

Name/Address of applicant	Category	Amount funded
ICF Incorporated, LLC, 9300 Lee Highway, Fairfax, VA 22031-1207, (425) 747-6963.	National or regional organization representing Native American housing interest and for-profit entities.	1,000,000.00
FirstPic, 2614 Chapel Lake Drive, Gambrills, MD 21054-1637, (202) 393-6400.	National or regional organization representing Native American housing interest and for-profit entities.	1,000,000.00
Econometrica, 4416 East West Highway, Suite 215, Bethesda, MD 20814-4572, (240) 333-4807.	National or regional organization representing Native American housing interest and for-profit entities.	1,000,000.00
National Congress of American Indians, 1516 P Street NW., Washington, DC 20005-1910, (202) 466-7767.	National or regional organization representing Native American housing interest and for-profit entities.	750,000.00
Red Lake Reservation Housing Authority, 23884 Highway 1 East, Red Lake, MN 56671-0219, (218) 679-3368.	National or regional organization representing Native American housing interest and for-profit entities.	400,000.00
Pacific American Foundation, 146 Hekili Street, #203, Kailua, HI 96734-2873, (808) 263-0083.	National or regional nonprofit organizations, or for-profit entities equipped to provide Training & Technical Assistance to DHHL and sub-recipients of NHHBG.	350,000.00

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## DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-5714-N-01]

### Notice of Intent To Change HUD-Wide the Operating Model of the Office of Multifamily Housing

**AGENCY:** Office of the Assistant Secretary for Housing—Federal Housing Commissioner, HUD.

**ACTION:** Notice.

**SUMMARY:** This notice advises the public that HUD's Office of Multifamily Housing intends to make changes to its field and Headquarters operating model. Specifically, the Office of Multifamily Housing will streamline its organizational structure by consolidating 6 Headquarters business offices into 4 offices and consolidating its field structure of 17 Hubs to 5 Hub offices and 5 satellite offices reporting to the Hubs. The other 7 Hubs and 34 program centers will be consolidated into the remaining 10 offices (5 Hubs and 5 satellite offices). The 2 existing property disposition centers will be consolidated into one. Affected offices that will be consolidated include: Hartford CT, Manchester NH, Providence RI, Newark NJ, Buffalo NY, Philadelphia PA, Washington DC (field office only), Baltimore MD, Pittsburgh PA, Richmond VA, Charleston WV, Birmingham AL, Miami FL, Louisville KY, Jackson MS, Greensboro NC, San Juan PR, Columbia SC, Knoxville TN, Nashville TN, Indianapolis IN, Minneapolis MN, Cleveland OH, Milwaukee WI, Little Rock AK, New Orleans LA, Albuquerque NM, Oklahoma City OK, Houston TX, San Antonio TX, Des Moines IA, St. Louis MO, Omaha NE, Phoenix AZ, Los Angeles CA, Honolulu HI, Las Vegas NV, Anchorage AK, and Portland OR. The Seattle WA office will remain open

however; Office of Multifamily Housing employees will be transferred into like positions and provide support to the Office of Healthcare Programs. HUD provides this notice in accordance with section 7(p) of the Department of Housing and Urban Development Act. **FOR FURTHER INFORMATION CONTACT:** Joseph Dubose, Office of Housing, Department of Housing and Urban Development, 451 7th Street SW., Room 6138, Washington, DC 20410; *Joseph.Dubose@hud.gov*, telephone (202) 402-6886; TTY number for the hearing- and speech-impaired (202) 708-2565 (these telephone numbers are not toll-free).

**SUPPLEMENTARY INFORMATION:** In accordance section 7(p) of the Department of Housing and Urban Development Act (42 U.S.C. 3535(p)), a plan for the reorganization of any HUD regional, area, insuring, or other field office may take effect only upon the expiration of 90 days after publication in the **Federal Register** of a cost-benefit analysis of the effects of the plan on each HUD office involved. Such cost-benefit analysis shall include, but not be limited to (1) an estimate of cost savings supported by background information detailing the source and substantiating the amount of the savings; (2) an estimate of the additional cost which will result from the reorganization; (3) a study of the impact on the local economy; and (4) an estimate of the effect of the reorganization on the availability, accessibility, and quality of services provided for recipients of those services. Where any of the factors cannot be quantified, the HUD shall provide a statement on the nature and extent of those factors in the cost-benefit analysis.

#### Cost Benefit Analysis

##### A. Background

In order to most effectively use its human capital and other resources, the Office of Multifamily Housing (MFH) has been actively working to make

fundamental changes to its operating model to improve effectiveness and efficiency and to maximize opportunities to reshape and realign its workforce. Important progress has been made to date, including improving productivity, reducing loan cycle times, increasing employee engagement, and introducing a more risk-based approach to asset management activities. However, several fundamental challenges remain, including a fragmented and unwieldy organizational structure antiquated systems and processes, and role specification which allows for little flexibility in allowing employees to perform various roles while responding to spikes and ebbs in workload.

MFH proposes implementation of 3 categories of changes that will significantly improve the delivery model, help better manage risk and lead to an annual cost savings of an estimated \$47M upon complete implementation. These changes include the following:

- (1) Streamline the organizational structure;
- (2) Introduce risk-based processing across MFH and launch greater workload sharing and balancing;
- (3) Create new roles and abolish outdated or under-utilized positions.

The goal is to fully implement these changes by the end of fiscal year (FY) 2016. The reorganization is expected to enhance operational efficiency, as well as improve the service provided to HUD's customers.

##### B. Description of Proposed Changes

Under the proposed structure, Headquarters' business units will be consolidated and reduced from 6 separate offices to 4. In the field, MFH will consolidate 17 Hubs to 5 Hub offices and 5 satellite offices reporting to the Hubs. The other 7 Hubs and 34 program centers will be consolidated into the remaining 10 offices (5 Hub offices and 5 satellite offices). The 2 existing property disposition centers

will be consolidated into one. Affected offices that will be consolidated include: Hartford CT, Manchester NH, Providence RI, Newark NJ, Buffalo NY, Philadelphia PA, Washington DC (field office only), Baltimore MD, Pittsburgh PA, Richmond VA, Charleston WV, Birmingham AL, Miami FL, Louisville KY, Jackson MS, Greensboro NC, San Juan PR, Columbia SC, Knoxville TN, Nashville TN, Indianapolis IN, Minneapolis MN, Cleveland OH, Milwaukee WI, Little Rock AK, New Orleans LA, Albuquerque NM, Oklahoma City OK, Houston TX, San Antonio TX, Des Moines IA, St. Louis MO, Omaha NE, Phoenix AZ, Los Angeles CA, Honolulu HI, Las Vegas NV, Anchorage AK, and Portland OR. The Seattle WA office will remain open however; MFH employees will be transferred into like positions in that office to support the Office of Healthcare Programs. The 5 remaining Hubs will be in Atlanta GA, New York NY, Chicago IL, Fort Worth TX, and San Francisco CA. The satellite offices will be in Denver CO, Kansas City MO, Jacksonville FL, Detroit MI and Boston MA.

This new model will help establish better spans of control and establish clear reporting lines in the field. The new structure will allow for more active workload balancing which will enable MFH to provide more consistent servicing to its customers which will ultimately enhance the level of customer service received. Employees in affected offices will have the option to either take a buyout or continue their HUD careers in one of the 10 remaining locations via directed reassignments with relocation entitlements.

To ensure that effective program delivery is maintained for all customers, MFH will introduce risk-based processing and workload sharing and will create new roles and abolish outdated or under-utilized positions. To increase processing consistency and enhance efficiency, workload will be spread virtually across the remaining Hubs based on utilization. This will result in increased efficiency gains in both Asset Management and Asset Development, and help to maintain level work across the remaining hubs. More importantly, reducing the field footprint will increase the consistency of MFH processing across the country and provide a standard platform to introduce ongoing enhancements and efficiencies.

MFH will segment its lenders and loans by key risk factors, spending less time on low-risk applications to ensure sufficient focus can be placed on the more high-risk ones. This will improve

processing time and allow MFH to better manage risk within the organization. Additionally, MFH assets will be segmented by troubled and non-troubled, which will provide the ability to designate specific staff to focus on more complex-time-consuming work.

Additionally, MFH currently has defined roles and positions that are outdated and poorly designed in relationship to specification. Roles are overspecialized in the Asset Development arena while they are under specialized in Asset Management. This creates bottlenecks in processing (not enough of a particular role to meet workload demands or processing breakdowns when key players are absent). Overspecialization reduces the ability of employees to perform various functions as workload demand ebbs and peaks. Under specialization oftentimes reduces the ability to effectively manage risk.

Under the new operating model, MFH will create two new models, an Underwriter position to support Asset Development and an Account Executive model for Asset Management. The creation of these models will improve efficiency and help to better manage risk. Review of underwriting applications will shift from a team approach with specialists each having their own defined role, to a single reviewer (underwriter) who will pull in technical expertise only as needed. This will improve efficiency and productivity by reducing processing time as review of applications is passed through several reviewers, and eliminating duplication and re-work. The Account Executive (AE) model will define two levels of AEs. There will be a general AE that will focus on non-troubled applications and a troubled asset specialist who will be assigned more complex, time-consuming applications. Additionally, AEs will be assigned portfolios segmented by region/lender to enhance the level of customer service provided to MFH clients. These changes are not only expected to bring significant benefits to MFH, but will pave the way to HUD's overall vision for transforming rental assistance.

(1) Estimate of Cost Savings

Approximately 90 days following the date of publication of this notice, MFH will begin consolidating offices and reducing its operating footprint, anticipating full implementation of the proposed changes by the end of FY 2016. It is anticipated that overall staffing in MFH will be reduced from 1,547 employees in FY 2012 to 1,173 by the end of FY 2016.

It is difficult to project the number of employees who will take advantage of the buyout, choose to relocate, or resign because these are individual decisions. However, it is estimated that 50–75 percent of the affected employees will take the buyout while 25–50 percent may opt to relocate. MFH is anticipating that limited recruiting will be needed in the remaining 10 offices to supplement the existing workforce and skills needed if staffing is below required levels. The total savings will be about \$47M annually once implementation is complete. The savings is directly related to a reduction in salary and benefit costs due to reducing overall MFH staffing from 1,547 in FY 2012 to 1,173 by the end of FY 2016.

	Staffing levels	Total salaries and expenses
FY 2012 .....	1547	\$184,161,792
FY 2016 .....	1173	146,666,808
Estimated (S&E) Savings .....	(374)	*(46,748,504)

\* Savings calculated on FY16 average cost per FTE.

(2) Estimate of the Additional Cost

a. One Time Costs:

i. *Buyout cost (approximately \$13.9M–\$20.8M).* It is estimated that 50–75 percent of employees in the affected offices will take the buyout. The anticipated total cost includes the buyout (\$25,000) and estimated terminal leave costs (\$10,000).

ii. *Personnel relocation cost (approximately \$16.8M–\$33.6.1M).* It is estimated that 25–50 percent of employees in the affected offices will opt to continue their HUD careers in other locations via directed reassignments, and certain relocation costs will be paid.

iii. *Severance or unemployment compensation costs (\$0).* No severance costs are associated with this initiative since termination of any staff is not expected.

iv. *Net Office closure costs (\$6.1M).* No offices will be closed as part of the MFH realignment, only MFH personnel will be removed from certain offices; however this may require reconfiguration of existing space or lease modifications to accommodate the smaller footprint. One time cost estimates for this reconfiguration in the 40 offices that will no longer have a MFH presence are estimated at \$14.1M. Factoring in an estimated savings of \$8M as leases begin to expire, this equates to a one-time cost of approximately \$6.1M. Note: These costs

will be incurred as offices are realigned, not all at once.

v. *Space alteration costs in the ten remaining offices (\$20M)*. There will be a one-time cost to reconfigure the space in the remaining MFH offices, or locate alternate facilities if space alterations are not feasible, to accommodate the increase in staff. These costs are estimated at \$20M and will incur throughout the various phases of the realignment.

vi. *Training costs (\$500,000)*. Employees will be provided with training on performing the new roles under the enhanced operating model.

b. *Reoccurring Costs:*

Operating Costs (\$0). It is anticipated that the MFH reorganization impact on travel funding will be minimal.

(3) Study of the Impact on the Local Economy

It is anticipated that 25–50 percent of impacted employees (197–395) will be reassigned to an alternate location. Any impact on the local economies in terms of housing, schools, public services, taxes, employment and traffic congestion will be minimal.

(4) Estimate of the Effect of the Reorganization

As mentioned above, workload will be spread virtually across the remaining Hubs and satellite offices based on utilization. This will result in increased efficiency gains in both Asset Management and Asset Development and help to balance workload across the remaining Hubs and satellite offices. Additionally, developing new, more generalized roles that can perform multiple functions, will allow employees to more effectively support processing and perform multiple functions as workload ebbs and peaks. Program delivery will not be impacted as workload will be shared across remaining locations and employees will become more flexible in performing multiple tasks.

Dated: April 24, 2013

**Carol J. Galante**

*Assistant Secretary for Housing—Federal Housing Commissioner.*

[FR Doc. 2013–10057 Filed 4–29–13; 8:45 am]

**BILLING CODE 4210–67–P**

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

**[Docket No. FR–5648–N–04]**

**Final Fair Market Rents for the Housing Choice Voucher Program and Moderate Rehabilitation Single Room Occupancy Program Fiscal Year 2013; Revised**

**AGENCY:** Office of the Assistant Secretary for Policy Development and Research, HUD.

**ACTION:** Notice of Final Fiscal Year (FY) 2013 Fair Market Rents (FMRs), Update.

**SUMMARY:** Today’s notice updates the FY 2013 FMRs for Cheyenne, WY, and Odessa, TX, based on surveys conducted in September 2012 and for Burlington, VT, Mountrail County, ND, Ward County, ND, and Williams County, ND based on surveys conducted in November 2012. The FY 2013 FMRs for these areas reflect the estimated 40th percentile rent levels trended to April 1, 2013.

**DATES:** *Effective Date:* The FMRs published in this notice are effective on April 30, 2013.

**FOR FURTHER INFORMATION CONTACT:** For technical information on the methodology used to develop FMRs or a listing of all FMRs, please call the HUD USER information line at 800–245–2691 or access the information on the HUD USER Web site: <http://www.huduser.org/portal/datasets/fmr.html>. FMRs are listed at the 40th or 50th percentile in Schedule B. For informational purposes, 40th percentile recent-mover rents for the areas with 50th percentile FMRs will be provided

in the HUD FY 2013 FMR documentation system at <http://www.huduser.org/portal/datasets/fmr/fmr/docsys.html&data=fmr13> and 50th percentile rents for all FMR areas are published at <http://www.huduser.org/portal/datasets/50per.html>.

Questions related to use of FMRs or voucher payment standards should be directed to the respective local HUD program staff. Questions on how to conduct FMR surveys or concerning further methodological explanations may be addressed to Marie L. Lihn or Peter B. Kahn, Economic and Market Analysis Division, Office of Economic Affairs, Office of Policy Development and Research, telephone 202–708–0590. Persons with hearing or speech impairments may access this number through TTY by calling the toll-free Federal Relay Service at 800–877–8339. (Other than the HUD USER information line and TDD numbers, telephone numbers are not toll-free.)

**SUPPLEMENTARY INFORMATION:** In response to comments submitted to the FY 2012 and FY 2013 FMRs, surveys were conducted of the following areas: Cheyenne, WY, and Odessa, TX, Burlington–South Burlington, VT and a three-county group in northwest North Dakota, Mountrail County, Ward County, and Williams County. HUD was evaluating a new survey methodology and could not conduct any surveys in time for the publication of the final FY 2013 FMRs. Cheyenne and Odessa were surveyed in September and Burlington and the three-county group in North Dakota were surveyed in November.

The FMRs appearing in the following table supersede the values found in Schedule B that became effective on October 1, 2012, and were printed in the October 5, 2012. **Federal Register** (available from HUD at: [http://www.huduser.org/portal/datasets/fmr/fmr2013f/FY2013F\\_SCHEDULE\\_B.pdf](http://www.huduser.org/portal/datasets/fmr/fmr2013f/FY2013F_SCHEDULE_B.pdf)).

The FMRs for the six affected areas are revised as follows:

2013 Fair market rent area	FMR by number of bedrooms in unit				
	0 BR	1 BR	2 BR	3 BR	4 BR
Burlington-South Burlington, VT MSA .....	902	980	1280	1604	1881
Cheyenne, WY MSA .....	508	578	781	1071	1251
Odessa, TX MSA .....	659	764	983	1251	1313
Mountrail County, ND .....	841	878	1041	1306	1817
Ward County, ND .....	773	825	1087	1602	1667
Williams County, ND .....	771	841	1026	1278	1371