manner that increases the efficiency and effectiveness of the Department's programs.

The table below outlines the prioritized list of research, evaluation, and demonstration projects PD&R proposes to fund in fiscal year 2017. In establishing fiscal year 2017 priorities, PD&R first seeks to complete previously initiated research efforts and leverage opportunities generated through such investments. Newly proposed projects address emerging research needs identified through early research findings, stakeholder input through the Research Roadmap process, which PD&R is updating during fiscal year 2016, and other means.

Estimated budgetary costs for projects are shown, but the final project selections will be made after funding enactment on the basis of updated cost estimates and agency and Congressional priorities. HUD will notify Congress of significant deviations from these priorities through HUD's annual operating plan.

Summary of PD&R FY 2017 Research, Evaluation, and Demonstration Projects Under Consideration

Project Title	Summary Description	FY17 Budget Request	Funding Request Type
Moving to Work Demonstration, Phase 2: Impacts of Promising Self-Sufficiency Interventions in the Current 39 MTW Locations	Building off of current work in progress documenting the scope of interventions being tested under MTW, this study will focus on a few promising MTW initiatives designed to promote self-sufficiency, housing choice, and cost-effectiveness such as time-limited and/or short-term assistance, work incentives, and mobility programs. This research would include costs and benefits of different approaches to the housing and other social service systems and investigation of impacts or outcomes relevant for households, PHAs, and the community.	$2,400,000	Continuing
Multidisciplinary Research Team (MDRT): Rapid Policy Research	Initiated in FY2014, MDRT provides funding for a team of qualified researchers to provide high-quality, quick-turnaround research that leverages HUD and external data to help support answers for priority policy questions. Five task orders were awarded with the first round of the program. This funding request will allow HUD to continue to fund the MDRT contract.	$800,000	Continuing
Pre-Purchase Counseling Demonstration, Phase 3: Administrative Data Follow-Up	Supports continued demonstration on impacts of in-person vs. remote education and counseling for first-time homebuyers. The funding request for Phase 3 supports the collection and analysis of administrative data (loan servicing and origination and credit report data) to assess the impacts of the pre-purchase counseling interventions over a 36-month period on the sample of over 5,500 study participants.	$1,350,000	Continuing

Project Title	Summary Description	FY17 Budget Request	Funding Request Type
Pre-Purchase Counseling Demonstration, Phase 4: 36-month Follow-Up Survey	Supports continued demonstration on impacts of in-person vs. remote education and counseling for first-time homebuyers. Requested funding for Phase 4 supports a survey of approximately 5,500 study participants at 36 months. It would provide context for the administrative data analysis and final report on impacts at 36 months.	$2,840,000	Continuing
Choice Neighborhoods: Exploring the Impact of Investment on Family and Neighborhood Outcomes	In fiscal year 2014, HUD completed an implementation study of five Choice Neighborhood sites in Boston, Chicago, New Orleans, San Francisco, and Seattle. Resident households have been tracked for the past three years. This study will assess the outcomes of the completed Choice Neighborhood investments in the same five sites for two years (2017-2019) after conclusion of the grant period (2016). A follow-up survey and collection and analysis of administrative data will help to measure the effects of the completed Choice Investments in these first five implementation sites.	$2,400,000	Continuing
Rent Reform	This investment will support continued work on a critically important study of MTW interventions, scientifically testing a combination of rent reforms common among many MTW agencies, specifically: (1) 28 percent of Gross Income instead of 30 percent of Adjusted Income; (2) A higher minimum rent ($50-$150 depending on site); (3) triennial recertification, with interim recerts not increased for increased earned income; (4) simplified utility allowance; and (5) streamlined hardship policies. The funds will be used to survey approximately 7,000 households enrolled in the Demonstration.	$6,000,000	Continuing

Project Title	Summary Description	FY17 Budget Request	Funding Request Type
Family Options Study--Extending the Analysis	This project would allow HUD to fully leverage the investment made in the Family Options Study by extending the analysis of the existing study data and ensuring access to this unique data source for future researchers. Specifically, this request has two separate components: 1) a data storage component, which would support the cost of contracting with an outside entity to store and manage access to the restricted access data file, as well as store the personally identifiable information of study participants for future administrative data matching efforts, and 2) an analysis component that would support researchers to use the existing Family Options Study data to explore policy and research questions that HUD deems important.	$600,000	Continuing
Evaluation of PBRA Transfer Authority	The 2012 Consolidated Appropriations Act provided HUD with the authority to transfer PBRA subsidies from currently assisted properties to different properties. Building on the results of in-house research, this phase of the evaluation will examine the impact of these transfers on the cost-effectiveness of the subsidy as well as the physical and financial condition of the subsidized stock, as well as its location.	$1,100,000	Continuing
Housing Choice Voucher Regional Mobility Demonstration--Impact Evaluation	This project will evaluate the impacts of the HCV Regional Mobility Demonstration by randomizing 300-500 eligible families from public housing or assisted multifamily developments at each of 10 sites (total sample of 3,000 to 5,000). Families would be assigned to receive either no mobility services or one of three models of mobility services: using turnover vouchers to develop new project-based vouchers, relocating existing voucher holders, or using turnover vouchers to relocate existing households. Treatment will vary in design and implementation across the sites (e.g., mobility counseling only or incentives only). Data collection for an outcome study will include case studies, focus groups, tracking moves to opportunity neighborhoods and housing costs in administrative data. Impact evaluation will add baseline and follow-up surveys, and interim reporting, to assess the intermediate and long-term effects of mobility services and neighborhood opportunity.	$5,000,000	New

Project Title	Summary Description	FY17 Budget Request	Funding Request Type
Evaluation of the FUP/FSS Demonstration Program	The 2015 Consolidated Appropriations Act provided authority for HUD to implement a demonstration program to allow PHAs administering both the Family Unification Program (FUP) and the Family Self-Sufficiency (FSS) program to overlay these two programs for youth being served through FUP. Youth accessing a FUP voucher in a demonstration site will be eligible to maintain their housing assistance for the full-term of their FSS contract, and bypass the required 18-month time limit applied to a standard FUP youth voucher. HUD plans to conduct in in-house evaluation of this demonstration program beginning in fiscal year 2016, and these additional funds will enable HUD to extend and enhance this in-house effort.	$150,000	New
Competitive Evaluation Grants: Assessing the Impacts of CDBG and HOME Eligible Activities	42 USC 5305 enumerates 25 eligible activities under the CDBG program. 42 USC 212 enumerates a narrower but still substantial range of purely housing activities under HOME. This project would fund grants to researchers who would investigate the extent to which one or more enumerated activities, as actually implemented, cost-effectively accomplish the goals set forth in the respective statutes. The project would harness the dispersed local knowledge of practitioners and academics to inform Congress and HUD about policy efficacy and efficiency.	$2,500,000	New
Multifamily Pilot to Reduce Energy Consumption	This will evaluate the Office of Multifamily Housing clean energy PFS pilot authorized in 2016 by the FAST Act (P.L. 114-94). The pilot is intended to incentivize multifamily owners and tenants to reduce energy consumption. The evaluation will have two components: (i) process evaluation to examine feasibility, deal structuring, and outcome payments; and (ii) quick turn-around Randomized Control Trial behavior evaluations of how various messaging and other business process changes impact the energy choices made by property owners and tenants. This investment complements the broader investment in "Energy and Housing Innovation" requested under the Core Research Supports.	$5,000,000	New

Project Title	Summary Description	FY17 Budget Request	Funding Request Type
Comparing Subsidy Costs of Federal Rental Housing Assistance Programs	This study will analyze the comparative costs of providing a unit of housing with various housing subsidy programs. About $2.0 million of the requested $2.4 million would be devoted to the cleaning and reconciliation of subsidized unit data to support the comparison. Research will also examine subsidy layering, characteristics, and benefits of cost-effective housing subsidy programs.	$2,400,000	New
Understanding Child Development Trajectories in Public and Assisted Housing	This project will support a contractor of the National Center for Education Statistics will link HUD tenant data with the National Child Longitudinal Survey (NCLS) and analyze the merged data to shed light on questions that are critical for reducing intergenerational poverty.	$200,000	New
Innovative Approaches to Healthcare Service Delivery to Aging Populations in Rural Communities	This request will inform efforts to support innovative service delivery strategies to seniors residing in federally assisted housing in rural areas. These efforts will include: characterizing the housing, health, and supportive service needs of residents in elderly restricted properties in rural areas; and second, providing a framework for future investments that build on the findings from an expert convening PD&R hosted on this topic in September 2015, especially strategies focusing on: tele-medicine, transportation services, university healthcare collaborations, enhanced service delivery within wellness centers, family care providers, and adaptive approaches in response to high-utilizers of emergency healthcare services. HUD expects that any effort to explore rural housing and supportive services needs and strategies will be developed jointly with USDA to ensure the inclusion of Section 515 properties, and HHS partners, such as HRSA and CMS, who have overlapping interest in this issue area.	$250,000	New

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Project Title	Summary Description	FY17 Budget Request	Funding Request Type
Estimating Cross-System Cost Impacts of Homeless Interventions with Administrative Data	This project would expand on an existing technical assistance contract that estimates the savings in Medicaid costs of clients experiencing chronic homelessness who obtain permanent supportive housing by linking Medicaid and HMIS data. The analysis would add more sites and more systems (statewide HMIS systems and administrative systems in addition to Medicaid, such as child welfare and public benefits). The purpose is to gain a more complete picture of the cost savings associated with providing homelessness assistance to any individuals and families, but specifically those experiencing chronic homelessness.	$500,000	New
Estimating Vulnerability of Gulf Coast Public Housing to Climate Risk	Recent developments in climate science and meteorology suggest that climate-driven risks to the built environment could escalate rapidly in coming decades. This study will assess such risks for public housing in the Gulf Coast region, in partnership with federal agencies such as NOAA, USGS, and FEMA. This study will support the goals of the HUD Climate Council and HUD's Adaptation Plan by advancing interagency coordination, risk modeling, and enhanced data collection methods that could be applied to understand and reduce the risk to federal assets across the nation.	$500,000	New
Impact of the Coordinated Entry Model for Homelessness	This project would measure the impacts of which coordinated entry models work better for whom and the associated effects on ending homelessness for all populations. This project would be a process evaluation on the development of these systems to provide examples of how communities made decisions about coordinated entry (e.g. use HMIS or not/centralized or decentralized/phone based or not), and then how each of these decisions affected how well their coordinated entry process worked.	$1,200,000	New
Evaluating Choice Planning Grants	This study would look at a sample of planning grants, and collect, through interviews with key stakeholders and local administrative data, descriptive information about the effect of planning grants on placed based development.	$675,000	New

Technical Assistance and Capacity Building - $87 million (Transfers)

Most HUD-supported work in America's communities is carried out by state and local partners. Technical assistance and capacity building has a direct impact on the ability of HUD's partners and grantees to carry out affordable housing and community development programs. Continued investment in this work in fiscal year 2017 will ensure that HUD can sustain the progress made toward cross-programmatic, better-targeted technical assistance and capacity building.

Technical Assistance (TA) - $52.0 million

Complex federal requirements, staff turnover at city, county, and state agencies and Public Housing Agencies (PHAs), changing housing market conditions, and the knowledge required to understand financing for housing and community development projects necessitate ongoing technical assistance, training, and support for HUD grantees and PHAs. Technical assistance protects the billions of dollars that the federal government invests in communities by ensuring that grantees and intermediaries have the knowledge, skills, and ability to use funds effectively.

In fiscal year 2017, HUD will use program transfers into the R&T account to fund TA for:

- Targeted TA for addressing troubled PHAs and local implementation of HUD programs, including CDBG, Public Housing Capital Fund, the Rental Assistance Demonstration, and Native American Programs;
- Technical assistance and training, including on-line training, that cross program areas, such as a single web-site for TA resources, rental housing management and occupancy, housing development, energy efficiency and fair housing; as well as targeted training to develop the skills of PHAs; and
- Innovative approaches to support communities, such as place-based efforts that focus on communities of persistent poverty and distress as well as those facing challenges recovering from disaster. Place-based technical assistance can provide TA support for effective implementation of neighborhood initiatives such as Choice Neighborhoods – as well as TA that provides focused attention on city or state agencies that show inadequate capacity to administer HUD's programs – including communities implementing CDBG Disaster Recovery programs and agencies consistently found through monitoring and IG findings to have implementation challenges.

HUD expects to allocate TA funding as follows:

- $27 million for targeted or program-specific TA, including $5 million for Native American TA
- $15 million for cross-cutting TA

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- $10 million for innovative, place-based TA

Eligible uses of funds include: needs assessments and direct TA; tools and products; self-directed and group learning (training); data analysis; knowledge management; and NAHASDA formula development, allocation, and negotiation.

Full funding at the requested $52.0 million would allow HUD to provide basic, programmatic technical assistance, primarily through online tools, curricula, and resources, as well as ensuring the most deeply troubled and at-risk grantees and PHAs are able to continue providing housing and services in their communities.

The TA funding provided through program transfers allows HUD a flexible mechanism for delivering assistance that spans multiple HUD program areas and results in more efficient management and use of TA resources. Funds are awarded and managed through HUD's Community Compass program.

Capacity Building - $35.0 million

In addition, the fiscal year 2017 request for R&T includes the capacity building tools previously funded through the SHOP account. The Capacity Building for Affordable Housing and Community Development Program, also known as the Section 4 program, was originally authorized under Section 4 of the HUD Demonstration Act of 1993 (Pub. L. 103-120, 107 Stat. 1148, 42 U.S.C. 9816 note), as amended. The program enhances the capacity and ability of community development corporations (CDCs) and community housing development organizations (CHDOs) to carry out community development and affordable housing activities that benefit low-income persons. By integrating new tools, such as loans and grants to CDCs and CHDOS, concurrently with an expansion of more aggressive place-based TA, we anticipate getting both improved outcomes across HUD's programs and better efficiencies from the TA investments.

For both Technical Assistance and Capacity Building, PD&R will coordinate the allocation of resources as well as facilitate collaboration across program offices. The program offices will be the allotment holders of the funds and administer the resources.

Core Research Support, Surveys, Data Infrastructure, and Knowledge Management- $65 million (Direct Appropriation)

Core Research Support - $15.0 million

The fiscal year 2017 request of $15.0 million would provide funding for two core data and research infrastructure support activities:

- Moving-to-Work Research. In the fiscal year 2016 Consolidated Appropriations Act, Congress directed HUD to expand the MTW program to 100 agencies over 7 years. As part of the MTW expansion, Congress directed HUD to establish an MTW advisory committee to develop specific policy proposals and methods to rigorously evaluate those proposals. This creates a long-term obligation for HUD and thus it becomes a core cost to PD&R operations. Specifically, HUD is proposing a new component to its core research funding that would support: (i) the continuing costs of an MTW advisory committee; (ii) some of the costs incurred by PHAs for participating in the research in order to ensure the research is done rigorously; and (iii) costs to rigorously evaluate the policy changes. ($10 million)

- Energy and Housing Innovation. On December 11, 2015, the U.S. committed with 195 nations to reducing greenhouse gas emissions. As part of that landmark commitment, 20 countries, including the U.S., committed to doubling their governmental clean energy research and development investment over five years. To support this effort, HUD proposes to invest in research on innovations that facilitate behavior changes among builders, property owners, and tenants that will reduce consumption of carbon based energy. Like the MTW core research, this proposal would include the creation of an advisory group of researchers, builders, tenants, and homeowners to propose simple, testable approaches to facilitate long-term behavior change in the housing sector. There have been substantial advances in cost-effective technologies that reduce individual carbon emissions, such as the advances in residential building technologies resulting from the Department of Energy's major investments in the Building America program. There also is growing understanding of how behavioral biases, cognitive shortcuts, and habits impede adoption of beneficial technologies and impact energy consumption. This research center would leverage building technology advances by using social science insights to span the last mile--informing and incentivizing technology adoption and behavioral changes to reduce energy waste and reduce carbon emissions. The program will work with the Department of Energy's Decision Science program to collaborate and coordinate clean energy behavioral R&D efforts. ($5 million)

Housing Market Surveys - $41.5 million

The fiscal year 2017 funding target of $41.5 million would provide funding for five housing market surveys:

- The American Housing Survey (AHS), which provides national, regional, and metropolitan area estimates of the characteristics of the nation's housing stock. The AHS gathers data every 2 years; for the survey that is conducted in fiscal year 2017, funding from both fiscal year 2016 and fiscal year 2017 will be used. The total estimated cost for this survey (both fiscal year 2016 and fiscal year 2017 funding) is approximately $70 million. The fiscal year 2016 funds ($33.75 million), combined with the fiscal year 2017 funding target ($33.35 million), will fund the national sample of the AHS and 35 metropolitan area oversamples.

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- The Survey of Construction (SOC), which provides two principal economic indicators (new homes sales and new residential construction) on a monthly basis ($3.6 million).
- The Survey of Market Absorption of Apartments (SOMA), which provides absorption rates and other key estimates for multifamily housing uptake ($1.1 million).
- The Manufactured Homes Survey (MHS), which is statutorily mandated to produce estimates of manufactured homes production, shipments, and placements for the nation and each of four Census regions, and at least annual estimates for each State ($450 thousand).
- The Rental Housing Finance Survey (RHFS), which provides national estimates of mortgage and other characteristics for rental properties. The RHFS gathers data every two years; for the survey that is conducted in fiscal year 2017, funding from both fiscal years 2016 and 2017 will be used. The total estimated cost for this survey (both fiscal years 2016 and 2017 funding) is approximately $6 million. The fiscal year 2016 funds ($3 million), combined with the fiscal year 2017 funding target ($3 million), will be sufficient to fully fund the fiscal year 2017 RHFS based on current survey cost estimates.

Housing Finance, and Non-Survey Data Acquisition - $1.8 million

- The request includes $1.2 million for housing finance-related studies needed to help advance the understanding of housing finance markets and inform decision making on Federal Housing Administration (FHA) and Government National Mortgage Association (GNMA) policy. The specific study proposals were developed through the Research Roadmap process.
- Non-Survey Data Acquisition- PD&R requires purchases of private sector data not otherwise collected by HUD or other federal statistical agencies to monitor housing finance and local housing market conditions ($600 thousand).

Knowledge Management (Research Dissemination) - $5.7 million

Knowledge management is accomplished primarily through HUD User— the essential tool for HUD's dissemination of research and data. In addition to providing free on-line access to hundreds of useful housing and community development research publications dating back to the 1970s, these funds would continue to support the research periodicals *Cityscape*, *Evidence Matters*, and *The Edge*; easily digestible housing market data from the US Housing Market Conditions application; case studies of award-winning projects; the Secretary's award programs; and a student design competition. Extensive data resources needed for program operations (of both HUD and sister agencies) and research are also shared and managed through this site. These include income limits, fair market rents, qualified census tracts, and difficult development areas. HUD User also supports the new Enterprise Geographic Information System (eGIS) storefront, with tools including the Single Family Home Locator for real estate owned (REO) properties and Neighborhood Stabilization Program (NSP) target areas; the Choice Neighborhoods mapping tool; and CPD maps, which show CDBG, HOME and other HUD investments.

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Research Partnerships - $1.0 million

The Budget includes $1.0 million for the Research Partnerships initiative, which allows PD&R to engage in the design and execution of externally-led housing and community development research. Since proposers must provide at least 50 percent cost share, this investment will leverage an additional $1.0 million (minimum) from philanthropic entities, federal, state, and local governmental agencies to conduct research on HUD policy relevant issues. These projects are aligned with PD&R's research priorities and help the Department and PD&R answer key policy and programmatic questions in ways that can inform new policy and program development efforts.

4. How do we know this program works?

Research, Evaluations, and Demonstrations

Research, evaluations and demonstrations have contributed to critical policy guidance in the housing and urban development domain. As early as the 1970s, the Housing Allowance demonstrations tested the tenant-based model of providing housing assistance at modest cost that has evolved to today's Housing Choice Voucher program. More recent examples include two studies released during fiscal year 2015: the *Family Options Study*, a multi-site random assignment experiment designed to study the impact of various housing and services interventions for families experiencing homelessness, and the *Housing Choice Voucher (HCV) Program Administrative Fee Study*, which measured the costs of operating a high-performing and efficient HCV program to help develop a new administrative fee formula. Both of these studies answered fundamental questions about policy effectiveness and impact, and the findings of each study are currently supporting active policy dialogues and programmatic changes.

Importantly, investments in research, evaluations, and demonstrations can continue to generate ground-breaking results years after "final reports" are completed. For example, the Moving-To-Opportunity (MTO) demonstration measured long-term impacts of MTO on families and children over more than 16 years, and showed that promoting housing mobility and poverty deconcentration has powerful impacts on resident health. In May 2015, new work leveraging the MTO data was released by Raj Chetty, Nathan Hendren, and Larry Katz. The study expands the body of evidence on MTO and while it was not funded directly by HUD, it does rely upon data from the original demonstration provided by HUD as well as the Internal Revenue Service. "The Effects of Exposure to Better Neighborhoods on Children," a new contribution to a large body of work looking at MTO, specifically examines how moving as a child from high poverty to low poverty between 1994 and 1998 has shaped the adult economic outcomes of those children. The release of the Chetty, Hendren, and Katz work launched a new national dialogue about mobility—a dialogue made possible by the Department's original investment in MTO as well as our ongoing practice of making data available to other researchers.

Technical Assistance and Capacity Building

Technical Assistance

Over the last few years of managing TA funds through a coordinated funding source, HUD has developed more efficient ways to deploy and manage cross-Departmental TA funds. As a result, the Department can obligate and deploy TA funding faster and more effectively, and grantees receive assistance sooner.

Examples of Technical Assistance benefits in 2015 include:

- Lead the Way: 793 PHA staff and boards commissioners from 513 different PHAs enrolled in this free, online training to help PHA boards and staff fulfill their responsibilities in providing effective governance and oversight.
- Rental Assistance Demonstration TA: 284 PHAs have received technical assistance this year, for a total of 48,899 converting units.
- At-Risk/Troubled PHA TA: Provided TA to 28 PHAs (10 PHA received or receiving ongoing TA into fiscal year 2015 from prior year and 18 PHAs started TA in fiscal year 2015).
- Highlights of Other TA:
  - Development and Capital Improvements TA led 1,840 new and rehabbed units at Puerto Rico Public Housing Administration, Virgin Islands Housing Authority, St. John the Baptist Housing Authority, and Detroit Housing Commission.
  - Guided the New York City Housing Authority's (NYCHA) solicitation and contract to perform an investment-grade energy audit for their planned large scale energy performance contract (EPC). Presumably, this contract leads to negotiation of an Energy Services Agreement to implement the EPC project, which could cover up to 90,000 units and include improvements in water consumption, light fixtures, boilers and water heaters, new systems controls, and leverage the rate reduction incentive.

Capacity Building

- A 2013 policy brief from Local Initiatives Support Corporation (LISC)[2] found that from 2002 to 2011, Section 4 has created or preserved over 83,000 homes and attracted over $13.2 billion in investment for lower-income neighborhoods and

[2] Local Initiatives Support Corporation. "2013 LISC Policy Briefs: Section 4—Capacity Building for Community Development and Affordable Housing." 2013. http://www.lisc.org/docs/resources/policy/Policy_Brief_Section_4.pdf

communities across the country. The same brief also found that median business operating budgets grew by over 157 percent for Section 4 CDC recipients from 2001 to 2011. This has resulted in increased potential for growth and revitalization, inspiring further investment in areas in which traditional investors have seen little value.

- The Section 4 Capacity Building program was also the subject of a 2011 independent evaluation by Social Compact and Weinheimer and Associates[3]. Relying primarily on an online survey of 235 CDCs receiving Section 4 grants between 2001 and 2009, the study supported the conclusion that CDCs that received Section 4 assistance had greater capacity to carry out their programs, and that CDCs and CHDOs receiving Section 4 assistance showed a dramatic increase in their ability to carry out HUD and other federal programs.
- The CDCs surveyed and interviewed for the Social Compact reported Section 4 assistance helped them boost their capacity. Section 4 assistance was rated as having a "moderate positive" or "significant positive" impact by a majority of CDC respondents in each of 12 organizational capacity dimensions. Investments in targeted areas produced observable overall organizational capacity growth and enabled recipients to boost their production of affordable housing and other community assets.

Core Research Support, Surveys, Data Infrastructure, and Knowledge Management

Core Research Support

- Moving to Work Research. The fiscal year 2016 expansion of MTW requires the creation of an advisory group to assist the Department with identifying promising innovations to be tested to meet the MTW statutory objectives of:
    - Reduce cost and achieve greater costs effectiveness in federal expenditures;
    - Give incentives to families with children where the head of household is working, is seeking work, or is preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient; and
    - Increase housing choices for low-income families.

  By involving an advisory group to identify promising innovations and requiring agencies wishing to gain MTW authority to rigorous testing the effectiveness of the innovations, it represents an opportunity to understand the impacts of the innovations.

[3] Social Compact and Weinheimer & Associates. “Assessing Section 4: Helping CDCs to Grow and Serve.” 2011. http://www.lisc.org/content/publications/detail/19970/

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- Energy and Housing Innovation. In recent years, there has been a significant expansion of research on how small changes in business processes can result in behavior changes. One component of reducing greenhouse gas emissions is human behavior – adoption of new lower carbon emitting technologies in housing; changing individual use of energy in housing. As with MTW, by involving an advisory group to identify promising business process change innovations and quickly testing those innovations to see their impact on behavior could assist with more quickly reducing carbon emission from housing.

Housing Market Surveys

The housing survey data collections provide the primary source of information for assessing the state of housing in the United States, problems to be addressed, and progress by HUD towards solving these problems. These surveys are relevant and necessary data sources, as evidenced by the many major housing research efforts to which they contribute, and as confirmed by stakeholders through PD&R's *Research Roadmap* consultation. Examples include:

- The American Housing Survey (AHS) data assists in identifying the characteristics of owners with underwater mortgages and other housing finance problems, and informs the national understanding of the growing rental affordability gap.
- The Survey of Market Absorption of Apartments is used by the National Association of Home Builders, the National Multi Housing Council, the Congressional Budget Office, the Council of Economic Advisors, and the Office of Thrift Supervision as well as many other public and private entities for such purposes as analysis of the rental housing market and forecasting future trends.

Housing Finance and Non-Survey Data Acquisition

The studies of pressing housing finance topics and proprietary data sources acquired through this request provide critical intelligence about housing finance markets and implications for FHA and Ginnie Mae program policy. Such investments contributed to the successful emergence of FHA's Mutual Mortgage Insurance Fund during fiscal year 2015 to a positive position relative to the statutory capital reserve requirement following FHA's crucial countercyclical role during the housing finance crisis.

One of the major purchases of non-survey data PD&R makes every year is private sector data on the apartment construction pipeline. This helps PD&R's Field Economists to more accurately assess rental housing demand and supply conditions in local markets when they are determining demand for potential market-rate multifamily developments applying for FHA-insured mortgages. Purchases of private sector mortgage data allow HUD to keep abreast of developments in the wider mortgage market and understand how FHA is fitting into it.

Research and Technology

PD&R also is generating high-impact data evidence at minimal cost by leveraging the Department's administrative data through collaborations with a number of federal agencies and other partners. These partnerships provide for securely linking administrative records for assisted renters with a variety of survey and administrative data sources and analyzing the linked data to address crosscutting policy issues and outcomes affecting HUD tenants. Such recent and ongoing efforts include, with the Department of Health and Human Services: the National Health Interview Survey, the National Health and Nutrition Examination Survey, Medicare and Medicaid health utilization records, and a Disaster Data Enclave (which includes the Federal Emergency Management Agency); and with the Department of Education, Federal Student Aid application records and the Early Childhood Longitudinal Survey.

Knowledge Management (Research Dissemination)

PD&R is responsible for assuring broad-based awareness of and timely access to current Departmental research and policy through its Knowledge Management (Research Dissemination) services.

At the core of Knowledge Management is HUD's research information clearinghouse, HUDuser.gov. HUDuser.gov provides a broad range of stakeholders access to downloadable housing reports and publications; datasets and databases; an e-magazine (*PD&R's Edge*); e-lists and e-books; a newly launched portal to access geospatial datasets and mapping tools; current information on housing needs, market conditions, and existing housing programs; and other housing and community development information that PD&R develops such as case studies. HUDuser.gov houses over 1,000 publications and datasets as well as a Bibliographic Database dedicated to housing related issues with more than 10,000 full abstracts of research reports, articles, books and data sources. Finally, HUDuser.gov serves as the platform for complying with GAO recommendations for documenting how PD&R calculates Fair Market Rents (FMRs) for the Housing Choice Voucher Program. PD&R projects that 18 million files will be downloaded in fiscal year 2016 as compared to 17.7 million in fiscal year 2015 and 16.9 million in fiscal year 2014.

Knowledge Management also includes the following activities:

- *Evidence Matters*, PD&R's quarterly data-driven publication designed to support evidence-based policy-making at all levels of government. In the last year, Evidence Matters has added nearly 700 new subscribers for a total subscribership of approximately 24,000.
- Information and order fulfillment services are provided through an information center operated by staff knowledgeable in housing and community development matters. The call center fields 4,000 inquiries per year on average.
- The Innovation in Affordable Housing Student Design and Planning Competition, which is now in its third year, is a competition for multidisciplinary teams of graduate students designed to encourage research and innovation in affordable housing, to raise practitioner and future practitioner capacity, and to foster cross-cutting team-work within the design and

community development process. In 2014, seven teams from seven universities participated and that grew to 34 teams from 25 universities in 2015.

- *The Edge,* an online magazine that translates research, shares partner reports, frames policy issues; and highlights housing data. The Edge generated 56,622 unique page views in fiscal year 2015.

Research Partnerships

Through cooperative agreements, Research Partnerships allow PD&R to partner with outside researchers who are addressing questions of high priority to HUD, and where 50 percent or more of the costs are borne externally. This strategy has proven to be a highly productive way to move forward on a larger set of projects, leveraging both the ideas and financial resources of a broader set of stakeholders. To date, we have entered into 25 research partnerships by awarding nearly $6.0 million. Those funds have leveraged any addition $25.0 million in matching funds secured by each of the lead partners. Recently completed efforts include the examination of a promising family self-sufficiency demonstration program and a study leveraging MTO data to answer the question of what happens to residents who leave housing assistance programs.

5. Proposals in the Budget

- Eliminate Units Under Lease Report. The Department proposes to repeal Section 314 of the fiscal year 2006 Appropriations Act, which required the Department to submit a report in 2006, and annually thereafter, on the number of federally assisted units under lease and per unit cost. It is a significant administrative burden to produce this report and the data it contains is available in other sources including the Department's Annual Performance Report and on the website. The Department can provide this data to the Committees on Appropriations upon request and the repeal of this requirement would reduce the administrative burden of preparing an annual report. (Sec. 223)

- Improve the Process for Establishing Fair Market Rents. Fair Market Rents (FMRs), which are based on rent survey data, are currently used for rent-setting in both the voucher and project-based Section 8 programs. This proposal removes the statutory requirement that FMRs be printed in the in the Federal Register to become official. While HUD would continue to announce proposed FMRs with a Federal Register notice seeking public comment on the proposed FMRs and any proposed methodology changes, the FMRs themselves would be published on a HUD web site rather than printed in the Federal Register. Final FMRs would be announced and made available similarly. A similar version of this language appeared in the Department's fiscal year 2015 and 2016 budget requests. This provision will save printing expenses of $90,000 to $100,000 per annum and reduce administrative burden. (Sec. 227)

Research and Technology

- Evaluation Funding Flexibility Pilot. Allows funding for research, evaluation and statistical purposes that is unexpended at the completion of a contract, grant or cooperative agreement to be deobligated and reobligated for additional research, evaluation or statistical purposes. (Sec. 218)

POLICY DEVELOPMENT AND RESEARCH
RESEARCH AND TECHNOLOGY
Summary of Resources by Program
(Dollars in Thousands)

Budget Activity	2015 Budget Authority	2014 Carryover Into 2015	2015 Total Resources	2015 Obligations	2016 Budget Authority	2015 Carryover Into 2016	2016 Total Resources	2017 Request
Core R&T	$50,000	$2,744	$52,744	$44,632[a]	$50,000	$8,123	$58,123	$65,000
Technical Assistance ..	22,000	...	22,000	...	25,000	22,000	47,000	52,000
Research, Evaluations, and Demonstrations ...	...	...	...	...	10,000	...	10,000	33,000
Capacity Building	...	...	...	...	...	...	...	35,000
Total	72,000	2,744	74,744	44,632	85,000	30,123	115,123	185,000

NOTE: The fiscal year 2017 request includes $120 million in program transfers for Research, Evaluations, and Demonstrations; Technical Assistance; and Capacity Building.

POLICY DEVELOPMENT AND RESEARCH
RESEARCH AND TECHNOLOGY
Appropriations Language

The fiscal year 2017 President's Budget includes proposed changes in the appropriation language listed and explained below. New language is italicized and underlined, and language proposed for deletion is bracketed.

For contracts, grants, and necessary expenses of programs of research and studies relating to housing and urban problems, not otherwise provided for, as authorized by title V of the Housing and Urban Development Act of 1970 (12 U.S.C. 1701z-1 et seq.), including carrying out the functions of the Secretary of Housing and Urban Development under section 1(a)(1)(i) of Reorganization Plan No. 2 of 1968, [and for technical assistance, $85,000,000,]$65,000,000, to remain available until September 30, [2017]2018: Provided, That with respect to amounts made available under this heading, notwithstanding section 204 of this title, the Secretary may enter into cooperative agreements funded with philanthropic entities, other Federal agencies, or State or local governments and their agencies for research projects: Provided further, That with respect to the previous proviso, such partners to the cooperative agreements must contribute at least a 50 percent match toward the cost of the project: [Provided further, That for non-competitive agreements entered into in accordance with the previous two provisos, the Secretary of Housing and Urban Development shall comply with section 2(b) of the Federal Funding Accountability and Transparency Act of 2006 (Public Law 109–282, 31 U.S.C. note) in lieu of compliance with section 102(a)(4)(C) with respect to documentation of award decisions:] *<u>Provided further, That of the amounts made available in this Act under each of the headings under this title, the Secretary may transfer to and merge with this account up to $120,000,000, and such transferred amounts shall be available until September 30, 2019, for (1) research and evaluation; (2) program demonstrations; and (3) technical assistance and capacity building, including forms of assistance described under Sections 4(b)(1) and 4(b)(2) of the HUD Demonstration Act of 1993, as amended: "Choice Neighborhoods Initiative", "Community Development Fund", "Fair Housing Activities", "Family Self-Sufficiency", "HOME Investment Partnerships Program", "Homeless Assistance Grants", "Housing Counseling Assistance", "Housing for Persons with Disabilities", "Housing for the Elderly", "Housing Opportunities for Persons with AIDS", "Lead Hazard Reduction", "Mutual Mortgage Insurance Program Account", "Native American Housing Block Grants", "Native Hawaiian Housing Block Grant", "Project-Based Rental Assistance", "Public Housing Capital Fund", "Public Housing Operating Fund", "Rental Assistance Demonstration", and "Tenant-Based Rental Assistance": Provided, That any such amounts, or portion thereof, transferred to this account from any account, may be transferred back to and merged with the original account and be available for the same purpose and same time period as provided under this Act.</u>* [Provided further, That prior to obligation of technical assistance funding, the Secretary shall submit a plan, for approval, to the House and Senate Committees on Appropriations on how it will allocate funding for this activity.] (Department of Housing and Urban Development Appropriations Act, 2016.)

INFORMATION TECHNOLOGY FUND
2017 Summary Statement and Initiatives
(Dollars in Thousands)

INFORMATION TECHNOLOGY FUND	Enacted/ Request	Carryover	Supplemental/ Rescission	Total Resources	Obligations	Outlays
2015 Appropriation	$250,000	$150,901[a]	...	$400,901	$301,594	$276,059
2016 Appropriation	250,000	103,307[b]	...	353,307	343,000	282,000
2017 Request	286,000	14,307[c]	...	300,307	295,307	292,000
Program Improvements/Offsets	+36,000	-89,000	...	-53,000	-47,693	+10,000

a/ Includes $2.84 million of actual recaptures and $2.5 million of transfers from salaries and expenses during fiscal year 2015. It also includes $49.4 million of funding for the HUD Information Technology Service (HITS) contract. The obligation of these funds was delayed from August 2014 due to ongoing contract negotiations that resulted in a savings of $7 million.
b/ Includes $4 million in anticipated O&M recaptures during fiscal year 2016. It will provide $49.2 million of funding for a contract supporting the HEAT initiative, an obligation which was delayed from fiscal year 2015.
c/ Includes $4 million in anticipated O&M recaptures in fiscal year 2017, and $10.3 million of O&M not obligated in fiscal year 2016.

1. What is this request?

In fiscal year 2017, HUD requests $286 million for the Information Technology (IT) Fund, an increase of $36 million over the fiscal year 2016 appropriation. The request supports Operations and Maintenance (O&M) activities (sustaining and modernizing current systems), and new Development, Modernization, and Enhancement (DME) initiatives. These DME projects will further efforts to transform HUD's IT infrastructure by consolidating systems, providing enterprise capabilities, and improving the effectiveness and efficiency of programs and operations. The request includes $239 million of 2-year funding and $47 million of 3-year funding.

Fiscal Year 2017 Request in Detail
(Obligations Dollars in Millions)

IT Fund	FY 2015 Actual	FY 2016 Enacted	FY 2017 Request
Operations & Maintenance	$279	$250	$250
Development, Modernization, and Enhancement	23	...	36
Total	302	250	286

2. What is this program?

The IT Fund provides for the IT infrastructure and systems that support the entire Department, including all of HUD's mortgage insurance liabilities, rental subsidies, and formula and competitive grants. HUD will use the O&M funding, which is the same amount as the two prior years, to sustain current systems and to modernize and consolidate systems to create efficiencies and reduce security vulnerabilities. Consistent with FITARA, OCIO is continuing to change the way HUD manages its spending and development—working with offices to define program needs and using that to drive development of requirements, re-platforming of legacy systems, and scrubbing contracts and systems to find efficiencies. As HUD is able to identify savings through these efficiencies, the Department will re-invest the savings to support modernization and security upgrades, including supporting DATA Act requirements and enterprise purposes outlined below.

The DME funding will allow critical development initiatives that leverage enterprise technology to support HUD's mission areas, and reduce the number of stand-alone, stove-piped capabilities. HUD will modernize business systems into enterprise solutions, while addressing audit findings and emerging (regulatory) requirements. The integration and consolidation of IT systems will enable the delivery of new capabilities faster at lower cost by migrating financial and programmatic management functions to common platforms using modern Cloud based technologies. HUD will capitalize on opportunities to digitize manual processes and end user experiences with improved functionality. Developing these enterprise solutions must address complexities across the agency, and requires data consolidation, simplified interfaces, and standardized business functionality.

3. Why is this program necessary and what will we get for the funds?

Operations & Maintenance (O&M)

These funds provide for the operations and maintenance of the current IT systems and applications, supporting HUD's business and administrative functions and its IT infrastructure (servers, communications, equipment and support, desktops, mobile devices, enterprise licenses/intellectual property and ancillary engineering, management and security). HUD will expand its focus on platform modernization improvements and developing a cybersecurity framework.

O&M Funding by Business Segment
($ in Thousands)

Note: See Appendix for descriptions of each business segment.

Segment	FY2015 Actual	FY 2016 Enacted	FY 2017 Estimate
Acquisition Management	$1,618	$809	...
Administrative Management	949	1,045	$1,045
Business Analytical Services	3,443	3,066	3,066
Controls & Oversight	7,948	8,197	8,197
Customer Relationship Management	2,782	2,117	2,117
Data Management Services	1,025	1,032	1,032
Digital Asset Services	3,404	3,410	3,410
Financial Management	6,385	10,251	10,251
Grants Management	6,929	6,918	6,918
Human Resource Management	1,013	1,001	1,001
Information Technology *	202,655	168,712	169,438
Mortgage Insurance	25,626	27,055	27,055
Planning and Budgeting	550	541	541
Public Affairs	1,682	3,688	3,688
Regulatory, Legislative, and Enforcement	4,310	6,284	6,284
Subsidies Management	7,540	5,181	5,181
eGov Initiatives	879	693	$776
TOTAL	278,738	250,000	$250,000

* Fiscal year 2015 includes $49.4 million from carryover funding for the HUD Information Technology Service (HITS) contract due to contract negotiations that resulted in a savings of $7 million. Fiscal years 2016 and 2017 include $10-15 million for cybersecurity and platform modernization investments to be ultimately spread among multiple business segments. For example, these are anticipated to include migration of various public housing assessment (financial, management, physical, and quality) systems to platforms that would allow their migration to the cloud. This will reduce the infrastructure cost, with more storage and computing capacity. Funds may also be used for additional tools to improve the overall security of HUD infrastructure and applications, such as Security Information and Event Management (SIEM), a threat intelligence analysis tool to predict and prevent cyber attacks, and encryption tools for HUD data.

In fiscal year 2015, the OCIO led a review of O&M contract requirements that resulted in savings achieved mostly by reducing contract scope and service levels. The savings have been reinvested in fiscal year 2016, along with previous year carryover to support the transition of HUD's IT infrastructure environment, known as the HUD Enterprise and Architecture Transformation (HEAT) initiative, to a more agile, modern, mobile-friendly environment.[1]

In fiscal year 2016, the Department will assess O&M needs by consolidating or eliminating contracts and invest the savings from this streamlining to update HUD's IT infrastructure by modernizing, and where possible, consolidating the existing operating platforms of HUD's outdated, legacy systems. This will reduce the security vulnerabilities of HUD's IT systems and will reduce long term IT costs by increasing the systems' sustainability and operability. The savings from the O&M streamlining will allow HUD to begin the migration from the most outdated and unsupported systems and applications and provide these applications with more technical and security support, eliminating cybersecurity vulnerabilities, and making them operate more efficiently and more effectively. Additional cybersecurity improvements will include developing an overall cybersecurity framework, a NIST compliant incident response program, and Continuous Diagnostics Monitoring. HUD is using cloud technology to make its applications more mobile and agile, and to increase performance. HUD's e-mail system and Customer Relationship Management systems are in HUD's cloud. Additional applications such as HUD.gov and HUD@work have also been migrated to HUD's cloud, and new applications are slated for cloud design from start to finish.

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[1] HUD is not requesting any funds in fiscal year 2017 for HEAT, which will transition HUD's IT infrastructure, including the data center and the end user equipment (desktops, laptops and other devices) from the current contracts to a federal shared service provider. This will improve HUD's security, augment internal monitoring and management capabilities, and reduce the cost of maintaining core IT infrastructure. In fiscal year 2015, HUD made significant progress planning the transition from costly, managed service contracts to smaller performance based contracts. Several functions, including mobile services have already been moved to GSA contracts. HUD anticipates completing a migration to a new end user contract in fiscal year 2016, and further leveraging other functions to federal shared services in fiscal year 2017. We anticipate requiring some final transitional funds in the fiscal year 2018 budget.

Development, Modernization, and Enhancement (DME)

HUD is requesting $36 million in DME funding towards consolidating systems, providing enterprise capabilities, and reducing customer burden through improved program operating efficiencies. Our approach is to develop functionality that will support the entire enterprise, while still addressing specific programmatic and policy needs. We will build and deliver smaller discrete capabilities, based on the design and requirements development work. To maximize these funds, we will carefully identify the business requirements and processes to be addressed or possibly re-defined. We will then match these to the best technologies, and plan a very detailed course of action before doing additional development work on potentially major initiatives.

DME Funding by Project
($ in Thousands)

Project	Segment	Funding
FHA Automation & Modernization	Mortgage Insurance	$13,000
Voucher Management System (VMS) and HUD Centralized Accounting and Program System (HUDCAPS) Decommissioning	Subsidies Management	8,000
Enterprise Data Warehouse (EDW)	Data Management Services	4,000
Customer Relationship Management Capability(CRM)	Customer Relationship Management Services	4,000
Grants Management System Consolidation	Grants Management	2,500
Affirmatively Furthering Fair Housing (AFFH) Initiative	Business Analytical Services	1,500
Next Generation Management System (NGMS)	Subsidies Management	1,500
HUD Enterprise-Wide Records Management System (HERMS)	Digital Asset Services	1,000
FHEO Section 3 Performance and Evaluation and Registration	Controls and Oversight	500
TOTAL		$36,000

Whether it is case management, workflow, business intelligence or data management, the goal is to "build systems once and use them many times." This will provide the best support to HUD's grants management, mortgage insurance, housing vouchers and enforcement programs. HUD will employ agile IT development techniques so that new capabilities and digital services can be delivered quickly, at a lower cost and risk to the programs.

The requested funding will continue progress on major investments such as NGMS and HUDCAPS Decommissioning, and will build on our foundational investment in HUD's Enterprise Data Warehouse and Customer Relationship Management tool. It will also allow HUD to make significant progress in designing and implementing the consolidation of numerous grants management-related systems. The requested funding will go toward technology solutions that will be paired with business process improvements and enterprise design and architecture that will help maximize the efficiency and effectiveness of the development projects.

Descriptions of the requested investments follow:

FHA Automation of Business *(Lender, Loan, Risk and Asset Management)* Processes and Systems Modernization: $13 million

Description: The IT systems currently supporting critical FHA business processes consist of complex, aging IT systems with COBOL-based mainframe applications as the foundation. These legacy systems were assembled as business needs surfaced over the last 30 years, without the benefit of an architectural plan that could provide the adaptability needed to meet regulatory and industry standards over time.

Today, FHA operations require data to move between numerous touch points through hundreds of interfaces, resulting in an environment that has become increasingly complex, costly, and difficult to maintain. The complex nature of the current IT environment constrains FHA's ability to adapt its operations to changes in the housing industry, economic trends, and new legislation.

The Federal Housing Administration (FHA) intends to deliver a modernized, secure, and scalable digital solution that addresses critical operational and functional needs. Therefore, this funding request supports the continued planning, design, and execution for requirements focused on Counterparty Management, Portfolio Analysis, Borrower/Collateral Risk Management/Fraud Monitoring and Infrastructure/Application Modernization. This investment will modernize obsolete applications and reduce infrastructure costs, reduce fragmentation of legacy systems, and leverage shared components and data in support of multiple housing programs. This may also include planning for the consolidation of asset management systems related to the disposition of Single Family properties, insurance claims processing, and monitoring of loan defaults. This effort will increase efficiency and address the following operational and performance requirements:

- Reduce the footprint of business critical applications operating on HUD's mainframe platforms
- Enable compliance with federal procurement policy by ending a history of sole source contracting to the same vendor over the past 20-to-30 years
- Reduce the high cost of sole source monopoly operations by eliminating HUD's dependency on proprietary non-commercial software
- Enable industry standard analysis and reporting for property costs and recovery rates
- Improve property management outcomes in neighborhoods by increasing the availability of FHA systems to property managers in line with commercial practice
- Reduce risk to the Mutual Mortgage Insurance (MMI) Fund by adjusting its claims process to: (1) conduct automated validations of expenses prior to claims being paid and (2) conduct pre-claim/pre-conveyance property inspections to identify assets not meeting the Department's property condition requirements.

Business Need/Value: In fiscal year 2010, FHA began planning for the execution of strategic initiative recommendations originating from the IT Strategy and Improvement Plan completed in August 2009. These initiatives sought to streamline current FHA business processes and modernize the technical infrastructure and applications for Loan Origination and Underwriting, Business Partner Approval, and Business Partner Monitoring processes.

To date, FHA has deployed multiple transformed business capabilities consistent with the objective of automating and consolidating processes to drive improvements in the acquisition of lender, borrower, and asset data for improved reporting, transparency, and informed decision-making throughout the end-to-end life cycle of the loan. For example, many new automated capabilities associated with the Lender Electronic Assessment Portal (LEAP) have been completed, such as Lender approval and recertification, and electronic appraisal.

FHA must keep pace with industry standards as lenders, servicers, investors, and others are improving their access to data. By continuing to invest in automated and modernized business processes, FHA will be better informed of risk and improve its policies for endorsement, servicing, quality control, counterparty management, and enforcement. Critical data needs include appraisal, loan application, borrower, loan documents and data, and counterparty data such as appraiser, lender, servicer, and non-profit entity information.

eVMS/HUDCAPS De-commissioning: $8.0 million

Description: HUD's business transformation and IT modernization is driving the approach for the de-commissioning of HUDCAPS and other legacy systems. By carefully putting the right infrastructure in place, this will be accomplished most efficiently, and with limited impact on programs. The eVMS/HUDCAPS Decommissioning project has been established to achieve these goals.

This initiative began in fiscal year 2016 with planning to determine an Integrated Master Project Schedule with applicable resources. The main design/development is expected to take 18 months, with capabilities to be delivered every six months. Upon completion of this effort in fiscal year 2017, HUDCAPS and Program Accounting System (PAS) de-commissioning activities will begin.

The fiscal year 2017 request will deliver the following capabilities into production:

- An Enterprise Business Hub – designed and developed in fiscal year 2016, the Hub will provide an enterprise framework of components to perform common services, manage data access/updates, and guarantee data quality within a secured environment. The Hub will be the single conduit of data between HUD mission systems, legacy systems, and external components, and will eliminate redundant technologies and streamline IT costs by housing critical services in one location allowing their use by multiple systems. The Business Hub will use the new Enterprise Data Warehouse to access and store data.
- eVMS – the automated, monthly process for PIH Section 8 Cash Management is being designed and developed in fiscal year 2016, and will be parallel tested and implemented in fiscal year 2017. The automated module will provide improved support for PHA cash disbursements amounts based on payee-level data, and greater transparency to external stakeholders, including the Office of the Inspector General.
- In addition, HUDCAPS, PAS and Financial Data Mart (FDM) will be replaced with systems that interface directly with each other and link into financial systems and shared services. HUD mission data will directly feed our federal shared service provider for all accounting transactions. This will allow the alignment of program, financial, and other grants management data.

This request will also include planning for grants and loan payment processing, to include de-commissioning and replacing Line of Credit Control System (LOCCS). This effort will utilize the new enterprise architecture of the Enterprise Business Hub eliminating existing redundant technologies and streamlining current IT costs. The planning for this effort will be modeled on the HUDCAPS Decommissioning project with a 90 day planning sprint to define an Execution Roadmap, project schedule and required resources.

Business Need/Value: HUD's legacy core financial system, HUDCAPs, has not been supported by the original vendor since 2004, HUDCAPs, making it expensive and risky to maintain. A new enterprise architecture, the Enterprise Business Hub will enable efficient interfaces among systems, and provide a cost effective mechanism for future systems replacements. This will enable HUD business systems to be replaced by enterprise solutions in an orderly manner, while maintaining financial integrity and "doing no harm" to the HUD mission. It will improve and reduce cost of IT O&M by using common platforms and modern technologies.

Enterprise Data Warehouse (EDW): $4.0 million

Description: HUD's data is currently stored in numerous systems and application platforms across the agency. These "silos of data" make it very time consuming to obtain and compile information needed to conduct analysis and produce timely reports, and limit the ability to perform enterprise level analysis. There is often data duplication. Data warehousing cuts through these obstacles by integrating and organizing key operational data in a form that is consistent, reliable, timely, and readily available. An Enterprise Data Warehouse (EDW) is a large-scale data warehouse that is used across the enterprise for decision support and helps leaders to make informed decisions.

This request will support the next steps in improving the Department's data quality and ability to analyze and report information across multiple programs. It builds upon prior investments to develop the foundation of the data warehouse, which will be a cloud-based solution. This foundation consists of enterprise data management strategy, including master data management, information architecture, analysis of alternative platform technologies, and installing the supporting infrastructure.

HUD is taking an incremental approach to implementing this multi-year program. Annual funding will support discrete, manageable projects to make it easier to manage risks associated with a larger program. Fiscal year 2017 funding will support initial planning and development for the integration of data sources across the agency. This includes funding for new capabilities required to support the implementation of the DATA Act. We are currently in the process of identifying the specific IT systems that will require modifications to conform to the DATA Act.

Business Need/Value: The Enterprise Data Warehouse will provide the following direct benefits:

- End users can perform extensive analysis in numerous ways.
- A consolidated view of corporate data (i.e., a single version).
- A data warehouse permits low cost data processing and end user ease of access by moving from costly operational systems onto a low-cost server; therefore, many more end-user information requests can be processed more quickly.
- Enhanced system performance.
- Data access is simplified and increases the ability to obtain real time information.

Unified Customer Relationship Management (CRM) Capability: $4.0 million

Description: HUD CRM systems handle 150,000 mission-critical service requests annually for HUD stakeholders and grantees. These requests originate from all of the Department's major business partner groups, across all HUD programs.

This funding will allow HUD to continue to upgrade and replace multiple legacy CRM solutions with stable and reliable capabilities. The solution will improve customer service and satisfaction, ensuring that customers quickly connect to the appropriate resource that can help them. In fiscal year 2015, the Office of Single Family Program's CRM solution was redesigned. In fiscal year 2017, HUD will begin to incrementally incorporate other program offices into this solution, starting with the Real Estate Assessment Center's (REAC) Customer Assistant Sub System (CASS) CRM Tool. The enterprise CRM Solution will also begin developing a module for the Office of Fair Housing and Equal Opportunity. Additional offices and functions will be migrated onto this technology solution in the future.

HUD offices rely on their call centers, service desks and help desks to manage interactions with stakeholders, customers, business partners, and the public regarding any aspect of the Department's services. These customers and other parties include Local and State housing agencies that serve as Section 8 Contractor Administrators for HUD's assisted housing projects and the Rent Supplement and Rental Assistance programs, mortgage bankers, public interest groups, academic researchers, and resident interest groups.

Currently there are more than 40 help desks, multiple call centers and 90 toll-free telephone numbers, and no clear and unified CRM strategy. CRM involves planning, scheduling and controlling the activities between the customers, stakeholders and partners. This includes management of call centers, products, customer/accounts, contacts, profiles, and partner relationships. It also incorporates customer analytics, feedback and surveys. HUD will transform its CRM by establishing a Center of Excellence using Microsoft Dynamic CRM software, which will reduce costs and unify, improve, and streamline systems and processes. The Center for Excellence is a team of HUD employees with specialized training, allowing HUD employees to make basic adjustments to the system.

Business Need/Value: This unified system will improve business cohesion among program offices, which will allow for a more consistent response to customers and overall a better customer experience. These systems provide important information to HUD for use in budget formulation and justification as well as a better understanding of programmatic impacts on the ground, allowing a line of sight for HUD staff to analyze data from a national, regional, or field office. The integrated communications channel allows for defining and categorizing user calls, addressing and resolving user problems across the Department, developing an enterprise-wide customer profile, and maintaining a knowledge database. It will give HUD's customers more seamless and consistent customer service, allowing them to more easily find relevant resources and information.

Grants Management System Consolidation: $2.5 million

Description: HUD has established a vision and the elements of a plan for modernizing the grants management business function and is making notable progress in moving from a 'stove-piped' IT system architecture to one that consolidates project planning, set-up and funding, reporting and oversight for all HUD grant programs.

Currently, there are numerous grants management systems throughout the Department, with many isolated and lacking integration of functionality, data, and technology. Redundancy in system functions unnecessarily drive up maintenance costs, while inflexibility of system architecture drives up development costs to add new programs or address regulatory changes. HUD will seek an enterprise grants management solution that reaches across multiple program areas, by analyzing common business processes, leveraging mature technologies, and reducing duplicative systems to decrease costs and infrastructure complexity.

The fiscal year 2017 request provides partial funding to begin the process of consolidating the separate grant systems. Building on the work already completed, HUD will conduct discovery, alternatives analysis and develop requirements and design processes that meet business requirements and capabilities, are stable and flexible against future program requirements, and are less costly to maintain. HUD is considering a consolidated system architecture that would be built to support the Department's plans for a holistic grants management approach that aligns systems, business processes, and requirements across the enterprise. If this architecture is selected, additional funding would be required to finalize requirements, fully implement the consolidated system architecture, and complete the retirement of replaced legacy systems.

Business Need/Value: As a result of system fragmentation, HUD does not present a single business front or 'portal' to customers. The successful execution of grants management function will enable HUD to more effectively administer the entire grant lifecycle of formula and competitive programs that altogether provide billions of grant dollars annually to communities nationwide. Grants management IT systems help achieve significant cost savings for both grantees and HUD by automating administrative functions, easing the user experience and enhancing business capabilities. This project will ultimately consolidate the functionality needed to manage and process all of HUD's grants. It will also allow planning for decommission of legacy or functionally duplicative systems and capabilities. Along with separate general ledger and funds management enhancements, this will allow the HUDCAPS legacy system to be de-commissioned. It will be replaced with systems that can interface directly with each other and link into financial systems and shared services—allowing the alignment of program, financial, and other grants management data.

Affirmatively Furthering Fair Housing (AFFH) Initiative: $1.5 million

Description: Section 808(e) (5) of the Fair Housing Act requires Housing and Urban Development programs to be administered in a way that will Affirmatively Further Fair Housing (AFFH). For HUD program participants to meet the AFFH regulatory requirements, in fiscal year 2016, HUD has designed and developed an AFFH user interface tool that is integrated with the existing AFFH geospatial mapping data tool. This tool includes a template that grantees will use to submit their plans, enabling them to electronically file their Assessments of Fair Housing (AFHs).

The requested funds will develop the processes to effectively use this new user interface tool, provide for the review and approval workflow for HUD analysts, and integrate the AFFH tool set with existing HUD systems. New capabilities will include an Internal User

Analysis Module, AFFH comprehensive workflow, response template, dashboard and reporting module, custom map capability and a public housing authority (PHA) template and State template.

Information submitted by the grantees and the Public Housing Authorities for the Implementation of AFFH will be analyzed to ensure the evaluation and reviews needed to assess their eligibility for funding flows to the right part of the organization. It will also ensure that the assessment and business intelligence capabilities are available to understand the AFFH's effectiveness and challenges.

Business Need/Value: Electronic filing of AFHs through a web-based tool to allow program participants to efficiently submit files required by the new AFFH rule, with data and maps integrated into the analysis. A uniform format and digital submission will also make HUD's review of submissions more efficient and timely, allowing for immediate access by the appropriate staff. The anticipated external user base is approximately 5,500 users that will include public housing authorities, local governments, and states that receive Community Development Block Grants, HOME Investments Partnership Grants, Emergency Solutions Grants, and Housing Opportunities for Persons with AIDS grants. The HUD internal user base is approximately 1,000 users. The AFFH tool will facilitate cross program collaboration between the Office of Fair Housing and Equal Opportunity, Office of General Counsel, Office of Public and Indian Housing, Office of Community of Planning and Development and others to review AFH submissions. As a result, the AFFH tool will have a total user base of up to 6,500 end users.

The development of this new user interface will capture the information that is being submitted by the grantees and the Public Housing Authorities for the Implementation of AFFH, and ensure that the evaluation and reviews needed to assess their eligibility for funding flows to the right part of the organization.

Next Generation Management System (NGMS): $1.5 million

Description: This request is to develop the Operating Subsidy module of the Next Generation Management System (NGMS). This system enables HUD to better carry out mission critical programs by providing Enterprise Program & Financial Management capability. This initiative will automate business processes to improve the way HUD collects, analyzes and uses information to reduce Public Housing Authority (PHA) reporting burden and allow HUD staff to more effectively use data in making day to day decisions.

The Public & Indian Housing (PIH) program awards approximately $4.6 billion annually to PHAs to cover day-to-day operational expenses associated with their inventory of 1.1 million public housing units. The funding is also used for required administrative and program implementation expenses. PIH outsources the tool used for processing of the Public Housing Operating Fund applications by means of a business support contract. Although HUD owns the data in this operating fund process, it does not own the tool. The enhancements to NGMS will provide a HUD-owned IT system to calculate and process operating subsidy applications. This will make HUD more agile and not dependent on additional funding and contract actions to make needed modifications to the system in the future.

Business Need/Value: The Public Housing and Housing Choice Voucher Programs serve more than 3 million households and spends about $24 billion annually. NGMS is part of a systematic approach to improve existing business processes in the areas of program and financial management, and budget execution for PIH's Housing Choice Voucher and Public Housing programs. The system enhancements that result from the initiative will be more robust, comprehensive, secure, and reliable than the current ones, which are built using Microsoft Tools like Excel, Access, Infopath and SharePoint. Although the tools can be effective, they are limited in their ability to be enterprise IT solutions. The new Operating Subsidy module will break PIH's reliance on an annual $1.3 million contract with a third party vendor to process more than 7,000 applications, with continual cost increases.

HUD Enterprise-Wide Records Management System (HERMS): $1.0 million

Description: Many HUD program offices still manage paper records and files. We estimate that there are more than 8,500 5-drawer filing cabinets used, which include files for low-income unit rentals, tenant information, public housing management, affordable housing vouchers, Fair Housing Complaints, and grant applications. These file cabinets also house internal office files, maps, blueprints, personnel and administrative files. Federal agencies are required to improve the management of government records, to include maximizing the use of electronic records. The current request will be used to design a system to consolidate and organize records across the entire agency. The final result will be an enterprise wide automated system where HUD's official records are digitized and stored, and employees are able to quickly and efficiently locate and retrieve these records.

Business Need/Value: HERMS funding will allow HUD to design an enterprise system that will improve the quality and use of federal information to strengthen decision making, accountability, and responsiveness to the public. The system will reduce costs associated with storing volumes of paper records at NARA facilities, internal hosting and storage, and the costs to duplicate paper-based archives in response to public inquiries and FOIA requests.

Benefits and cost savings realized may be between $250,000 and $300,000 annually and would be measured by substantial reduction or elimination of traditional paper-based storage and archiving expenses, currently exceeding millions of dollars annually. It will also reduce the workload of the government staff required to procure and monitor contracts. This is particularly important during major organizational changes, such as the Multifamily Transformation where HUD experienced the movement of several hundred offices files transferred from one closing office to a consolidation location. In addition to reductions in staff resources to procure and manage multiple contracts which provide duplicative services and functions, this system will better enable HUD to meet legislative (Freedom of Information Act and Paperwork Reduction Act) and regulatory mandates.

FHEO Section 3 Performance Evaluation and Registration: $0.50 million

Information Technology Fund

Description: Funds are requested for revisions that will be needed to the Section 3 Performance Evaluation and Assessment Reporting System (SPEARS), which is used by recipients of HUD funds to submit required Section 3 annual summary reports (Form 60002).

The objectives of Section 3 of the Housing and Urban Development Act of 1968 are (1) to use HUD program funds to provide a springboard for residents to become economically empowered through direct participation in construction and other activities designed to physically improve and revitalize their neighborhoods; and (2) to leverage HUD funds to strengthen local economies, promote self-sufficiency, and reduce dependency on Federal housing subsidies.

HUD expects to issue a revised Section 3 rule in fiscal year 2016 that will clarify fair housing obligations and reduce barriers to compliance. It will help communities analyze their own challenges to fair housing choice and establish their own goals and priorities to address their fair housing barriers. To adhere to this Rule, development funds are needed to address necessary system changes.

Another component of SPEARS is the Section 3 Business Registry. This is a tool that HUD launched in fiscal year 2014 to meet regulatory obligations to notify Section 3 businesses of the availability of local HUD-funded contracts and to increase the amount of contracts awarded to Section 3 businesses. The funds are requested to modify the existing SPEARS to comply with changes to Form 60002 and the Business Registry based on the new rule. Revisions might include changes to questions, template formats or screens, data fields, reporting content, formats, and workflow. These changes may affect the Business Registry as well as the Form 60002.

Business Need/Value: There are about 5,000 covered grantees who receive funds that are subject to Section 3 and are required to submit Form 60002 to HUD. There are also about 1,000 businesses who have self-certified that they meet one of the definitions of a Section 3 business. The systems enhancements to SPEARS will save grantees and businesses time and effort, and will promote consistency in compliance with the revised regulatory requirements.

Appendix: Description of IT Portfolio Business Segments

The Acquisition Management segment: Enables HUD to effectively manage the lifecycle (e.g., purchasing, tracking, maintenance, and replacement/retirement) of the physical goods and contracted services it acquires in support of delivering its services and executing its programs. The Acquisition Management segment includes goods acquisition, inventory control, logistics management, and services acquisition.

The Administrative Management segment: Enables the IT that performs administrative and logistical services supporting the entire HUD workforce/enterprise. The IT in this segment includes facilities, fleet and equipment management systems and tools, help desk services, security management, travel and workplace policy development and management systems and tools.

The Business Analytical Services segment: Includes the tools and capabilities supporting the extraction, aggregation, and presentation of information to facilitate decision analysis and business evaluation. The Business Analytical Services segment includes analysis and statistics, visualization (geospatial), knowledge discovery, business intelligence and reporting.

The Controls & Oversight segment: Provides the tools that provide and promote the effective use of accurate, timely and reliable information assessing the condition of the Department's housing portfolio—serving both the Office of Public and Indian Housing (PIH) and the Office of Multifamily Housing (MFH). The systems provide information to inform decisions for efficient and effective use of HUD's program dollars to ensure safe, decent and sanitary conditions in affordable housing and assists

The Customer Relationship Management Services segment: Includes the tools and systems involved in planning, scheduling, and controlling the activities between the customer and the enterprise, both before and after a product or service is offered. The Customer Relationship Management Services segment would include tools that support call center management, customer analytics, sales and marketing, product management, brand management, customer/account management, contact and profile management, partner relationship management, customer feedback and surveys.

The Data Management Services segment: Includes capabilities that provide for the usage, processing and general administration of information. The Data Management Services segment includes data exchange, data mart, data warehouse, meta data management, data cleansing, extraction and transformation, loading and archiving, data recovery and data classification.

The Digital Asset Services segment: Defines the set of capabilities to support the generation, management, and distribution of intellectual capital and electronic media across the business and extended enterprise. The Digital Asset Services segment includes content management, document management, knowledge management, and records management.

The Financial Management segment: Includes the systems and tools that support the management of HUD's financial resources control and the flow of financial information across information systems. The Financial Management segment includes accounting, funds control, payments, collections and receivables, asset and liability management, reporting and information, and cost accounting/performance measurement.

The Grants Management segment: Includes the IT systems and tools that support the notification, submission, award, review and completion of HUD's grant programs, including the large grant programs that support community development, the construction and rehabilitation of homes, community structures and infrastructure, and other community revitalization and job creation efforts to preserve community assets. This segment also supports HUD's programs that help communities prevent/end homelessness, provide education and awareness programs on lead safety, counseling new home buyers and support fair and equitable housing programs.

The Human Resource Management segment: Includes the systems and tools that manage human resources strategy, staff acquisition, organization and position management, compensation management, benefits management, employee performance management, employee relations, labor relations, separation management, and human resources development.

The Information Technology segment: Includes the hardware, software, infrastructure and services (communications networks, systems engineering, security services) to effectively provide IT capabilities that run the business and administrative applications as well as the enterprise-wide capabilities (email, enterprise licenses, etc.) necessary to execute our mission. The Information
Technology segment includes system development, lifecycle/change management, system maintenance, IT infrastructure maintenance, information security, record retention, information management, information sharing, and system and network monitoring.

The Mortgage Insurance segment: Provides automated operation of FHA mortgage insurance and housing financing functions, including underwriting, participant performance, risk management, and financial and asset management. The systems in this segment execute the operations of FHA and Housing programs that sustain homeownership and affordable housing.

The Planning & Budgeting segment: Includes the tools and systems that support budget formulation, capital planning, enterprise architecture, strategic planning, budget execution, workforce planning, management improvement, budget and performance integration, and tax and fiscal policy.

The Public Affairs segment: Includes the systems and tools that support the exchange of information and communication between the federal government, citizens and stakeholders in direct support of citizen services, public policy, and/or national interest. The Public Affairs segment includes customer services, official information dissemination, product outreach, and rule publication.

The Regulatory, Legislative & Enforcement segment: Includes the tools and systems that monitor and oversee HUD sponsored programs; developing regulations, policies, and guidance to implement laws; and developing and tracking, and amendment of public laws.

The Subsidies Management segment: Includes the tools and systems that support the development and management of programs that provide housing assistance to citizens including the rental of single family and multifamily properties, and the management and operation of federally supported housing properties.

4. Proposals in the Budget

Not Applicable.

INFORMATION TECHNOLOGY FUND
Summary of Resources by Program
(Dollars in Thousands)

Budget Activity	2015 Budget Authority	2014 Carryover Into 2015	2015 Total Resources	2015 Obligations	2016 Budget Authority	2015 Carryover Into 2016	2016 Total Resources	2017 Request
Operations and Maintenance	$250,000	$101,388	$351,388	$278,739	$250,000	$76,649	$326,649	$250,000
Development, Modernization, and Enhancement	...	49,513	49,513	22,855	...	26,658	26,658	36,000
Total	250,000	150,901	400,901	301,594	250,000	103,307	353,307	286,000

NOTES

1. Operations and maintenance carryover into 2015 includes $2.84 million of recaptures and $2.5 million of transfers from Salaries and Expenses. All funds that are available for either O&M or DME are included as O&M carryover.

2. Operations and maintenance carryover into 2016 includes $4 million in anticipated recaptures. All funds that are available for either O&M or DME are included as O&M carryover.

INFORMATION TECHNOLOGY FUND
Appropriations Language

The fiscal year 2017 President's Budget includes proposed changes in the appropriation language listed and explained below. New language is italicized and underlined, and language proposed for deletion is bracketed.

INFORMATION TECHNOLOGY FUND

For the development of, modifications to, and infrastructure for Department-wide and program-specific information technology systems, for the continuing operation and maintenance of both Department-wide and program-specific information systems, and for program-related maintenance activities, [$250,000,000]*$286,000,000, of which $239,000,000* shall remain available until September 30, *[2017]* *2018, and* *[$48,000,000]* *$47,000,000 shall remain available until September 30, 2019:* *Provided*, that any amounts transferred to this Fund under this Act shall remain available until expended: *Provided further*, That any amounts transferred to this Fund from amounts appropriated by previously enacted appropriations Acts may be used for the purposes specified under this Fund, in addition to any other information technology purposes for which such amounts were appropriated. *(Department of Housing and Urban Development Appropriations Act, 2016.)*

POLICY DEVELOPMENT AND RESEARCH
RESEARCH AND TECHNOLOGY
2017 Summary Statement and Initiatives
(Dollars in Thousands)

RESEARCH AND TECHNOLOGY	Enacted/ Request	Carryover	Supplemental/ Rescission	Total Resources	Obligations	Outlays
2015 Appropriation	$72,000	$2,744	...	$74,744	$44,632	$35,818
2016 Appropriation	85,000	30,123	...	115,123	115,123	67,000
2017 Request	185,000[a/]	...	...	185,000	185,000	107,000
Program Improvements/Offsets	+100,000	-30,123	...	+69,877	+69,877	+40,000

a/ The 2017 request includes $120 million in programs transfers.

1. What is this request?

The 2017 Budget requests $185 million for the Department's Research and Technology (R&T) account through a combination of direct appropriation and transfer authority. This request will support a range of research, data infrastructure, technical assistance, and capacity building all under one account:

- $65 million in direct appropriations for the category of core research support, surveys, data infrastructure, and knowledge management (research dissemination.) "Core research support" is proposed as a new component of the core data and research infrastructure request, which supports: 1) the long-term commitment to evaluate Moving-to-Work policy initiatives and expansion, and 2) research on new innovation that facilitates behavior changes among builders, property owners and tenants that results in lower consumption of carbon based energy.

- Authority to transfer up to $120 million from program accounts to the R&T account for the categories of research, evaluations, and demonstrations ($33 million); technical assistance ($52 million); and capacity building ($35 million).

Program transfers for these purposes reflect the Department's enterprise-wide commitment to integrate evidence and cross-disciplinary intelligence throughout program policy, management, and operations. The transfer funding provides a devoted source of funds for research, evaluations and technical assistance as previously made available under the TI account during fiscal years 2010 to 2014.

A summary of R&T funding for fiscal years 2015, 2016 and 2017 follows: Research & Technology	**FY 2015 Enacted**	**FY 2016 Enacted**	**FY 2017 Request**
Housing Market Surveys	$37.7	$41.5	$41.5
*Knowledge Management	5.7	5.7	5.7
**Non-Survey Data Acquisition	0.6	0.6	0.6
Housing Finance Studies	1.0	1.0	1.0
Research Partnerships	1.0	1.0	1.0
Housing Technology	0.2	0.2	0.2
Core Research Support – Moving To Work	-	-	10.0
Core Research Support – Energy and Housing Innovation	-	-	5.0
Subtotal PD&R Research and Technology	**$46.2**	**$50.0**	**$65.0**
Research and Demonstration a/	3.8	10.0	[33.0]
Technical Assistance a/	22.0	25.0	[52.0]
Section 4 – Capacity Building a/ b/	-	-	[35.0]
Total PD&R	**$72.0**	**$85.0**	**$185.0**

* Formerly referred to as "Research Dissemination."

** Formerly referred to as "Program Metrics/Urban Data."

a/ The 2017 request reflects transfers from programs.

b/ The Section 4 Capacity Building program was funded at $35 million within the Self-Help Homeownership Opportunity Program account in 2015 and 2016, equal to the 2017 request.

Research and Technology

The table below provides the estimated program transfers:[1]

Research and Technology Account - Program Transfers	Treasury Account	FY 2017 Budget Request	FY 2017 Estimated Transfers
Choice Neighborhoods Initiative	86-0349	$ 200,000,000	$ 1,000,000
Community Development Fund	86-0162	2,880,000,000	14,400,000
Fair Housing Activities	86-0144	70,000,000	350,000
Family Self-Sufficiency	86-0350	75,000,000	375,000
HOME Investment Partnerships Program	86-0205	950,000,000	4,750,000
Homeless Assistance Grants	86-0192	2,664,000,000	-
Housing Counseling Assistance	86-0156	47,000,000	235,000
Housing for Persons with Disabilities (Section 811)	86-0237	154,000,000	770,000
Housing for the Elderly (Section 202)	86-0320	505,000,000	2,525,000
Housing Opportunities for Persons with AIDS	86-0308	335,000,000	1,675,000
Lead Hazard Reduction	86-0174	110,000,000	550,000
Mortgage Mutual Insurance Program Account	86-0183	160,000,000	800,000
Native American Housing Block Grants	86-0313	700,000,000	3,500,000
Native Hawaiian Housing Block Grant	86-0235	500,000	-
Project-Based Rental Assistance	86-0303	10,816,000,000	28,325,500
Public Housing Capital Fund	86-0304	1,865,000,000	9,325,000
Public Housing Operating Fund	86-0163	4,569,000,000	22,844,000
Rental Assistance Demonstration	86-0406	50,000,000	250,000
Tenant-Based Rental Assistance	86-0302	20,854,000,000	28,325,500
Total		**47,024,500,000**	**120,000,000**

[1] Represents estimated R&T transfers based on the 2017 Budget priorities, program requirements, and application of $28.3 million cap per account.

2. What is this program?

The Office of Policy Development and Research (PD&R) provides fundamental support for the mission of the Department and the policy agenda of the Secretary. PD&R performs policy analysis, research, surveys, studies, and evaluations, both short- and long-term, to assist Congress, the Secretary, and other HUD principal staff to make informed decisions on HUD policies, programs, budget, and legislative proposals. In addition, PD&R provides data and information to support program operations and serves as a key resource to stakeholders for data, research, and best practices through knowledge management (research dissemination) activities.

Strategic investments in research and evaluation build knowledge, provide public accountability, and inform policy to increase efficiency and effectiveness of the Department's existing programs. The major program demonstrations funded through R&T are used to explore fundamental questions about housing market dynamics and their impact on economic, social and environmental objectives. The demonstrations will improve programs, help state and local governments, non-profits, and for-profit organizations develop more effective strategies for housing and community and economic development, and improve the delivery and reduce the cost of public services.

The technical assistance and capacity building funds are used for the benefit of all of HUD's programs. PD&R's role is to ensure an efficient allocation of these funds – identifying where the funds can be used cross-program, program specific, or grantee specific – and allocating the funds in a way to increase the probability that HUD's grantees and other partners succeed at achieving program goals efficiently. After allocation of the resources, the actual management of technical assistance and capacity building resources are done by program office staff – in PIH, CPD, Housing, and FHEO - with the knowledge and expertise to effectively manage the funds.

3. Why is this program necessary and what will we get for the funds?

Research, Evaluations, and Demonstrations - $33.0 million (Transfers)

High quality research, evaluations and program demonstrations are essential for building knowledge, providing public accountability, and informing policy in the manner that increases the efficiency and effectiveness of the Department's programs.

The table below outlines the prioritized list of research, evaluation, and demonstration projects PD&R proposes to fund in fiscal year 2017. In establishing fiscal year 2017 priorities, PD&R first seeks to complete previously initiated research efforts and leverage opportunities generated through such investments. Newly proposed projects address emerging research needs identified through early research findings, stakeholder input through the Research Roadmap process, which PD&R is updating during fiscal year 2016, and other means.

Estimated budgetary costs for projects are shown, but the final project selections will be made after funding enactment on the basis of updated cost estimates and agency and Congressional priorities. HUD will notify Congress of significant deviations from these priorities through HUD's annual operating plan.

Summary of PD&R FY 2017 Research, Evaluation, and Demonstration Projects Under Consideration

Project Title	Summary Description	FY17 Budget Request	Funding Request Type
Moving to Work Demonstration, Phase 2: Impacts of Promising Self-Sufficiency Interventions in the Current 39 MTW Locations	Building off of current work in progress documenting the scope of interventions being tested under MTW, this study will focus on a few promising MTW initiatives designed to promote self-sufficiency, housing choice, and cost-effectiveness such as time-limited and/or short-term assistance, work incentives, and mobility programs. This research would include costs and benefits of different approaches to the housing and other social service systems and investigation of impacts or outcomes relevant for households, PHAs, and the community.	$2,400,000	Continuing
Multidisciplinary Research Team (MDRT): Rapid Policy Research	Initiated in FY2014, MDRT provides funding for a team of qualified researchers to provide high-quality, quick-turnaround research that leverages HUD and external data to help support answers for priority policy questions. Five task orders were awarded with the first round of the program. This funding request will allow HUD to continue to fund the MDRT contract.	$800,000	Continuing
Pre-Purchase Counseling Demonstration, Phase 3: Administrative Data Follow-Up	Supports continued demonstration on impacts of in-person vs. remote education and counseling for first-time homebuyers. The funding request for Phase 3 supports the collection and analysis of administrative data (loan servicing and origination and credit report data) to assess the impacts of the pre-purchase counseling interventions over a 36-month period on the sample of over 5,500 study participants.	$1,350,000	Continuing

Project Title	Summary Description	FY17 Budget Request	Funding Request Type
Pre-Purchase Counseling Demonstration, Phase 4: 36-month Follow-Up Survey	Supports continued demonstration on impacts of in-person vs. remote education and counseling for first-time homebuyers. Requested funding for Phase 4 supports a survey of approximately 5,500 study participants at 36 months. It would provide context for the administrative data analysis and final report on impacts at 36 months.	$2,840,000	Continuing
Choice Neighborhoods: Exploring the Impact of Investment on Family and Neighborhood Outcomes	In fiscal year 2014, HUD completed an implementation study of five Choice Neighborhood sites in Boston, Chicago, New Orleans, San Francisco, and Seattle. Resident households have been tracked for the past three years. This study will assess the outcomes of the completed Choice Neighborhood investments in the same five sites for two years (2017-2019) after conclusion of the grant period (2016). A follow-up survey and collection and analysis of administrative data will help to measure the effects of the completed Choice Investments in these first five implementation sites.	$2,400,000	Continuing
Rent Reform	This investment will support continued work on a critically important study of MTW interventions, scientifically testing a combination of rent reforms common among many MTW agencies, specifically: (1) 28 percent of Gross Income instead of 30 percent of Adjusted Income; (2) A higher minimum rent ($50-$150 depending on site); (3) triennial recertification, with interim recerts not increased for increased earned income; (4) simplified utility allowance; and (5) streamlined hardship policies. The funds will be used to survey approximately 7,000 households enrolled in the Demonstration.	$6,000,000	Continuing

Project Title	Summary Description	FY17 Budget Request	Funding Request Type
Family Options Study--Extending the Analysis	This project would allow HUD to fully leverage the investment made in the Family Options Study by extending the analysis of the existing study data and ensuring access to this unique data source for future researchers. Specifically, this request has two separate components: 1) a data storage component, which would support the cost of contracting with an outside entity to store and manage access to the restricted access data file, as well as store the personally identifiable information of study participants for future administrative data matching efforts, and 2) an analysis component that would support researchers to use the existing Family Options Study data to explore policy and research questions that HUD deems important.	$600,000	Continuing
Evaluation of PBRA Transfer Authority	The 2012 Consolidated Appropriations Act provided HUD with the authority to transfer PBRA subsidies from currently assisted properties to different properties. Building on the results of in-house research, this phase of the evaluation will examine the impact of these transfers on the cost-effectiveness of the subsidy as well as the physical and financial condition of the subsidized stock, as well as its location.	$1,100,000	Continuing
Housing Choice Voucher Regional Mobility Demonstration--Impact Evaluation	This project will evaluate the impacts of the HCV Regional Mobility Demonstration by randomizing 300-500 eligible families from public housing or assisted multifamily developments at each of 10 sites (total sample of 3,000 to 5,000). Families would be assigned to receive either no mobility services or one of three models of mobility services: using turnover vouchers to develop new project-based vouchers, relocating existing voucher holders, or using turnover vouchers to relocate existing households. Treatment will vary in design and implementation across the sites (e.g., mobility counseling only or incentives only). Data collection for an outcome study will include case studies, focus groups, tracking moves to opportunity neighborhoods and housing costs in administrative data. Impact evaluation will add baseline and follow-up surveys, and interim reporting, to assess the intermediate and long-term effects of mobility services and neighborhood opportunity.	$5,000,000	New

Project Title	Summary Description	FY17 Budget Request	Funding Request Type
Evaluation of the FUP/FSS Demonstration Program	The 2015 Consolidated Appropriations Act provided authority for HUD to implement a demonstration program to allow PHAs administering both the Family Unification Program (FUP) and the Family Self-Sufficiency (FSS) program to overlay these two programs for youth being served through FUP. Youth accessing a FUP voucher in a demonstration site will be eligible to maintain their housing assistance for the full-term of their FSS contract, and bypass the required 18-month time limit applied to a standard FUP youth voucher. HUD plans to conduct in in-house evaluation of this demonstration program beginning in fiscal year 2016, and these additional funds will enable HUD to extend and enhance this in-house effort.	$150,000	New
Competitive Evaluation Grants: Assessing the Impacts of CDBG and HOME Eligible Activities	42 USC 5305 enumerates 25 eligible activities under the CDBG program. 42 USC 212 enumerates a narrower but still substantial range of purely housing activities under HOME. This project would fund grants to researchers who would investigate the extent to which one or more enumerated activities, as actually implemented, cost-effectively accomplish the goals set forth in the respective statutes. The project would harness the dispersed local knowledge of practitioners and academics to inform Congress and HUD about policy efficacy and efficiency.	$2,500,000	New
Multifamily Pilot to Reduce Energy Consumption	This will evaluate the Office of Multifamily Housing clean energy PFS pilot authorized in 2016 by the FAST Act (P.L. 114-94). The pilot is intended to incentivize multifamily owners and tenants to reduce energy consumption. The evaluation will have two components: (i) process evaluation to examine feasibility, deal structuring, and outcome payments; and (ii) quick turn-around Randomized Control Trial behavior evaluations of how various messaging and other business process changes impact the energy choices made by property owners and tenants. This investment complements the broader investment in "Energy and Housing Innovation" requested under the Core Research Supports.	$5,000,000	New

Project Title	Summary Description	FY17 Budget Request	Funding Request Type
Comparing Subsidy Costs of Federal Rental Housing Assistance Programs	This study will analyze the comparative costs of providing a unit of housing with various housing subsidy programs. About $2.0 million of the requested $2.4 million would be devoted to the cleaning and reconciliation of subsidized unit data to support the comparison. Research will also examine subsidy layering, characteristics, and benefits of cost-effective housing subsidy programs.	$2,400,000	New
Understanding Child Development Trajectories in Public and Assisted Housing	This project will support a contractor of the National Center for Education Statistics will link HUD tenant data with the National Child Longitudinal Survey (NCLS) and analyze the merged data to shed light on questions that are critical for reducing intergenerational poverty.	$200,000	New
Innovative Approaches to Healthcare Service Delivery to Aging Populations in Rural Communities	This request will inform efforts to support innovative service delivery strategies to seniors residing in federally assisted housing in rural areas. These efforts will include: characterizing the housing, health, and supportive service needs of residents in elderly restricted properties in rural areas; and second, providing a framework for future investments that build on the findings from an expert convening PD&R hosted on this topic in September 2015, especially strategies focusing on: tele-medicine, transportation services, university healthcare collaborations, enhanced service delivery within wellness centers, family care providers, and adaptive approaches in response to high-utilizers of emergency healthcare services. HUD expects that any effort to explore rural housing and supportive services needs and strategies will be developed jointly with USDA to ensure the inclusion of Section 515 properties, and HHS partners, such as HRSA and CMS, who have overlapping interest in this issue area.	$250,000	New

Project Title	Summary Description	FY17 Budget Request	Funding Request Type
Estimating Cross-System Cost Impacts of Homeless Interventions with Administrative Data	This project would expand on an existing technical assistance contract that estimates the savings in Medicaid costs of clients experiencing chronic homelessness who obtain permanent supportive housing by linking Medicaid and HMIS data. The analysis would add more sites and more systems (statewide HMIS systems and administrative systems in addition to Medicaid, such as child welfare and public benefits). The purpose is to gain a more complete picture of the cost savings associated with providing homelessness assistance to any individuals and families, but specifically those experiencing chronic homelessness.	$500,000	New
Estimating Vulnerability of Gulf Coast Public Housing to Climate Risk	Recent developments in climate science and meteorology suggest that climate-driven risks to the built environment could escalate rapidly in coming decades. This study will assess such risks for public housing in the Gulf Coast region, in partnership with federal agencies such as NOAA, USGS, and FEMA. This study will support the goals of the HUD Climate Council and HUD's Adaptation Plan by advancing interagency coordination, risk modeling, and enhanced data collection methods that could be applied to understand and reduce the risk to federal assets across the nation.	$500,000	New
Impact of the Coordinated Entry Model for Homelessness	This project would measure the impacts of which coordinated entry models work better for whom and the associated effects on ending homelessness for all populations. This project would be a process evaluation on the development of these systems to provide examples of how communities made decisions about coordinated entry (e.g. use HMIS or not/centralized or decentralized/phone based or not), and then how each of these decisions affected how well their coordinated entry process worked.	$1,200,000	New
Evaluating Choice Planning Grants	This study would look at a sample of planning grants, and collect, through interviews with key stakeholders and local administrative data, descriptive information about the effect of planning grants on placed based development.	$675,000	New

Technical Assistance and Capacity Building - $87 million (Transfers)

Most HUD-supported work in America's communities is carried out by state and local partners. Technical assistance and capacity building has a direct impact on the ability of HUD's partners and grantees to carry out affordable housing and community development programs. Continued investment in this work in fiscal year 2017 will ensure that HUD can sustain the progress made toward cross-programmatic, better-targeted technical assistance and capacity building.

Technical Assistance (TA) - $52.0 million

Complex federal requirements, staff turnover at city, county, and state agencies and Public Housing Agencies (PHAs), changing housing market conditions, and the knowledge required to understand financing for housing and community development projects necessitate ongoing technical assistance, training, and support for HUD grantees and PHAs. Technical assistance protects the billions of dollars that the federal government invests in communities by ensuring that grantees and intermediaries have the knowledge, skills, and ability to use funds effectively.

In fiscal year 2017, HUD will use program transfers into the R&T account to fund TA for:

- Targeted TA for addressing troubled PHAs and local implementation of HUD programs, including CDBG, Public Housing Capital Fund, the Rental Assistance Demonstration, and Native American Programs;
- Technical assistance and training, including on-line training, that cross program areas, such as a single web-site for TA resources, rental housing management and occupancy, housing development, energy efficiency and fair housing; as well as targeted training to develop the skills of PHAs; and
- Innovative approaches to support communities, such as place-based efforts that focus on communities of persistent poverty and distress as well as those facing challenges recovering from disaster. Place-based technical assistance can provide TA support for effective implementation of neighborhood initiatives such as Choice Neighborhoods – as well as TA that provides focused attention on city or state agencies that show inadequate capacity to administer HUD's programs – including communities implementing CDBG Disaster Recovery programs and agencies consistently found through monitoring and IG findings to have implementation challenges.

HUD expects to allocate TA funding as follows:

- $27 million for targeted or program-specific TA, including $5 million for Native American TA
- $15 million for cross-cutting TA

Research and Technology

- $10 million for innovative, place-based TA

Eligible uses of funds include: needs assessments and direct TA; tools and products; self-directed and group learning (training); data analysis; knowledge management; and NAHASDA formula development, allocation, and negotiation.

Full funding at the requested $52.0 million would allow HUD to provide basic, programmatic technical assistance, primarily through online tools, curricula, and resources, as well as ensuring the most deeply troubled and at-risk grantees and PHAs are able to continue providing housing and services in their communities.

The TA funding provided through program transfers allows HUD a flexible mechanism for delivering assistance that spans multiple HUD program areas and results in more efficient management and use of TA resources. Funds are awarded and managed through HUD's Community Compass program.

Capacity Building - $35.0 million

In addition, the fiscal year 2017 request for R&T includes the capacity building tools previously funded through the SHOP account. The Capacity Building for Affordable Housing and Community Development Program, also known as the Section 4 program, was originally authorized under Section 4 of the HUD Demonstration Act of 1993 (Pub. L. 103-120, 107 Stat. 1148, 42 U.S.C. 9816 note), as amended. The program enhances the capacity and ability of community development corporations (CDCs) and community housing development organizations (CHDOs) to carry out community development and affordable housing activities that benefit low-income persons. By integrating new tools, such as loans and grants to CDCs and CHDOS, concurrently with an expansion of more aggressive place-based TA, we anticipate getting both improved outcomes across HUD's programs and better efficiencies from the TA investments.

For both Technical Assistance and Capacity Building, PD&R will coordinate the allocation of resources as well as facilitate collaboration across program offices. The program offices will be the allotment holders of the funds and administer the resources.

Core Research Support, Surveys, Data Infrastructure, and Knowledge Management- $65 million (Direct Appropriation)

Core Research Support - $15.0 million

The fiscal year 2017 request of $15.0 million would provide funding for two core data and research infrastructure support activities:

Research and Technology

- Moving-to-Work Research. In the fiscal year 2016 Consolidated Appropriations Act, Congress directed HUD to expand the MTW program to 100 agencies over 7 years. As part of the MTW expansion, Congress directed HUD to establish an MTW advisory committee to develop specific policy proposals and methods to rigorously evaluate those proposals. This creates a long-term obligation for HUD and thus it becomes a core cost to PD&R operations. Specifically, HUD is proposing a new component to its core research funding that would support: (i) the continuing costs of an MTW advisory committee; (ii) some of the costs incurred by PHAs for participating in the research in order to ensure the research is done rigorously; and (iii) costs to rigorously evaluate the policy changes. ($10 million)

- Energy and Housing Innovation. On December 11, 2015, the U.S. committed with 195 nations to reducing greenhouse gas emissions. As part of that landmark commitment, 20 countries, including the U.S., committed to doubling their governmental clean energy research and development investment over five years. To support this effort, HUD proposes to invest in research on innovations that facilitate behavior changes among builders, property owners, and tenants that will reduce consumption of carbon based energy. Like the MTW core research, this proposal would include the creation of an advisory group of researchers, builders, tenants, and homeowners to propose simple, testable approaches to facilitate long-term behavior change in the housing sector. There have been substantial advances in cost-effective technologies that reduce individual carbon emissions, such as the advances in residential building technologies resulting from the Department of Energy's major investments in the Building America program. There also is growing understanding of how behavioral biases, cognitive shortcuts, and habits impede adoption of beneficial technologies and impact energy consumption. This research center would leverage building technology advances by using social science insights to span the last mile--informing and incentivizing technology adoption and behavioral changes to reduce energy waste and reduce carbon emissions. The program will work with the Department of Energy's Decision Science program to collaborate and coordinate clean energy behavioral R&D efforts. ($5 million)

Housing Market Surveys - $41.5 million

The fiscal year 2017 funding target of $41.5 million would provide funding for five housing market surveys:

- The American Housing Survey (AHS), which provides national, regional, and metropolitan area estimates of the characteristics of the nation's housing stock. The AHS gathers data every 2 years; for the survey that is conducted in fiscal year 2017, funding from both fiscal year 2016 and fiscal year 2017 will be used. The total estimated cost for this survey (both fiscal year 2016 and fiscal year 2017 funding) is approximately $70 million. The fiscal year 2016 funds ($33.75 million), combined with the fiscal year 2017 funding target ($33.35 million), will fund the national sample of the AHS and 35 metropolitan area oversamples.

- The Survey of Construction (SOC), which provides two principal economic indicators (new homes sales and new residential construction) on a monthly basis ($3.6 million).
- The Survey of Market Absorption of Apartments (SOMA), which provides absorption rates and other key estimates for multifamily housing uptake ($1.1 million).
- The Manufactured Homes Survey (MHS), which is statutorily mandated to produce estimates of manufactured homes production, shipments, and placements for the nation and each of four Census regions, and at least annual estimates for each State ($450 thousand).
- The Rental Housing Finance Survey (RHFS), which provides national estimates of mortgage and other characteristics for rental properties. The RHFS gathers data every two years; for the survey that is conducted in fiscal year 2017, funding from both fiscal years 2016 and 2017 will be used. The total estimated cost for this survey (both fiscal years 2016 and 2017 funding) is approximately $6 million. The fiscal year 2016 funds ($3 million), combined with the fiscal year 2017 funding target ($3 million), will be sufficient to fully fund the fiscal year 2017 RHFS based on current survey cost estimates.

Housing Finance, and Non-Survey Data Acquisition - $1.8 million

- The request includes $1.2 million for housing finance-related studies needed to help advance the understanding of housing finance markets and inform decision making on Federal Housing Administration (FHA) and Government National Mortgage Association (GNMA) policy. The specific study proposals were developed through the Research Roadmap process.
- Non-Survey Data Acquisition- PD&R requires purchases of private sector data not otherwise collected by HUD or other federal statistical agencies to monitor housing finance and local housing market conditions ($600 thousand).

Knowledge Management (Research Dissemination) - $5.7 million

Knowledge management is accomplished primarily through HUD User— the essential tool for HUD's dissemination of research and data. In addition to providing free on-line access to hundreds of useful housing and community development research publications dating back to the 1970s, these funds would continue to support the research periodicals *Cityscape*, *Evidence Matters*, and *The Edge*; easily digestible housing market data from the US Housing Market Conditions application; case studies of award-winning projects; the Secretary's award programs; and a student design competition. Extensive data resources needed for program operations (of both HUD and sister agencies) and research are also shared and managed through this site. These include income limits, fair market rents, qualified census tracts, and difficult development areas. HUD User also supports the new Enterprise Geographic Information System (eGIS) storefront, with tools including the Single Family Home Locator for real estate owned (REO) properties and Neighborhood Stabilization Program (NSP) target areas; the Choice Neighborhoods mapping tool; and CPD maps, which show CDBG, HOME and other HUD investments.

Research and Technology

<u>Research Partnerships - $1.0 million</u>

The Budget includes $1.0 million for the Research Partnerships initiative, which allows PD&R to engage in the design and execution of externally-led housing and community development research. Since proposers must provide at least 50 percent cost share, this investment will leverage an additional $1.0 million (minimum) from philanthropic entities, federal, state, and local governmental agencies to conduct research on HUD policy relevant issues. These projects are aligned with PD&R's research priorities and help the Department and PD&R answer key policy and programmatic questions in ways that can inform new policy and program development efforts.

4. How do we know this program works?

Research, Evaluations, and Demonstrations

Research, evaluations and demonstrations have contributed to critical policy guidance in the housing and urban development domain. As early as the 1970s, the Housing Allowance demonstrations tested the tenant-based model of providing housing assistance at modest cost that has evolved to today's Housing Choice Voucher program. More recent examples include two studies released during fiscal year 2015: the *Family Options Study*, a multi-site random assignment experiment designed to study the impact of various housing and services interventions for families experiencing homelessness, and the *Housing Choice Voucher (HCV) Program Administrative Fee Study*, which measured the costs of operating a high-performing and efficient HCV program to help develop a new administrative fee formula. Both of these studies answered fundamental questions about policy effectiveness and impact, and the findings of each study are currently supporting active policy dialogues and programmatic changes.

Importantly, investments in research, evaluations, and demonstrations can continue to generate ground-breaking results years after "final reports" are completed. For example, the Moving-To-Opportunity (MTO) demonstration measured long-term impacts of MTO on families and children over more than 16 years, and showed that promoting housing mobility and poverty deconcentration has powerful impacts on resident health. In May 2015, new work leveraging the MTO data was released by Raj Chetty, Nathan Hendren, and Larry Katz. The study expands the body of evidence on MTO and while it was not funded directly by HUD, it does rely upon data from the original demonstration provided by HUD as well as the Internal Revenue Service. "The Effects of Exposure to Better Neighborhoods on Children," a new contribution to a large body of work looking at MTO, specifically examines how moving as a child from high poverty to low poverty between 1994 and 1998 has shaped the adult economic outcomes of those children. The release of the Chetty, Hendren, and Katz work launched a new national dialogue about mobility—a dialogue made possible by the Department's original investment in MTO as well as our ongoing practice of making data available to other researchers.

Technical Assistance and Capacity Building

Technical Assistance

Over the last few years of managing TA funds through a coordinated funding source, HUD has developed more efficient ways to deploy and manage cross-Departmental TA funds. As a result, the Department can obligate and deploy TA funding faster and more effectively, and grantees receive assistance sooner.

Examples of Technical Assistance benefits in 2015 include:

- Lead the Way: 793 PHA staff and boards commissioners from 513 different PHAs enrolled in this free, online training to help PHA boards and staff fulfill their responsibilities in providing effective governance and oversight.
- Rental Assistance Demonstration TA: 284 PHAs have received technical assistance this year, for a total of 48,899 converting units.
- At-Risk/Troubled PHA TA: Provided TA to 28 PHAs (10 PHA received or receiving ongoing TA into fiscal year 2015 from prior year and 18 PHAs started TA in fiscal year 2015).
- Highlights of Other TA:
    - Development and Capital Improvements TA led 1,840 new and rehabbed units at Puerto Rico Public Housing Administration, Virgin Islands Housing Authority, St. John the Baptist Housing Authority, and Detroit Housing Commission.
    - Guided the New York City Housing Authority's (NYCHA) solicitation and contract to perform an investment-grade energy audit for their planned large scale energy performance contract (EPC). Presumably, this contract leads to negotiation of an Energy Services Agreement to implement the EPC project, which could cover up to 90,000 units and include improvements in water consumption, light fixtures, boilers and water heaters, new systems controls, and leverage the rate reduction incentive.

Capacity Building

- A 2013 policy brief from Local Initiatives Support Corporation (LISC)[2] found that from 2002 to 2011, Section 4 has created or preserved over 83,000 homes and attracted over $13.2 billion in investment for lower-income neighborhoods and

[2] Local Initiatives Support Corporation. "2013 LISC Policy Briefs: Section 4—Capacity Building for Community Development and Affordable Housing." 2013. http://www.lisc.org/docs/resources/policy/Policy_Brief_Section_4.pdf

communities across the country. The same brief also found that median business operating budgets grew by over 157 percent for Section 4 CDC recipients from 2001 to 2011. This has resulted in increased potential for growth and revitalization, inspiring further investment in areas in which traditional investors have seen little value.

- The Section 4 Capacity Building program was also the subject of a 2011 independent evaluation by Social Compact and Weinheimer and Associates[3]. Relying primarily on an online survey of 235 CDCs receiving Section 4 grants between 2001 and 2009, the study supported the conclusion that CDCs that received Section 4 assistance had greater capacity to carry out their programs, and that CDCs and CHDOs receiving Section 4 assistance showed a dramatic increase in their ability to carry out HUD and other federal programs.
- The CDCs surveyed and interviewed for the Social Compact reported Section 4 assistance helped them boost their capacity. Section 4 assistance was rated as having a "moderate positive" or "significant positive" impact by a majority of CDC respondents in each of 12 organizational capacity dimensions. Investments in targeted areas produced observable overall organizational capacity growth and enabled recipients to boost their production of affordable housing and other community assets.

Core Research Support, Surveys, Data Infrastructure, and Knowledge Management

Core Research Support

- Moving to Work Research. The fiscal year 2016 expansion of MTW requires the creation of an advisory group to assist the Department with identifying promising innovations to be tested to meet the MTW statutory objectives of:
    - Reduce cost and achieve greater costs effectiveness in federal expenditures;
    - Give incentives to families with children where the head of household is working, is seeking work, or is preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient; and
    - Increase housing choices for low-income families.

  By involving an advisory group to identify promising innovations and requiring agencies wishing to gain MTW authority to rigorous testing the effectiveness of the innovations, it represents an opportunity to understand the impacts of the innovations.

[3] Social Compact and Weinheimer & Associates. “Assessing Section 4: Helping CDCs to Grow and Serve.” 2011. http://www.lisc.org/content/publications/detail/19970/

Research and Technology

- Energy and Housing Innovation. In recent years, there has been a significant expansion of research on how small changes in business processes can result in behavior changes. One component of reducing greenhouse gas emissions is human behavior – adoption of new lower carbon emitting technologies in housing; changing individual use of energy in housing. As with MTW, by involving an advisory group to identify promising business process change innovations and quickly testing those innovations to see their impact on behavior could assist with more quickly reducing carbon emission from housing.

Housing Market Surveys

The housing survey data collections provide the primary source of information for assessing the state of housing in the United States, problems to be addressed, and progress by HUD towards solving these problems. These surveys are relevant and necessary data sources, as evidenced by the many major housing research efforts to which they contribute, and as confirmed by stakeholders through PD&R's *Research Roadmap* consultation. Examples include:

- The American Housing Survey (AHS) data assists in identifying the characteristics of owners with underwater mortgages and other housing finance problems, and informs the national understanding of the growing rental affordability gap.
- The Survey of Market Absorption of Apartments is used by the National Association of Home Builders, the National Multi Housing Council, the Congressional Budget Office, the Council of Economic Advisors, and the Office of Thrift Supervision as well as many other public and private entities for such purposes as analysis of the rental housing market and forecasting future trends.

Housing Finance and Non-Survey Data Acquisition

The studies of pressing housing finance topics and proprietary data sources acquired through this request provide critical intelligence about housing finance markets and implications for FHA and Ginnie Mae program policy. Such investments contributed to the successful emergence of FHA's Mutual Mortgage Insurance Fund during fiscal year 2015 to a positive position relative to the statutory capital reserve requirement following FHA's crucial countercyclical role during the housing finance crisis.

One of the major purchases of non-survey data PD&R makes every year is private sector data on the apartment construction pipeline. This helps PD&R's Field Economists to more accurately assess rental housing demand and supply conditions in local markets when they are determining demand for potential market-rate multifamily developments applying for FHA-insured mortgages. Purchases of private sector mortgage data allow HUD to keep abreast of developments in the wider mortgage market and understand how FHA is fitting into it.

Research and Technology

PD&R also is generating high-impact data evidence at minimal cost by leveraging the Department's administrative data through collaborations with a number of federal agencies and other partners. These partnerships provide for securely linking administrative records for assisted renters with a variety of survey and administrative data sources and analyzing the linked data to address crosscutting policy issues and outcomes affecting HUD tenants. Such recent and ongoing efforts include, with the Department of Health and Human Services: the National Health Interview Survey, the National Health and Nutrition Examination Survey, Medicare and Medicaid health utilization records, and a Disaster Data Enclave (which includes the Federal Emergency Management Agency); and with the Department of Education, Federal Student Aid application records and the Early Childhood Longitudinal Survey.

Knowledge Management (Research Dissemination)

PD&R is responsible for assuring broad-based awareness of and timely access to current Departmental research and policy through its Knowledge Management (Research Dissemination) services.

At the core of Knowledge Management is HUD's research information clearinghouse, HUDuser.gov. HUDuser.gov provides a broad range of stakeholders access to downloadable housing reports and publications; datasets and databases; an e-magazine (*PD&R's Edge*); e-lists and e-books; a newly launched portal to access geospatial datasets and mapping tools; current information on housing needs, market conditions, and existing housing programs; and other housing and community development information that PD&R develops such as case studies. HUDuser.gov houses over 1,000 publications and datasets as well as a Bibliographic Database dedicated to housing related issues with more than 10,000 full abstracts of research reports, articles, books and data sources. Finally, HUDuser.gov serves as the platform for complying with GAO recommendations for documenting how PD&R calculates Fair Market Rents (FMRs) for the Housing Choice Voucher Program. PD&R projects that 18 million files will be downloaded in fiscal year 2016 as compared to 17.7 million in fiscal year 2015 and 16.9 million in fiscal year 2014.

Knowledge Management also includes the following activities:

- *Evidence Matters*, PD&R's quarterly data-driven publication designed to support evidence-based policy-making at all levels of government. In the last year, Evidence Matters has added nearly 700 new subscribers for a total subscribership of approximately 24,000.
- Information and order fulfillment services are provided through an information center operated by staff knowledgeable in housing and community development matters. The call center fields 4,000 inquiries per year on average.
- The Innovation in Affordable Housing Student Design and Planning Competition, which is now in its third year, is a competition for multidisciplinary teams of graduate students designed to encourage research and innovation in affordable housing, to raise practitioner and future practitioner capacity, and to foster cross-cutting team-work within the design and

community development process. In 2014, seven teams from seven universities participated and that grew to 34 teams from 25 universities in 2015.

- *The Edge,* an online magazine that translates research, shares partner reports, frames policy issues; and highlights housing data. The Edge generated 56,622 unique page views in fiscal year 2015.

Research Partnerships

Through cooperative agreements, Research Partnerships allow PD&R to partner with outside researchers who are addressing questions of high priority to HUD, and where 50 percent or more of the costs are borne externally. This strategy has proven to be a highly productive way to move forward on a larger set of projects, leveraging both the ideas and financial resources of a broader set of stakeholders. To date, we have entered into 25 research partnerships by awarding nearly $6.0 million. Those funds have leveraged any addition $25.0 million in matching funds secured by each of the lead partners. Recently completed efforts include the examination of a promising family self-sufficiency demonstration program and a study leveraging MTO data to answer the question of what happens to residents who leave housing assistance programs.

5. Proposals in the Budget

- Eliminate Units Under Lease Report. The Department proposes to repeal Section 314 of the fiscal year 2006 Appropriations Act, which required the Department to submit a report in 2006, and annually thereafter, on the number of federally assisted units under lease and per unit cost. It is a significant administrative burden to produce this report and the data it contains is available in other sources including the Department's Annual Performance Report and on the website. The Department can provide this data to the Committees on Appropriations upon request and the repeal of this requirement would reduce the administrative burden of preparing an annual report. (Sec. 223)

- Improve the Process for Establishing Fair Market Rents. Fair Market Rents (FMRs), which are based on rent survey data, are currently used for rent-setting in both the voucher and project-based Section 8 programs. This proposal removes the statutory requirement that FMRs be printed in the in the Federal Register to become official. While HUD would continue to announce proposed FMRs with a Federal Register notice seeking public comment on the proposed FMRs and any proposed methodology changes, the FMRs themselves would be published on a HUD web site rather than printed in the Federal Register. Final FMRs would be announced and made available similarly. A similar version of this language appeared in the Department's fiscal year 2015 and 2016 budget requests. This provision will save printing expenses of $90,000 to $100,000 per annum and reduce administrative burden. (Sec. 227)

Research and Technology

- Evaluation Funding Flexibility Pilot. Allows funding for research, evaluation and statistical purposes that is unexpended at the completion of a contract, grant or cooperative agreement to be deobligated and reobligated for additional research, evaluation or statistical purposes. (Sec. 218)

POLICY DEVELOPMENT AND RESEARCH
RESEARCH AND TECHNOLOGY
Summary of Resources by Program
(Dollars in Thousands)

Budget Activity	2015 Budget Authority	2014 Carryover Into 2015	2015 Total Resources	2015 Obligations	2016 Budget Authority	2015 Carryover Into 2016	2016 Total Resources	2017 Request
Core R&T	$50,000	$2,744	$52,744	$44,632[a]	$50,000	$8,123	$58,123	$65,000
Technical Assistance ..	22,000	...	22,000	...	25,000	22,000	47,000	52,000
Research, Evaluations, and Demonstrations ...	...	...	...	...	10,000	...	10,000	33,000
Capacity Building	...	...	...	...	...	...	...	35,000
Total	72,000	2,744	74,744	44,632	85,000	30,123	115,123	185,000

NOTE: The fiscal year 2017 request includes $120 million in program transfers for Research, Evaluations, and Demonstrations; Technical Assistance; and Capacity Building.

POLICY DEVELOPMENT AND RESEARCH
RESEARCH AND TECHNOLOGY
Appropriations Language

The fiscal year 2017 President's Budget includes proposed changes in the appropriation language listed and explained below. New language is italicized and underlined, and language proposed for deletion is bracketed.

For contracts, grants, and necessary expenses of programs of research and studies relating to housing and urban problems, not otherwise provided for, as authorized by title V of the Housing and Urban Development Act of 1970 (12 U.S.C. 1701z-1 et seq.), including carrying out the functions of the Secretary of Housing and Urban Development under section 1(a)(1)(i) of Reorganization Plan No. 2 of 1968, [and for technical assistance, $85,000,000,]$65,000,000, to remain available until September 30, [2017]2018: Provided, That with respect to amounts made available under this heading, notwithstanding section 204 of this title, the Secretary may enter into cooperative agreements funded with philanthropic entities, other Federal agencies, or State or local governments and their agencies for research projects: Provided further, That with respect to the previous proviso, such partners to the cooperative agreements must contribute at least a 50 percent match toward the cost of the project: [Provided further, That for non-competitive agreements entered into in accordance with the previous two provisos, the Secretary of Housing and Urban Development shall comply with section 2(b) of the Federal Funding Accountability and Transparency Act of 2006 (Public Law 109–282, 31 U.S.C. note) in lieu of compliance with section 102(a)(4)(C) with respect to documentation of award decisions:] <u>*Provided further, That of the amounts made available in this Act under each of the headings under this title, the Secretary may transfer to and merge with this account up to $120,000,000, and such transferred amounts shall be available until September 30, 2019, for (1) research and evaluation; (2) program demonstrations; and (3) technical assistance and capacity building, including forms of assistance described under Sections 4(b)(1) and 4(b)(2) of the HUD Demonstration Act of 1993, as amended: "Choice Neighborhoods Initiative", "Community Development Fund", "Fair Housing Activities", "Family Self-Sufficiency", "HOME Investment Partnerships Program", "Homeless Assistance Grants", "Housing Counseling Assistance", "Housing for Persons with Disabilities", "Housing for the Elderly", "Housing Opportunities for Persons with AIDS", "Lead Hazard Reduction", "Mutual Mortgage Insurance Program Account", "Native American Housing Block Grants", "Native Hawaiian Housing Block Grant", "Project-Based Rental Assistance", "Public Housing Capital Fund", "Public Housing Operating Fund", "Rental Assistance Demonstration", and "Tenant-Based Rental Assistance": Provided, That any such amounts, or portion thereof, transferred to this account from any account, may be transferred back to and merged with the original account and be available for the same purpose and same time period as provided under this Act.*</u> [Provided further, That prior to obligation of technical assistance funding, the Secretary shall submit a plan, for approval, to the House and Senate Committees on Appropriations on how it will allocate funding for this activity.] (Department of Housing and Urban Development Appropriations Act, 2016.)

State of California
Department of Business Oversight

37th Annual
Executive Officer and Director
Compensation Survey

As of June 30, 2014

CHIEF EXECUTIVE OFFICER

SUMMARY DATA AS OF JUNE 30, 2014

BANK ASSET SIZE
(In millions)

	Under $100	$100 - $249	$250 - $499	$500 - $999	Over $1,000
Participating Banks	4	32	17	13	23
Average Assets (000)	$81,049	$167,072	$424,345	$660,894	$8,982,689
Median Assets (000)	$80,259	$168,591	$439,000	$615,305	$2,481,819
Number of Filled Positions	4	32	17	13	23
Average Base Salary	$170,111	$218,795	$261,027	$284,744	$566,986
Percent Receiving a Bonus	75.00%	59.38%	76.47%	92.31%	86.96%
Average Bonus	$47,216	$49,567	$82,820	$115,127	$594,297
Bonus*: Tied to Profits	66.67%	52.63%	53.85%	66.67%	65.00%
Tied to Salary		26.32%	38.46%	75.00%	55.00%
Tied to Risk Measures	33.33%	21.05%	46.15%	41.67%	55.00%
Tied to Other		47.37%	61.54%	66.67%	70.00%
Signing Bonus Paid		3.13%		7.69%	4.35%
Average Signing Bonus		$32,000		$7,500	$150,000
Percent under Contract	50.00%	62.50%	64.71%	69.23%	65.22%
Stock Options as a % of					
Total Outstanding Shares:					
None	75.00%	28.13%	23.53%	38.46%	34.78%
To 2.49%		34.38%	47.06%	53.85%	26.09%
2.50% to 4.99%	25.00%	21.88%	23.53%		13.04%
5.00% to 7.49%		12.50%	5.88%	7.69%	4.35%
7.50% to 9.99%					4.35%
10.00% and over		3.13%			17.39%
Options qualified under IRC 422	25.00%	59.38%	76.47%	46.15%	60.87%
Benefits:					
Auto*: None		3.13%	11.76%		
Monthly Allowance	25.00%	53.13%	58.82%	30.77%	56.52%
Mileage		6.25%	11.76%	7.69%	13.04%
Other	50.00%	34.38%	23.53%	46.15%	47.83%
Country club dues paid	25.00%	54.84%	75.00%	46.15%	77.27%
Formal Profit Sharing		3.13%	5.88%	15.38%	13.04%
Qualified E.S.O.P.	25.00%	56.25%	64.71%	30.77%	34.78%
Non-qualified E.S.O.P.		15.63%	17.65%	38.46%	34.78%
Pension/401K	75.00%	90.63%	88.24%	100.00%	91.30%
Non-qualified pension plan	25.00%	15.63%	23.53%	46.15%	47.83%
Severance package	25.00%	25.00%	5.88%		
Restricted stock	25.00%	25.00%	29.41%	46.15%	60.87%
Restricted stock options	25.00%	3.13%	5.88%	30.77%	8.70%
Phantom stock options					13.04%
Stock appreciation rights	25.00%	3.13%		7.69%	
Other	50.00%	15.63%		38.46%	17.39%
If the officer receives incentive compensation, please indicate what measures the bank has taken to balance risk and financial results					
Risk adjustment of awards	25.00%	21.88%	35.29%	46.15%	47.83%
Deferral of payments (clawback)	25.00%	15.63%	17.65%	38.46%	26.09%
Longer performance periods	25.00%	9.38%	23.53%	7.69%	43.48%
Reduced sensitivity to short term performance		12.50%	5.88%	15.38%	26.09%
Other		12.50%	17.65%	7.69%	21.74%
What measures the bank has taken to balance risk and financial results for other officers in a revenue producing capacity					
Risk adjustment of awards		15.63%	23.53%	38.46%	43.48%
Deferral of payments (clawback)		21.88%	11.76%	46.15%	39.13%
Longer performance periods	25.00%	21.88%	29.41%	15.38%	43.48%
Reduced sensitivity to short term performance		15.63%	5.88%	7.69%	21.74%
Other		6.25%	17.65%	15.38%	13.04%

* May add to more than 100% due to multiple choices

CHIEF EXECUTIVE OFFICER

SUMMARY DATA AS OF JUNE 30, 2014

BASE ANNUAL SALARY (in Thousands)	BANK ASSET SIZE (Million Dollars)					
	Under $100	$100 - $249	$250 - $499	$500 - $999	Over $1,000	TOTAL
Under $100	25.00%					1.12%
100 - 109						
110 - 119						
120 - 129			5.88%			1.12%
130 - 139		3.13%				1.12%
140 - 149						
150 - 159			5.88%			1.12%
160 - 169		6.25%				2.25%
170 - 179		6.25%				2.25%
180 - 189		9.38%				3.37%
190 - 199		3.13%				1.12%
200 - 209		12.50%		7.69%		5.62%
210 - 219	25.00%	3.13%	5.88%			3.37%
220 - 229	50.00%	21.88%				10.11%
230 - 239		3.13%	11.76%	7.69%		4.49%
240 - 249		6.25%	5.88%	7.69%		4.49%
250 - 259		9.38%	5.88%			4.49%
260 - 269		3.13%	5.88%	15.38%		4.49%
270 - 279		6.25%	17.65%	7.69%		6.74%
280 - 289		3.13%	11.76%	7.69%		4.49%
290 - 299		3.13%				1.12%
300 - 309			5.88%	15.38%		3.37%
310 - 319				7.69%	8.70%	3.37%
320 - 329			5.88%	7.69%	4.35%	3.37%
330 - 339				7.69%		1.12%
340 - 349						
350 - 359			11.76%			2.25%
360 - 369				7.69%		1.12%
370 - 379					8.70%	2.25%
380 - 389						
390 - 399						
400 - 499					34.78%	8.99%
500 - 599					13.04%	3.37%
600 - 699					4.35%	1.12%
700 - 799					8.70%	2.25%
800 - 899					8.70%	2.25%
900 - 999					8.70%	2.25%
$1 million and over						
Total positions	4	32	17	13	23	89
Average base salary	$170,111	$218,795	$261,027	$284,744	$566,986	
Median salary	$221,723	$225,000	$270,000	$280,000	$475,000	
Salary Low Range:	$12,000	$136,500	$125,870	$210,000	$314,000	
Salary High Range:	$225,000	$295,000	$356,580	$360,000	$1,250,000	

CHIEF EXECUTIVE OFFICER

SUMMARY DATA AS OF JUNE 30, 2014

	Region I Northern California	**Region II** Bay Area	**Region III** LA/Orange	**Region IV** Southern California
Participating Banks	26	21	32	11
Average Assets (000)	$461,247	$6,448,979	$2,641,541	$234,230
Median Assets (000)	$395,998	$442,839	$647,199	$192,769
Number of Filled Positions	26	21	32	11
Average Base Salary	$253,069	$362,868	$392,403	$224,333
Median Salary	$255,000	$277,500	$325,000	$225,000
Percent Receiving a Bonus	76.92%	66.67%	81.25%	72.73%
Average Bonus	$98,639	$429,788	$281,662	
Bonus*: Tied to Profits	60.00%	42.86%	61.54%	75.00%
Tied to Salary	40.00%	42.86%	42.31%	62.50%
Tied to Risk Measures	40.00%	35.71%	38.46%	50.00%
Tied to Other	75.00%	35.71%	61.54%	50.00%
Signing Bonus Paid	7.69%	4.76%		
Average Signing Bonus	$19,750	$150,000		
Percent under Contract	69.23%	57.14%	68.75%	45.45%
Stock Options as a % of Total Outstanding Shares:				
None	30.77%	33.33%	37.50%	27.27%
To 2.49%	46.15%	38.10%	28.13%	27.27%
2.50% to 4.99%	11.54%	23.81%	6.25%	45.45%
5.00% to 7.49%	3.85%		18.75%	
7.50% to 9.99%			3.13%	
10.00% and over	7.69%	4.76%	6.25%	
Options qualified under IRC 422	50.00%	42.86%	37.50%	81.82%
Benefits:				
Auto*: None		4.76%	3.13%	9.09%
Monthly Allowance	53.85%	52.38%	50.00%	45.45%
Mileage	11.54%	9.52%	9.38%	
Other	30.77%	23.81%	50.00%	45.45%
Country club dues paid	76.92%	61.90%	46.88%	54.55%
Formal Profit Sharing	11.54%	4.76%	9.38%	
Qualified E.S.O.P.	42.31%	47.62%	43.75%	63.64%
Non-qualified E.S.O.P.	19.23%	14.29%	28.13%	36.36%
Pension/401K	88.46%	85.71%	93.75%	90.91%
Non-qualified pension plan	50.00%	33.33%	18.75%	9.09%
Severance package	50.00%	57.14%	50.00%	54.55%
Restricted stock	23.08%	42.86%	40.63%	54.55%
Restricted stock options	7.69%	9.52%	12.50%	9.09%
Phantom stock options		14.29%		
Stock appreciation rights	3.85%			18.18%
Other	26.92%	14.29%	9.38%	27.27%
If the officer receives incentive compensation, please indicate what measures the bank has taken to balance risk and financial results:				
Risk adjustment of awards	38.46%	33.33%	28.13%	45.45%
Deferral of payments (clawback)	30.77%	23.81%	12.50%	27.27%
Longer performance periods	11.54%	28.57%	25.00%	18.18%
Reduced sensitivity to short term performance	15.38%	9.52%	15.63%	18.18%
Other	15.38%	14.29%	12.50%	18.18%
Please indicate what measures the bank has taken to balance risk and financial results for other officers in a revenue producing capacity:				
Risk adjustment of awards	23.08%	38.10%	21.88%	27.27%
Deferral of payments (clawback)	34.62%	38.10%	18.75%	9.09%
Longer performance periods	23.08%	28.57%	37.50%	9.09%
Reduced sensitivity to short term performance	19.23%	9.52%	12.50%	9.09%
Other	7.69%	19.05%	6.25%	18.18%

CHIEF FINANCIAL OFFICER

SUMMARY DATA AS OF JUNE 30, 2014

BANK ASSET SIZE
(In millions)

	Under $100	$100 - $249	$250 - $499	$500 - $999	Over $1,000
Participating Banks	4	32	17	13	23
Average Assets (000)	81,049	167,072	424,345	660,894	8,982,689
Median Assets (000)	80,259	168,591	439,000	615,305	2,481,819
Number of Filled Positions	4	31	17	13	22
Average Base Salary	$119,725	$153,765	$178,514	$178,043	$305,958
Percent Receiving a Bonus	50.00%	64.52%	82.35%	100.00%	95.45%
Average Bonus	$40,079	$20,675	$35,509	$46,610	$180,949
Bonus*: Tied to Profits	100.00%	45.00%	50.00%	61.54%	57.14%
Tied to Salary		25.00%	42.86%	76.92%	57.14%
Tied to Risk Measures	50.00%	20.00%	50.00%	30.77%	42.86%
Tied to Other		55.00%	64.29%	53.85%	61.90%
Signing Bonus Paid			5.88%	7.69%	9.09%
Average Signing Bonus			$20,000	$10,000	$76,250
Percent under Contract	25.00%	45.16%	23.53%	38.46%	68.18%
Stock Options as a % of Total Outstanding Shares:					
None	75.00%	29.03%	17.65%	38.46%	45.45%
To 2.49%	25.00%	67.74%	82.35%	53.85%	36.36%
2.50% to 4.99%				7.69%	4.55%
5.00% to 7.49%					4.55%
7.50% to 9.99%					
10.00% and over		3.23%			9.09%
Options qualified under IRC 422	25.00%	61.29%	76.47%	46.15%	54.55%
Benefits:					
Auto*: None		9.68%	29.41%	15.38%	4.55%
Monthly Allowance	50.00%	51.61%	47.06%	38.46%	68.18%
Mileage		25.81%	5.88%	23.08%	18.18%
Other	25.00%	9.68%	11.76%	7.69%	18.18%
Country club dues paid	25.00%	9.68%	18.75%	66.67%	40.00%
Formal Profit Sharing		3.23%		15.38%	13.64%
Qualified E.S.O.P.	25.00%	58.06%	64.71%	30.77%	27.27%
Non-qualified E.S.O.P.		9.68%	11.76%	30.77%	31.82%
Pension/401K	75.00%	90.32%	88.24%	100.00%	90.91%
Non-qualified pension plan		12.90%	23.53%	38.46%	45.45%
Severance package	25.00%	25.81%	5.88%		
Restricted stock	25.00%	22.58%	29.41%	38.46%	54.55%
Restricted stock options	25.00%	3.23%	5.88%	30.77%	4.55%
Phantom stock options					9.09%
Stock appreciation rights	25.00%	3.23%		7.69%	
Other	50.00%	12.90%		30.77%	18.18%
If the officer receives incentive compensation, please indicate what measures the bank has taken to balance risk and financial results					
Risk adjustment of awards	25.00%	22.58%	35.29%	46.15%	45.45%
Deferral of payments (clawback)	25.00%	9.68%	17.65%	38.46%	31.82%
Longer performance periods	25.00%	9.68%	23.53%	15.38%	40.91%
Reduced sensitivity to short term performance		12.90%	5.88%	15.38%	27.27%
Other		12.90%	17.65%		22.73%

* May add to more than 100% due to multiple choices

CHIEF FINANCIAL OFFICER
SUMMARY DATA AS OF JUNE 30, 2014

BASE ANNUAL SALARY (in Thousands)	BANK ASSET SIZE (Million Dollars)					
	Under $100	$100 - $249	$250 - $499	$500 - $999	Over $1,000	TOTAL
Under $100	25.00%	3.23%				2.30%
100 - 109		6.45%				2.30%
110 - 119		3.23%				1.15%
120 - 129		3.23%	5.88%			2.30%
130 - 139	50.00%	6.45%	5.88%			5.75%
140 - 149	25.00%	12.90%		7.69%		6.90%
150 - 159		19.35%		15.38%		9.20%
160 - 169		9.68%	17.65%	23.08%		10.34%
170 - 179		16.13%	17.65%	15.38%		11.49%
180 - 189		12.90%	17.65%	15.38%		10.34%
190 - 199		6.45%	5.88%	7.69%	4.55%	5.75%
200 - 209			17.65%			3.45%
210 - 219			11.76%	7.69%	9.09%	5.75%
220 - 229					9.09%	2.30%
230 - 239						
240 - 249					13.64%	3.45%
250 - 259				7.69%		1.15%
260 - 269					13.64%	3.45%
270 - 279						
280 - 289						
290 - 299					9.09%	2.30%
300 - 309					4.55%	1.15%
310 - 319					9.09%	2.30%
320 - 329					4.55%	1.15%
330 - 339					4.55%	1.15%
340 - 349						
350 - 359						
360 - 369						
370 - 379						
380 - 389						
390 - 399					4.55%	1.15%
400 - 409						
410 - 419						
420 - 429						
430 - 439						
440 - 449						
450 - 459					4.55%	1.15%
460 - 469						
470 - 479						
480 - 489						
490 - 499						
500 and over					9.09%	2.30%
Total positions	4	31	17	13	22	87
Average base salary	$119,725	$153,765	$178,514	$178,043	$305,958	
Median salary	$133,225	$156,818	$180,000	$171,000	$278,411	
Salary Low Range:	$72,450	$96,400	$120,715	$145,000	$197,000	
Salary High Range:	$140,000	$191,952	$217,999	$250,000	$600,000	

CHIEF FINANCIAL OFFICER

SUMMARY DATA AS OF JUNE 30, 2014

	Region I Northern California	**Region II** Bay Area	**Region III** LA/Orange	**Region IV** Southern California
Participating Banks	26	21	32	11
Average Assets (000)	$461,247	$6,448,979	$2,641,541	$234,230
Median Assets (000)	$395,998	$442,839	$647,199	$192,769
Number of Filled Positions	26	21	30	11
Average Base Salary	$172,531	$214,214	$230,498	$149,181
Median Salary	$170,395	$183,875	$190,150	$160,000
Percent Receiving a Bonus	84.62%	71.43%	81.25%	72.73%
Average Bonus	$39,040	$142,486	$89,604	$26,655
Bonus*: Tied to Profits	54.55%	40.00%	53.85%	75.00%
Tied to Salary	31.82%	46.67%	53.85%	62.50%
Tied to Risk Measures	31.82%	46.67%	30.77%	50.00%
Tied to Other	68.18%	40.00%	57.69%	50.00%
Signing Bonus Paid	7.69%	9.52%		
Average Signing Bonus	$6,250	$85,000		
Percent under Contract	46.15%	38.10%	30.00%	36.36%
Stock Options as a % of				
Total Outstanding Shares:				
None	26.92%	42.86%	40.00%	27.27%
To 2.49%	69.23%	52.38%	46.67%	72.73%
2.50% to 4.99%			6.67%	
5.00% to 7.49%			3.33%	
7.50% to 9.99%				
10.00% and over	3.85%	4.76%	3.33%	
Options qualified under IRC 422	50.00%	42.86%	60.00%	81.82%
Benefits:				
Auto*: None	7.69%	9.52%	16.67%	18.18%
Monthly Allowance	53.85%	52.38%	56.67%	36.36%
Mileage	23.08%	9.52%	20.00%	18.18%
Other	7.69%	9.52%	13.33%	27.27%
Country club dues paid	30.77%	23.81%	13.33%	9.09%
Formal Profit Sharing	11.54%	4.76%	6.67%	
Qualified E.S.O.P.	42.31%	42.86%	43.33%	63.64%
Non-qualified E.S.O.P.	15.38%	9.52%	23.33%	27.27%
Pension/401K	88.46%	85.71%	93.33%	90.91%
Non-qualified pension plan	38.46%	33.33%	16.67%	9.09%
Severance package	34.62%	47.62%	36.67%	36.36%
Restricted stock	19.23%	42.86%	33.33%	54.55%
Restricted stock options	7.69%	9.52%	10.00%	9.09%
Phantom stock options		9.52%		
Stock appreciation rights	3.85%			18.18%
Other	19.23%	14.29%	10.00%	27.27%
If the officer receives incentive compensation, please indicate what measures the bank has taken to balance risk and financial results:				
Risk adjustment of awards	38.46%	33.33%	26.67%	45.45%
Deferral of payments (clawback)	26.92%	28.57%	10.00%	27.27%
Longer performance periods	11.54%	23.81%	30.00%	18.18%
Reduced sensitivity to short term performance	15.38%	9.52%	16.67%	18.18%
Other	11.54%	14.29%	13.33%	18.18%

SENIOR LOAN OFFICER

SUMMARY DATA AS OF JUNE 30, 2014

BANK ASSET SIZE
(In millions)

	Under $100	$100 - $249	$250 - $499	$500 - $999	Over $1,000
Participating Banks	4	32	17	13	23
Average Assets (000)	81,049	167,072	424,345	660,894	8,982,689
Median Assets (000)	80,259	168,591	439,000	615,305	2,481,819
Number of Filled Positions	3	31	16	13	22
Average Base Salary	$137,882	$158,183	$178,230	$180,623	$292,158
Percent Receiving a Bonus	100.00%	61.29%	87.50%	84.62%	81.82%
Average Bonus	$55,386	$25,857	$32,333	$44,692	$186,633
Bonus*: Tied to Profits	33.33%	42.11%	42.86%	54.55%	61.11%
Tied to Salary		21.05%	35.71%	72.73%	50.00%
Tied to Risk Measures	33.33%	21.05%	42.86%	36.36%	55.56%
Tied to Other		57.89%	64.29%	45.45%	77.78%
Signing Bonus Paid		9.68%	12.50%	7.69%	22.73%
Average Signing Bonus		$10,000	$22,500	$65,000	$117,664
Percent under Contract	33.33%	51.61%	25.00%	30.77%	31.82%
Stock Options as a % of					
Total Outstanding Shares:					
None	100.00%	29.03%	31.25%	46.15%	31.82%
To 2.49%		64.52%	62.50%	53.85%	45.45%
2.50% to 4.99%		3.23%	6.25%		4.55%
5.00% to 7.49%					4.55%
7.50% to 9.99%					
10.00% and over		3.23%			13.64%
Options qualified under IRC 422		58.06%	68.75%	46.15%	59.09%
Benefits:					
Auto*: Provided		6.45%	25.00%	7.69%	
Monthly Allowance		70.97%	56.25%	38.46%	77.27%
Mileage		9.68%	12.50%	23.08%	18.18%
Other	66.67%	12.90%	6.25%	15.38%	18.18%
Country club dues paid	50.00%	12.90%	31.25%	44.44%	53.33%
Formal Profit Sharing		3.23%	6.25%	15.38%	13.64%
Qualified E.S.O.P.		61.29%	50.00%	30.77%	31.82%
Non-qualified E.S.O.P.		9.68%	6.25%	30.77%	36.36%
Pension/401K	66.67%	90.32%	87.50%	100.00%	90.91%
Non-qualified pension plan		12.90%	18.75%	38.46%	45.45%
Severance package	33.33%	25.81%	6.25%		
Restricted stock		19.35%	25.00%	46.15%	54.55%
Restricted stock options		6.45%	12.50%	15.38%	9.09%
Phantom stock options		3.23%			9.09%
Stock appreciation rights				7.69%	
Other	33.33%	9.68%		30.77%	18.18%
If the officer receives incentive compensation, please indicate what measures the bank has taken to balance risk and financial results					
Risk adjustment of awards		16.13%	31.25%	46.15%	50.00%
Deferral of payments (clawback)		6.45%	18.75%	38.46%	27.27%
Longer performance periods	33.33%	9.68%	18.75%	15.38%	31.82%
Reduced sensitivity to short term performance		12.90%		15.38%	22.73%
Other		16.13%	18.75%		18.18%

* May add to more than 100% due to multiple choices

SENIOR LOAN OFFICER
SUMMARY DATA AS OF JUNE 30, 2014

BASE ANNUAL SALARY (in Thousands)	BANK ASSET SIZE (Million Dollars)					
	Under $100	$100 - $249	$250 - $499	$500 - $999	Over $1,000	TOTAL
Under $100						
100 - 109						
110 - 119	33.33%	3.23%				2.35%
120 - 129		6.45%	6.25%			3.53%
130 - 139	33.33%	9.68%				4.71%
140 - 149		19.35%	6.25%	15.38%		10.59%
150 - 159		9.68%				3.53%
160 - 169	33.33%	12.90%	31.25%	15.38%		14.12%
170 - 179		16.13%	12.50%	38.46%		14.12%
180 - 189		16.13%	18.75%			9.41%
190 - 199			12.50%		4.55%	3.53%
200 - 209		6.45%	12.50%	7.69%		5.88%
210 - 219				7.69%	9.09%	3.53%
220 - 229				15.38%	9.09%	4.71%
230 - 239					4.55%	1.18%
240 - 249					13.64%	3.53%
250 - 259					9.09%	2.35%
260 - 269					4.55%	1.18%
270 - 279					4.55%	1.18%
280 - 289						
290 - 299					4.55%	1.18%
300 - 309					13.64%	3.53%
310 - 319						
320 - 329						
330 - 339						
340 - 349						
350 - 359					4.55%	1.18%
360 - 369						
370 - 379						
380 - 389						
390 - 399						
400 - 409						
410 - 419					4.55%	1.18%
420 - 429					4.55%	1.18%
430 - 439						
440 - 449						
450 - 459					4.55%	1.18%
460 - 469						
470 - 479						
480 - 489						
490 - 499						
500 and over					4.55%	
Total Positions	3	31	16	13	22	85
Average Salary	$137,882	$158,183	$178,230	$180,623	$292,158	
Median salary	$135,312	$160,000	$170,000	$171,000	$261,750	
Salary Low Range:	$110,687	$111,000	$122,465	$145,000	$197,000	
Salary High Range:	$137,882	$200,000	$272,551	$225,000	$500,000	

SENIOR LOAN OFFICER

SUMMARY DATA AS OF JUNE 30, 2014

	Region I Northern California	**Region II** Bay Area	**Region III** LA/Orange	**Region IV** Southern California
Participating Banks	26	21	32	11
Average Assets (000)	$461,247	$6,448,979	$2,641,541	$234,230
Median Assets (000)	$395,998	$442,839	$647,199	$192,769
Number of Filled Positions	26	21	31	8
Average Base Salary	$166,823	$219,291	$225,188	$155,063
Median Salary	$166,824	$196,850	$200,000	$150,000
Percent Receiving a Bonus	80.77%	71.43%	78.13%	45.45%
Average Bonus	$34,291	$142,114	$83,068	$34,938
Bonus*: Tied to Profits	47.62%	40.00%	48.00%	80.00%
Tied to Salary	23.81%	40.00%	48.00%	60.00%
Tied to Risk Measures	33.33%	40.00%	36.00%	60.00%
Tied to Other	66.67%	53.33%	60.00%	60.00%
Signing Bonus Paid	11.54%	19.05%	9.68%	12.50%
Average Signing Bonus	$35,000	$41,125	$152,774	$32,000
Percent under Contract	50.00%	38.10%	25.81%	37.50%
Stock Options as a % of				
Total Outstanding Shares:				
None	38.46%	33.33%	32.26%	50.00%
To 2.49%	53.85%	61.90%	51.61%	50.00%
2.50% to 4.99%	3.85%		6.45%	
5.00% to 7.49%			3.23%	
7.50% to 9.99%				
10.00% and over	3.85%	4.76%	6.45%	
Options qualified under IRC 422	46.15%	47.62%	61.29%	62.50%
Benefits:				
Auto*: Provided	7.69%	4.76%	9.68%	12.50%
Monthly Allowance	61.54%	57.14%	64.52%	62.50%
Mileage	11.54%	9.52%	19.35%	12.50%
Other	11.54%	19.05%	16.13%	12.50%
Country club dues paid	42.31%	33.33%	12.90%	12.50%
Formal Profit Sharing	11.54%	4.76%	6.45%	
Qualified E.S.O.P.	42.31%	47.62%	41.94%	50.00%
Non-qualified E.S.O.P.	15.38%	9.52%	25.81%	25.00%
Pension/401K	84.62%	85.71%	93.55%	100.00%
Non-qualified pension plan	34.62%	33.33%	16.13%	12.50%
Severance package	38.46%	42.86%	32.26%	50.00%
Restricted stock	23.08%	42.86%	32.26%	37.50%
Restricted stock options	11.54%	4.76%	9.68%	12.50%
Phantom stock options		14.29%		
Stock appreciation rights	3.85%			
Other	19.23%	14.29%	9.68%	12.50%
If the officer receives incentive compensation, please indicate what measures the bank has taken to balance risk and financial results				
Risk adjustment of awards	34.62%	33.33%	29.03%	25.00%
Deferral of payments (clawback)	23.08%	28.57%	6.45%	25.00%
Longer performance periods	11.54%	19.05%	25.81%	12.50%
Reduced sensitivity to short term performance	15.38%	9.52%	12.90%	12.50%
Other	15.38%	14.29%	9.68%	25.00%

DEMOGRAPHIC DATA

SUMMARY DATA AS OF JUNE 30, 2014

BANK ASSET SIZE
(In millions)

	Under $100	$100 - $249	$250 - $499	$500 - $999	Over $1,000
Participating Banks	4	32	17	13	23
Average Assets (000)	81,049	167,072	424,345	660,894	8,982,689
Median Assets (000)	80,259	168,591	439,000	615,305	2,481,819
Chief Executive Officer					
Number of Filled Positions	4	32	17	13	23
Ethnic Category					
Asian or Pacific Islander	25.00%	18.75%	23.53%	23.08%	26.09%
Black or African American		3.13%			
Caucasian	75.00%	71.88%	70.59%	61.54%	73.91%
Hispanic					
Multi-Racial					
Decline to state/No answer		6.25%	5.88%	15.38%	
Gender					
Female	25.00%	12.50%	11.76%	15.38%	4.35%
Male	75.00%	84.38%	82.35%	76.92%	95.65%
Decline to state/No answer		3.13%	5.88%	7.69%	
Average age	64.25	58.37	59.44	58.45	59.00
Chief Financial Officer					
Number of Filled Positions	4	31	17	13	22
Ethnic Category					
Asian or Pacific Islander	25.00%	9.68%	23.53%	23.08%	31.82%
Black or African American					
Caucasian	75.00%	80.65%	70.59%	61.54%	59.09%
Hispanic					9.09%
Multi-Racial					
Decline to state/No answer		9.68%	5.88%	15.38%	
Gender					
Female	50.00%	35.48%	17.65%	15.38%	13.64%
Male	50.00%	61.29%	76.47%	76.92%	86.36%
Decline to state/No answer		3.23%	5.88%	7.69%	
Average age	59.75	54.14	55.19	51.45	55.18
Senior Lending Officer					
Number of Filled Positions	3	31	16	13	22
Ethnic Category					
Asian or Pacific Islander	66.67%	6.45%	25.00%	23.08%	22.73%
Black or African American				7.69%	
Caucasian	33.33%	83.87%	68.75%	38.46%	72.73%
Hispanic		6.45%		15.38%	4.55%
Multi-Racial					
Decline to state/No answer		9.68%	6.25%	15.38%	
Gender					
Female		9.68%	12.50%		
Male	100.00%	90.32%	81.25%	92.31%	100.00%
Decline to state/No answer			6.25%	7.69%	
Average age	50.33	56.20	57.27	58.09	54.91

DIRECTORS' INFORMATION

SUMMARY DATA AS OF JUNE 30, 2014

	BANK ASSET SIZE (Million Dollars)				
	Under $100	$100 - $249	$250 - $499	$500 - $999	Over $1,000
Participating Banks	4	32	17	13	23
Average Assets (000)	$ 81,049	$ 167,072	$ 424,345	$ 660,894	$ 8,982,689
Median Assets (000)	$ 80,259	$ 168,591	$ 439,000	$ 615,305	$ 2,481,819
Average Number of Directors	8.00	8.52	8.47	9.54	9.52
Average Number of Inside Directors	1.25	1.63	1.53	1.08	1.71
Fees Paid to Inside Directors		15.63%	11.76%	23.08%	17.39%
Outside Directors Eligible for Bonus Plan		6.25%		15.38%	4.35%
Travel Expenses to Meetings Reimbursed		31.25%	52.94%	46.15%	60.87%
Chairman of the Board Active Bank Officer	25.00%	28.13%	35.29%	7.69%	47.83%
CEO	25.00%	12.50%	29.41%	7.69%	39.13%
Full time salaried non-CEO		12.50%	5.88%		8.70%
Paid Medical Exam			11.76%	7.69%	8.70%
Outside Directors Eligible for Health Plan		3.13%	17.65%	30.77%	21.74%
Life Insurance Policy on Chairman		12.50%	35.29%	30.77%	65.22%
Life Insurance Policy on Inside Board	75.00%	34.38%	52.94%	76.92%	69.57%
Life Insurance Policy all Other Board			5.88%	15.38%	21.74%
Stock Options as a % of Total Outstanding Shares					
None	75.00%	25.00%	17.65%	30.77%	34.78%
To 2.49%	25.00%	31.25%	23.53%	46.15%	52.17%
2.50% to 4.99%		15.63%	29.41%	7.69%	
5.00% to 7.49%		6.25%	5.88%	7.69%	4.35%
7.50% to 9.99%		9.38%	11.76%		
10.00% and over		12.50%	11.76%	7.69%	8.70%
Average stock options as a % of total outstanding shares--all officers and directors	19.70%	7.80%	13.95%	6.69%	7.73%
Directors sent to Conferences/Conventions	75.00%	84.38%	100.00%	100.00%	69.57%
Percent with Mandatory Retirement Age		15.63%	11.76%	30.77%	17.39%
Average Age	-	74.2	75.0	74.0	75.5
Directors and Officers Liability Insurance	75.00%	93.75%	94.12%	84.62%	100.00%
Directors eligible for Deferred Comp				46.15%	34.78%
Other Benefits		3.13%	11.76%	46.15%	17.39%

DIRECTORS' INFORMATION
SUMMARY DATA AS OF JUNE 30, 2014

	BANK ASSET SIZE (Million Dollars) Under $100	$100 - $249	$250 - $499	$500 - $999	Over $1,000
Directors' Fees:					
Regular Board Meeting					
Banks Paying No Fee		28.13%	23.53%		17.39%
Banks Paying a Fee	100.00%	71.88%	76.47%	100.00%	82.61%
Chairman of the Board					
Average Fee Paid	$ 525.00	$ 1,269.57	$ 2,210.30	$ 2,529.17	$ 6,605.25
Median Fee Paid	$ 525.00	$ 1,000.00	$ 2,000.00	$ 2,250.00	$ 3,637.50
Range - Low Fee	$ 300.00	$ 350.00	$ 600.00	$ 400.00	$ 834.00
Range - High Fee	$ 750.00	$ 8,300.00	$ 5,000.00	$ 7,000.00	$ 25,000.00
Members					
Average Fee Paid	$ 687.50	$ 799.04	$ 1,643.54	$ 1,376.92	$ 4,150.27
Median Fee Paid	$ 775.00	$ 700.00	$ 1,500.00	$ 1,000.00	$ 2,750.00
Range - Low Fee	$ 200.00	$ 350.00	$ 600.00	$ 400.00	$ 900.00
Range - High Fee	$ 1,000.00	$ 2,000.00	$ 5,000.00	$ 3,000.00	$ 25,000.00
Attendence required to claim	50.00%	46.88%	52.94%	46.15%	60.87%
Audit Committee					
Banks Paying No Fee	50.00%	59.38%	52.94%	23.08%	43.48%
Banks Paying a Fee	50.00%	40.63%	47.06%	76.92%	56.52%
Committee Chairman					
Average Fee Paid	$ 75.00	$ 434.79	$ 979.20	$ 1,018.18	$ 1,441.22
Median Fee Paid	$ 75.00	$ 408.50	$ 475.00	$ 600.00	$ 1,000.00
Range - Low Fee	$ 50.00	$ 100.00	$ 200.00	$ 200.00	$ 250.00
Range - High Fee	$ 100.00	$ 1,000.00	$ 3,542.00	$ 3,000.00	$ 5,000.00
Members					
Average Fee Paid	$ 75.00	$ 296.38	$ 662.50	$ 610.00	$ 659.00
Median Fee Paid	$ 75.00	$ 220.00	$ 400.00	$ 350.00	$ 500.00
Range - Low Fee	$ 50.00	$ 83.00	$ 200.00	$ 100.00	$ 167.00
Range - High Fee	$ 100.00	$ 750.00	$ 2,500.00	$ 3,000.00	$ 1,333.00
Attendence required to claim	50.00%	37.50%	41.18%	53.85%	56.52%
Compensation Committee					
Banks Paying No Fee	50.00%	68.75%	52.94%	23.08%	47.83%
Banks Paying a Fee	50.00%	31.25%	47.06%	76.92%	52.17%
Committee Chairman					
Average Fee Paid	$ 75.00	$ 387.91	$ 883.40	$ 888.64	$ 889.74
Median Fee Paid	$ 75.00	$ 400.00	$ 475.00	$ 600.00	$ 700.00
Range - Low Fee	$ 50.00	$ 50.00	$ 200.00	$ 150.00	$ 250.00
Range - High Fee	$ 100.00	$ 750.00	$ 3,542.00	$ 3,000.00	$ 2,542.00
Members					
Average Fee Paid	$ 75.00	$ 333.30	$ 662.50	$ 620.00	$ 641.67
Median Fee Paid	$ 75.00	$ 250.00	$ 400.00	$ 400.00	$ 600.00
Range - Low Fee	$ 50.00	$ 83.00	$ 200.00	$ 100.00	$ 150.00
Range - High Fee	$ 100.00	$ 750.00	$ 2,500.00	$ 3,000.00	$ 1,100.00
Attendence required to claim	50.00%	31.25%	41.18%	61.54%	47.83%

DIRECTORS' INFORMATION

SUMMARY DATA AS OF JUNE 30, 2014

BANK ASSET SIZE
(Million Dollars)

	Under $100	$100 - $249	$250 - $499	$500 - $999	Over $1,000
Credit Committee					
Banks Paying No Fee	50.00%	68.75%	47.06%	23.08%	56.52%
Banks Paying a Fee	50.00%	31.25%	52.94%	76.92%	43.48%
Committee Chairman					
Average Fee Paid	$ -	$ 394.75	$ 841.91	$ 1,713.89	$ 920.88
Median Fee Paid	$ -	$ 400.00	$ 450.00	$ 775.00	$ 550.00
Range - Low Fee	$ -	$ 50.00	$ 250.00	$ 350.00	$ 250.00
Range - High Fee	$ -	$ 1,000.00	$ 2,708.00	$ 7,000.00	$ 3,100.00
Members					
Average Fee Paid	$ 250.00	$ 280.30	$ 638.89	$ 980.00	$ 618.30
Median Fee Paid	$ 250.00	$ 210.00	$ 400.00	$ 400.00	$ 550.00
Range - Low Fee	$ 150.00	$ 83.00	$ 250.00	$ 100.00	$ 150.00
Range - High Fee	$ 350.00	$ 500.00	$ 2,500.00	$ 3,200.00	$ 1,100.00
Attendence required to claim	50.00%	31.25%	47.06%	46.15%	34.78%
Investment Committee					
Banks Paying No Fee	50.00%	71.88%	58.82%	30.77%	65.22%
Banks Paying a Fee	50.00%	28.13%	41.18%	69.23%	34.78%
Committee Chairman					
Average Fee Paid	$ 50.00	$ 333.70	$ 752.13	$ 1,002.78	$ 500.00
Median Fee Paid	$ 50.00	$ 325.00	$ 475.00	$ 600.00	$ 500.00
Range - Low Fee	$ 50.00	$ 50.00	$ 200.00	$ 250.00	$ 250.00
Range - High Fee	$ 50.00	$ 600.00	$ 2,917.00	$ 3,000.00	$ 750.00
Members					
Average Fee Paid	$ 75.00	$ 278.11	$ 692.86	$ 622.22	$ 616.67
Median Fee Paid	$ 75.00	$ 200.00	$ 400.00	$ 300.00	$ 600.00
Range - Low Fee	$ 50.00	$ 83.00	$ 200.00	$ 100.00	$ 200.00
Range - High Fee	$ 100.00	$ 500.00	$ 2,500.00	$ 3,000.00	$ 1,000.00
Attendence required to claim	50.00%	28.13%	41.18%	46.15%	34.78%
Annual Retainer					
Banks Paying No Retainer	100.00%	84.38%	58.82%	53.85%	30.43%
Banks Paying a Retainer		15.63%	41.18%	46.15%	69.57%
Average Retainer Paid	$ -	$ 22,600	$ 37,057	$ 73,332	$ 78,154
Median Retainer Paid	$ -	$ 12,000	$ 22,500	$ 24,000	$ 50,000
Range - Low Retainer	$ -	$ 5,000	$ 7,500	$ 800	$ 1,875
Range - High Retainer	$ -	$ 66,000	$ 96,000	$ 236,000	$ 342,000
Total Annual Director Compensation					
Banks that responded to this question	100.00%	71.88%	94.12%	92.31%	86.96%
Of those banks:					
Average Compensation	$ 8,150.00	$ 14,674.30	$ 18,479.20	$ 29,010.33	$ 65,868.24
Median Compensation	$ 7,550.00	$ 13,500.00	$ 19,500.00	$ 25,827.00	$ 55,272.50
Range - Minimum Compesation	$ 2,500.00	$ 7,200.00	$ 2,135.50	$ 15,450.00	$ 24,111.00
Range - Maximum Compensation	$ 15,000.00	$ 25,571.00	$ 36,000.00	$ 44,000.00	$ 147,389.00

DIRECTORS' INFORMATION

SUMMARY DATA AS OF JUNE 30, 2014

BANK ASSET SIZE
(Million Dollars)

	Under $100	$100 - $249	$250 - $499	$500 - $999	Over $1,000
Regular Board Meeting--Chairman					
No Fee	50.00%	28.13%	41.18%	7.69%	47.83%
Under $100					
100 - 199					
200 - 299					
300 - 399	25.00%	3.13%			
400 - 499		3.13%		7.69%	
500 - 599		9.38%			
600 - 699		6.25%	5.88%		
700 - 799	25.00%	9.38%		7.69%	
800 - 899					4.35%
900 - 999		3.13%			
$1,000 and over		37.50%	52.94%	76.92%	47.83%

	Under $100	$100 - $249	$250 - $499	$500 - $999	Over $1,000
Regular Board Meeting--Members					
No Fee		28.13%	23.53%		17.39%
Under $100					
100 - 199					
200 - 299	25.00%				
300 - 399		3.13%			
400 - 499		6.25%		7.69%	
500 - 599		25.00%			
600 - 699			5.88%		
700 - 799	25.00%	6.25%	5.88%	7.69%	
800 - 899	25.00%	3.13%	5.88%	7.69%	
900 - 999		6.25%			4.35%
$1,000 and over	25.00%	21.88%	58.82%	76.92%	78.26%

	Under $100	$100 - $249	$250 - $499	$500 - $999	Over $1,000
Audit Committee--Chairman					
No Committee or No Fee	50.00%	56.25%	41.18%	15.38%	26.09%
Under $100	25.00%				
100 - 199	25.00%	6.25%			
200 - 299		12.50%	11.76%	7.69%	8.70%
300 - 399				15.38%	4.35%
400 - 499		6.25%	17.65%		
500 - 599		3.13%	5.88%	15.38%	8.70%
600 - 699		6.25%		7.69%	
700 - 799		6.25%	5.88%		4.35%
800 - 899					
900 - 999					4.35%
$1,000 and over		3.13%	17.65%	38.46%	43.48%

DIRECTORS' INFORMATION

SUMMARY DATA AS OF JUNE 30, 2014

BANK ASSET SIZE
(Million Dollars)

Audit Committee--Members	Under $100	$100 - $249	$250 - $499	$500 - $999	Over $1,000
No Committee or No Fee	50.00%	59.38%	52.94%	23.08%	43.48%
Under $100	25.00%	3.13%			
100 - 199	25.00%	6.25%		7.69%	4.35%
200 - 299		12.50%	11.76%	15.38%	8.70%
300 - 399		6.25%	5.88%	15.38%	4.35%
400 - 499		3.13%	17.65%	15.38%	4.35%
500 - 599		6.25%		7.69%	8.70%
600 - 699				7.69%	
700 - 799		3.13%	5.88%		
800 - 899					4.35%
900 - 999					
$1,000 and over			5.88%	7.69%	21.74%

Compensation Committee--Chairman	Under $100	$100 - $249	$250 - $499	$500 - $999	Over $1,000
No Committee or No Fee	50.00%	65.63%	41.18%	15.38%	43.48%
Under $100	25.00%	3.13%			
100 - 199	25.00%	6.25%		7.69%	
200 - 299		9.38%	11.76%	7.69%	8.70%
300 - 399					4.35%
400 - 499		6.25%	17.65%	7.69%	
500 - 599			11.76%	15.38%	8.70%
600 - 699		6.25%		15.38%	
700 - 799		3.13%	5.88%	7.69%	13.04%
800 - 899					8.70%
900 - 999					
$1,000 and over			11.76%	23.08%	13.04%

Compensation Committee--Members	Under $100	$100 - $249	$250 - $499	$500 - $999	Over $1,000
No Committee or No Fee	50.00%	41.18%	52.94%	23.08%	47.83%
Under $100	25.00%	3.13%			
100 - 199	25.00%	3.13%		7.69%	4.35%
200 - 299		9.38%	11.76%	15.38%	4.35%
300 - 399		3.13%	5.88%	7.69%	4.35%
400 - 499		3.13%	17.65%	23.08%	4.35%
500 - 599		3.13%		7.69%	8.70%
600 - 699		3.13%		7.69%	
700 - 799		3.13%	5.88%		4.35%
800 - 899					4.35%
900 - 999					
$1,000 and over			5.88%	7.69%	17.39%

DIRECTORS' INFORMATION

SUMMARY DATA AS OF JUNE 30, 2014

BANK ASSET SIZE (Million Dollars)

Credit Committee--Chairman	Under $100	$100 - $249	$250 - $499	$500 - $999	Over $1,000
No Committee or No Fee	100.00%	62.50%	35.29%	30.77%	65.22%
Under $100		3.13%			
100 - 199					
200 - 299		12.50%	5.88%		8.70%
300 - 399			11.76%	7.69%	
400 - 499		12.50%	17.65%	7.69%	
500 - 599			11.76%	7.69%	8.70%
600 - 699		6.25%		7.69%	8.70%
700 - 799			5.88%	7.69%	
800 - 899					
900 - 999					
$1,000 and over		3.13%	11.76%	30.77%	8.70%

Credit Committee--Members	Under $100	$100 - $249	$250 - $499	$500 - $999	Over $1,000
No Committee or No Fee	50.00%	68.75%	47.06%	23.08%	56.52%
Under $100		3.13%			
100 - 199	25.00%	3.13%		7.69%	4.35%
200 - 299	25.00%	12.50%	5.88%	15.38%	4.35%
300 - 399			17.65%	7.69%	4.35%
400 - 499		6.25%	17.65%	23.08%	
500 - 599		6.25%			8.70%
600 - 699					4.35%
700 - 799			5.88%		
800 - 899					4.35%
900 - 999					
$1,000 and over			5.88%	23.08%	13.04%

Investment Committee--Chairman	Under $100	$100 - $249	$250 - $499	$500 - $999	Over $1,000
No Committee or No Fee	75.00%	68.75%	52.94%	30.77%	69.57%
Under $100	25.00%	3.13%			
100 - 199					
200 - 299		12.50%	11.76%	7.69%	4.35%
300 - 399				7.69%	4.35%
400 - 499		9.38%	11.76%		
500 - 599			11.76%	7.69%	4.35%
600 - 699		6.25%		15.38%	
700 - 799			5.88%	7.69%	8.70%
800 - 899					
900 - 999					
$1,000 and over			5.88%	23.08%	8.70%

DIRECTORS' INFORMATION

SUMMARY DATA AS OF JUNE 30, 2014

BANK ASSET SIZE
(Million Dollars)

	Under $100	$100 - $249	$250 - $499	$500 - $999	Over $1,000
Investment Committee--Members					
No Committee or No Fee	50.00%	71.88%	58.82%	30.77%	65.22%
Under $100	25.00%	3.13%			
100 - 199	25.00%			7.69%	
200 - 299		15.63%	11.76%	15.38%	4.35%
300 - 399			5.88%	15.38%	4.35%
400 - 499		3.13%	11.76%	15.38%	
500 - 599		6.25%			8.70%
600 - 699				7.69%	
700 - 799			5.88%		4.35%
800 - 899					
900 - 999					
$1,000 and over			5.88%	23.08%	13.04%

	Under $100	$100 - $249	$250 - $499	$500 - $999	Over $1,000
Annual Fee/Retainer					
No Fee/No response	100.00%	84.38%	58.82%	53.85%	30.43%
Under $2,500				7.69%	4.35%
2,500 - 4,999				7.69%	
5,000 - 7,499		6.25%			
7,500 - 9,999			5.88%		
10,000-12,499		3.13%		7.69%	4.35%
12,500-14,999			11.76%		
15,000-17,499					
17,500-19,999					
20,000-22,499					
22,500-24,999		3.13%	5.88%		4.35%
$25,000 and over		3.13%	17.65%	23.08%	56.52%

	Under $100	$100 - $249	$250 - $499	$500 - $999	Over $1,000
Average Annual Compensation per Director					
No compensation or not reported		28.13%	23.53%	7.69%	17.39%
Under $2,500			5.88%		
2,500 - 4,999	25.00%		5.88%		
5,000 - 7,499	25.00%	6.25%	5.88%		
7,500 - 9,999	25.00%	12.50%			
10,000-12,499		15.63%	23.53%		
12,500-14,999		6.25%			
15,000-17,499	25.00%	12.50%		15.38%	
17,500-19,999		3.13%	5.88%	7.69%	
20,000-22,499		3.13%	5.88%	7.69%	
22,500-24,999		9.38%		15.38%	
$25,000 and over		3.13%	23.53%	46.15%	82.61%

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WORKING CAPITAL FUND
(Dollars in Thousands)

	FY 2015 Actual	FY 2016 Enacted	FY 2017 Request
Financial Management, Procurement, Travel and Relocation	...	$27,206	$28,151
Human Resources	...	16,477	18,801
Federal Register Printing	...	...	906
Grand Total	...	43,683	47,858

Program Area Overview:

The Working Capital Fund (WCF) will serve as a mechanism for the Department of Housing and Urban Development (HUD) to finance enterprise goods and services. The WCF will assist HUD program offices achieve their missions by providing cost-effective, customer-focused enterprise support services on a fully cost recoverable, fee-for-service basis, proposed to start in fiscal year 2017. During 2016, the Department is standing up a strong governance structure with a customer service focus and business processes for timely, accurate cost-accounting data for WCF goods and services. When fully implemented, the WCF will enable the Department to achieve the following outcomes:

- Aligned incentives for efficient operations by charging costs to users;
- Transparent and timely cost estimates for goods and services, and the overall costs to administer programs; and
- Efficient and effective delivery of enterprise goods and services.

In fiscal year 2016, the Department will transfer funding from Administrative Support Offices (ASO) to the WCF for shared services. The Office of the Chief Financial Officer (OCFO) will oversee the financial operations of the WCF, while management and oversight responsibilities for providing the core WCF goods and services will remain with the appropriate business function leads.

The Federal shared services financed through the WCF will include shared services agreements with the Department of the Treasury for HUD financial management, procurement, and travel in which the OCFO will be the business function lead. These shared services include a full range of accounting and procurement services such as budget and financial transaction processing, purchase and fleet card services, and financial reporting. Travel and relocation services provided to HUD include E-Gov Travel Service (Concur), travel help desk, travel card administration, travel payments, and relocation processing and payments. The Department also receives human resources services from Treasury, under the leadership of the Office of the Chief Human Capital Officer

(OCHCO). OCHCO-managed shared services include: job classification, staff acquisition, payroll (including WebTA), processing and personnel records, employee benefits, workers' compensation, personnel background checks, back-office HR functions through HR Connect, talent acquisition through CareerConnector, and performance management through InCompass.

Starting in fiscal year 2017, the Department will seek to include *Federal Register* printing for regulations and other notices managed by the Office of General Counsel.

The Department proposes creating a new office within OCFO that will oversee the financial management and governance of the fund over the next year, as the WCF and its governing committees are established. The WCF office's primary responsibility will be to ensure the solvency of the fund. While each service financed through the WCF will remain operationally accountable to the appropriate ASO office, the WCF office will manage the fund's day-to-day financial operations, including the establishment of transparent and reliable unit cost accounting for all services and customers that use the fund.

Requested Level and Justification

The 2017 request provides for each office to pay for its use of WCF goods and services, through transfers to the WCF for its estimated share. HUD estimates $47,858,000 in total WCF costs for 2017, which is an increase of $4,175,000 over the estimated costs for fiscal year 2016. The requested level is expected to support:

- The human resources transactional services provided by the Bureau of Fiscal Services (BFS) at a cost of $15,028,000.
- The human resources platforms provided by the Department of the Treasury's Shared Services Programs at a cost of $3,773,000.
- The financial management and procurement services provided by BFS at a cost of $24,889,000.
- The travel and relocation services provided by BFS at a cost of $3,262,000.
- *Federal Register* printing at $906,000.

Key Operational Initiatives

A strong governance and performance management regime: As HUD implements a true WCF fee-for-service model for shared services, core criteria for success are HUD's ability to measure performance and track outcomes.

Smart expansion of the WCF: At the discretion of the Secretary, HUD anticipates expanding the WCF to incorporate other common administrative goods and services, including additional investments that are consistent with the goals of the WCF. For any proposed investment, HUD will evaluate the benefits and efficiencies of financing through the WCF, and whether there is an accurate, practical, and transparent method for assessing costs for the good or service to the program offices. Investments will only be added to the extent that they are reasonably anticipated to result in improved efficiencies.

Taking a business-like buyer and seller approach to centralized services will align incentives and bring transparency to both the program offices and HUD at the enterprise level. As program offices begin to bear the cost of transactions, offices will be better equipped to manage business operations to maximize limited resources by continually evaluating and refining core business processes, resulting in cost-conscious incentives for the customer. Additionally, adopting this financing mechanism expands the base of stakeholders who will be invested in the continuous improvement of the delivery of these goods or services. Customers will push for effective and efficient service delivery, and support offices will have the data to negotiate for better services and lower costs.

WORKING CAPITAL FUND
Appropriations Language

The fiscal year 2017 President's Budget includes proposed changes in the appropriation language listed and explained below. New language is italicized and underlined, and language proposed for deletion is bracketed.

WORKING CAPITAL FUND
(INCLUDING TRANSFER OF FUNDS)

[There is hereby established in the United States Treasury, pursuant to section 7(f) of the Department of Housing and Urban Development Act (42 U.S.C. 3535(f)), a] *For the* working capital fund for the Department of Housing and Urban Development (referred to in this paragraph as the "Fund")[: Provided, That]*, pursuant, in part, to section 7(f) of the Department of Housing and Urban Development Act (42 U.S.C. 3535(f)),* amounts transferred to the Fund under this heading shall be available for Federal shared services used by offices and agencies of the Department, and for such portion of any office or agency's printing, records management, space renovation, furniture, or supply services as the Secretary determines shall be derived from centralized sources made available by the Department to all offices and agencies and funded through the Fund: Provided[further], That of the amounts made available in this title for salaries and expenses under the headings "Executive Offices", "Administrative Support Offices", "Program Office Salaries and Expenses", and "Government National Mortgage Association", the Secretary shall transfer to the Fund such amounts, to remain available until expended, as are necessary to fund services, specified in the first proviso, for which the appropriation would otherwise have been available, and may transfer not to exceed an additional $10,000,000, in aggregate, from all such appropriations, to be merged with the Fund and to remain available until expended for use for any office or agency: Provided further, That amounts in the Fund shall be the only amounts available to each office or agency of the Department for the services, or portion of services, specified in the first proviso: Provided further, That with respect to the Fund, the authorities and conditions under this heading shall [supplant] *supplement* the authorities and conditions provided under *such* section 7(f) [of the Department of Housing and Urban Development Act]. (Department of Housing and Urban Development Appropriations Act, 2016.)

AND SUCCEED!!

CALL ME

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