INPUT®

Research
Bulletin

Agency Profile—Department of Housing and Urban Development

Mission

The Department of Housing and Urban Development is responsible for programs related to the nation's housing needs, fair housing opportunities, and community development. It administers programs to help families become homeowners, facilitates construction and rehabilitation of rental units, provides rental assistance, ensures a supply of mortgage credit, combats housing discrimination, aids community development programs, and helps protect the home buyer in the marketplace.

Organization

The Department is administered by a Cabinet-level Secretary whose headquarters office is located in Washington, D.C. Each of the major program offices is headquartered in the D.C. office. Two external organizations supporting the Secretary are the Interagency Council on the Homeless and the Federal Housing Finance Board. Ten regional offices distributed throughout the country support the operations of the six major program offices. These regional offices account for almost 75% of HUD's total civilian workforce of 13 thousand. Exhibit 1 shows the organizational structure of the agency.

Departmental Programs

a. *Federal Housing Administration* - These programs underwrite loans to help families become homeowners and to facilitate the construction and renovation of rental units. Section 8 and other programs assist low-income families who otherwise could not afford decent housing.

b. *Fair Housing and Equal Opportunity* - Housing discrimination prevention is supported by an affirmative program to further fair housing opportunities.

c. *Community and Neighborhood Development and Preservation* - Block grants provide funding to support local programs such as model cities, urban renewal, and water and sewage management. Grants are awarded to states, cities, and eligible local government units on a formula basis.

d. *Lead-based Paint Abatement and Poisoning Prevention* - This program is administered by an office under the Assistant Secretary for Policy Development and Research. It develops regulations, guidelines, standards, and policies in conjunction with other department programs.

Exhibit 1

HUD Organizational Chart

Program Offices

- Federal Housing
- Fair Housing & Equal Opportunity
- Community Planning & Development
- Lead-based Paint & Poisoning Prevention
- Policy Development & Research
- Public and Indian Housing
- GNMA
- Regional Offices

Staff Offices

- Administration Staff Offices
- Indian and Alaskan Native Programs
- Interagency Council on the Homeless
- Federal Housing Finance Board

Regional Offices

- I. Boston, Massachusetts
- II. New York, New York
- III. Philadelphia, Pennsylvania
- IV. Atlanta, Georgia
- V. Chicago, Illinois

- VI. Fort Worth, Texas
- VII. Kansas City, Kansas
- VIII. Denver, Colorado
- IX. San Francisco, California

Source: INPUT

e. *Public and Indian Housing* - These programs cover public housing management and development activities and provisions for Indian housing assistance. It also includes a new urban anti-crime initiative.

f. *Government National Mortgage Association (Ginnie Mae)* - GNMA is a government corporation that provides mortgage-backed securities to ensure an adequate supply of mortgage credit.

Program Budget

Overall program spending is expected to increase during FY 1994. Almost all programs show a decline in FY 1995 from FY 1994 levels, but higher levels than in FY 1993, as reported in this year's *Budget of the United States Government*. Exhibit 2 shows the trend in budgeted program obligations.

Information Technology Budget

Although the growth rate of anticipated spending by the Department of Housing and Urban Development diminished in FY 1994 from FY 1993, INPUT forecasts an increase in budget dollars from FY 1994 through FY 1998. Exhibit 3 shows this anticipated growth in obligations for information technology systems. Dollars budgeted within each category are composites of the total program needs for the department.

The major growth in information technology (IT) spending is in systems analysis, programming, design, and engineering services. With a steady decline in personnel costs over the five-year period, professional services contracts will be the major means by which the department will attain its software development goals.

INPUT

Exhibit 2

HUD Program Budgets

Program	FY1992 Actual	FY1993 Estimated	FY1994 Estimated
Low-income housing	6,578	8,679	8,423
Fair Housing & Equal Opportunity	13	15	21
Community Planning & Development	3,419	6,601	4,234
Lead-based Paint Abatement (1)	-	-	-
Policy Development & Research	25	23	35
Public & Indian housing	165	175	265
GNMA (2)	1,079	1,018	952

Figures in $ Millions

Notes: (1) Operating budget of $500,000 included in Policy Development & Research
(2) Figures are for obligations. Program has no budget authority.

Source: Budget of the United States Government: Fiscal Year 1994, April 8, 1993

Voice communications is the other major growth area in department IT spending. In part, this can be attributed to more accurate reporting of telecommunications needs in the information technology budget instead of in operating budgets.

Major Information Technology Acquisition Plans

The following major (life-cycle costs exceed $25 million) program activities have been identified by INPUT through agency planning documents and information technology budget submissions:

a. *HIIPS Operations* - This program is supported by a consolidated automated services contract that provides all computer hardware and teleprocessing support for HUD. The Department expects to spend $2.1 million for systems conversions during FY 1993. It plans to spend $310 million for operations from FY 1993 through FY 1998. The HIIPS contract is held by Martin-Marietta.

b. *Core Accounting* - In-house development of a system to provide a central standardized accounting environment will be completed during FY 1993 at an anticipated cost of $3.9 million. The system (FIR$T) will capture, report, control, and summarize financial results of the department's accounting processes.

c. *Mortgage Insurance* - HUD will spend $2.9 million in FY 1993 to upgrade automated systems for processing mortgage insurance transactions and managing mortgage insurance accounts.

Exhibit 3

HUD Information Technology Budget

	FY1993	FY1994	FY1995	FY1996	FY1997	FY1998
Capital Investments						
Purchase of Hardware	5,023	4,986	5,146	5,321	5,512	5,710
Purchase of Software	1,156	1,418	1,526	1,610	1,677	1,729
Site or Facility	0	0	0	0	0	0
Personnel	23,241	22,527	22,186	21,743	21,221	20,584
Equipment, Rental, Space, and Other Operating Costs						
Lease of Equipment	7,265	10,151	10,253	10,458	10,719	11,041
Lease of Software	7,226	8,861	8,507	8,098	7,588	7,011
Space	2,419	2,966	3,005	3,050	3,095	3,142
Supplies & Other	8,464	10,380	11,366	12,309	12,814	12,917
Commercial Services						
ADPE Time	5,073	6,221	6,153	6,036	5,872	5,666
Voice Communications	8,297	8,271	10,058	12,119	14,216	16,690
Data Communications	3,023	3,707	3,803	3,910	4,144	4,443
Operations & Maintenance	15,344	20,033	20,053	20,294	20,801	21,529
Systems Anal/Prog/ DSGN/Eng	25,704	45,011	50,097	54,055	58,704	63,400
Studies & Other	0	0	0	0	0	0
Significant Use Info. Tech.	0	0	0	0	0	0
Total Obligations	112,235	144,552	152,151	159,001	166,363	173,862

All figures in $000.

Source: HUD and INPUT

d. *Grants and Subsidies* - HUD will spend $2.8 million in FY 1993 to upgrade automated systems for managing and executing departmental grant and loan programs. It includes CFS/TRACS.

INPUT's Procurement Analysis reports (PAR) program currently tracks four active program contracts. Exhibit 4 shows these programs and their status:

Current Issues at HUD

The department's information technology focus includes the following activities:

• HUD has purchased Computer-Aided Software Engineering (CASE) tools and

expects that CASE methodology will be prominent in applications development for the department. Most development will be conducted through professional services contracts, but HUD expects that the contractor will use CASE tools.

• *HUD* has developed a departmentwide infrastructure for electronic data interchange (EDI). It has begun a pilot project to automate Federal Housing Administration mortgage insurance claims processing using EDI. HUD has been accepting actual EDI claims since May 1993. Two banks are currently involved in the project. The program is expected to reduce HUD's current

4

Exhibit 4

HUD Contracts

Program	Type	Status/Size	Comment
1. Computerized Homes Underwriting Mgt. System (CHUMS)	Professional Services	Awarded 12/90 $5 M/year	Sys. dev't & sw maintenance. FHA Single Family Insurance forms. Contracts held by Advanced Technology Systems ($8.1 M) & Computer Based Systems, Inc. ($9.9 M)
2. HUD Integrated Info. Processing Services (HIIPS)	SI Professional Services	Awarded 11/90 $530 M life	Provision, installation, and operation of all of HUD's ADP equipment and services. Contract held by Martin Marietta.
3. ADP Dev't & Maintenance Support Services	Professional Services	Open $11.3 M life	Current contracts are held by Computer Data Systems, Inc. (CDSI), ATS, & Orkand. They are presently performing applications software development.
4. Multifamily Notes System (MNS)	Professional Services	Open $3.8 M	Cost Reimbursement/Fixed Unit. This program will provide for a new Multifamily Notes System and replace the current system utilized by HUD. Data Prompt, Inc. will, provide services until the new system is developed.

Source: INPUT

$15 million annual claims processing costs to $3-5 million when fully implemented.

- HUD is building a standard HUD financial platform in response to the General Accounting Office criticism over the past few years. Agency officials have not decided whether they will integrate the financial system with about 30 existing HUD accounting systems or convert to one consolidated system. It is believed unlikely that HUD would replace all its existing accounting systems.

- HUD plans to build a Client Information and Policy System, an electronic bulletin board service for posting policy documents. HUD's in-house data base, the Directives Access System, can now be accessed by HUD employees using full-text searches. The BBS will support full-text access of records and would be available free to the public.

- As the federal market for Geographic Information Systems (GIS) grows, different agencies are taking advantage of its versatility in supporting their programs. HUD is using GIS to map enterprise zones in Los Angeles following the riots earlier this year. HUD hopes to use the Los Angeles example as a model for enterprise zone projects in many U.S. cities. This application includes automated mapping facilities management that covers automated maps of roads, streets and infrastructure; and land information systems (LIS) that deal with real estate and land ownership.

■ INPUT

INPUT®

INTERNATIONAL IT INTELLIGENCE SERVICES

Clients make informed decisions more quickly and economically by using INPUT's services. Since 1974, information technology (IT) users and vendors throughout the world have relied on INPUT for data, research, objective analysis and insightful opinions to prepare their plans, market assessments and business directions, particularly in computer software and services.

Contact us today to learn how your company can use INPUT's knowledge and experience to grow and profit in the revolutionary IT world of the 1990s.

SUBSCRIPTION SERVICES

- **Information Services Markets**
  - Worldwide and country data
  - Vertical industry analysis
- **Systems Integration and Business Process Change**
- **Client/Server Applications and Directions**
- **IT Outsourcing Opportunities**
- **Information Services Vendor Profiles and Analysis**
- **EDI/Electronic Commerce**
- **U.S. Federal Government IT Markets**
- **IT Customer Services Directions**
- **Interactive Communications Services**
- **Multimedia Opportunities**

SERVICE FEATURES

Research-based reports on trends, etc. (Over 100 in-depth reports a year)

Frequent bulletins on events, issues, etc.

5-year market forecasts

Competitive analysis

Access to experienced consultants

Immediate answers to questions

DATA BASES

- **Software and Services Market Forecasts**
- **Software and Services Vendors**
- **U.S. Federal Government**
  - Procurement Plans (PAR)
  - Forecasts
  - Awards (FAIT)
- **Commercial Application LEADS**

CUSTOM PROJECTS

For Vendors—analyze:

- **Market strategies**
- **Product/service opportunities**
- **Customer satisfaction levels**
- **Competitive position**
- **Acquisition targets**

For Buyers—evaluate:

- **Specific vendors**
- **Outsourcing options**
- **Market opportunities**
- **Systems plans**
- **Peer position**

OTHER SERVICES

Presentations to user groups, planning meetings, etc.

Acquisition/partnership searches

Newsletters

INPUT WORLDWIDE

Frankfurt
Sudetenstraße 9
D-35428 Langgöns-
Niederkleen
Germany
Tel. +49 (0) 6447-7229
Fax +49 (0) 6447-7327

London
17 Hill Street
London W1X 7FB
England
Tel. +44 (0) 71 493-9335
Fax +44 (0) 71 629-0179

New York
400 Frank W. Burr Blvd.
Teaneck, NJ 07666
U.S.A.
Tel. 1 (201) 801-0050
Fax 1 (201) 801-0441

Paris
24, avenue du Recteur
Poincaré
75016 Paris
France
Tel. +33 (1) 46 47 65 65
Fax +33 (1) 46 47 69 50

San Francisco
1881 Landings Drive
Mountain View
CA 94043-0848
U.S.A.
Tel. 1 (415) 961-3300
Fax 1 (415) 961-3966

Tokyo
Saida Building, 4-6,
Kanda Sakuma-cho
Chiyoda-ku, Tokyo 101
Japan
Tel. +81 3 3864-0531
Fax +81 3 3864-4114

Washington, D.C.
1953 Gallows Road
Suite 560
Vienna, VA 22182
U.S.A.
Tel. 1 (703) 847-6870
Fax 1 (703) 847-6872