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Attachment 1 (Issue I)

Attachment 4 (Issue I)  
Organizational Issues

The Department of Housing and Urban Development was created in 1965 to consolidate a variety of independent agencies that had been created over the years to carry out legislative mandates in the field of housing and community development. Among these were the Federal Housing Administration, the Public Housing Administration, the Urban Renewal Administration and the Community Facility Administration. These organizations were relatively autonomous and had direct control over their program operations in the field.

In late 1969, steps were taken to consolidate a number of these functions with a view toward more integrated operations in the field. In addition, a conscious effort was made to delegate much of the responsibility for program execution from the central office to the field. Between 1970 and 1975, additional steps were taken to "align" the field organization with its counterpart organizations in the central office to ensure both horizontal (functions) and vertical (program) integration. Many of the decisions reached between then and now are still in the process of implementation.

There has been a marked degree of commonality with regard to the organizational issues raised over the years. The following summary highlights four that are particularly significant at this point in time.

Interagency Integration -- There are substantial overlaps between the missions and programs assigned to HUD and those assigned to other agencies. Some of the more prominent in terms of potential organizational consolidations are as follows:

- Housing - HUD performs insurance, direct loan and guarantee functions that closely resemble those of the Veterans Administration and the Farmer's Home Administration (FmHA) (Agriculture).
- Community Development -- The planning and physical development grants administered by HUD are closely related to those of EPA, FEA, Economic Development Administration (Commerce), FmHA, the Office of Coastal Zone Management (Transportation), and the Urban Mass Transit Administration (Transportation).
- Equal Opportunity - HUD's compliance activities on Title VI and most Executive Orders are as EO11246 (contract compliance) overlap those of other agencies.

Departmental Integration - The Housing and Community Development Act of 1974 emphasized the need for more cross-program integration with regard to community development, housing and equal opportunity. For example, to receive a Community Development Block Grant, the applicant must submit a Housing Assistance Plan showing how the needs of lower income families will be addressed. The justification for the nexus between housing and community development is that housing is the most visible physical development in any community. From an organizational point of view, the Department has been moving toward an integrated operational structure and away from the pure bureau structure that existed prior to 1970. The most recent step in this direction was the consolidation of the old Housing Production and Mortgage Credit and Housing Management functions under one Assistant Secretary for Housing (June 10, 1976).

In the central office, most major Departmental activities are divided among four program Assistant Secretaries (Housing, Community Planning and Development, Equal Opportunity, and Consumer Affairs). They are responsible for program design, monitoring and evaluation activities in their respective areas of interest. Cross program coordination is achieved through the Office of the Secretary and the supporting staff in headquarters.

A Regional Administrator in each of the ten designated Federal regions is the Department's general manager in that Region and is responsible to each program Assistant Secretary for achieving the program goals which he has negotiated with that Assistant Secretary. He monitors and evaluates the performance of the Area and Insuring Offices in his Region.

Most actual program operations and client contact are at the Area and Insuring Office level, of which there are 77. The office director is responsible to his Regional Administrator for program operations.

The Deputy Under Secretary for Field Operations, who reports directly to the Secretary and the Under Secretary is an ombudsman for the field offices who assists the Secretary and Under Secretary in resolving program priority conflicts or appeals on other matters such as staffing.

Basically, the current structure favors a strong integrated operation in the field. Those who prefer a stronger program orientation would permit each program Assistant Secretary to have direct control over his own program oriented field managers. The resulting structure would be similar to that which existed in 1965 when the Department consisted of a number of largely independent agencies

A major subset of this overall issue involves the question of the Federal Housing Administration. Many interest groups and some members of Congress favor a return to an independent and autonomous Federal Housing Administration. FHA's activities would be largely limited to providing mortgage credit through mortgage insurance. Under some versions of this alternative, FHA would not be involved in any activities associated with subsidized housing - in fact, it would be given its own organizational identity outside the structure of the Department.

Field Office Consolidation - Over the years, the amount of unsubsidized mortgage insurance activity carried out by the Department has fallen off substantially. To a great extent, this is attributable to the rapid growth in the private mortgage insurance industry and to the services provided by other public institutions, particularly VA and FmHA. On the other hand, the assisted housing activities of the Department have been on the rise.

In view of these developments, an evaluation of the Departmental structure at the field office level was recently conducted. It concluded that 16 of the 34 field offices which were involved only in providing FHA insurance should be upgraded and given the responsibility for assisted housing programs as well. The second major conclusion was that nine low-volume insuring offices should be closed and their functions transferred to one or more of the remaining offices. In addition, it was concluded that at least one area office (area offices provide Community Development as well as Housing services) should be relocated.

At this point in time, action has been taken to upgrade the 16 insuring offices. However, no steps have been taken to close the nine low-volume offices and relocate the major area office.

Office of the Secretary - In an effort to strengthen the ability of the Secretary to plan, monitor and control Departmental activities, the position of Deputy Under Secretary for Field Operations was created in 1973, and the position of Deputy Under Secretary for Management was created in 1974. Although it is generally conceded that both of these offices have played an important role in the improved performance achieved by the Department during 1975 and 1976, there is some overlap between the two offices. These planning, management and monitoring functions could be consolidated into one organization within the Office of the Secretary.

A related issue exists with regard to budgeting, policy development, and impact evaluations. At the present time, the latter two are performed outside the Office of the Secretary, under the Assistant Secretary for Policy Development and Research. Similarly, budget formulation currently falls under the Assistant Secretary for Administration. Since all three of these critical functions require constant interaction with the Secretary and the Under Secretary, the question arises as to whether some or all of these functions should be within the Office of the Secretary.

Attachment 2

Attachment 2  
Budget and Legislation Calendar for 1977

January

- Submission of President's FY 78 Budget to the Congress.
- Secretary's Press Conference, and other briefings on FY 78 Budget.
- Beginning of preparation of President's FY 78 Budget justification books and supporting material for Congressional Committees -- some Secretarial clearances required.
- Preliminary steps toward the development of FY 79 budget issues -- may include some Secretarial time.

February

February has no specific dates scheduled. Justifications on the FY 78 Budget will be under preparation with the goal of delivery to the Hill by the end of the month. There will be time required for briefings on the budget and preparations for hearings. Authorizing Committees may want to schedule hearings during February in connection with annual authorization legislation.

March

- FY 79 Budget activity underway -- may require Secretarial decisions.
- Preparation of Secretary/Under Secretary for Congressional testimony.
- Possible Mock Hearings for witnesses who will appear before Congressional Committees.
- Various Committees of Congress to submit reports to Budget Committees -- may be preceded by oversight hearings with Secretary.
- Congressional legislative authorizing committees (House and Senate) conference reports on legislation released. Secretary and Under Secretary will probably be involved in making decisions at each stage.

April

- Secretary/Under Secretary appearance before Appropriations Subcommittees hearings on FY 78 Budget estimates.



May

- Congressional Budget Committees report bills and resolutions authorizing new budget authority. Congress completes action on first concurrent resolution on the budget. The Secretary could be involved to the extent that the Department's programs are adversely affected and discussions with Congressional Committees are required.

June

June has no specific dates scheduled. However, oversight hearings with authorization committees are often scheduled this month.

- Congressional Appropriations Committees (House and Senate) Conference Reports on bills released. Secretary and Under Secretary will probably be involved in making decisions at each stage.

July

July has no specific dates scheduled. Hearings before the Joint Economic Committee have often been held this month.

August

- Secretary makes final decisions on FY 79 Budget estimates recommendations for preparation of submission to OMB, and reviews FY 79 Legislative program.

September

- Secretary resolves appeals to FY 78 Operating Plans.
- Preparation of FY 78 apportionment material -- Secretary involvement if there is possibility of rescission or deferral.
- Development of formal letter to OMB submitting FY 79 Budget -- signed by the Secretary.
- Congress complete action on bills and resolutions providing new budget authority and new spending authority, action on second concurrent resolution could result in amendments to enacted legislation, and involve the Secretary.
- Oversight hearings may be held in September.

FISCAL YEAR 1977 ENDS

October

FISCAL YEAR 1978 BEGINS

- Secretary and Under Secretary participate in OMB hearings. The Secretary's appearance at the initial session is optional. Traditionally, the Secretary attends at least the first year in the Cabinet. The final session is traditionally attended by the Under Secretary.

November

- Secretary reviews OMB markup of FY 79 estimates and makes decision to appeal if necessary.

December

December has no specific dates scheduled. Work continues on the preparation of the justifications for the Appropriations Committees, and the preparation of the Press Conference materials for January. Oversight hearings may be held.

Attachment 3



THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, D. C. 20410

November 4, 1976

MEMORANDUM FOR: Principal Staff  
FROM: Carla A. Hills  
SUBJECT: Transition

You have done a splendid job over the past 20 months, demonstrating the finest quality of public service.

Our next assignment to be done in the same proud tradition is to ensure that there is a smooth transfer of responsibility to the new Administration.

To assist in accomplishing this, I am asking Vincent J. Hearing, the Deputy Assistant Secretary for Administration, to serve as Departmental Transition Officer. He will

- (1) Serve as the Departmental Director for the preparation of transition briefing materials, making certain that the final materials are clearly and concisely presented and limited to key items.
- (2) Serve as focal point for all transition coordinators designated by Assistant Secretaries and equivalent positions.

By this memorandum I am asking each Assistant Secretary and equivalent to give Vince Hearing by c.o.b. November 5 the name of a high level official to serve as Transition Coordinator for your office, a list of the major programs/activities within your responsibility that you would propose to present in the Transition Book. This will require some selection as we cannot cover every conceivable activity that your office performs. The schedule for preparing this material is set forth in Attachment 1. You already know how I feel about meeting deadlines.

Attachment 2 contains a suggested listing of programs/ activities that should assist you in developing the items you propose to include. Attachments 3 and 4 set forth instructions on the organization and format of the material.

We will need to deliver the final materials to the Printing Division on December 8, which gives us a tight schedule but one which permits us to do a quality job. I know I can count on you to carry out this assignment, which is necessary to an orderly transition, in your usual style.



Carla A. Hills

Attachments

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Tentative Schedule for Transition Process

November 3	Memo to General Counsel, Inspector General, Assistant Secretaries, Administrators, and President of GNMA requesting transition material
November 5	Suggested list of programs and list of transition co-ordinators from memo addressees
November 8	Tabs to Graphics/Print Plant
November 8 - December 1	Transition material under preparation and submission of drafts to the Office of the Assistant Secretary for Administration
December 1 - December 8	General review and final typing
December 8	Final day for delivery of material to Print Plant
December 23	Delivery of books from Print Plant; ready for distribution

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Review of Programs and Functions

Listing of Programs to be Included in  
"Program Descriptions"

HOUSING - Assisted Programs

- College Housing
- Emergency Homeowners' Relief Fund
- Homeownership Assistance (Section 235)
- Housing for the Elderly or Handicapped (Section 202)  
(including Nonprofit Sponsor Assistance) a/
- Low Income Housing Assistance (Section 8)
- Modernization of Public Housing
- Public Housing (including Indian Housing)
- Public Housing Operating Subsidies
- Rental Housing Assistance (Section 236)  
(including tax and utility subsidies) a/
- State Housing Finance and Development Agencies

HOUSING - Unassisted Programs

- FHA Mortgage Insurance Programs b/
- Federal Housing Administration Fund b/
- Loan Management
- Property Disposition

HOUSING - Other Programs

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

- Emergency Mortgage Purchase Assistance
- Special Assistance Functions Fund
- Guarantees of Mortgage-Backed Securities
- Other Programs

COMMUNITY PLANNING AND DEVELOPMENT

- Community Development Block Grants
- Comprehensive Planning Grants
- Rehabilitation Loan Fund
- Terminated Programs

NEW COMMUNITIES ADMINISTRATION



a/ Should be briefly discussed in a paragraph at the end of the program description.

b/ FHA Fund should cover the financial aspects, while Mortgage Insurance Programs should discuss the programmatic aspects.

FEDERAL INSURANCE ADMINISTRATION

Crime Insurance  
Flood Insurance  
Riot Reinsurance

CONSUMER AFFAIRS AND REGULATORY FUNCTIONS

Housing Counseling Assistance  
Interstate Land Sales  
Mobile Home Standards

POLICY DEVELOPMENT AND RESEARCH

Research and Technology  
Energy Conservation Standards Development  
Transfer from ERDA

FAIR HOUSING AND EQUAL OPPORTUNITY

Fair Housing (Title VIII)  
Equal Opportunity in HUD-Assisted Programs (Title VI)  
Contract Compliance (E.O. 11246)  
Other Programs

FEDERAL DISASTER ASSISTANCE ADMINISTRATION



## DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

## Review of Programs and Functions

Organization and Format of Volumes to be Prepared byAssistant Secretaries, AdministratorsPresident of GNMAGeneral Counsel a/Inspector GeneralORGANIZATION

Current plans call for the preparation and publication of six volumes of briefing books, to be entitled "Review of Programs and Functions," for use during the upcoming transition period. The organization of these transition volumes is attached. The following is the suggested outline for your guidance. It is intended to provide basic coverage and a degree of uniformity of organization, but is flexible and can be altered to accommodate the wide variations in number and kinds of activities to be covered.

A. INTRODUCTION

An overview of the functional area, principal activities and broad purposes served. Intended to be narrative in form, readable, reasonably brief, in non-technical language and employing a minimum of figures and statistics. Maximum allowable length is 10 pages (one side only).

B. ORGANIZATION

1. Structure. The structure will be presented in the form of organization charts, which will be provided by the Office of Organization and Management Information in the Office of the Assistant Secretary for Administration. For any questions on these charts contact Jim Peterson, X55206.
2. Supplementary explanation. A brief narrative description of how the organization functions, i.e., main elements of processing flow, location of approval authority, control systems, etc. No names should be listed. Maximum allowable length is 5 pages (one side only).

C. MAJOR ACTIVITIES (for OGC, OIG and other principal staff activities as appropriate)

Condensed summary of significant activities, generally resembling

a/ See ATTACHMENT IV for separate instructions on the preparation of the Legislative Process section of Volume II.

the presentation in the Congressional Justifications for the Appropriations Committees, but differing in three main aspects: (1) briefer, not to exceed 15 pages (one side only); (2) focus on activities up to date and present status, rather than on the previous, current, and next fiscal years as is the appropriation approach; and (3) avoid technical terminology and program jargon as much as possible.

C. PROGRAM DESCRIPTIONS (for Assistant Secretaries, Administrators, and GNMA only)

Condensed summary of each program (see ATTACHMENT II for preliminary listing), generally resembling the presentation in the Congressional Justifications for the Appropriations Committees, but differing in three main aspects: (1) briefer, not to exceed 4 pages (one side only); (2) focus on program accomplishments up to date and present status, rather than on the previous, current, and next fiscal years as is the appropriation approach; and (3) avoid technical terminology and program jargon to the extent possible. Highlight tables should accompany narrative explanations and include program accomplishments, status of pipeline, and status of funding.

D. SIGNIFICANT RELATIONSHIPS

This section should describe the working relationships with other HUD offices, with other Federal agencies such as the Office of Management and Budget or the Treasury Department, with state and local governments, and with outside organizations like the National Association of Home Builders. This section should be limited in length to 4 pages (one side only).

E. IMMINENT ISSUES (some program/activity areas will not require this section)

This section should identify those key issues the new leadership will be faced with in the near term (three months). Discussion must be limited to one page, covering background and current status. The organization identifying the issue(s) must be prepared, on call, to furnish a recommendation/option paper on the subject at a later time. The issues will be of a major policy nature of which a new Secretary and/or Under Secretary should be aware. It is not to be a detailed discussion of the issue - that should be reserved for the recommendation/option paper submitted later.

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FORMAT

The following details the specific format to be used for all briefing material. These instructions are to be strictly adhered to in the interest of uniformity.

1. Paper size: 8 x 10 1/2", with any tables or charts exceeding this size being reduced to those dimensions.

2. Prestige elite type must be used.
3. Margins must be 1" on both the left and right sides to allow for three-hole punching.
4. Any footnotes should be keyed by small letters, i.e. a/, b/, etc. Asterisks and numbered footnotes should not be used.
5. Charts and tables placed sideways on the paper are permitted, but should be assembled so that the material begins at the left side of the paper and terminates on the right side.
6. The first page of each section, i.e., Introduction, Organization, should begin one inch down from the top of the paper and appear as follows:

---

Example 1:

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Community Planning and Development

Introduction

MAJOR HEADING

Paragraphs after major headings begin by indenting 5 spaces from the left margin.

Sub-heading

Paragraphs after sub-headings begin by indenting 10 spaces from the left margin.

---

The only variance to this format is for the section on program descriptions. The title of the program under discussion should appear in place of the name of the section:

---

Example 2:

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:

Community Planning and Development

Comprehensive Planning Grants

---

Note that major headings are in all caps, underscored, and are not indented from the left margin. Succeeding paragraphs are indented 5 spaces.

Sub-headings have initial caps only, are underscored, and are indented 5 spaces.

All major headings and sub-headings should be unnumbered and unlettered. The narrative should be single-spaced, with double spacing between heading and narrative and between paragraphs.

7. The second and succeeding pages of each section should begin one inch from the top and appear as in the following examples:

---

Example 3:

Housing  
Introduction

continue the narrative here for the Introduction \_\_\_\_\_  
\_\_\_\_\_.

Example 4:

New Communities Administration  
Organization

continue the narrative here for the Organization \_\_\_\_\_  
\_\_\_\_\_.

Example 5: (OGC and OIG only)

Office of General Counsel  
Major Activities

continue the narrative here for Major Activities \_\_\_\_\_  
\_\_\_\_\_.

Example 6: (Assistant Secretaries, Administrators, and GNMA only)

Community Planning and Development  
Comprehensive Planning Grants

continue the narrative here for the program descriptions section and note that for this section only the section name is not used in the heading.

---

8. Pages will be numbered at the bottom with odd numbers in the right corner and even numbers in the left corner. Page numbers will be prefixed by section letters which are as follows:

- A. Introduction
- B. Organization
- C. Program Descriptions or Major Activities
- D. Significant Relationships
- E. Imminent Issues

Therefore, the fourth page of the section on Organization would be numbered B-4 and this would be placed in the lower left hand corner.

#### DISPOSITION

Do not hesitate to refer any questions you may have on organization or format to the Office of Budget, Ted Lucas or Karen Kennedy, X57060.

All drafts should be forwarded to the Office of the Assistant Secretary for Administration, Room 10110, no later than Wednesday, December 1, 1976, for an editorial review. The reviewed material will be returned for final typing, which might be facilitated by the use of "Mag-Card" or other "tape" machines. Upon completion of the typing, the originals, along with two xerox copies, should be sent to Room 10110. In no event is any material to be forwarded later than Wednesday, December 8, 1976.

## 1976 Transition Volumes

- I. Departmental Management and Administration
- II. The Legislative Process  
The Budget Process  
Office of General Counsel  
Office of Inspector General
- III. Housing  
Government National Mortgage Association
- IV. Community Planning and Development  
New Communities Administration  
Federal Insurance Administration  
Consumer Affairs and Regulatory Functions
- V. Policy Development and Research  
Fair Housing and Equal Opportunity  
Federal Disaster Assistance Administration
- VI. The 1978 HUD Budget

Organization of Volume I  
Departmental Management and Administration

The Secretary

The Post of Secretary  
Powers of the Secretary

Organization of the Department

Background and Overview  
Office of the Secretary  
Assistant Secretary for Administration  
Organization Charts

Staffing

Introduction  
Appointments and Position Levels  
Excepted Appointments  
Position Levels and Rate of Pay  
Upper Level Positions  
Significant Information for Appointing Officers and New  
Appointees

Organization of Volume II  
The Legislative Process  
The Budget Process  
Office of General Counsel  
Office of Inspector General

The Legislative Process

Legislative Process: Federal Substantive Laws  
Legislative Chronology  
Status of Authorizations

The Budget Process

Introduction:

- The Budget Process
- Budget Organization
- Congressional Budget and Impoundment Control Act

Budget Structure and Scope:

- . Budget Structure
- Functional Classification
- Scope of HUD Programs
- Overviews of HUD's Financial Management/Accounting Procedures
- Investigations by the House Appropriations Committee

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Office of General Counsel

Introduction  
Organization  
Major Activities  
Significant Relationships  
Imminent Issues (if applicable)

Office of Inspector General

Introduction  
Organization  
Major Activities  
Significant Relationships  
Imminent Issues (if applicable)



Organization of Volume III  
Housing  
Government National Mortgage Association

Housing

Introduction  
Organization  
Program Descriptions \*  
Significant Relationships  
Imminent Issues (if applicable)

Government National Mortgage Association

Introduction  
Organization  
Program Descriptions \*  
Significant Relationships  
Imminent Issues (if applicable)

\*Each program to be enumerated and separately tabbed.

Organization of Volume IV  
Community Planning and Development  
New Communities Administration  
Federal Insurance Administration  
Consumer Affairs and Regulatory Functions

Community Planning and Development

Introduction  
Organization  
Program Descriptions \*  
Significant Relationships  
Imminent Issues (if applicable)

New Communities Administration

Introduction  
Organization  
Program Descriptions \*  
Significant Relationships  
Imminent Issues (if applicable)

Federal Insurance Administration

Introduction  
Organization  
Program Descriptions \*  
Significant Relationships  
Imminent Issues (if applicable)

Consumer Affairs and Regulatory Functions

Introduction  
Organization  
Program Descriptions \*  
Significant Relationships  
Imminent Issues (if applicable)

\*Each program to be enumerated and separately tabbed.

Organization of Volume V  
Policy Development and Research  
Fair Housing and Equal Opportunity  
Federal Disaster Assistance Administration

Policy Development and Research

Introduction  
Organization  
Program Descriptions \*  
Significant Relationships  
Imminent Issues (if applicable)

Fair Housing and Equal Opportunity

Introduction  
Organization  
Program Descriptions \*  
Significant Relationships  
Imminent Issues (if applicable)

Federal Disaster Assistance Administration

Introduction  
Organization  
Program Descriptions \*  
Significant Relationships  
Imminent Issues (if applicable)

\*Each program to be enumerated and separately tabbed.

Organization of Volume VI

The 1978 HUD Budget

Introduction

Summary Tables

Housing

Government National Mortgage Association

Community Planning and Development

New Communities Administration

Federal Insurance Administration

Consumer Affairs and Regulatory Functions

Policy Development and Research

Fair Housing and Equal Opportunity

Federal Disaster Assistance Administration

Administrative Expense Appropriation

Imminent Issues

## DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

## Review of Programs and Functions

Organization and Format of the  
Legislative Process Section of Volume IIORGANIZATION

Volume II of the transition material contains a section on the Legislative Process, which is traditionally prepared by the Office of General Counsel. The Legislative Process section is divided into three parts:

A. LEGISLATIVE PROCESS: FEDERAL SUBSTANTIVE LAWS

A description of Departmental practices relating to Federal legislative proposals other than appropriation acts. Included is a discussion of HUD's internal process in regard to proposals originating within HUD, those received from organizations or Federal agencies outside HUD, and those originated by Congress. Also detailed is the OMB clearance process and the actions by the Congress upon legislation transmitted to them.

B. LEGISLATIVE CHRONOLOGY

A listing of major legislation on housing and urban development enacted since 1933.

C. STATUS OF AUTHORIZATIONS

A listing of housing programs with their statutory termination dates, the effective date of the last increase in authorization, and the availability of authorization.

FORMAT

The following details the specific format to be followed for the transition material. These instructions are to be strictly adhered to in the interest of uniformity.

1. Paper size: 8 x 10 1/2", with any tables or charts exceeding this size being reduced to those dimensions.
2. Prestige elite type must be used.
3. Margins must be 1" on both the left and right sides to allow for three-hole punching.
4. Any footnotes should be keyed by small letters, i.e. a/, b/, etc. Asterisks and numbered footnotes are not to be used.

5. Charts and tables placed sideways on the page are permitted, but should be assembled so that the material begins at the left side of the paper and terminates on the right side.
6. The first page of each section, i.e. Legislative Process: Federal Substantive Laws, should begin one inch down from the top of the paper and appear as follows:

---

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Legislative Process: Federal Substantive Laws

MAJOR HEADING

Paragraphs after major headings begin by indenting 5 spaces from the left margin.

Sub-heading

Paragraphs after sub-headings begin by indenting 10 spaces from the left margin.

---

Note that major headings are in all caps, underscored, and are not indented from the left margin. Succeeding paragraphs are indented 5 spaces.

Sub-headings have initial caps only, are underscored, and are indented 5 spaces. Succeeding paragraphs are indented 10 spaces.

All major headings and sub-headings should be unnumbered and unlettered. The narrative should be single spaced, with double spacing between heading and paragraph and between paragraphs.

7. The second and each succeeding pages of each section should begin one inch from the top and appear as in the following example:

---

Legislative Process: Federal Substantive Laws

continue the narrative here for the Legislative Process: Federal Substantive Laws

---

8. Pages will be numbered at the bottom with odd numbers in the right corner and even numbers in the left corner. Page numbers will be prefixed by section letters which are as follows:

- A. Legislative Process: Federal Substantive Laws
- B. Legislative Chronology
- C. Status of Authorizations

Therefore, the fourth page of the section on the Status of Authorizations would be numbered C-4, and this would be placed in the lower left hand corner.

DISPOSITION

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Attachment 4



## SUMMARY OF ACTION ON HUD 1977 BUDGET REQUEST

### Annual Contributions for Assisted Housing

The Department requested \$850 million of contract authority which, together with carryover balances, would have provided \$1.2 billion of authority in 1977. This would have provided authority to reserve 400,000 units of Section 8 and 6,000 of Indian housing. The total also included \$20 million for the public housing modernization program.

The Appropriation Act provided \$675 million, a reduction of \$175 million from the request. Within the revised total, \$120 million was specified for public housing, and of that amount \$85 million was designated for new construction or substantial rehabilitation. In addition, \$35 million (\$15 million above the budget) was specified for the modernization program.

In addition to the reduction in available contract authority, the carryover balances from 1976 are now estimated to be substantially lower than originally thought. It is now expected that available funds will support a program level not in excess of 270,000 units.

### College Housing

The budget proposed that this previously inactive program be totally terminated and its assets turned over to a special fund for liquidation. The Congress rejected this proposal and directed that a college housing direct loan program be resumed.

### Housing for the Elderly or Handicapped (202)

The budget requested a direct loan limitation of \$375 million, which would have supported about 15,000 units. The Congress provided \$750 million, which will support about 30,000 units.

### Public Housing Operating Subsidies

The budget proposed an appropriation of \$463.6 million on the assumption that both legislative and administrative changes would be implemented to increase rental income. The Congress rejected this assumption and provided \$575.6 million.

### FHA Fund

The budget requested \$825.7 million for restoration of losses in the special risk and general insurance funds. The Congress provided \$135 million as being sufficient to provide minimum cash requirements.

### Counselling Services

An appropriation of \$3 million was enacted. There was no budget estimate.

### Community Development Grants

The budget request of \$3.2 billion was provided. The final version included language to insure that small communities around SMSA's received at least \$100 million of this total.

### Comprehensive Planning Grants

The budget requested a reduction in this program from \$75 million in 1976 to \$25 million in 1977. The Congress provided \$62.5 million.

### Rehabilitation Loans (312)

The budget proposed termination of this program and the transfer of its assets to the special liquidating fund. The Congress rejected this proposal and provided a \$50 million appropriation. Together with carryover balances, the total possible program level is about \$145 million.

### Flood Insurance

The budget proposed \$100 million for surveys and studies. The Congress enacted \$75 million.

### Mobile Home Standards Program

The Congress provided the \$1 million requested for enforcement and inspection activities under the Mobile Home Construction and Safety Standards Act of 1974.

### Research and Technology

The budget request of \$71 million was reduced to \$55 million.

Disaster Relief Fund

The Congress provided the \$100 million requested.

Salaries and Expenses

The total request by the Department for \$425.1 million was reduced to \$419 million. In employment terms, the budget estimate would have provided for 15,650 permanent and full-time employees. The Appropriations Act provided for 15,570, a reduction of 80. The dollar reduction included reductions in a number of other non-personnel costs, such as automatic data processing.

Department of Housing and Urban Development  
Action on Budget Estimates for Fiscal Year 1977  
(Dollars in Thousands)

	Actual 1976 a/	TQ a/	Budget Request (1-19-76)	House Report No. 94-1220 and Bill H.R. 14233 (6-8-76)	Senate Report No. 94-974 (6-23-76)	Senate Bill (6-23-76)	Conference Report and Act P.L.94-378 (8-9-76)
<b>Housing Programs</b>							
<b>Approval of Annual Contract Authority:</b>							
Annual Contributions for Assisted Housing ..	(\$662,300)	...	(\$850,000)	(\$675,000) b/	(\$615,400) b/	(\$615,400) b/	(\$675,000) b/
Rent Supplement Program .....	(20,000)	...	...	...	...	...	...
State Housing Finance and Development Agencies .....	(15,000)	...	...	...	...	...	...
Subtotal-Annual Contract Authority .....	(697,300)	...	(850,000)	(675,000)	(615,400)	(615,400)	(675,000)
<b>Annual Loan Limitation:</b>							
Housing for the Elderly or Handicapped .....	(750,000)	...	(375,000)	(750,000)	(750,000)	(750,000) c/	(750,000) c/
<b>Appropriations:</b>							
Housing Payments (liquidation of contract authority) .....	2,245,000	\$600,000	3,070,000	2,975,000 d/	2,975,000 d/	2,975,000 d/	2,975,000 d/
Payments for Operation of Low Income Housing Projects (Operating Subsidies) .....	535,000	80,000	463,600	575,600 e/	575,600 e/	575,600 e/	575,600 e/
State Housing Finance and Development Agencies (liquidation of contract authority) .....	15,000	...	...	...	...	...	...
Mortgage Insurance Programs: (for net realized losses) .....	147,500	...	825,698	135,000 f/	135,000 f/	135,000 f/	135,000 f/
Emergency Homeowners' Relief Fund .....	35,000	...	...	...	...	...	...
Housing Counseling Assistance .....	...	...	...	5,000	...	...	3,000 g/
Salaries and Expenses, Housing Programs:							
Appropriation .....	41,316	10,367	...	...	...	...	...
Transfer from FHA Fund .....	(163,503)	(41,621)	...	...	...	...	...
Subtotal-S&E, HP .....	(204,819)	(51,988)	...	...	...	...	...
Total-Housing Programs .....	3,018,816	690,367	4,359,298	3,690,600	3,685,600	3,685,600	3,688,600

	Actual 1976 a/	TQ a/	Budget Request (1-19-76)	House Report No. 94-1220 and Bill H.R. 14233 (6-8-76)	Senate Report No. 94-974 (6-23-76)	Senate Bill (6-23-76)	Conference Report and Act P.L. 94-378 (8-9-76)
<b>Government National Mortgage Association</b>							
<b>Appropriations:</b>							
Payment of Participation Sales Insufficiencies .....	\$20,935	\$5,291	\$21,265	\$21,265	\$21,265	\$21,265	\$21,265
<b>Mortgage Purchase Authority:</b>							
Emergency Mortgage Purchase Assistance ....	5,000,000 h/	...	...	...	...	...	...
<b>Limitations:</b>							
Administrative Expenses .....	(1,240)	(350)	...	...	...	...	...
Increase in limitation .....	(33)	(12)	...	...	...	...	...
Total-GNMA .....	5,020,935	5,291	21,265	21,265	21,265	21,265	21,265
<b>Community Planning and Development</b>							
<b>Appropriations:</b>							
Community Development Grants .....	2,802,000 i/	...	3,248,000	3,248,000 j/	3,248,000 j/	3,248,000 j/	3,248,000 j/
Comprehensive Planning Grants .....	75,000	...	25,000	50,000 k/	75,000 k/	75,000 k/	62,500 k/
Rehabilitation Loans .....	50,000	...	...	25,000	75,000	75,000	50,000
Salaries and Expenses, CPD .....	43,020	10,949	...	...	...	...	...
Total-CPD .....	2,970,020	10,949	3,273,000	3,323,000	3,398,000	3,398,000	3,360,500
<b>Federal Insurance Administration</b>							
<b>Appropriations:</b>							
National Flood Insurance Program .....	75,000	18,750	100,000	75,000	75,000	75,000	75,000
<b>Consumer Affairs and Regulatory Functions</b>							
<b>Appropriations:</b>							
Interstate Land Sales .....	2,797	668	...	...	...	...	...
Mobile Home Standards Program .....	1,000	...	1,000	1,000	1,000	1,000	1,000
Total-CARF .....	3,797	668	1,000	1,000	1,000	1,000	1,000

	Actual 1976 a/	TQ a/	Budget Request (1-19-76)	House Report No. 94-1220 and Bill H.R. 14233 (6-8-76)	Senate Report No. 94-974 (6-23-76)	Senate Bill (6-23-76)	Conference Report and Act P.L. 94-378 (8-9-76)
<b>Policy Development and Research</b>							
<b>Appropriations:</b>							
Research and Technology .....	\$53,000	\$15,500	\$71,000	\$53,000 1/	\$60,000 1/	\$60,000 1/	\$55,000 1/
Salaries and Expenses, PD&R .....	6,955	1,768	...	...	...	...	...
Total-PD&R .....	59,955	17,268	71,000	53,000	60,000	60,000	55,000
<b>Fair Housing and Equal Opportunity</b>							
<b>Appropriations:</b>							
Fair Housing and Equal Opportunity .....	13,107	3,399	...	...	...	...	...
<b>Departmental Management</b>							
<b>Appropriations:</b>							
Salaries and Expenses, HUD .....	...	...	201,442	193,370 m/	197,370 m/	201,670 m/	195,370 m/
Transfer from FHA Fund .....	...	...	(223,630)	(223,630)	(223,630)	(223,630)	(223,630)
Subtotal-S&E, HUD .....	...	...	(425,072)	(417,000)	(421,000)	(425,300)	(419,000)
General Departmental Management .....	6,038	1,557	...	...	...	...	...
Salaries & Expenses, OGC .....	3,441	890	...	...	...	...	...
Transfer from FHA Fund .....	(1,800)	(484)	...	...	...	...	...
Subtotal-S&E, OGC .....	(5,241)	(1,374)	...	...	...	...	...
Salaries and Expenses, OIG .....	7,462	1,881	...	...	...	...	...
Transfer from FHA Fund .....	(3,132)	(846)	...	...	...	...	...
Subtotal-S&E, OIG .....	(10,594)	(2,727)	...	...	...	...	...
Administration and Staff Services .....	22,344	5,718	...	...	...	...	...
Transfer from FHA Fund .....	(31,725)	(7,420)	...	...	...	...	...
Subtotal-ASS .....	(54,069)	(13,138)	...	...	...	...	...

	Actual 1976 a/	TQ a/	Budget Request (1-19-76)	House Report No. 94-1220 and Bill H.R. 14233 (6-8-76)	Senate Report No. 94-974 (6-23-76)	Senate Bill (6-23-76)	Conference Report and Act P.L. 94-378 (8-9-76)
Regional Management & Services .....	\$25,452	\$6,274	...	...	...	...	...
Transfer from FHA Fund .....	(15,642)	(3,926)	...	...	...	...	...
Subtotal-RMS .....	(41,094)	(10,200)	...	...	...	...	...
Total-DM .....	64,737	16,320	\$201,442	\$193,370	\$197,370	\$201,670	\$195,370
Departmental Totals .....	11,443,442	817,671	8,250,635	7,580,865	7,661,865	7,666,165	7,620,365
<b>Recapitulation</b>							
Approval of Annual Contract Authority .....	(697,300)	...	(850,000)	(675,000)	(615,400)	(615,400)	(675,000)
Annual Loan Limitations .....	(750,000)	...	(375,000)	(750,000)	(750,000)	(750,000)	(750,000)
Corporate Expense Limitation and Transfers ..	217,075	54,659	223,630	223,630	223,630	223,630	223,630
Appropriations .....	6,226,367	763,012	8,027,005	7,357,235	7,438,235	7,442,535	7,396,735
Mortgage Purchase Authority .....	5,000,000	...	...	...	...	...	...
Departmental Totals .....	11,443,442	817,671	8,250,635	7,580,865	7,661,865	7,666,165	7,620,365
<b>Federal Disaster Assistance Administration</b>							
<b>Appropriations:</b>							
Funds Appropriated to the President -							
Disaster Relief .....	150,000	37,500	100,000	100,000	100,000	100,000	100,000

a/ Includes all supplemental appropriations enacted to date.

b/ The 1976 Appropriation Act provided for a not less than 50 percent set-aside for new construction and \$50 million for acquisition or development of public housing with the balance available for all other purposes. The 1977 Budget proposed no statutory set-asides. The House Bill provided a limitation of not more than 25 percent of the contract authority other than for modernization for new construction, and a limitation of \$120 million for the development or acquisition of LHA-owned housing other than Section 8, with not more than \$25 million for modernization. The Senate Bill provided not less than \$150 million for new construction, not less than \$150 million for development or acquisition of LHA-owned

public housing, and that not less than \$45 million be modernization.

The Conferees agreed to a total of \$675 million in additional contract authority, including not more than \$35 million for modernization. Not more than \$120 million shall be used for public housing, including not more than \$85 million for new construction and substantial rehabilitation.

	<u>1976</u>	<u>1977 Budget</u>	<u>House Bill</u>	<u>Senate Bill</u>	<u>Conference Report</u>
	(Dollars in Millions)				
New Construction .....	\$306.2	...	\$162.5	\$150.0	(\$85.0)*
Public Housing .....	50.0	...	120.0	150.0	120.0
Modernization .....	...	...	25.0	45.0	35.0
All Other or Undesignated .	<u>306.1</u>	<u>\$850.0</u>	<u>367.5</u>	<u>270.4</u>	<u>520.0</u>
Total .....	662.3	850.0	675.0	615.4	675.0
Budget Authority .....	(17,000.0)	(16,572.9)	(14,608.4)	(14,870.4)	(14,870.4)

\* In Public Housing.

- c/ The Senate Bill and Conference Report contain language to permit borrowings necessary to support the program level authorized.
- d/ Based on re-estimates of Section 235 and Section 8 payments, the House and Senate Bills provided \$95 million less than the Budget request. The House Bill further provided that the Section 236 excess rental receipts fund, estimated at \$50 million, be transferred to this account from the Rental Housing Assistance Fund. The Senate Bill, as amended by floor action, deleted this latter provision, but the Conference Report restores it. Also provided for are payments under the Section 802 program.
- e/ The House and Senate Bills provided \$112 million more than the Budget request to meet the Performance Funding System requirements on the assumption that legislation proposed by the Department will not be enacted. The Senate Report expected HUD to implement the revised formula as soon as possible and the Conference Report added that implementation is expected to be retroactive to April 1, 1976.
- f/ The House Bill provided an appropriation for immediate cash requirements--\$100 million for the Special Risk Insurance Fund and \$35 million for the General Insurance Fund. The Senate Bill and Conference Report provide greater flexibility in providing \$135 million to cover losses sustained by both Funds, with no specific amounts mentioned for either Fund.



- g/ The Conference Report restores language proposed by the House and stricken by the Senate for housing counseling assistance, but appropriates \$3 million instead of the \$5 proposed by the House.
- h/ Based upon the Secretary's determination of the economic conditions as required by Section 313 of the National Housing Act, as amended, \$3 billion of this amount was released during FY 1976.
- i/ Includes transfer of \$964 million of unutilized College Housing borrowing authority.
- j/ The House Bill provided \$3,248 million for Community Development Grants with a \$100 million set-aside for Section 103. The Senate Bill and Conference Report provided the same amount but proposed language recommended by the Department for a \$200 million set-aside for Section 103 of which not more than \$100 million may be used for Section 106(d)(1).
- k/ Both the House and Senate Bills provided more than the Budget request, with the following allocations being recommended in the Committee Reports:

Recipient category:	<u>House Bill</u>	<u>Senate Bill</u>
	(In Millions)	
States .....	\$15	\$18
Metropolitan areawide planning organization .....	18	25
Non-metropolitan areawide planning .....	7	9
Large cities .....	...	10
Localities .....	9	11
Other .....	1	2
Total .....	<u>50</u>	<u>75</u>

The Conference Report contains a compromise amount of \$62.5 million and states that HUD has too narrowly restricted the use of these funds to planning activities. The conferees direct that these funds be made available for comprehensive planning in accordance with Section 105(a)(12) of the HCD Act of 1974.

- l/ The Senate Committee Report stated the intent that \$700,000 be set aside for the Housing Assistance Council. In addition, the Conference Report provides that not less than \$4.5 million be allocated to the Urban Reinvestment Task Force research program within the funds provided.
- m/ The House Bill provided \$8,072 thousand less than the Budget request; \$1 million of this reduction is for ADP equipment. The Senate Report restored \$4 million, but did not specify where. The Senate Bill, as amended by floor action, provided an additional \$4.3 million, but Floor debate specified its use for New Communities expenses. The Conference Report reduces the appropriation to \$419 million and specifies the activity breakdown of the 15,570 positions allowed.





## DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

WASHINGTON, D. C. 20410

NOV 3 1976

OFFICE OF THE UNDER SECRETARY

IN REPLY REFER TO:

MEMORANDUM FOR: Secretary Hills

FROM: Robert T. Wallace

SUBJECT: Final GMS Report, Performance on  
Major Secretarial Objectives  
Through September 30, 1976

September 30, 1976 marked the end of the cycle initiated some 15 months earlier when we identified our major objectives for FY 1976 and the transition quarter. Of the more than 300 objectives established by your Principal Staff, 57 were initially designated by you as "Secretarial Priority". As we moved through the fiscal year, there were a number of additions and subtractions. Specifically:

- o CDBG Leveraging - The effort to analyze actual and potential steps that could be taken by CDBG recipients to leverage their block grant funding in a manner that assures maximum public/private sector participation was deferred to FY 1977 at Assistant Secretary Meeker's request. In essence, he felt that the Department would be in a better position to explore this high payoff area after it had an opportunity to review some of the initiatives that had already been taken at the local level with the first full year of CDBG funding. This objective will be included in the FY 1977 package I will be sending in to you later on this week. It will be a joint PDR/CPD effort.
- o Evaluation of the Tandem Plan - During the early part of this calendar year, you asked that an evaluation of the effectiveness of the GNMA Tandem Plan be conducted. This was added as a Secretarial objective in March, 1976. As you know, a preliminary analysis was made in August, and a final analysis is due to be completed in January 1977.
- o Traditional Public Housing Regulations - In view of the requirements set forth in both the Housing Amendments Act of 1976 and our FY 1977 Appropriation Act, a new objective was established just before the end of the transition quarter to develop new regulations and handbooks for traditional public housing. The schedule still shows a target publication date in January 1977, although the

draft was not published for comment in October as originally planned.

- o \$50 Million ACC Program - A new objective was added in January 1976 to reflect our decision to use the \$50 million provided in the FY 1976 Appropriation Act for the acquisition of PHA's. This objective was focused primarily on the preparation of regulations and handbooks. A reservation target of 25,000 units was also identified, but it was not formally "negotiated" as a Secretarial goal because of the late start. Approximately 11,000 units were actually reserved for acquisition by PHA's by September 30.
- o Consumer Representation Plan - As a result of the President's initiative with regard to consumer representation as well as your own decision to establish CARF at the Assistant Secretary level, a new objective was added to GMS in January 1976. It called for both the publication of the Departmental Consumer Representation Plan (accomplished on September 28, 1976), and the establishment of the new Office.
- o HPMC-HM Consolidation - Consistent with your decision to merge HPMC and HM, a new objective was established in July 1976 to track the required planning and implementation effort. As you know, the headquarters plan has been largely implemented, and the field portion is scheduled for a final evaluation by the end of March 1977.
- o Title VI Compliance Reviews - In view of prior difficulties in meeting budget projections, you asked in December 1975 that Title VI Compliance Reviews be added as a Secretarial objective. This resulted in the negotiation of a goal calling for the completion of 251 reviews by September 30, 1976. (The target was essentially met - actual reviews conducted through September 30, 1976 came to 249.)

After factoring in all additions and the one deletion, a total number of 61 Secretarial objectives were in existence at the end of the transition quarter. Our assessment of the actual performance shows the following breakdown:



we should give special emphasis to it in early FY 1977 to develop acceptable momentum. Particularly large shortfalls took place in Regions VI (1035 units), VII (426 units), IX (724 units) and X (633 units).

- O Mortgagee Reviews - Housing achieved only 284 mortgagee reviews by 9/30/76 versus the goal of 480. In part, the shortfall is due to staffing limitations associated with the Mobile Home Safety Standards program, limited travel dollars, and the decision to integrate the old HPMC and HM functions in this area. Nevertheless, we have placed this objective in the Major Problem category.
- O Single Family Coinsurance - The pilot single family coinsurance program has generated little or no demand on the part of the industry. Only 196 mortgagees have requested acceptance for participation, and only four loan applications were approved as of the end of the transition quarter.
- O Section 236 - In FY 1976, we had an objective to process the 172 outstanding Section 236 applications to firm commitment. Even though substantial progress was made, 62 applications and still not reached that stage of processing by September 30, 1976. Regions II (13), III (20), and V (12) have the bulk of those applications.

We have identified this as one of the four objectives not achieved, but a case can be made against this designation because of extenuating circumstances. For example, in Region V, most of the outstanding applications are in a hold condition because of the environmental clearance litigation involving Cedar Riverside.

- O Section 235 - After two months of negligible progress, Section 235 contract reservations increased by about 2,000 units to 17,800. However, no significant movement is yet evident despite the recent changes in the program.
- O Multi and Single Family Sales - September saw excellent progress on both of these objectives. Single family sales reached 70,903 properties versus the September 30 goal of 71,140, and multifamily sales were 199 projects versus the target of 208. This too must be considered as a major success story. As you undoubtedly recall, multifamily project sales were only 76 at the end of the third quarter of the fiscal year.

- O \$50 Million ACC Program - September saw the first significant results on this program with ACC reservations reaching more than 11,000 units.
- O Future Role of FHA - As you know, we are in the process of making changes to the draft position paper to reflect the housing initiatives announced in September. PDR should provide us with a new target date for its completion later on this week.

#### COMMUNITY PLANNING AND DEVELOPMENT

- O CDBG Application Processing - CPD was right on target in the processing of both entitlement and discretionary grants. As of September 30, 1,320 entitlement grants had been approved or disapproved versus the initial projection made last year of 1,346. Discretionary applications approved came to 3,088 versus the original estimate of 3,481.

It is particularly noteworthy that none of the entitlement applications exceeded the mandatory 75 day review period. Preliminary indications are that the national average for processing entitlement applications came to approximately 61 days.

- O Categorical Grant Closeouts - CPD is to be commended for closing out 447 urban renewal projects by September 30 versus the goal of 386. Here again, there was a major turn-around in performance. Total closeouts achieved at the half year point came to only 99.

Model cities closeouts were 33 compared to the initial projection of 82, and "other" closeouts totaled 1,086 versus the target of 1,328. However, neither of these are as critical as the urban renewal/NDP closeouts which involve large outstanding loans with interest expenses of more than a quarter of a million dollars per day.

#### EQUAL OPPORTUNITY


- O Minority Bank Deposits - In response to the President's request last year, we established a goal of \$18.35 million for the average balance of federal funds deposited in minority controlled banks. Progress in this area has been marked by steady improvements since December 1975 when the total came to only \$17,692,000. By the end of the fiscal year, the total had risen to \$24,883,110 million, and very preliminary estimates for the period ending September 30 indicate a further rise to \$31,986,000.

- O Affirmative Marketing Agreements - Our goal for this important outreach effort called for the approval of 62 areawide affirmative marketing agreements by September 30. Here again, the FHEO staff substantially exceeded the goal with a total of 77 agreements signed at the end of the transition quarter.
- O Title VIII Complaints - Title VIII complaints over 150 days old declined in September from 86 to 70. Although this is more than the goal of zero projected, it is a major achievement in view of the opening inventory of 684. I might also point out that the backlog as late as the half year point was 628. Regions IV (17) and VII (24) account for the majority of the complaints still open.
- O Title VI Complaints - Title VI complaints over 180 days old stood at 13 on September 30. Since the backlog was only 2 in July, we lost some ground in recent months. As a result, we have classified this as one of the four Secretarial objectives not achieved as of the end of the transition quarter.

#### FLOOD INSURANCE

- O Flood Insurance Rate Studies - Final performance on this Secretarial goal must be rated as "excellent". A total of 1,091 studies were completed by September 30 versus the very difficult target we established last year of 924.

On balance, it is my belief that the staff in both the central office and the field have done an outstanding job. There is little question that the Goals Management System and the operating planning process have closed the gap between our budget projections and our actual performance. I also feel certain that the improvements we have made as our key managers become more familiar with the process will further enhance our performance this fiscal year.

  
Deputy Under Secretary  
for Management

Attachment



DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

WASHINGTON, D. C. 20410

November 12, 1976

OFFICE OF THE UNDER SECRETARY

IN REPLY REFER TO:

MEMORANDUM FOR: Secretary Hills and  
Under Secretary Rhinelander

FROM: Robert T. Wallace

SUBJECT: Secretarial Objectives for FY 1977,  
HUD's Goals Management System

Attached is a summary of the objectives established for this fiscal year that fall within the overall designation of "Secretarial" priority. In my view, these objectives accurately reflect the major agenda items through September 30, 1977. Obviously, the agenda ultimately followed will depend to a great extent upon the views of the new Administration. In this regard, the GMS Operating Plans should serve as an invaluable point of departure for the new team during the transition period. If this information is used as a roadmap, it should be relatively easy to review the operations that have been planned for the fiscal year and make changes as appropriate.

The summary identifies a total of 69 objectives in the Secretarial category for this fiscal year. Of these, 25 have been "negotiated" between the central office staff and the Regional Administrators. This means that they have been incorporated into the appropriate Departmental Operating Plan as well as each Regional Operating Plan. In addition, those that involve delivery at the field office level are also set forth in the Field Office Operating Plans negotiated between the Regional Administrator and his Directors. The remaining 44 involve only the central office staff, and as such they are more concerned with policy development, program design or performance evaluation. Of these, a majority (23) are the responsibility of PDR.

This particular summary is intended to serve as a high-light document only. In most instances, we have shown one or two critical dates to give you an idea of the overall schedule. Similarly, only national totals are shown for the negotiated objectives - we have quarterly breakdowns by region if you should care to review them. In any event, the more detailed



backup information will be included in each monthly report. We plan to issue the first of these reports toward the end of the month - it will cover performance during October 1976.

I would like to call your attention to the following:

o Section 8

- Targets have been negotiated for starts and occupancy as well as for contract reservations. This should create a substantial disincentive to the "paper" reservation of contract authority on marginal projects. It should also motivate the field staff to recover funding from PHA's that are not moving expeditiously to house families in existing units.
- The unit reservation goal of 242,600 was negotiated on the assumption that the pipeline would include only 467,000 units from FY 1976/TQ operations. As you know, we have started the wheels in motion to renegotiate this target based upon the actual results of 492,003. In general, the FY 1977 target should come down by the same amount that the pipeline went up - namely, some 25,000 units. There is a possibility that the FY 1977 target might be reduced by a greater proportion in view of the recent decision to set aside units for the rehab demonstration (more expensive), and the fact that the per unit subsidies are somewhat higher than we assumed last summer. There should be little impact on the construction starts target of 123,000 units and the total occupancy goal of 365,915 units.
- The current split shows one cumulative target for new construction and rehabilitation. In view of our emphasis on the latter, we will show a separate sub goal for rehabilitation when we renegotiate the FY 1977 goals. In addition, HFDA will not be shown as a separate target per se - HFDA activities will be factored into the three major categories (new, rehabilitation, and existing). Finally, we will not show a "goal" for LM or PD existing. To the extent the field desires to use this option in using their carryover balances they will be permitted to adjust their Section 8 objectives downward as appropriate. At the same time, they should be prepared to show an improvement in their targets for claim rates and acquisitions (loan management) or units in inventory (property disposition).

- Preliminary reservations and total starts for Indian Housing are shown at 8,100 units and 5,460 units respectively. However, the reservation goal assumed a shortfall from the FY 1976/TQ target of only 2,100 units. The actual shortfall was 3,500 units. This means that regional targets will have to be increased by another 1,400 units in keeping with your prior instructions that any shortfall will have to be made up this fiscal year.
- o Public Housing
  - The detailed plan still shows regulations being published by mid-January. The quarterly phasing for reserving contract authority on 30,800 units by September 30, 1977 may have to be revised since an earlier start-up date had been assumed when the negotiations took place last summer.
- o FHA Study
  - We have established December 15 as a revised completion date for the FHA position paper.
- o Section 235
  - In general, we have stayed away from establishing targets on those program activities that are particularly demand sensitive, such as FHA insurance applications. The only exception to this is in the assisted housing area where both Section 8 (to some extent) and Section 235 (to a great extent) are subject to actions outside the control of the Department. In these instances, the rationale is that there should be sufficient demand to warrant the setting of a goal in view of the substantial need for assisted housing. Although this logic may hold for Section 8, it probably does not apply to Section 235. In any event, our objective of 100,000 units reserved cannot be made unless there is a dramatic increase in developer and lender interest.
- o HUD Held Mortgages and Properties
  - A number of things have been done in this general area to improve overall performance. First of all, we have gone to an "inventory" strategy with regard

to property acquisition and disposition. This means that greater-than-expected acquisitions will require greater-than-projected sales activity. We have also set a specific target with regard to the percentage of HUD held project mortgages in default (43%). Finally, objectives have been negotiated with regard to the costs associated with maintaining and holding acquired properties in inventory. This objective is expressed as a percentage of average cumulative holding costs per unit to the net average sales price per unit.

o Mortgagee Reviews

- A target has been set to review 2,481 mortgagees. However, the objective applies to servicing mortgagees only (the old HM activity) - the estimates eventually should be increased to include the review of originating mortgagees (formerly the responsibility of HPMC).

o CDBG Reauthorization

- CPD has added an objective to cover activities associated with the reauthorization of the CDBG program. However, the supporting plan shows no activity beyond the January 1977 options paper. It will be important to develop this plan in much greater detail as soon as possible. Action items should be included for discussing HUD's proposal with all appropriate parties including OMB, the Domestic Council, Congressional committees, appropriate interest groups, etc. Without this, the Department could run short of time and end up with a revised program that is poorly designed.

o President's Committee on Neighborhood Revitalization

- Obviously this effort is particularly sensitive to the plans of the new Administration. We have included it here primarily to ensure that it is considered as an agenda item. The specific milestones shown in the supporting plan are those set forth in your October report, and a considerable amount of work is already underway based upon the action items identified.

I would like to make two other points in this general area:

- As you may recall, we agreed in our June meeting at Camp David that an effort should be undertaken to rationalize all of the various rehabilitation tools available to the Department (CDBG, 312, Title I, Section 8, Modernization, etc.). This in turn would form an important element in developing an overall strategy for neighborhood preservation. The only effort undertaken on this issue to date is reflected in the Sternlieb report. Clearly a more detailed analysis should be initiated and included as an objective in the Secretarial summary.
- A number of rehabilitation/neighborhood revitalization tasks have been identified as specific objectives at the Assistant Secretary level. For example, the CPD and PDR submissions both include neighborhood preservation studies. CPD believes that its effort should be designated as a Secretarial objective for FY 1977. My view is that we should consider such objectives as being supportive of the overall Secretarial objective. I have therefore not included the CPD study in the summary. They may wish to discuss the issue at greater length with you.

o Housing Assistance Block Grants

- Here again, the eventual course of action followed will depend almost entirely upon the views of the new Administration. The milestones in our supporting plan conclude with the delivery of a combination policy/briefing paper in January.

o CDBG Evaluation

- A number of major milestones have been included for continuing the impact evaluation of the CDBG program. One of the more important efforts will be the completion of a final report in August 1977 on the validity of using the HAP to link housing and community development activities at the local level.

o Leveraging CDBG Funding

- As you know, this study was deferred to FY 1977 to enable the Department to consider some of the initiatives that have already been taken at the local level with the first full year of CDBG funding. Both PDR and CPD have included this as an objective in their FY 1977 submission.

o Urban Renewal Closeouts

- The August negotiations resulted in a target of 250 Urban Renewal/NDP closeouts for FY 1977, down substantially from the 447 closeouts achieved during FY 1976 and the transition quarter. The main reason given for the reduction was the need to apply significantly more staff resources to the CDBG program. However, I believe that some of the innovations taken by CPD last year (e.g. setting up a central office task force to help with difficult closeouts), demonstrated that we can exceed our own expectations with the right kind of motivation and leadership. I would like to see this objective examined at the end of the first quarter with a view toward increasing the target. To some extent, this will be made more difficult because of our decision to increase the level of activity on the 312 program from \$30 million to \$85 million.

o Minority Bank Deposits

- Last year, we established a goal of \$18.35 million for this objective. In this context, the \$24.01 million target negotiated with the field in August appeared to be more than acceptable. However, preliminary results indicate that we achieved an average balance of \$31.99 million during the transition quarter. This suggests that the target may be too low for FY 1977. Here again, I believe we should reexamine the objective when the results from the first quarter of FY 1977 are known.

o Title VI Compliance Reviews

- A total of 628 compliance reviews have been scheduled for FY 1977. This includes Title I and 701 reviews as well as those specifically related to Title VI. As you know, this will be a major effort in view of our performance during prior years - it represents a three fold increase over FY 1976.

o Disaster Assistance

- Tom Dunne has identified an objective to evaluate the overall effectiveness of the disaster assistance programs of the federal government. This has never been done before, and I think it is well worthwhile. It will be an extremely difficult task, since it involves a number of federal agencies as well as state and local government participation.

o Redlining

- PDR will identify and evaluate the use of data generated by the Home Mortgage Disclosure Act, particularly as it relates to neighborhood preservation efforts of interest to local governments.

As you know, we are working actively on the site selection regulations. The effort is not currently reflected in the summary because we had initially assumed that we would be further along than we are at this point in time. Since it now appears that the resolution of the difficult issues associated with these regulations will not be achieved before the new Administration comes in, I believe it should be added as a high priority FY 1977 objective within the next thirty days.

We are proceeding on the assumption that these objectives are acceptable to you. I suggest that we plan a more detailed review with you when we publish the first monthly report in two or three weeks. We can then incorporate any final changes that you may wish to make.

*Robert T. Wallace*  
Deputy Under Secretary  
for Management

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All Regional Administrators  
All Field Office Directors  
All Regional GMS Representatives

GOAL I - PROMOTE VIABLE COMMUNITIES

Substantially improve our Nation's communities by providing federal assistance, which, subject to federal determination of broad national interests, enables duly elected state and local officials to make decisions that are consistent with the needs of their communities.

Sub-Goal A - Improve community planning and management capability at the state, regional, and local level through federal grants and technical assistance.

Sub-Goal B - Increase the effectiveness of federal planning assistance through the cooperative development of improved coordinating mechanisms for agencies with such programs.

Sub-Goal C - Enhance the development of viable communities through the delivery of federal grants and related assistance that work to promote decent housing, expand economic opportunities, and provide a suitable living environment for all.

Objectives

0 Process 1352 entitlement applications within the 75 day limit. (CPD Lead)

1st quarter	14
2nd quarter	242
3rd quarter	1,022
4th quarter	1,352

0 Process within a maximum of 75 days, 2686 invited discretionary balance applications. (CPD)

1st quarter	23
2nd quarter	233
3rd quarter	1,522
4th quarter	2,686

0 Perform 3413 site visits. (CPD)

1st quarter	931
2nd quarter	1,949
3rd quarter	2,769
4th quarter	3,413

-- CDBG/701 monitoring criteria draft in December 1976.  
-- Monitoring Handbook in May 1977.

0 Closeout 250 urban renewal, code enforcement and neighborhood development programs. (CPD)

1st quarter	74
2nd quarter	167
3rd quarter	220
4th quarter	250

0 Closeout 84 model cities programs. (CPD)

1st quarter	23
2nd quarter	47
3rd quarter	64
4th quarter	84



- 0 Closeout 615 Resource Programs -- Neighborhood Facility, Open Space Land, and Water and Sewer Programs. (CPD)
  - 1st Quarter 157
  - 2nd Quarter 313
  - 3rd Quarter 459
  - 4th Quarter 615
  
- 0 Prepare second Annual Report on CDBG. (CPD)
  - Delivery to Secretary in November 1976; Congress by December 31, 1976.
  
- 0 Evaluate CDBG impact. (PDR)
  - Formula Report in December 1976.
  - Summary Impact Report in April 1977.
  - Complete report on HAP as mechanism for linking housing and community development efforts in August 1977.
  
- 0 Provide support for existing New Community projects. (NCA)
  
- 0 Reauthorize CDBG statute. (CPD)
  - Options available for review in January 1977.
  
- 0 Assure greatest economic impact from CDBG by developing strategy for leveraging funding to obtain maximum private sector/local government participation. (CPD/PDR)
  - Statement of Work prepared in January 1977.
  
- 0 Complete follow-up studies for President's Committee on Urban Development and Neighborhood Revitalization. (PDR)
  - Prepare preliminary issues paper on demographic and economic trend impacts on older declining center cities identifying possible federal responses in March 1977.
  - Prepare preliminary issues paper on strategies to maximize flexibility and coordination of federal programs at state/regional and local levels in March 1977.

## GOAL II - PROVIDE DECENT HOUSING

Make it possible for every American to live in a decent home by providing federal assistance that satisfies the needs of individual families in the most equitable and efficient manner possible.

Sub-Goal A - Assure that adequate financing is available at the lowest reasonable cost for the production, rehabilitation, and acquisition of both single family and multifamily housing.

### Objectives

- 0 Multifamily processing times. (H)
  - 75% of SAMA applications in 45 days.
  - 75% of conditional commitment applications in 60 days.
  - 75% of firm commitment applications in 60 days.
  
- 0 Single Family processing times. (H)
  - 94% of conditional commitment applications in 5 days.
  - 95% of firm commitment applications in 3 days.
  
- 0 Preliminary reservations on 39,200 units of Section 202. (H)
  - 1st Quarter 3,810
  - 2nd Quarter 11,760
  - 3rd Quarter 23,520
  - 4th Quarter 39,200
  
- 0 Analyses of GNMA counter cyclical programs. (PDR)
  - Report in January 1977.
  
- 0 Study costs/benefits to housing industry and consumer from housing production cycles. (PDR)
  - Summary of study due in January 1977.
  
- 0 Provide financing for 20,000 units through mortgage purchases valued up to \$.6 billion. (GNMA)
  - 1st Quarter 5,000 units; \$.15 billion
  - 2nd Quarter 10,000 units; \$.30 billion
  - 3rd Quarter 15,000 units; \$.45 billion
  - 4th Quarter 20,000 units; \$.60 billion
  
- 0 Support production of 300,000 units of housing through guarantees of \$10 billion of mortgage-backed securities. (GNMA)
  - 1st Quarter 69,000 units; \$ 2.3 billion
  - 2nd Quarter 141,000 units; \$ 4.7 billion
  - 3rd Quarter 219,000 units; \$ 7.3 billion
  - 4th Quarter 300,000 units; \$10.0 billion
  
- 0 Issue \$2.0 billion in multifamily Tandem commitments by 9/30/77. (Requires conditional commitment from FHA) (GNMA)
  
- 0 Identify effective uses of data generated by the Home Mortgage Disclosure Act by local governments in neighborhood preservation efforts. (PDR)
  - Review final report in June 1977.

Sub-Goal B - Develop and evaluate new concepts for providing an adequate flow of credit for the housing industry.

Objectives

- 0 Study alternative non-level payment mortgage instruments. (PDR)
  - Complete analysis of Section 245 borrower characteristics in April 1977.
- 0 Implement and evaluate s/f coinsurance program. (H)
  - Evaluation Report due in August 1977.
- 0 Evaluate the state agency multifamily coinsurance program. (H)
  - Report in September 1977.
- 0 Implement recommendations on the future role of FHA. (PDR/H)
  - Paper completed by December 15, 1976.
  - Milestones set when recommendations approved.
- 0 Reform of federal regulations governing private financial institutions. (PDR)
  - Financial Reform Package in March 1977.

Sub-Goal C - Provide indirect and direct income assistance so that economically disadvantaged families can obtain decent, safe, and sanitary housing.

Objectives

- 0 Contract reservations on 242,600 units, construction starts on 123,000 units, and occupancy for 365,915 units of Section 8 housing. (H)

	<u>Contract Reservations</u>	<u>Construction/Rehab Starts</u>	<u>Occupancy</u>
Non-HFDA			
New/Rehab	113,600	80,000	
Existing	107,000	N.A.	
TOTAL	220,600	80,000	260,059
HFDA			
TOTAL	22,000 242,600	43,000 123,000	588 260,647
Existing			
LM	0	N.A.	103,557
PD	0	N.A.	1,711
TOTAL	242,600*	123,000*	365,915*

\*--To be revised in early Jan. '77 due to larger than expected FY'76/T.Q. volume.

--Revised objective will show only New, Rehab (including demonstration program), and Existing.

--"Areawides" will be included in all three categories.

--To the extent the LM/PD option is used, the contract reservations objective for "straight" Section 8 will be reduced.

- 0 Preliminary reservation on 8100 units and starts on 5460 units of Indian Housing. (H)

	<u>Prelim. Reser.</u>	<u>Starts</u>
1st Quarter	3,305	1,280
2nd Quarter	4,435	2,600
3rd Quarter	6,035	3,920
4th Quarter	8,100	5,460

-- To be revised in early January due to larger than expected shortfall in FY'76/T.Q.

- 0 100,000 construct reservations and endorsement on 40,000 units under Section 235. (H)

	<u>Contract Reser.</u>	<u>Endorsements</u>
1st Quarter	20,000	4,045
2nd Quarter	40,000	16,015
3rd Quarter	66,030	27,990
4th Quarter	100,000	40,000

- 0 Continue the Experimental Housing Allowance Program. (PDR)  
-- Program status report due in April 1977.

- 0 Preliminary reservations on 30,800 units of public housing. (H)  
-- Final regulations for public housing by January 13, 1977.

1st Quarter	3,085
2nd Quarter	9,265
3rd Quarter	18,530
4th Quarter	30,800

-- Reservations target will be revised due to later than 10/1/76 start-up assumed in operating plan negotiations.

- 0 Develop proposal for a Housing Assistance Block Grant Program. (PDR)  
-- Submit policy paper to Secretary in January 1977.

- 0 Assess early program experience with revised Section 235 subsidized homeownership program. (PDR)  
-- Complete policy paper in May 1977.

- 0 Evaluate the Section 8 program. (PDR)  
-- Operating problems report due for Secretary in July 1977.  
-- Report on field reconnaissance of Existing program due in Nov. 1976.  
-- Award contract for Section 8 rehab set-aside evaluation in April 1977.

Sub-Goal D - Assure the effective management, preservation and utilization of existing housing.

Objectives

- 0 Hold to 1,017 (43%), the HUD-held mortgages in default. (H)
  - 1st Quarter 978
  - 2nd Quarter 991
  - 3rd Quarter 1,004
  - 4th Quarter 1,017
  
- 0 Conduct performance reviews on 2,481 mortgagees. (H)
  - 1st Quarter 622
  - 2nd Quarter 1,244
  - 3rd Quarter 1,863
  - 4th Quarter 2,481

-- Applies to servicing mortgagees only; originating mortgagee reviews will be added.
  
- 0 Maintain single family acquisitions less than 31,587 properties. (H)
  - 1st Quarter 7,858
  - 2nd Quarter 15,716
  - 3rd Quarter 23,574
  - 4th Quarter 31,587
  
- 0 Reduce the acquired single family inventory below 31,775 properties; reduce by 2.4% the percentage of average M&O costs to the average sales price. (H)
  - 1st Quarter 38,761
  - 2nd Quarter 36,460
  - 3rd Quarter 34,122
  - 4th Quarter 31,775
  
- 0 Maintain multifamily claims at below 412 projects. (H)
  - 1st Quarter 102
  - 2nd Quarter 205
  - 3rd Quarter 306
  - 4th Quarter 412
  
- 0 Reduce the acquired m/f inventory below 136 projects. (H)
  - 1st Quarter 31,998 (units)
  - 2nd Quarter 27,121 "
  - 3rd Quarter 22,244 "
  - 4th Quarter 17,375 " or 136 projects
  
- 0 Conduct analysis of Performance Funding System. (PDR)
  - Survey of tenant income/rents due in November 1976.
  - Final Report due in August 1977.
  
- 0 Conduct evaluation of Urban Reinvestment Task Force activities. (PDR)
  - Contract award in April 1977.
  
- 0 Conduct the urban homesteading program. (PDR)
  - Report on demonstration in September 1977.
  - Announce cities selected for second round in January 1977.

- 0 Evaluate the effectiveness of the Section 8 loan management program. (PDR)  
-- Preliminary Report due in November 1976.

Sub-Goal E - Develop, demonstrate and transfer new building techniques for the housing industry.

- 0 Work with the National Institute of Building Sciences to develop a research program. (PDR)  
-- HUD Plan for joint research due in NIBS Board in January 1977.
- 0 Implement solar energy demonstration program. (PDR)  
-- Intermediate minimum property standards for solar heating in Dec. 1976.

GOAL III - ACHIEVE EQUAL OPPORTUNITY

Eliminate discrimination and achieve equal opportunity for all persons who are engaged in housing and community planning development transactions.

Sub-Goal A - Assure that housing and related equal opportunity statutes and Executive Orders are enforced by developing effective procedures and taking appropriate action against those entities found to be out of compliance.

Objectives

0 Reduce Title VIII cases over 120 days old from 325 to 0. (FHEO Lead)

1st quarter	244
2nd quarter	150
3rd quarter	63
4th quarter	0

0 Perform 628 Title I/Title VI/701 compliance reviews. (FHEO)

1st quarter	151
2nd quarter	314
3rd quarter	472
4th quarter	628

0 Recognize 26 states and 90 localities as substantially equivalent for Fair Housing Law administration. (FHEO)

1st quarter	6 states	22 localities
2nd quarter	12 states	44 localities
3rd quarter	19 states	67 localities
4th quarter	26 states	90 localities

0 Evaluate Title VIII enforcement in promoting equal opportunity. (PDR Lead)  
-- Analysis due in December 1977.

Sub-Goal B - Promote and encourage among persons, firms and agencies in housing and related industries an awareness of civil rights laws and obtain commitments for (a) voluntary compliance with the law and HUD FHEO requirements; (b) expansion of minority training and business opportunities; and (c) the development of Affirmative Action programs.

Objectives

0 Voluntary areawide affirmative marketing agreements in 158 geographical areas. (FHEO Lead)

1st quarter	32
2nd quarter	67
3rd quarter	99
4th quarter	158

0 Maintain minority-owned banks deposits above \$24.01 million. (FHEO)

-- Quarterly meetings with National Bankers Association to begin in Nov.

## GOAL IV - PROTECT CONSUMER INTERESTS

Assure that the basic rights of the consumer are considered in all housing and community development activities.

Sub-Goal A - Develop, promulgate, and to the extent appropriate, assist in the enforcement of meaningful regulations, standards, and guidelines that are aimed at protecting consumers against abuses in the shelter or land sales marketplace.

### Objectives

- 0 Enforce Title VI of the Mobile Homes Program. (CARF)  
-- Annual Report due in March 1977.
- 0 Develop outreach program for more consumer input into HUD programs. (CARF)  
-- Field guidelines implemented in November 1976.  
-- Consumer Participation Handbook in January 1977.
- 0 Develop and implement thermal performance standards. (PDR)  
-- Design and implementation plan due in April 1977.

Sub-Goal B - To the extent appropriate, assure that effective remedies are available to consumers.

### Objectives

- 0 Develop and implement consumer complaint system. (CARF)  
-- Report on experience due in November 1976.
- 0 Prepare report for Congress on national Home Warranty Program. (CARF)  
-- Due for Congress in March '77.

Sub-Goal C - Develop and assist in the implementation of programs, policies or other delivery mechanisms that facilitate the matching of HUD services with the housing and community development needs of groups with unique needs and/or relationship to HUD.

Sub-Goal D - Assure the effective delivery of services to homebuyers, homeowners, and residents of HUD-assisted and insured housing necessary to improve their environment and to preserve and utilize such housing to the fullest extent possible.

### Objectives

- 0 Provide counseling to prospective and current homeowners. (CARF)  
-- Contracts for counseling services to be awarded in March '77.



GOAL V - COPE WITH NATURAL DISASTERS

Substantially enhance our Nation's ability to prepare for and recover from the impact of natural disasters.

Sub-Goal A - Refine the system for delivering federal disaster assistance to achieve greater efficiency and effectiveness.

Objectives

- 0 Survey the recipients of Federal disaster assistance to assess program effectiveness and identify problems. (FDAA)  
-- Plan of action due by Dec. 15, 1976.

Sub-Goal B - Promote more effective disaster planning, preparedness, and hazard reduction measures.

Objectives

- 0 Increase flood insurance studies completed from 1097 to 1367. (FIA)

	<u>Studies Completed</u>
1st Quarter	1,292
2nd Quarter	1,317
3rd Quarter	1,342
4th Quarter	1,367

VI - IMPROVE DEPARTMENTAL MANAGEMENT

Achieve HUD's program goals and objectives in a timely manner with the most efficient use of dollar and staff resources through effective management planning, direction, and support.

Sub-Goal A - Strengthen the Department's management planning, performance, control and evaluation capabilities.

Objectives

- 0 Achieve satisfactory progress on the FY 1977 Presidential Management Initiatives. (UM/ADM)
  - Report for period ending December 31 due for OMB on January 21, 1977.
- 0 Monitor implementation of process analysis recommendations. (ADM)
  - Bimonthly Progress Reports for Under Secretary to begin in Nov. 1976.
- 0 Develop plan for simplifying HUD issuances. (Director, Regulations & Issuances)
  - Complete revision of Flood Insurance and Mobile Home regulations by December 1976.
  - Recodify Title 24 by April 1977.
- 0 Consolidate HPMC and HM into Office of Housing. (H)
  - Complete evaluation of field structure by March 1977.
- 0 Reduce open external audit findings over one year old from 612 to 306. (IG)
 

1st Quarter	532
2nd Quarter	455
3rd Quarter	380
4th Quarter	306

Sub-Goal B - Improve the Department's ability to anticipate and respond to industry trends by developing data systems that will facilitate timely management decisions.

Objectives

- 0 Identify data needed to assess trends in housing and community development. (PDR)
  - Final report in November 1976.
- 0 Prepare Annual Report on National Housing Goals. (PDR)
  - Report to Congress in February 1977.

Sub-Goal C - To promote a viable, progressive personnel management program which (1) capitalizes on the strengths of laws, regulations, and standards developed to assure merit and equity; (2) supports a career service in which men and women are accepted on their ability and promoted on their merit; and (3) assures the proper mix of skills, abilities, and motivation to effectively deliver HUD's programs.

- 0 Achieve following employment goals within HUD: (ADM)
  - Increase % of women at GS-11 and above from 10.7% to 12.2%
  - Increase % of minorities at GS-11 and above from 15.8% to 17.3%
  - Increase % of Hispanic employees from 2.9% to 4.5%

Sub-Goal D - Improve the Department's budgeting, resource allocation, and accounting systems and processes.

Objectives

- 0 Design Mortgage Accounting Program (HUDMAP). (ADM)
  - Implementation Plan in May 1977.