

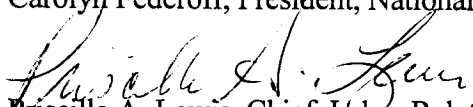


U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-3000

OFFICE OF ADMINISTRATION

JUL - 2 2004

MEMORANDUM FOR: Carolyn Federoff, President, National Council of HUD Locals 222

FROM:   
Priscilla A. Lewis, Chief, Labor Relations Branch, ARHLL

SUBJECT: Establishment of the Office of Affordable Housing Preservation

In accordance with Article 5, Section 5.02, of the HUD/AFGE Agreement attached is the information concerning the establishment of the Office of Housing, Office of Affordable Housing Preservation (OAHP). The package contains a description of the office operations, staffing plan, and the proposed organizational chart.

Please submit any preliminary proposals related to the impact of the proposed change to me within 10 calendar days after receipt of this memorandum.

If you have any questions regarding the information provided, please contact Deborah Swann at (202) 708-1492.

Attachment

cc:  
Edward Eitches, Chairperson, Headquarters  
Perry Casper, Portland, Oregon  
James Lee, Richmond, Virginia  
Marinella Murillo, San Antonio, Texas  
Lisa Lowery, Knoxville, Tennessee  
Sherry Norton, Jacksonville, Florida



# CURRENT OFFICE OF HOUSING

**Assistant Secretary Housing-Federal  
Housing Commissioner (HSNG)**

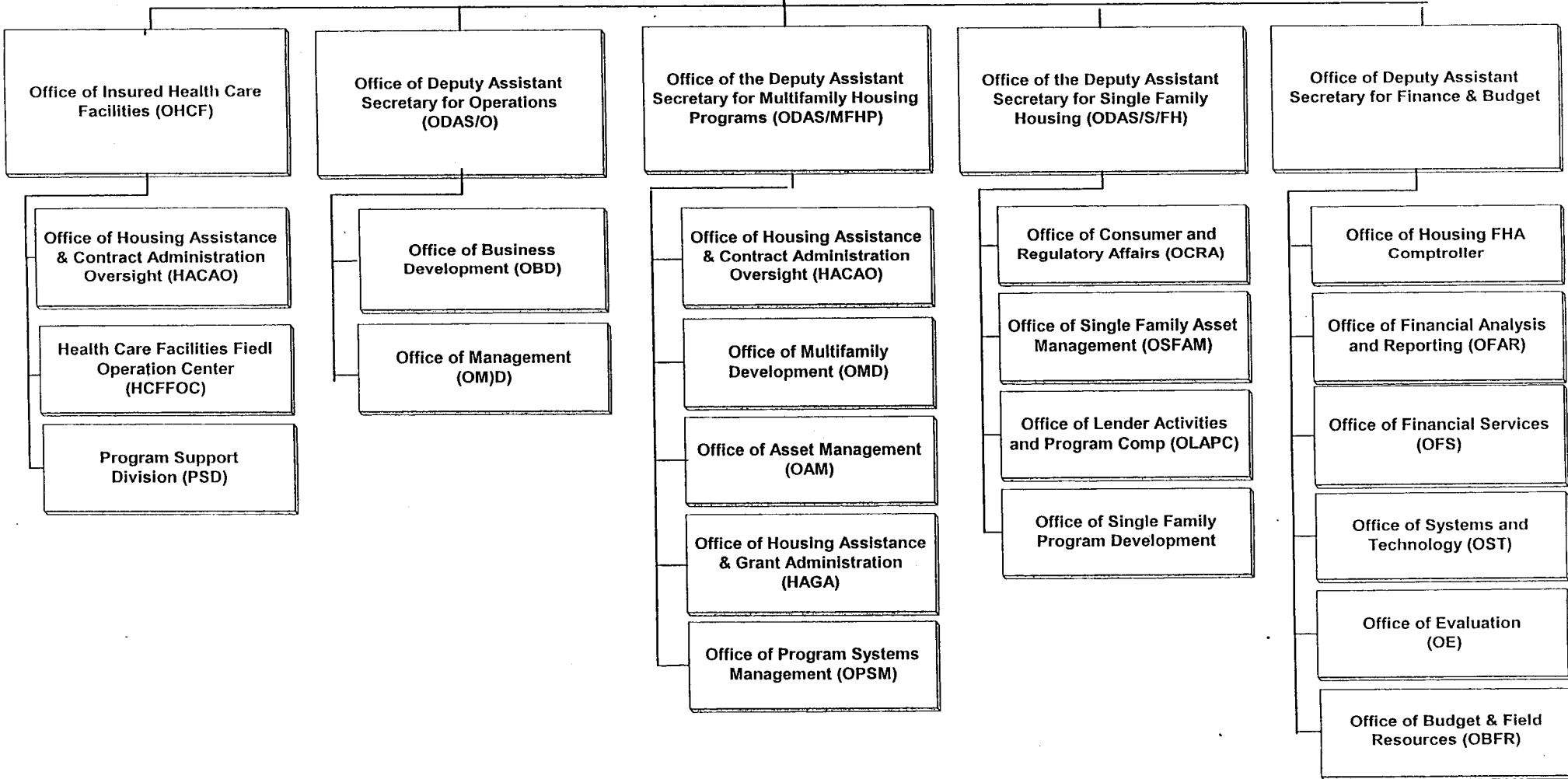
Assistant Secretary, H

General Deputy Assistant Secretary, H

Special Assistant to DAS/HSNG, H

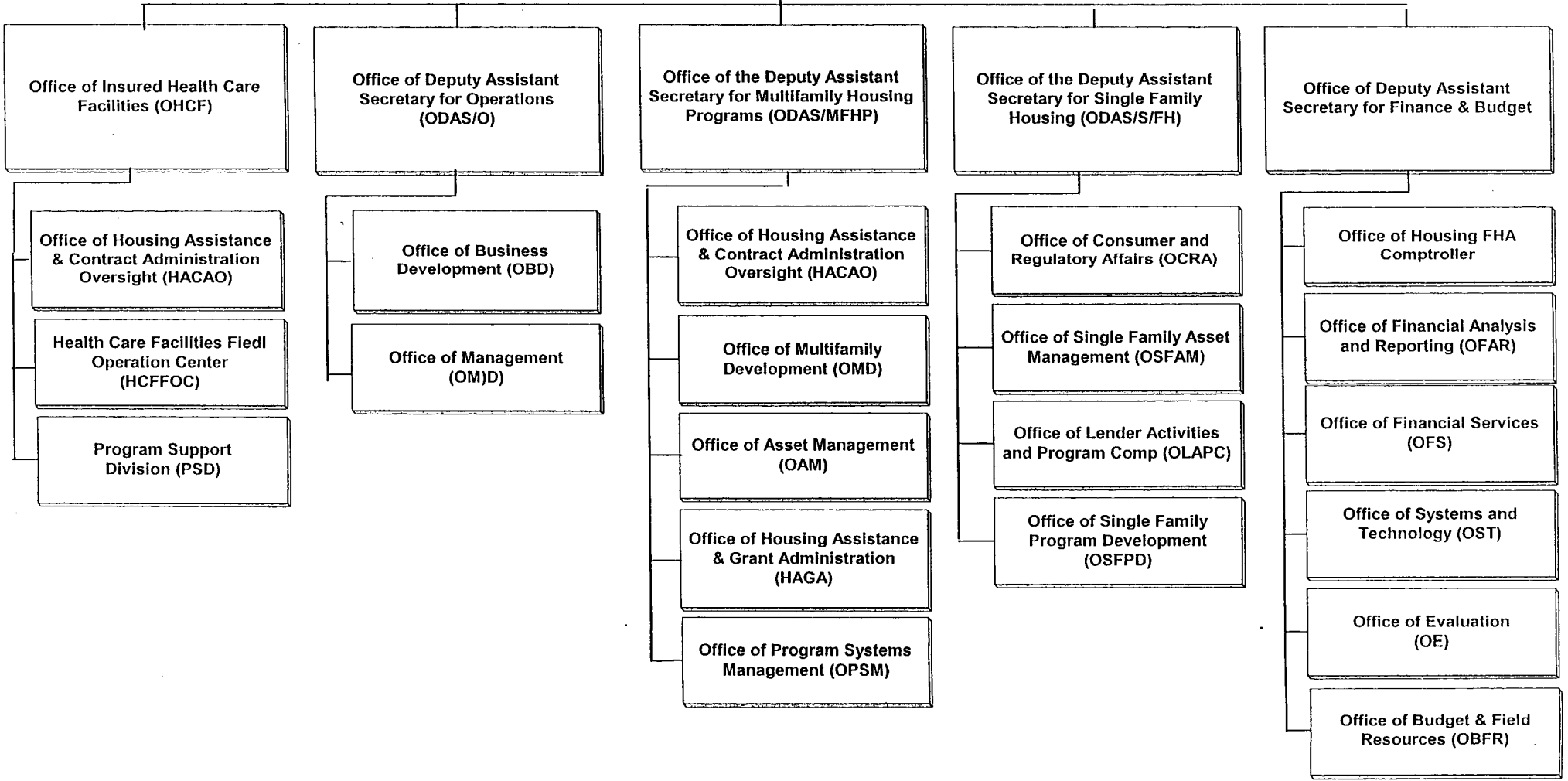
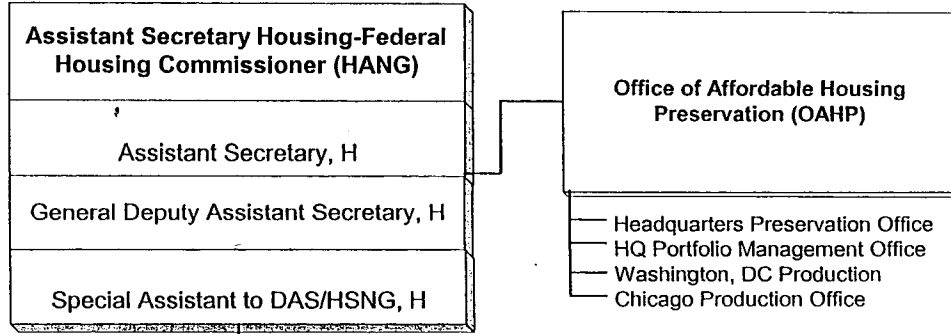
Office of Multifamily Assistance  
Restructuring (OMFAR)

TO BECOME Office of Affordable  
Housing Preservation



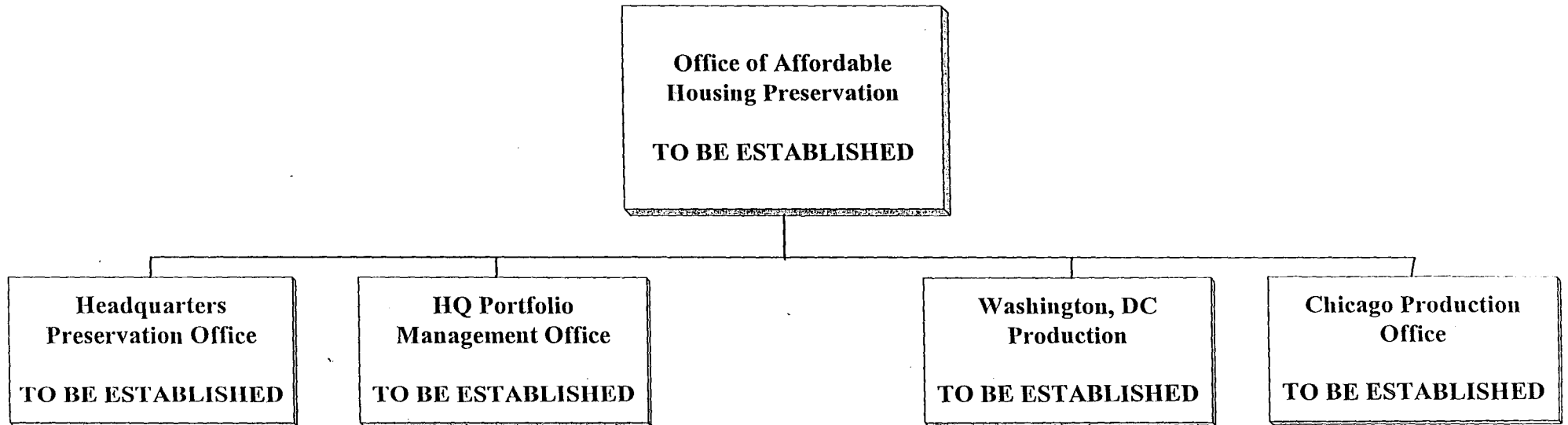


# PROPOSED OFFICE OF HOUSING



# OFFICE OF AFFORDABLE HOUSING PRESERVATION (PROPOSED)

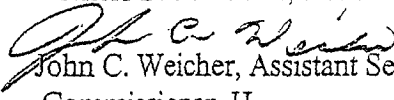
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ASSISTANT SECRETARY FOR HOUSING-  
FEDERAL HOUSING COMMISSIONER

February 17, 2004

MEMORANDUM FOR: Vickers B. Meadows, Assistant Secretary for Administration, A  
FROM:   
John C. Weicher, Assistant Secretary for Housing-Federal Housing  
Commissioner, H  
SUBJECT: Clearance Package for the establishment and staffing of the Mark-to-  
Market Program (Office of Affordable Housing Preservation)

This memorandum seeks your help to establish and staff a Departmental Office of Affordable Housing Preservation as a separate Office within Housing. This organization has been discussed with and concurred upon by the Acting Secretary in a meeting on January 22, 2004.

In addition to background information which identifies the need for such an organization, I have included below information on the organization currently performing Mark to Market work; and functional descriptions of the new organization. I have also attached the following information needed in the clearance process.

1. A Chart of the Organization (OMHAR) currently performing Mark to Market work.
2. A Chart of the Proposed Organization (Office of Affordable Housing Preservation)
3. Staffing Plan and Article 5 Requirements
4. Positions descriptions for all proposed GS 14 and 15 positions

### Overview

In 1997, Congress passed the Multifamily Assisted Housing Reform and Affordability Act (MAHRA) to help preserve the availability and affordability of low-income rental housing while also reducing associated Section 8 costs to taxpayers. It required the formation of the Office of Multifamily Housing Assistance Restructuring (OMHAR) as a separate organizational unit reporting to the Secretary.

This authorizing legislation called for the termination of the OMHAR organization on September 30, 2001. Reauthorizing legislation was passed that placed OMHAR within the Office of Housing, and extended it through September 30, 2004, at which time the director's position and the organization terminate. It also provided for the continued use of the restructuring tools by the Department through September 30, 2006.

### Preserving M2M Successes

OMHAR is responsible for confirming the eligibility of referred properties, reducing rent subsidies, restructuring the underlying debt, and providing for property repairs if needed. Eligible properties

are those that are FHA-insured, and Section 8-assisted at above-market rent levels. Under the direction of OMHAR staff, local housing agencies and private-sector organizations work with the owners, tenants and lenders to mark down above-market rents and restructure debt to a serviceable level.

From its inception through the end of calendar year 2003, OMHAR has completed its work on over 2100 properties. This has resulted in the preservation of over 164,000 units of affordable housing and has created cost savings of over \$1.3 billion. The referral of properties throughout FY03 to the M2M Program was at an all-time high, resulting in 644 active properties in the M2M pipeline at calendar year-end. Given current accelerated processing times and expected declining levels of referrals throughout FY04, the pipeline at 9/30/04 is projected to be about 415 active properties. This illustrates that a significant workload remains in fiscal years 2005 and 2006.

### **Re-establishing and Re-staffing the M2M Program For Post-Sunset Operations**

The Multifamily Assisted Housing Reform and Affordability Act (MAHRA) reauthorizing legislation requires a continued operation of the M2M Program for two years after the termination of the OMHAR organization (through 09/30/06). In order to meet this requirement, a highly skilled and specialized workforce is necessary. Having a cohesive, discrete group to implement the M2M activities will ensure a seamless transition post-sunset, and will ensure that operations will continue to yield results toward the OMB savings and Departmental affordable housing preservation goals.

### **Current Structure**

OMHAR, the current office for M2M activities, is within the Office of Housing and has a director position that reports directly to the FHA Commissioner. OMHAR currently has 78 employees (31 in headquarters and 47 in four production offices located in Washington DC, Chicago, New York, and San Francisco).

Of the 78 employees, 22 have reinstatement eligibility with the Department and the remaining 56 do not. Since OMHAR is a temporary organization, all 77 of its 78 employees are on Schedule A excepted service term appointments expiring 9/30/04. The 78<sup>th</sup> employee, the Director is on a Presidential Appointment that terminates at the same time.

### **Current REAP**

The current REAP-based FTE ceiling for OMHAR is 86.8. The current 2005 Housing Budget requests 74 positions for Mark to Market work. This clearance package identifies the most critical 61 positions needed for the establishment of a Mark to Market (M2M) Program.

## Proposed Structure

The proposed structure for Mark-to-Market activities post-sunset is to staff a core level of employees dedicated to Mark-to-Market functions. This group (Office of Affordable Housing Preservation) would continue to be located within the Office of Housing, headed by a Deputy Assistant Secretary (DAS) for Affordable Housing Preservation reporting directly to the Assistant Secretary for Housing/FHA Commissioner. This structure allows for the program to retain the visibility and focus intended in the MAHRA legislation.

Functional areas proposed for the Office of Affordable Housing Preservation include the following:

- Washington DC-stationed Headquarters Office
  - Production Oversight
  - Portfolio Management
  - Policy Guidance and interpretation
  - Bonds Eligibility Determination
  - Administrative Appeals
  - 401.600 Waiver Processing
  - PAE Management and Invoicing
  - Asset Assignment
  - Closing and Post-closing
  - Rehabilitation Escrow Management
  - Management Information Systems
  - Resource Desk
- Washington DC-stationed Production Office
  - Relationship Management
  - Underwriting
  - Transaction Reviews and Approvals
  - Appeals Processing
  - Transaction Closings
- Chicago-stationed Production Office
  - Relationship Management
  - Underwriting
  - Transaction Reviews and Approvals
  - Appeals Processing
  - Transaction Closings

## Resource Implications

A proposed staffing level of 61 positions is recommended for the Office of Affordable Housing Preservation. Twenty-seven (27) positions are proposed for the Washington DC Headquarters Office and thirty-four (34) for the two field production offices in Washington DC (20) and Chicago (14).

Included in the twenty-seven (27) positions proposed for the Washington DC Headquarters Office are three positions out-stationed in New York. Included in the thirty-four (34) positions in the two production offices are five (5) positions out-stationed in New York (2) and San Francisco (3) HUBs.

It is expected that most of the positions would be merit-staffed using the HUD salary scale and would be posted once this clearance package is approved. Given that OMHAR's separate legislative authority as an organization expires September 30, 2004, effective start dates on or before October 1, 2004, are required to continue this highly visible critical activity.

Attachments

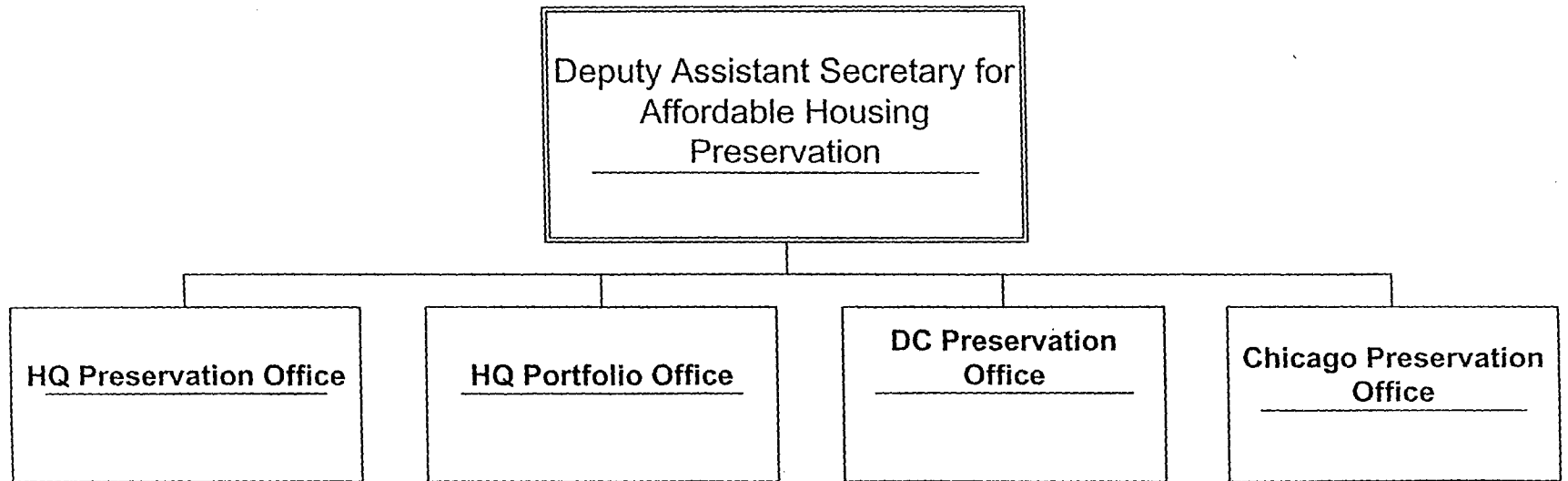




**U.S. Department of Housing & Urban Development**  
**Office of Multifamily Housing Assistance Restructuring (OMHAR)**  
**Current Organization**

**Office of  
Multifamily  
Housing  
Assistance  
Restructuring  
(OMHAR)**  
**Director**

# Office of Affordable Housing Preservation



**STAFFING PLAN AND  
ARTICLE 5 REQUIREMENT INFORMATION**

Office of Affordable Housing Preservation Immediate Office of the Deputy Assistant Secretary			
Position Title	Series/Grade	Supv/Mgmt?	Duty Station
Deputy Assistant Secretary for Affordable Housing Preservation	SES	Y	Washington, DC
Associate Deputy Assistant Secretary	GS-1101-15	Y	Washington, DC
<i>Administrative Assistant</i>	<i>GS - 303 - 9/11</i>	<i>N</i>	<i>Washington, DC</i>

Office of Affordable Housing Preservation Headquarters <i>Preservation Office</i>			
Position Title	Series/Grade	Supv/Mgmt?	Duty Station
Director	GS - 1101 - 15	Y	Washington, DC
<i>Underwriting Manager</i>	GS - 1101 - 15	N	Washington, DC
<i>Restructuring Manager (Field Liaison)</i>	GS - 1101 - 15	N	Washington, DC
<i>Financial Transaction Manager</i>	GS - 1101 - 15	N	Washington, DC
Bonds and Appeals Manager	GS - 1101 - 13/14	N	Washington, DC
Restructuring Analyst	GS - 1101 - 12	N	Washington, DC
<i>Systems &amp; Support Manager</i>	<i>GS - 301 - 14</i>	N	Washington, DC
<i>Systems Specialist</i>	<i>GS - 301 - 12/13</i>	N	Washington, DC
<i>Systems Specialist</i>	<i>GS - 301 - 12/13</i>	N	Washington, DC
Voucher Specialist	GS - 1101 - 12/13	N	Washington, DC
Mgmt. Assistant	GS - 344 - 8	N	Washington, DC

**Office of Affordable Housing Preservation  
Headquarters Portfolio Management Office**

<b>Position Title</b>	<b>Series/Grade</b>	<b>Supv/Mgmt?</b>	<b>Duty Station</b>
<i>Director</i>	GS - 1101 - 15	Y	Washington, DC
<b>Closing Technical Manager</b>	GS - 1101 - 15	N	Washington, DC
<i>PAE Coordination Manager</i>	GS - 1101 - 15	N	Washington, DC
<i>Rehabilitation Escrow Administration Manager</i>	GS - 1101 - 15	Y	New York, NY
<i>Rehabilitation Escrow Specialist</i>	GS - 1101 - 11/12/13	N	New York, NY
<i>Rehabilitation Escrow Specialist</i>	GS - 1101 - 11/12/13	N	New York, NY
<b>Closing/Post Closing Manager (Team Leader)</b>	GS - 1101 - 15	Y	Washington, DC
<i>Closing Specialist</i>	GS-1101-13/14	N	Washington, DC
<i>Post Closing Specialist</i>	GS - 1101 - 13/14	N	Washington, DC
<i>Post Closing Specialist</i>	GS - 1101 - 13/14	N	Washington, DC
<i>Closing Specialist</i>	GS - 1101 - 13	N	Washington, DC
<i>Post Closing Analyst</i>	GS - 1101 - 11/12	N	Washington, DC
<i>Staff Assistant</i>	GS - 303 - 8/9	N	Washington, DC

Office of Affordable Housing Preservation  
Washington DC Preservation Office

Position Title	Series/Grade	Supv/Mgmt?	Duty Station
<i>Director</i>	GS - 1101 - 15	Y	Washington, DC
<i>Deputy Director</i>	GS - 1101 - 15	Y	Washington, DC
Debt Restructuring Specialist	GS - 1101 - 12/13/14	N	Washington, DC
Debt Restructuring Specialist	GS - 1101 - 12/13/14	N	Washington, DC
Debt Restructuring Specialist	GS - 1101 - 12/13/14	N	Washington, DC
Debt Restructuring Specialist	GS - 1101 - 12/13/14	N	Washington, DC
Underwriter	GS - 1101 - 13/14	N	Washington, DC
Underwriter	GS - 1101 - 13/14	N	Washington, DC
Underwriter	GS - 1101 - 13/14	N	New York, NY
Underwriter	GS - 1101 - 13/14	N	New York, NY
Closing Coordinator	GS - 1101 - 13/14	N	Washington, DC
Closing Coordinator	GS - 1101 - 13/14	N	Washington, DC
<i>Systems Specialist</i>	GS - 301 - 12/13	N	Washington, DC
Voucher Specialist	GS - 301 - 11	N	Washington, DC
Management Analyst (Records)	GS - 301 - 9/11	N	Washington, DC
Restructuring Analyst	GS - 1101 - 5/7/9/11	N	Washington, DC
Restructuring Analyst	GS - 1101 - 5/7/9/11	N	Washington, DC
Restructuring Analyst	GS - 1101 - 5/7/9/11	N	Washington, DC
Restructuring Analyst	GS - 1101 - 5/7/9/11	N	Washington, DC
Staff Assistant	GS - 303 - 08	N	Washington, DC

**Office of Affordable Housing Preservation  
Chicago Preservation Office**

<b>Position Title</b>	<b>Series/Grade</b>	<b>Supv/Mgmt?</b>	<b>Duty Station</b>
<i>Director</i>	GS - 1101 - 15	Y	Chicago, IL
<i>Deputy Director</i>	GS - 1101 - 15	Y	Chicago, IL
Debt Restructuring Specialist	GS - 1101 - 12/13/14	N	Chicago, IL
Debt Restructuring Specialist	GS - 1101 - 12/13/14	N	Chicago, IL
Debt Restructuring Specialist	GS - 1101 - 12/13/14	N	San Francisco, CA
Underwriter	GS - 1101 - 13/14	N	Chicago, IL
Underwriter	GS - 1101 - 13/14	N	Chicago, IL
Underwriter	GS - 1101 - 13/14	N	Chicago, IL
Closing Coordinator	GS - 1101 - 14	N	Chicago, IL
Restructuring Analyst	GS - 1101 - 13	N	Chicago, IL
Underwriter	GS - 1101 - 9/11	N	San Francisco, CA
Restructuring Analyst	GS - 1101 - 5/7/9/11	N	Chicago, IL
Restructuring Analyst	GS - 1101 - 5/7/9/11	N	San Francisco, CA
Restructuring Analyst	GS - 1101 - 5/7/9/11	N	Chicago

Office of Affordable Housing Preservation: Chicago Production Office			
Position Title	Series/Grade	Supv/Mgmt?	Duty Station
Portfolio Director	GS - 1101 - 15	Y	Chicago, IL
Deputy Portfolio Director	GS - 1101 - 14/15	Y	Chicago, IL
Debt Restructuring Specialist	GS - 1101 - 12/13/14	N	Chicago, IL
Debt Restructuring Specialist	GS - 1101 - 12/13/14	N	Chicago, IL
Debt Restructuring Specialist	GS - 1101 - 14	N	San Francisco, CA
Underwriter	GS - 1101 - 13/14	N	Chicago, IL
Underwriter	GS - 1101 - 13/14	N	Chicago, IL
Underwriter	GS - 1101 - 13/14	N	Chicago, IL
Closing Coordinator	GS - 1101 - 14	N	Chicago, IL
Restructuring Analyst	GS - 1101 - 13	N	Chicago, IL
Underwriter	GS - 1101 - 9/11	N	San Francisco, CA
Restructuring Analyst	GS - 1101 - 5/7/9/11	N	Chicago, IL
Restructuring Analyst	GS - 1101 - 5/7/9/11	N	San Francisco, CA
Restructuring Analyst	GS - 1101 - 5/7/9/11	N	Chicago