

**Questions for the Record for James Arthur Jemison II**  
**United States Senate Committee on Banking, Housing, and Urban Affairs**  
**Nomination Hearing**  
**Thursday, October 7, 2021**

Questions from Chairman Brown

1. Where have you excelled in past positions in attracting, hiring, and promoting people of color in positions in your organization/s? Where might there be room for improvement?

*I would point to the initial staffing of the City of Detroit Housing & Revitalization Department (HRD) and re-staffing of the Planning and Development Department (PDD) as examples. In 2014 and 2015, my then Deputy Director Hunter Kurtz and I had to restructure the staff of both departments as part of the Bankruptcy. (Mr. Kurtz used to work for me in Detroit before becoming PIH Assistant Secretary under the previous administration.) I recruited Planning Director Maurice Cox (now Planning Director of Chicago, IL) and collaborated with him in recruiting a diverse staff of planners to lead the City of Detroit's Planning Department. While I am certainly proud of the diversity of the new staff -- in particular the number of women leaders -- I am equally proud of the retention and promotion of staff of color who had served the city for long periods without recognition. The planning field and public housing field need significant inflows of BIPOC graduates. Twenty-five years ago, I was one of those BIPOC students entering the field. As a result, in my leadership in prior positions have worked with academic departments to recruit staff and make sure future generations of my departments have diverse leadership and staff.*

2. What specific measures will you use to evaluate the success of the Department of Housing and Urban Development (HUD) in understanding and addressing the needs of Black, Indigenous and people of color (BIPOC)? And, will you work with the Secretary and senior officials to keep Congress apprised, as appropriate, on the progress being made on these measures?

*Throughout my 25-year career, I have focused on using data and measurable results and would use similar approaches in my work at PIH. Many public housing developments, units occupied by voucher holders, and Tribal communities are within communities of color or on Tribal land. If confirmed, I will make sure PIH is a partner with FHEO and informing fair housing oversight and working with PIH stakeholders to fulfill their role locally. Reports including data on the preservation, rehabilitation and operating results for PIH-related units will allow me to highlight specific areas where progress is being made or where improvement is needed. If confirmed, I will work with the Secretary and other senior officials to keep Congress apprised of progress on these issues.*

3. What is your plan for creating an inclusive working environment for employees within your office?

*Creating an inclusive working environment requires a careful process of staff engagement, listening and consensus building. It also involves, where possible, using a transparent process*

*for the creation of the vision, major decisions, and measurement of outcomes. The testimony from my supporting letters and track record in the Commonwealth of Massachusetts, Washington, D.C., and Detroit show that I have used these methods in my work.*

#### Questions from Senator Reed

1. The Family Self-Sufficiency (FSS) program is an important employment and savings incentive initiative that I have worked over the years to strengthen and expand.

- a. **If confirmed, do you commit to prioritizing FSS as a key tool to giving those in public housing the incentives and tools to meet their financial goals?**

*FSS is a key tool in helping public housing residents, voucher holders, and NAHASDA-assisted households achieve their financial goals. If confirmed, I will emphasize asset building efforts like FSS to support residents.*

- b. **What strategies and ideas do you have for further improving access to the FSS program and provide the support needed for more public housing agencies to implement it?**

*FSS requires local PHA staff leadership to achieve success for tenants. Making sure that housing authorities have the administrative staff and technical assistance required to work with residents will be the key to broader acceptance of the program as a part of PHA core programming.*

2. Research has shown that the threat to affordable housing from flooding and other effects driven by climate change will likely triple in the next 30 years, which is why I recently introduced legislation (the Green Retrofits Act, S.2361), to bolster public-private partnerships to make green upgrades to HUD-assisted multifamily homes and create a new program to distribute energy efficiency grants and loans. If confirmed, how will you work to make public housing stock more resilient in the face of climate change? How do we protect our most vulnerable populations from future hurricanes, heat waves, and cold snaps?

*Public housing authorities receive annual capital allocations to address emergency capital needs and otherwise maintain their properties. In addition, the Choice Neighborhoods program provides significant new capital for particularly distressed properties. If confirmed, I will work with PHAs to prioritize resilient rehabilitation as part of their capital programs. If significant new funds come from Congress for capital improvements in public housing, we will have an even greater opportunity to make sure rehabilitation and new development are resilient to disasters and other impacts of climate change.*

3. If you are confirmed, can you commit to prioritizing HUD-VASH and working to ensure that no servicemember is discharged into homelessness? What ideas and strategies do you have for improving the HUD-VASH program?

*Yes. No veteran who has raised their hand and committed to serve the United States should experience homelessness. If confirmed, I will prioritize VASH, including Tribal VASH, in my work to make sure we improve utilization of VASH through, among other methods, more focused engagement between PHAs, Continuums of Care, and Tribes, and continuing engagement with the VA and DOD.*

## Questions from Senator Kennedy

### **1. Risk Rating 2.0**

Mr. Jemison, the National Flood Insurance Program (NFIP) has undergone significant changes to its rate setting methodology (Risk Rating 2.0) that may cause policyholders to pay more in monthly premiums, impact housing affordability and, in some instances, constrain the supply of housing.

- **What will you do to ensure that implementation of these changes do not negatively impact the affordability and availability of housing?**

*This is a question best posed to the Federal Housing Administration leadership. It falls outside of both the Office of Public and Indian Housing and the Office of Community Planning and Development.*

- **Will you compel the Federal Emergency Management Agency (FEMA) to disclose this data for multifamily properties?**

*This is a question best posed to the Federal Housing Administration leadership. It falls outside of both the Office of Public and Indian Housing and the Office of Community Planning and Development.*

Questions from Senator Tillis

1. A [City of Detroit] Detroit Office of Inspect General (OIG) report from January 4, 2021, found that a Community Development Block Grant (CDBG) program developed by Detroit while you were a senior city official awarded grants to businesses in the metro-Detroit suburbs and not inside the City of Detroit. In addition, Detroit awarded CDBG funds to businesses in states as far away as Georgia and California and to businesses in foreign countries, like Canada and France.<sup>[1]</sup>

**a. Why was it in Detroit’s interest to award CDBG funds to entities so far removed from the City of Detroit?**

*In 2014, the Administration believed that the city needed an entrepreneurship program. The field office of HUD in Detroit worked closely with the Detroit Economic Growth Corporation (DEGC) to design the “Motor City Match” program, which is partially funded with CDBG dollars. DEGC / EDC operated the Motor City Match Program and was responsible for its oversight.*

*The program’s purpose was to open businesses in Detroit neighborhoods and employ Detroit residents. This included companies with founders from outside City boundaries if they committed to creating jobs for low-income Detroit residents. As of January 2021, 64% of the new Motor City Match businesses had Detroit-based owners, 81% were minority-owned, and 71% were women-owned.*

*The program was designed to have CDBG funds allocated to give entrepreneurs business planning and design advice and allow philanthropic funders to support the capital expenses of new businesses.*

*The City of Detroit Housing & Revitalization Department, entered into a sub-recipient contract with the DEGC / EDC for Economic Development programs in 2015. HRD did not operate Motor City Match. That was the responsibility of DEGC / EDC, which is separate from the department I led.*

**b. Did the City of Detroit have sufficient controls to ensure that CDBG funds would be appropriately targeted to benefit Detroit?**

*The City had controls in place for all payments and also an office for focus on consistency with grants through an Office of Grants Management within the Office of the Chief Financial Officer. By the time I left in January 2021, the program had had a significant positive impact in Detroit, including the opening of over 111 new brick-and-mortar small businesses and significant numbers of new pop-up and home-based businesses.*

*When HUD monitoring identified a problem with way that the DEGC / EDC was maintaining its Books and Records, the City of Detroit Office of Chief Financial Officer and the HRD team whose leader reported to me, performed a forensic*

*audit to identify the problems, cited contract violations of the DEGC / EDC, and worked with the DEGC / EDC to make the Books and Records better conform with the requests of the HUD Detroit Field Office staff.*

*Because of the work of the City OCFO and HRD staff to resolve questions from the agency, HUD re-instated the City's ability to contract CDBG with DEGC / EDC for the Motor City Match program in May 2020.*

2. This same [City of Detroit] OIG report uncovered multiple problems with this Detroit CDBG program. These problems included “excessive spending, a lack of oversight, weak controls for issuing payments and ultimately nearly 77% of the businesses the program assisted failed.”<sup>[2]</sup>

- a. **How will you ensure that the programs you administer for the HUD's Office of Public and Indian Housing (PIH) do not experience similar problems?**

*HRD leadership did not run this program; rather, they were called in to help correct the identified problems. This was a program run by a sub-recipient contractor of the City, the Detroit Economic Growth Corporation (DEGC).*

*In my current position at HUD, I take seriously the responsibility to ensure taxpayer dollars are protected. If confirmed as Assistant Secretary for Public and Indian Housing, I will take appropriate action to conduct this oversight.*

- b. **How will you ensure that taxpayer funds administered by PIH are not wasted as they were in Detroit?**

*If confirmed, I would diligently oversee PIH's annual appropriations with the support of extensive expertise and personnel dedicated to PHA oversight in the field. The vast majority of PIH's funding goes directly to residents for rental assistance and resources for capital needs and operations. Proper oversight of this vital funding is critical to maximize PHAs' ability to serve residents' needs.*

3. This same Detroit CDBG program was also the subject of a review by HUD due to its poor targeting of low- to moderate-income areas. In fact, HUD called on Detroit to cease this CDBG spending until the city improved this targeting.<sup>[3]</sup> At the time of HUD's request, you stated that you were “confident we're going to satisfy HUD's request.”<sup>[4]</sup>

- a. **Should CDBG dollars be targeted to serve low- to moderate-income areas?**

*This targeting was improved and because of the work of the City OCFO and HRD staff to resolve questions, HUD re-instated the City's ability to contract CDBG with DEGC / EDC for the Motor City Match program in May 2020.*

*While this question does not pertain to the scope of the Office Public and Indian Housing, I believe that grantees should follow the law and regulation.*

**b. Should other HUD programs – particularly those administered by HUD’s Office of Public and Indian Housing (PIH) – also be targeted to support low- to moderate-income families?**

*PIH programs are critical to low-to-moderate income families, providing essential housing assistance. There are strict income eligibility requirements for public housing to which PHAs must adhere.*

**c. Do you commit to not remove any oversight controls that ensure PIH programs target low- to moderate-income families?**

*I do not intend to remove any oversight controls for public housing to which PHAs must adhere.*

<sup>[1]</sup> City of Detroit OIG, 2019-0018-INV *Motor City Match & Motor City Re-Store Programs* 29 (Jan. 4, 2021), <https://detroitmi.gov/sites/detroitmi.localhost/files/2021-01/OIG%20Case%20No.%202019-0018-INV%20Motor%20City%20Match.pdf>.

<sup>[2]</sup> Christine Ferretti, *Duggan’s Motor City Match program had excessive spending, lack of oversight: report* THE DETROIT NEWS (Jan. 4, 2021), available at <https://www.detroitnews.com/story/news/local/detroit-city/2021/01/04/detroit-motor-city-match-program-had-excessive-spending-report/3776502002/>.

<sup>[3]</sup> Candice Williams, *Feds review Motor City Match over documentation, low-income assistance* DETROIT NEWS (June 19, 2019), available at <https://www.detroitnews.com/story/news/local/detroit-city/2019/06/19/feds-probe-whether-detroits-motor-city-match-program-misused-funds/1482635001/>.

<sup>[4]</sup> *Id.*

## Questions from Senator Sinema

1. In 2017, HUD reported finding much higher rates of building deficiencies and overcrowding in housing in tribal areas than in other U.S. housing. Arizona is home to twenty-two Native American tribes and twenty reservations. These issues continue to affect Arizonans who belong to these tribes and live on these reservations. If confirmed, how will you ensure that housing development projects on tribal land in Arizona are safe and affordable? How will you work with tribal leadership and the State of Arizona to ensure the efficacy of these projects?

*If confirmed, I will work to make sure that housing development projects on tribal land are safe and will work to reduce overcrowding. We will do this in coordination with Tribes, engaging in meaningful and robust consultation. Tribes' needs may vary greatly, but they all want to be able to provide housing and other community resources for families. Where Tribes request best practices and support in working with property owners on safety and overcrowding, our office will provide that support.*

*If confirmed, I will also focus on helping Tribes meet these needs and fully leverage resources available from the American Rescue Plan enacted earlier in 2021.*



## Questions from Senator Shelby

1. During your time in a senior housing position for the City of Detroit, efforts to redevelop certain neighborhoods experienced significant delays. According to press reports, on one particular project, timelines that you set up were “developed without any data” and were missed.<sup>[1]</sup>
  - a. What was your justification for developing timelines without any data to support them?

*We did use data to support our conclusions. There was not very much applicable data to draw from, however. The article this question cites to refers to the Fitzgerald project. The Fitzgerald project was one of approximately 35 housing and commercial developments in which I was involved during my time in Detroit. The Fitzgerald project called for public sector agencies to conduct the demolition of approximately 25 vacant houses, the construction of a new park, the construction of a greenway and significant improvements in alley and roadway systems. The project also called for a market-led, phased rehabilitation of vacant single-family houses over a five-year period with some City funding support. The scope of work controlled by public sector entities took place on time. The rehabilitation of the houses, which required layered financing and market demand, moved more slowly.*

*When I arrived in Detroit from Massachusetts in 2014, the City's bankruptcy was being resolved and I was part of a team of people whose job it was to help the city recover. This required trying new approaches. In a city recovering from bankruptcy, there was no data or comparable recent programs in which a private, single-family rehabber had delivered significant numbers of single-family home rehabilitations successfully. As a result, there was no data or benchmark from which to measure the proposed pace of rehabilitation. The selected developer cited their track record of rehabilitations in other city neighborhoods.*

*In approximately the same time frame, the City of Detroit and the Detroit Land Bank Authority launched programs which have had significant success in rehabilitation of large numbers of houses. Programs such as the City's 0% Home Repair Loan Program, Bridging Neighborhoods program (BNP) and the Detroit Land Bank Authority's (DLBA) Rehabbed & Ready program. I was involved with conceiving 0% and BNP; and was part of fundraising capital support for the Rehabbed & Ready program. When I left the City in January 2021, these programs were approaching completion of nearly 600 0% home repairs, nearly 50 BNP home swaps and close to 90 Rehabbed & Ready sales, respectively. Articles about both these programs are referenced below as footnotes [2][3].*

*Over the last 25 years I've been directly involved in the preservation of over 4,000 and development of over 3,500 market and affordable units and hundreds of public housing units. I have been involved in the permitting and development of*

*over \$2 billion in economic development projects and been part of the recovery of two public housing authorities: in Boston under the leadership of Sandi Henriquez former Assistant Secretary for Public and Indian Housing (PIH); and the Detroit Housing Commission with my former Deputy Director in Detroit, Hunter Kurtz. Hunter went on to become the Assistant Secretary for Public and Indian Housing in the prior administration.*

*I have done my work in recovering cities, working to hasten positive change. I hope to bring my energy and reform experience, if confirmed, to the Office of Public and Indian Housing.*

- b. If confirmed, what factors will you consider in order to ensure taxpayer funds are allocated efficiently at HUD?

*If confirmed, the factors to consider include making sure the programs are simple to implement so the full range of local approaches can be used. We should also consider the use of known programmatic and regulatory channels, such as basing new programs on regulatory frameworks like CDBG, for example. This process allows efficient deployment of the funds.*

*My experience as a practitioner will inform the way in which we ensure the efficient deployment of taxpayer funds I have already spent 10 months at HUD leading the Office of Community Planning and Development. Just since January 2021, CPD has issued implementing notices for over \$5 billion in funds through the HOME-ARP program.*

*If confirmed I would bring my field experience to bear in headquarters. My experience with the field will also ensure that taxpayer funds are allocated efficiently. When I arrived in Detroit in 2014, the City had never spent its funds on a timely basis according to the CDBG Timeliness Test, putting those funds at risk of recapture. From 2016 to 2020, we spent our funds on a timely basis. The test was suspended in 2020 due to the unprecedented challenges posed by the COVID-19 pandemic.*

*We made these marked improvements to timely expenditures of funds by supporting staff focus and close working relationships with the field office and technical assistance providers. If confirmed, I will bring my extensive reform experience in the field and my recent experience at HUD headquarters to bear in this new position.*

[1] Christine Ferretti, “Duggan administration argues watchdog report on Motor City Match 'not in step with reality'”

<https://www.detroitnews.com/story/news/local/detroit-city/2021/01/26/duggan-administration-watchdog-report-motor-city-match/4257660001/>

[2] Shawn Lewis, “Leaving Detroit's Delray: A family swaps homes for better life” <https://www.detroitnews.com/story/news/local/detroit-city/2019/01/27/delray-neighborhood-home-swap/2596281002/>

[3] Andrew Ackerman, “Biden’s Neighborhood Revitalization Plan Looks to Detroit for Inspiration” <https://www.wsj.com/articles/bidens-neighborhood-revitalization-plan-looks-to-detroit-for-inspiration-11621935002>

<sup>[1]</sup> Joe Guillen, *Detroit neighborhood redevelopment project to take 3 times longer than promised* DETROIT FREE PRESS (Feb. 21, 2020), available at <https://www.freep.com/story/news/investigations/2020/02/21/detroit-fitzgerald-neighborhood-rehab/4646941002/>.

## Questions from Ranking Member Toomey

### *Congressional oversight*

1. Please provide your philosophy on how HUD's Office of Public and Indian Housing (PIH) will approach and respond to Congressional information requests (both for documentary information and oral testimony) if you are confirmed.

*If confirmed, I would provide responses to requests with reasonable understanding of the time required to produce documentation.*

2. If confirmed, do you intend to respond to information requests differently depending on who is making the Congressional information request (whether it's the chair of the Congressional committee, the ranking member, or another member of Congress)? Please answer "yes" or "no." If your answer is "yes," please explain.

*Yes. If confirmed, I will work to ensure HUD responds in a timely manner to all congressional requests for information, consistent with applicable law and regulations.*

3. If confirmed, I would work to ensure HUD responds in a timely way to congressional requests for information, including from both Chairs and Ranking Members, consistent with applicable law and regulations. Will you commit that, if confirmed, you will timely respond to and fully comply with all information requests from me? Please answer "yes" or "no." If your answer is "no," please explain.

*Yes. If confirmed, I would expect to provide responses to requests, with reasonable understanding of the time required to produce documentation and consistent with applicable law and regulations.*

4. Will you commit that, if confirmed, you will make yourself and any other PIH employee expeditiously available to provide oral testimony (including but not limited to briefings, hearings, and transcribed interviews) to the Committee on any matter within its jurisdiction, upon the request of either the Chairman or Ranking Member? Please answer "yes" or "no." If your answer is "no," please explain why.

*If confirmed, I would seek to respond to such requests with reasonable understanding of the time required to prepare briefings and make sure appropriate staff are prepared to offer substantive responses.*

5. Do you believe that PIH may assert any privileges or other legal justifications to withhold information (whether records or oral testimony) from Congress? Please answer "yes" or "no."

*If confirmed, I would consult with the agency's Office of General Counsel to ensure HUD responds to Congressional requests in a manner that is consistent with appropriate law and regulations.*

6. If you answered “yes” to the preceding question, please list every such privilege or other legal justification, and provide the legal basis for why you believe PIH may use such privilege or legal justification to withhold information from Congress.

N/A

7. In an effort to be open and transparent with Congress and the public, will you commit not to assert any such privilege or legal justification against Congress that you listed above? If not, why not? If so, please identify all such privileges or legal justifications that you will commit to not assert against Congress.

*If confirmed, I would work with the Office of General Counsel to ensure that I am complying with any and all legal requirements.*

#### *HUD Pilot Projects*

8. In recent years, HUD has started some pilot programs to study the effectiveness of Housing Choice Vouchers and to try to improve them for beneficiaries. Would you be open to additional pilots? If so, what kinds of pilots?

*If confirmed, I would be open to additional pilots in consultation with the Secretary.*

#### *Ensuring that HUD assistance is not for a “lifetime”*

9. In December 2020, HUD Secretary Marcia Fudge said that “public housing or low income housing should not be a lifetime, it should be just a stopping point.”<sup>11</sup> What do you intend to do during your time as the Assistant Secretary for Public and Indian Housing to advance that goal?

*Programs like Family Self-Sufficiency (FSS) help tenants achieve financial and employment goals, including many who transition to homeownership. Rental assistance alone is vital for those experiencing homelessness or at risk of homelessness, but it offers families stability and the ability to pursue employment and educational goals and improve their health status and wellbeing. If confirmed, I would work with OGC to review the limitations on discretion that I have to support resources appropriated for this type of program by Congress to identify additional ways to support programs like FSS that build on rental assistance to help tenants achieve asset building, employment, and educational goals.*

#### *Moving to Work*

10. The Moving to Work (MTW) Demonstration Program provides public housing agencies (PHAs) with exemptions from many existing public housing and voucher rules and grants flexibility with how to use federal funds. Do you support expanding the number of eligible jurisdictions to allow more communities to experiment with MTW?

*From my experience in the field, I know the value of flexibility for public housing authority leaders. I do not currently have a position on expanding the MTW program but look forward to consulting with PIH staff, stakeholders, and the Secretary.*

11. Would you consider expanding MTW to allow defined-stay tenancy for new tenants (i.e., time limits) in exchange for a set rent that will not increase with income?

*I do not currently have a position on expanding the MTW program but look forward to consulting PIH staff, stakeholders, and the Secretary. I would like to learn more about that approach, if confirmed and will work with your office and other interested policymakers to ensure that I have the latest thinking on this subject.*

12. After years of research, the Moving-to-Work Research Advisory Committee, comprised of public housing agencies, current and former public housing residents, and researchers recommended the MTW expansion include work requirements as a policy cohort to evaluate (along with general flexibility for small/medium PHAs, rent reform, and landlord incentives). Do you agree with this committee's recommendations?

*I have not seen the committee's recommendations and so cannot respond to them. I do not currently have a position on expanding the MTW program but look forward to consulting with interested Congressional offices, PIH staff, stakeholders, and the Secretary.*

13. Despite years spent designing a study for work requirements and enough PHAs applying to participate in the study, in June 2021, HUD unilaterally decided to cancel this study. HUD justified this cancellation by suggesting a need to be "responsive to the economic realities and current needs of low-income families."<sup>21</sup> PHAs have expressed disappointment in HUD's decision to cancel this important research. HUD's justification for cancelling this study does not make sense given that any work or volunteer requirements studied by PHAs participating in the study would be set years from now. Do you agree with HUD's decision to cancel this study? Please explain why you agree or disagree with this decision.

*Respectfully, I do not know enough about the committee's recommendations or the decision to cancel the study. If confirmed, I would learn more and meet with the committee, HUD staff, and PHA leaders to understand the future of the MTW, including its recent expansion.*

### *Indian Housing*

14. You have been nominated to lead HUD's Office of Public and Indian Housing (PIH). It appears you have no experience related to Indian housing. Why should the public have confidence that you will be able to effectively administer PIH's role in Indian housing affairs?

*If confirmed, I will have the opportunity to work with the experienced leadership of the Office of Native American Programs which is located in PIH. Success in Indian housing requires respect for Tribal sovereignty and Nation-to-Nation relationships that the President has called on the federal government to strengthen across the board. If confirmed, I will embody this commitment and exhibit the flexibility and range of experience needed to address Tribal communities' housing and community development needs. Recent best practice projects from Tribal communities range from urban affordable housing in Portland, Oregon to new public housing on islands in the Bering Straits. I have a range of experience from big cities to small cities and towns. While Tribal communities are unique and each one is different, I have the wide array of experience required to consult with Tribes on a wide range of issues on behalf of the Office of Public and Indian Housing.*

### *Public Housing*

15. Public housing is costlier than other forms of housing assistance.<sup>[3]</sup> And public housing projects have long been concentrated areas of poverty and crime. Do you agree that public housing is a less effective form of housing assistance than tenant-based vouchers that provides families freedom to live elsewhere?

*I believe in both vouchers and public housing. I believe in both because I have lived in public housing and seen that it can be as good as private affordable housing when properly managed and supported. Public housing developments represent the cornerstone of the affordable housing system. While vouchers provide a flexible form of housing assistance, there will always be a need for affordable housing units in the community. The transformation of affordable housing often seen through Choice Neighborhoods and before that HOPE VI shows the potential that public housing has as a platform for revitalizing neighborhoods and entire communities.*

16. Public Housing Agencies (PHAs) are routinely found to mismanage programs and are plagued by scandals. How will you ensure PHAs remain responsible stewards of federal taxpayer dollars?

*If confirmed, achieving the best outcomes for tenants and voucher-holders will be at the center of my approach to working with PHAs. I will consistently choose the most deliberate and appropriate path to obtain improved conditions. I will make sure PHAs remain responsible stewards through transparent incentive systems for good performance, drawing on resources at HUD headquarters and in the field. Where PHAs struggle, we will use audits, engagement of PHA leadership, and, where necessary, HUD receivership when PHAs are mismanaged.*

### *Detroit's History of Project Delays*

17. Detroit has invested heavily to revitalize blighted neighborhoods using substantial federal resources. However, one project in particular has fallen well behind schedule and lost some of its federal funding. According to news reports, when you served as Detroit's

Chief of Services and Infrastructure, you reduced federal grants for this project because delays in the revitalization of Detroit's Fitzgerald neighborhood raised doubts that all the money would be spent in time.<sup>[4]</sup> The city also set overly ambitious completion timelines.<sup>[5]</sup> According to one news report, "Those initial plans were developed without any data — officials admitted in interviews with the Free Press — to support the notion that so many blighted houses could be rehabbed under the original two-year time frame."<sup>[6]</sup> You admitted to the press: "I wish we had been more conservative about the timelines."<sup>[7]</sup>

a. Why did Detroit set overly ambitious project completion timelines?

*Fitzgerald was one of approximately 35 housing and commercial developments in which I was involved during my time in Detroit. Detroit does not have the benefit of a strong market and the approach to work there is very different than my experience in strong markets of Washington, D.C., and the City of Boston. The Fitzgerald project called for public sector agencies to conduct the demolition of approximately 25 vacant houses, construction of a new park, the construction of a Greenway and significant improvements in alley and roadway systems. The project also called for a market-led, phased rehabilitation of vacant single-family houses over five-year period with some City funding support.*

*The scope controlled by public sector entities took place on time. The rehabilitation of the houses which required layered financing and market demand moved more slowly.*

*Unfortunately, there was not recent market experience for the kind of project proposed here, especially relative to market demand in a single neighborhood. We had to rely on the projections of the developer who won the RFP process. When I left the City in January 2021, the project's last phase is scheduled for completion by City affiliates in the 2022 construction season with the final set of home rehabilitations to be completed and another set of houses to be sold to a neighborhood group in that same period.*

Why did Detroit set these timelines without any data to support them?

*We did use data to support our conclusions. There was not very much applicable market data to draw from, however. The City was bankrupt just three years earlier. It had been a generation since there was large scale subdivision development in the city. As a result, there was little good indication on how quickly houses would be absorbed by the market.*

*In approximately the same time frame, the City of Detroit and the Detroit Land Bank Authority launched programs which have had significant success in rehabilitation of large numbers of houses. Programs such as the City's 0% Home Repair Loan Program, Bridging Neighborhoods program (BNP) and the Detroit Land Bank Authority's (DLBA) Rehabbed & Ready program. I was involved with*



*conceiving 0% and BNP and fundraising capital support for the Rehabbed & Ready program. When I left the City in January 2021, these programs were approaching completion of 600 0% home repairs, 50 BNP home swaps and 90 Rehabbed & Ready sales, respectively. [2][3].*

[2] Shawn Lewis, "Leaving Detroit's Delray: A family swaps homes for better life" <https://www.detroitnews.com/story/news/local/detroit-city/2019/01/27/delray-neighborhood-home-swap/2596281002/>

[3] Andrew Ackerman, "Biden's Neighborhood Revitalization Plan Looks to Detroit for Inspiration" <https://www.wsj.com/articles/bidens-neighborhood-revitalization-plan-looks-to-detroit-for-inspiration-11621935002>

- b. Have you overseen other redevelopment projects whose completion was similarly delayed?

*Development in Detroit takes longer because it is not as strong a market as others in which I have worked. Other large and ambitious projects like the private redevelopment of the former Herman Kiefer Hospital property also moved slowly. While recovery in Detroit is underway, it is a process and takes time. It took many years for the current market conditions to develop; and it will take time for conditions to go in a new direction. I believe we began moving it in the right direction during my tenure.*

- c. The PIH Assistant Secretary is delegated significant authority to waive requirements meant to reduce the risk of waste, fraud, and abuse in federally funded housing programs. Will you commit to not waiving such requirements even if faced with pressure to meet unrealistic spending goals?

*I have certainly learned a lot from my 25 years of experience in development. I have not waived federal requirements to meet goals before. If confirmed, I would use my judgment and avoid waiving requirements to meet spending goals. There is evidence of my approach to this kind of challenge. When I arrived in Detroit in 2014, the City had never spent its funds on a timely basis according to the timeliness test, which put the City at risk of fund recapture. Under the leadership of Hunter Kurtz and I, from 2016 to 2020 when the test was suspended due to COVID-19, we spent our funds on a timely basis.*

- d. HUD has already waived requirements for documenting lawful immigration status before awarding housing vouchers made available through the American Rescue Plan Act. Are you considering additional waivers of such safeguards?

*If confirmed, I will always consult with the Office of General Counsel to make sure actions are within the laws and regulations that guides our work.*

*Targeting Low- to Moderate-Income Areas*

18. Detroit funded a program to provide financial and technical assistance to potential and existing small businesses through a Community Development Block Grant (CDBG) award. According to news reports, however, HUD requested Detroit suspend CDBG spending until the city better targeted low- to moderate-income areas.<sup>[8]</sup> At the time of HUD's request, you stated that you were "confident we're going to satisfy HUD's request."<sup>[9]</sup> However, earlier this year, [The City of] Detroit's Office of Inspector General found that the program had an array of other deficiencies, including "excessive spending, a lack of oversight, weak controls for issuing payments and ultimately nearly 77% of the businesses the program assisted failed."<sup>[10]</sup>

- a. Do you think HUD's programs should target low- to moderate-income areas and families?

*Yes.*

- b. Under what specific circumstances do you think money made available through HUD should not target low- to moderate-income areas or families?

*None. The rules governing the targeting of PIH resources are different and if confirmed would adhere closely to them with the guidance of OGC.*

- c. Why were you confident HUD's requests would be satisfied?

*I had seen the information and changes to billing approach that the HUD Field Office was requesting, and I believed that the data existed to meet their requirements.*

- d. Given that this Detroit program had an array of deficiencies, including excessive spending, a lack of oversight, and weak controls for issuing payments, why should federal taxpayers have confidence that you will be a good steward of their tax dollars at HUD?

*HRD leadership did not run this program; rather, we were called in to help correct the identified problems. This was a program run by a sub-recipient contractor of the city, the Detroit Economic Growth Corporation (DEGC / EDC).*

*When HUD monitoring identified a problem with way that the DEGC / EDC was maintaining its Books and Records, the City of Detroit Office of Chief Financial Officer and HRD team leader who reported to me performed a forensic audit to identify the problems, cited contract violations of the DEGC / EDC, and worked with the DEGC / EDC made the Books and Records better conform with the requests of the HUD Detroit Field Office staff.*

*Due to the work of the City OCFO and HRD staff to resolve questions, HUD re-instated the City's ability to contract CDBG with DEGC / EDC for the Motor City Match program in May 2020.*

- e. To what do you attribute the program's high failure rate, as 77% by businesses receiving assistance through the program failed?

*Please see answer above.*

- f. How will you implement any lessons learned from this program to ensure success for families assisted through PIH?

*Some troubled PHAs will require strong intervention from HUD PIH and if confirmed, I will use the same approach of forensic auditing and if necessary, installing HUD supervision to make sure taxpayer dollars are protected.*

- g. Will you ensure that any provisions in law, regulation, or other sub-regulatory guidance requiring targeting of assistance remain in place for families served by PIH programs?

*Yes, I will comply with all statutory and regulatory authorities when it comes to such guidance.*

#### *Answering Questions for the Record*

- 19. Please describe with particularity the process by which you answered these questions for the record, including identifying who assisted you in answering these questions along with a brief description of their assistance.

*I prepared all answers personally. I worked with relevant staff to complete them in a manner consistent with HUD and the position's responsibilities.*

Questions from Senator Moran:

1. A recent [City of] Detroit Office of Inspector General (OIG) report published in January 2021 revealed that one of Detroit's Community Development Block Grant (CDBG) programs used federal funds to support many businesses that ultimately failed.<sup>[11]</sup> In fact, the OIG found that "ultimately nearly 77% of the businesses the program assisted failed."<sup>[12]</sup> You served as a senior city official in Detroit during the period reviewed by the OIG. At HUD, you would administer the Office of Public and Indian Housing (PIH), which allocates substantial amounts of taxpayer dollars.

Given your record of performance in Detroit, how can Congress be sure that you will help families supported by HUD reach self-sufficiency while protecting taxpayer dollars?

*HRD leadership did not run this program. This was a program run by a sub-recipient contractor of the city, the Detroit Economic Growth Corporation.*

*The contention of the City of Detroit OIG referenced above is not accurate. Put simply, the failed business percentage cited includes businesses that were still receiving technical assistance but had yet to open. The eligibility criteria would be met when businesses open and hire a low-income Detroiter. Many of these businesses were en route to open but were slowed by COVID-19.*

*When HUD monitoring identified a problem with way that the DEGC / EDC was maintaining its Books and Records on the program, the City of Detroit Office of Chief Financial Officer and HRD team leader who reported to me performed a forensic audit to identify the problems, cited subrecipient contract violations of the DEGC / EDC , and working with the DEGC EDC , made the Books and Records better conform with the requests of the HUD Detroit Field Office staff.*

*Because of the work of the City OCFO and HRD staff to resolve questions, HUD reinstated the City's ability to contract CDBG with DEGC / EDC for the Motor City Match program in May 2020.*

*As far as my record is concerned, I stand by my record. Over the last 25 years I've been directly involved in the preservation of 4,000 and development of over 3,500 market and affordable units and hundreds of public housing units. I have been involved in the permitting and development of over \$2B in economic development projects and been part of the recovery of two public housing authorities in Boston under the leadership of Sandi Henriquez former Assistant Secretary for Public and Indian Housing (PIH); and the Detroit Housing Commission with my former Deputy Director in Detroit, Hunter Kurtz, who went on to become the Assistant Secretary for Public and Indian Housing in the prior administration.*

*I have done my work in recovering cities, working to hasten positive change. I hope to bring my energy and reform experience, if confirmed to the Office of Public and Indian Housing.*

Questions from Senator Rounds:

1. Mr. Jemison II, could you explain to me how you plan to succeed in this position when you have very little direct public housing experience and, from what I can tell, no Indian housing experience?

*I have extensive experience working with Public Housing Authorities to rehabilitate and develop public housing and use voucher resources to create more affordable housing. I worked at the Boston Housing Authority for Sandi Henriquez who went on to become the Assistant Secretary for Public and Indian Housing. I also worked with the Detroit Housing Commission which was in receivership when I arrived in 2014. In 2015, HUD ended receivership based on our work and the Commission was put under the control of a locally-appointed board. We performed that work when Hunter Kurtz the outgoing Assistant Secretary and I worked together as the leaders of the Housing & Revitalization Department in Detroit.*

*Indian housing requires a professional with the flexibility and experience to work through Tribal consultation process to help Tribes address their housing and community development goals. Because Tribes are each unique, they may need the kind of housing for urban housing needs that has been developed in Portland; or they may need the kind of housing developed in the Bering Straits for the Tribes of that region. I have experience working in a wide range of environments from big cities to small towns and I have shown the flexibility to create success working with a wide range of different kinds of people. I'm confident I have the range of experience to successfully work with Tribes in your state and others.*

2. Mr. Jemison, if you are confirmed to this position, the Office of Native American Programs (ONAP) will fall under your purview. For years ONAP has been a mismanaged, nightmare to work with. Can I get your commitment today to work on fixing ONAP and making it an effective office for tribes, and entities that serve tribes, to work with?

*If confirmed, I would be happy to understand your concerns further and would strive to improve the performance of ONAP to best serve Tribal Communities.*

3. Mr. Jemison, one program that falls under ONAP is the Section 184 lending program, of which I'm sure you are familiar. There are significant issues with this program including:
  - a. Large numbers of loan guarantee endorsements that are overdue, sometimes by more than one year. For reference, ONAP's guidelines require issuance of the Loan Guarantee Certificate within 60 days of receipt of the endorsement file.
  - b. There is a huge backlog of unpaid claims, which is reported to exceed 250 loans.

- c. Outdated loan underwriting guidelines that have fallen far behind other Federal programs and are causing much higher qualification hurdles for Native American borrowers.
  - d. A lack of updating technology to match that of other HUD programs, such as FHA.
4. Can I get your assurances that if you are confirmed you will work to fix all of the aforementioned inadequacies in the Section 184 lending program? Specifically, can I get your commitment to examine the underwriting process ONAP uses for its Section 184 program and look for ways it can be improved to match that of other HUD lending programs?

*You have my commitment to work with your office and Tribes in your state to improve the performance of the Section 184 program so that it is a closer match to other HUD lending programs.*

5. Mr. Jemison, in my state of South Dakota, approximately 9 percent of our citizens are Native American. My staff and I have been working closely with the SD Native Homeownership Coalition to improve homeownership opportunities for Native people, especially Native American veterans. As I understand it, the HUD Section 184 home loan guaranty program is a pretty powerful loan program, but it has not lived up to its potential over the past decade. In fact, only about 10% of Section 184 loans have gone to borrowers living on Indian reservations, where the program is needed most.

*The issues affecting the Section 184 program are primarily related to resolution of title issues which rest with both the Department of Interior and HUD. If confirmed, I would work to resolve the known cases while also creating an improved title process. I have some experience with this kind of challenge: in 2014, the City of Detroit empowered its Land Bank to handle complicated title issues en masse to support a stronger homeownership market. This was one of the factors that allowed the Detroit Land Bank to sell and enable private rehabilitation of over 8,000 single family rehabilitations over the last seven years. Each tribe and its title issues will be different but with other experience to bring to bear, we can use the nation-to-nation relationship to speed progress.*

6. Since this program will be under your jurisdiction, what can you do to make certain the Section 184 loan program receives the attention it needs to help bring more homeownership opportunities to Native people in South Dakota?

*The issues affecting the Section 184 program are primarily related to resolution of title issues which rest with both the Department of Interior and HUD. If confirmed, I would convene the offices across the Departments to resolve the known cases while also creating an improved title process. I have some experience with this kind of challenge: in 2014, the City of Detroit empowered its Land Bank to handle complicated title issues en masse to support a stronger homeownership market. This was one of the factors that*

*allowed the Detroit Land Bank to sell and enable private rehabilitation of over 8,000 single family rehabilitations over the last seven years. Each Tribe and its title issues will be different but with other experience to bring to bear, we can use the nation-to-nation relationship to speed progress.*

7. Mr. Jemison, it's come to my attention that the current relationship and communication, or lack thereof, between ONAP leadership and the Native lending community is extremely severed. Without the participating lending community, the Section 184 program would not exist and therefore the staff would not need to exist. I have heard from lenders in my state that this is the worst relationship between ONAP and 184 lenders in 20 years. Can I get a commitment from you to make certain that this relationship is mended so the Section 184 lending program can continue to grow and flourish?

*If confirmed, I will look into these concerns and would strive to strengthen ONAP to best serve Tribal Communities.*