



**U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**  
FISCAL YEAR 2012 PROGRAM AND BUDGET INITIATIVES  
**COMBATING DISCRIMINATION AND AFFIRMATIVELY FURTHERING FAIR HOUSING**

**In Fiscal Year 2012, HUD is requesting \$72 million to ensure inclusivity in housing.**

An inclusive community is one in which all people—regardless of race, ethnicity, religion, sex, disability, or familial status—have equal access to housing and economic opportunities. Throughout its portfolio of programs, HUD is committed to maintaining that inclusivity and providing accountability in housing and lending practices nationwide. Through inclusive development, education, enforcement of fair housing laws, and participation of historically underrepresented populations in HUD policies and planning, HUD will affirmatively further fair housing and the ideals of an open society.

**FAIR HOUSING INITIATIVES PROGRAM**

The Fair Housing Initiatives Program (FHIP) is critical to building and sustaining inclusive communities. FHIP is the only grant program within the Federal Government whose primary purpose support private efforts to educate the public about fair housing rights and conduct private enforcement of the Fair Housing Act. Enforcement work and testing by FHIP organizations significantly strengthen complaints filed with the Department and Fair Housing Assistance Program (FHAP) agencies – cases filed by FHIP grantees are seven times more likely to result in finding of discrimination than other cases. Through FHIP, HUD assists non-profit fair housing organizations to protect the public from lending schemes that prey upon minority homeowners and to educate the public about lending discrimination and mortgage refinance schemes. The efforts and intervention of FHIP grantees, not only provide homeowners with monetary recovery, but allow people to remain in their homes.

**In Fiscal Year 2012, HUD is requesting \$42.5 million in FHIP funds**, representing the Department’s commitment to fair housing, including \$25.3 million to support the efforts of private fair housing organizations that conduct private enforcement of the Fair Housing Act. The Private Enforcement Initiative (PEI) grantees investigate and test housing providers alleged to have engaged in discrimination.

**FAIR HOUSING ASSISTANCE PROGRAM**

The Fair Housing Assistance Program (FHAP) is a critical component of HUD’s effort to ensure the public’s right to housing free from discrimination. FHAP provides funding for 100 government agencies, including 37 states, 62 localities, and the District of Columbia, to enforce

**HUD’s Section 3 Program**

Section 3 of the Housing and Urban Development Act of 1968, 12 U.S.C. 1701u (Section 3), and the regulation at 24 CFR Part 135, requires that to the greatest extent feasible, economic opportunities are provided to low and very low income residents and qualified businesses in the area where HUD assistance is received, particularly persons who receive federal financial assistance. Section 3 recognizes that HUD funding represents one of the largest sources of federal dollars in distressed communities, and these funds typically generate new employment and contracting opportunities. The Section 3 statute and regulation targets low- and very low-income persons residing in the community where the funding is spent (regardless of race or gender), and the businesses that substantially employ these persons, for HUD-funded employment, training, and contracting opportunities to the greatest extent feasible.

The requirements of Section 3 apply to more than 5,000 agencies, that receive approximately \$12.2 billion in HUD funds (e.g. Units of State, county, and local government, Public Housing Authorities, Property-owners, certain NOFA grantees, etc). In 2009, 52% of the total number of new jobs that were created as a result of HUD funding was provided to Section 3 residents<sup>[1]</sup>. Approximately 9.8% of the total dollar amount of all construction contracts (over \$419 million) was awarded to businesses that are either owned by or substantially employ Section 3 residents (i.e., Section 3 businesses). Additionally, over 9 percent of the total dollar amount of non-construction contracts was provided to Section 3 businesses.



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laws that prohibit housing discrimination that have been reviewed and deemed substantially equivalent to Federal law. **In Fiscal Year 2012, HUD is requesting \$29.5 million in FHAP funds.**

FHAP multiplies HUD's enforcement capabilities, allowing the Department to protect fair housing rights in an efficient and effective manner. In fact, FHAP funding recipients investigate the majority of housing discrimination complaints filed at government agencies in the United States. In fiscal year 2010, this amounted to 8,258 investigations of housing and lending discrimination. As a result of these investigations, FHAP agencies secured approximately \$6.5 million for people affected by housing discrimination in addition to other forms of relief, including the provision of housing, the discontinuance of eviction proceedings, the reduction of mortgage interest rates, the retrofit of inaccessible housing, the provision of reasonable accommodations, and the allowance of reasonable modifications. In addition to obtaining direct relief for the victims of housing discrimination, the presence of FHAP enforcement activities significantly deter housing providers and lenders from engaging in discriminatory practices.



Finally, HUD also works to ensure that entities that receive federal funds take proactive steps to reduce barriers to housing based on race, color, national origin, gender, religion, disability, and familial status. The Fair Housing Act requires that HUD ensures that taxpayer money does not perpetuate residential housing segregation and, instead, works to prevent and undo the effects of past discrimination. In this respect, HUD's fair housing mission is embraced by every office of the Department, and furthered through program budgets beyond the budget specifically allocated for fair housing activities. All of HUD is committed to promoting diverse, inclusive and sustainable communities that welcome all-comers and strengthen America's position in a global society.