HUD’s High Priority Performance Goals for Fiscal Year 2011

High Priority Performance Goal #1: Foreclosure Prevention

The FHA-MMI account supports the High Priority Performance Goal of foreclosure prevention with a particular focus over the next two years. An estimated 200,000 homeowners will be assisted to avoid foreclosure through FHA programs as well as 400,000 homeowners assisted through third-party lender loss mitigation initiatives mandated by FHA but not receiving FHA subsidy. This goal also projects that an additional 2.4 million homeowners will be assisted through joint HUD-Treasury programs.

Foreclosure prevention and the recovery of the housing market is a critical component of the broader Administration’s plan for economic recovery, including the Administration’s Making Home Affordable program, in which HUD plays a leadership role.

In the Department, there are several initiatives that address foreclosure prevention including:

• Enacting FHA-Home Affordable Modification Program (FHA-HAMP) that complements long-existing FHA loss mitigation programs to assist homeowners with FHA-insured mortgages.

• Implementing new and improved program features for the Hope for Homeowners (H4H) program authorized by the “Helping Families Save Their Homes Act of 2009.”

• Utilizing a vast network of counselors and nonprofits to provide critical assistance to the record number of homeowners at-risk of foreclosure.

High Priority Performance Goal #2: Rental Assistance

This program is part of an overall High Priority Performance Goal to meet more of the growing need for affordable housing serving an estimated 5.46 million families, an increase of 207,000 more than in fiscal year 2009. The main contributors to this goal are Housing Choice Vouchers, Public Housing, Tax Credit Assistance Program (TCAPS), Gulf Coast Disaster Housing, Low Income Housing Tax Credit (LIHTC), Project Rental Assistance Contracts (PRAC), and HOME Investment Partnerships Program (HOME).
Affordability problems have been exacerbated by the recession and the increasing demand for rental housing generated by the foreclosure crisis. At the same time, the freeze in the credit markets and the sharp reduction in demand for LIHTC have greatly diminished the private capital available to improve and expand the supply of affordable rental housing.

Only about one in four families are eligible for HUD/federal rental assistance programs receives assistance. The number of families struggling to make ends meet in the face of severe rent burdens has increased substantially during this decade. The federal government has not sustained its role in helping offset the limitations of the private rental market in providing housing that all families can afford. Federal policies have allowed hundreds of thousands of federally-subsidized units to be lost since the mid-90s while funding limitations have prevented their replacement.

One of HUD’s critical strategic goals is to catalyze affordable rental housing. After eight years of drift, the federal leadership on affordable housing issues must be restored. HUD envisions a strategic partnership that strives to address the persistent un-affordability of housing in three ways:

• Supplementing incomes via an enhanced commitment to rental vouchers;
• Preserving existing affordable housing through smart investments in public, Native American and assisted housing; and
• Expanding supply by capitalizing the new national Housing Trust Fund.

High Priority Performance Goal #3: Veterans Homelessness

This program supports the High Priority Performance Goal shared with the Department of Veterans Affairs (VA) to jointly reduce homelessness among veterans. The efforts will reduce the number of homeless veterans from the estimated 131,000 in fiscal year 2009 to 59,000 in fiscal year 2012; and without intervention, this population would have numbered an estimated 194,000.

At HUD, the Office of Special Needs Assistance Programs (SNAPS) in Community Planning and Development (CPD) will be the lead for data collection, evaluation and reporting related to the stated goal, the Office of Public and Indian Housing (PIH) is also critical to the success of the goal. PIH operates the voucher portion of the HUD VASH program, which represents a large proportion of the new housing resources available to veterans and their families. HUD partners with the VA on VASH. While HUD provides the housing resources, VA controls the intake and eligibility screening process and provides an array of needed services. Therefore, VA will be an integral partner in relation to this goal.

High Priority Performance Goal #4: Energy and Green Retrofits

This program is part of an overall High Priority Performance Goal shared by HUD and the Department of Energy (DOE). DOE and HUD will work together to support the achievement of the President’s goal of weatherizing one million homes per year by enabling the cost effective energy retrofits of a total of 1,226,000 homes in fiscal year 2010 and fiscal year 2011. Of this
number, HUD will complete cost effective energy retrofits of an estimated 126,000 HUD-assisted and public housing units. Apart from our joint energy retrofit goal with DOE, HUD will complete green and healthy retrofits of 33,000 housing units.

The largest number of retrofits will be in the Public Housing inventory followed by the Multi-family inventory as well as significant contributions through HOME Investment Partnerships Program (HOME) and the Office of Healthy Homes and Lead Hazard Control (Healthy Homes). Approximately, one-third of the effort will be accomplished via Recovery Act funding. In addition, approximately 20 percent of the units will involve green housing methodologies.

Increasing energy efficiency, reducing greenhouse gas emissions, and reducing dependency on foreign oil are priorities of the Obama Administration. Secretary Donovan has committed to creating energy efficient housing as part of a broader commitment to supporting the development of inclusive, sustainable communities. The residential sector is responsible for fully 20 percent of the nation’s greenhouse gas emissions. The President has established a goal of retrofitting 1 million homes annually as part of a long-term strategy to reduce the environmental impact of these buildings and reduce utility costs for both owners and residents, with specific attention to the affordable housing stock serving low- and moderate income families.

Much of HUD’s own portfolio was built before the advent of energy codes, and therefore does not have the level of energy efficiency that has resulted from more recent energy codes. The outdated HUD housing stock therefore has both environmental and affordability impacts. Currently, families in poverty pay $1,485 annually for energy in 2005, or 9 percent of the 3-person poverty threshold, while families with incomes near the median family income paid $1,924 (EIA 2005). HUD itself has significant outlays associated with energy costs – more than $5 billion each year - both for public housing and for voucher holders.