

United States Senate

WASHINGTON, D.C. 20510

January 12, 1978

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The Honorable Patricia Roberts Harris
Secretary, Department of Housing and
Urban Development
451 Seventh Street, S.W.
Washington, D.C. 20410

Dear Secretary Harris:

As you know, the HUD reorganization plan has caused considerable concern in Kansas, since virtually all HUD personnel currently in our State will be moved to Kansas City, Missouri. City officials, HUD employees, Kansas public housing authorities, and developers share my concern about the overall effects of downgrading the Topeka Insuring Office and moving the Kansas Area Office into the Regional Office in Missouri. I am particularly concerned that the quality and level of services of the HUD Programs in Kansas will be lessened by this reorganization. This concern has prompted me to ask the General Accounting Office to study the two moves.

Certainly, I understand your desire to improve the field office structure and the efficiency of the Department of Housing and Urban Development. In fact, I applaud your efforts in those instances where efficiency and service will be improved. However, reorganization based on general theories may improve the HUD field structure generally while creating significant shortcomings in a particular State through administrative delays and low level delivery of HUD programs. The specific actions to be taken in Kansas will adversely affect Kansas housing projects, disrupt the lives of my constituents who work for HUD, result in a destabilizing of the economy in the communities where the offices are now located, and affect the quality of HUD programs available in Kansas.

A major consideration of the HUD reorganization plan was that offices and functions, such as those in Topeka and Kansas City, are to be consolidated for more efficient and less costly performance of services. However, the decisions pertaining to the moves in Kansas are not supported by detailed studies of the costs and benefits on a case-by-case basis, rather they are being justified on the basis of general management and organizational theories.

Because HUD has made exceptions to its rule for collocating the regional and area offices and for consolidating the multifamily activities at area offices, I would hope that an exception could be made in the case of Kansas. Also, I would appreciate your addressing the individual arguments which are presented in this letter.

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Your plan calls for the transfer of multifamily insurance activities from the Insuring Offices to Area Offices. A few people would be retained in a downgraded Topeka office to work on single-family insuring functions. In Topeka's case, however, it appears that they perform multifamily production well and with a high degree of efficiency based on unit-cost figures provided by your Congressional Liaison Office. In short, they are being penalized for what they do well in order to help other sections that had major weaknesses in their multifamily activities.

The situation in Topeka is further aggravated by the wasteful effects of creating a vacancy in the new Federal Office Building there, the costs of moving and remodeling new quarters, the expense of moving personnel to a new city, and the loss of trained, experienced HUD staff who elect not to take another assignment in HUD. Although detailed cost estimations are not available on this move, the total costs involving the Topeka office alone may approximate \$600,000. With these high expenses in mind, coupled with the fears of public housing authorities in Kansas who indicated that they have always received excellent service and cooperation from the Topeka office, I believe that there is excellent reason for keeping the multifamily activities in Topeka.

In view of unanswered questions on the impact of the reorganization on the delivery of multifamily activities in Kansas and the high costs involved in this shift, I believe that a serious question exists on the merit of moving the multifamily activities from the Topeka office. Moreover, an exception would not be unique since in six other cases — Manchester, New Hampshire; Providence, Rhode Island; Charleston, West Virginia; Nashville, Tennessee; Cleveland, Ohio; and Sacramento, California — multifamily insuring functions have been left with service offices. In fact, I understand the exceptions have been made in Manchester, Providence, and Charleston because these portions of New England and Appalachia are different than the rest of the jurisdictions served by the nearest area office. Similarly, I believe the needs and conditions in rural Kansas are different than the needs of the rest of the area served by the Kansas City Area Office. Further, the decision to retain multifamily activities in Manchester and Providence — each less than 60 miles from the Boston Area Office indicates a recognition by HUD that a relatively short distance, such as that between Topeka and Kansas City, can create vastly different housing needs and market conditions.

Of course, the HUD reorganization also affects the Kansas Area Office. The primary source of my concern here is the effect on the community of moving the office out of Kansas City, Kansas. To date, HUD has taken an active interest in helping Kansas City, Kansas with urban renewal, neighborhood redevelopment, and community development projects. Removing the HUD office to Missouri would seem to be counterproductive and totally out of line with other HUD strategy to assist the city. Your presence in Kansas City, Kansas, is a positive influence on the community,

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because office tenants, such as HUD, are needed to help spearhead the redevelopment of this area. Although your move is just one facet of a problem which has plagued Kansas City, Kansas for a long time, it is particularly ironic and disappointing since it comes from the Department of our government which is charged with urban development.

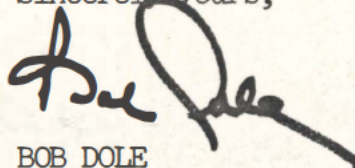
Community leaders in Kansas City, Kansas, are deeply concerned about the tendency to put all Federal offices on the Missouri side of the line. While about one-third of the metropolitan population of Kansas City is on the Kansas side, 95 percent of the Federal office space is in Missouri. I recognize that the Office of Management and Budget's Circular A-105 requests Federal domestic agencies to locate their regional offices in Kansas City, Missouri, but I cannot understand how the mere three miles between Kansas City, Kansas and Kansas City, Missouri can be used to justify the further concentration of Federal offices in Missouri.

Other factors, which mitigate against this move include the serious effect on the morale of HUD employees who will be paying an earning tax in Missouri which they do not now pay in Kansas, and who will lose the free parking available in Kansas; the cost of moving and remodeling offices which could be as much as \$360,000; and the inevitable disruption to both HUD and the other Federal agencies that may be forced to relocate. Surely the minor administrative savings you may achieve by physically collocating the two offices cannot offset these many disadvantages.

Since you have already made an exception to the general collocation principle and to the OMB's A-105 guidelines, by moving the Dallas Regional Office to Ft. Worth while leaving the Area Office in Dallas, I believe a second exception should be allowed in the Kansas City case for the reasons outlined above.

No doubt, you can understand my concern about your plan as it affects Kansas. I hope that you will consider making the exceptions in this instance. I will also be looking forward to your reply.

Sincerely yours,



BOB DOLE
United States Senate

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