

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
PROGRAM OFFICE SALARIES AND EXPENSES  
OFFICE OF FAIR HOUSING AND EQUAL OPPORTUNITY**

(*\$ in Thousands*)

	<b>FY 2015 Actual</b>	<b>FY 2016 Enacted</b>	<b>FY 2017 Request</b>
<b>Personnel Services</b>	<b>\$64,367</b>	<b>\$68,802</b>	<b>\$70,475</b>
<b>Non-Personnel Services</b>			
Travel	758	1,164	1,213
Rent/Utilities	2	2	2
Printing	2	10	10
Other services/Contracts	917	1,590	590
Training	173	412	190
Supplies	20	20	20
Attorney's Fees	-	-	-
Working Capital Fund	-	-	1,735
<b>Non-Personnel Services Subtotal</b>	<b>\$1,872</b>	<b>\$3,198</b>	<b>\$3,760</b>
<b>Grand Total</b>	<b>\$66,239</b>	<b>\$72,000</b>	<b>\$74,235</b>
<b>Associated FTE</b>	<b>490.2</b>	<b>514.0</b>	<b>518.0</b>

**Program Area Overview:**

The Office of Fair Housing and Equal Opportunity's (FHEO) mission is "To eliminate housing discrimination, promote economic opportunity, and achieve diverse, inclusive communities by leading the nation in the enforcement, administration, development, and public understanding of federal fair housing policies and laws." FHEO's cardinal mission, therefore, is to create equal housing opportunities for all persons living in America by administering laws that prohibit housing discrimination on the basis of race, color, religion, sex, national origin, age, disability, and familial status.

FHEO is the lead office for ensuring that the Department and recipients of HUD funding comply with their duty to affirmatively further fair housing. As the lead for implementing the groundbreaking new Affirmatively Furthering Fair Housing (AFFH) rule, 2016 enacted and the 2017 request reflects a significant increase to support these efforts, including providing necessary training and technical assistance. This responsibility affects almost every program in the Department and is a HUD-wide effort. In preparing for and implementing the new rule, FHEO is working closely with the Offices of Public and Indian Housing and Community Planning and Development. In addition to enforcement of federal housing civil rights laws, FHEO staff has oversight responsibility for more than 8,500 complaint investigations through the Fair Housing Act Assistance Program (FHAP). This program funds approximately 89 state

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and local government Fair Housing Act enforcement agencies. FHEO administers and oversees the Fair Housing Initiatives Program (FHIP) funding more than 150 private fair housing groups and non-profits nationally through a grant award process. FHEO also enforces Section 3 of the Housing and Urban Development Act of 1968 and provides oversight and technical assistance to local housing authorities and community development agencies to ensure that HUD investments result in economic opportunities for low-income individuals, public housing residents, and the businesses that employ them—a policy priority for the Department.

### **Requested Level and Justification**

FHEO requests \$74,235K in fiscal year 2017, an increase from fiscal year 2016 enacted of \$2,235K.

Personnel Services (PS): FHEO requests \$70,475K and 518.0 Full-Time Equivalents (FTE) in fiscal year 2017, an increase of \$1,600K. The increase in funding will support 4.0 additional FTE and the pay raise, promotions and within grade increases.

Non-Personnel Services: FHEO requests \$3,760K in fiscal year 2017. This funding level is \$562K above the funding level in fiscal year 2016. The increases and decreases are as follows:

- Increase in Travel by \$49K – to support increase in compliance, monitoring, and AFFH activities. Travel will also support AFFH technical assistance, training, and guidance as well as conducting of the civil rights reviews of the Rental Assistance Demonstrations (RAD) conversions including performing site and neighborhood, PHA plan, threshold, and accessibility and relocation reviews.
- Decrease Other Services by \$1M – in fiscal year 2016 additional one-time requirements were funded to support the implementation of AFFH activities. Funding in fiscal year 2017 will support other contracts including: Government-Sponsored Enterprise Review, Fair Lending and Home Mortgage Disclosure Act data, and Litigation Services (architectural experts, subpoenas, depositions, and transcriptions).
- Decrease in Training by \$222K. Implementation of AFFH in fiscal year 2016 required a larger increased level of training funding than will be required in fiscal year 2017.
- The 2017 request includes \$1.7M to pay working capital fund fees for shared services, and other investments determined by the Secretary.

#### FHEO Priorities:

- Priority 1 - Implement the AFFH rule, and ensure effective implementation by supporting HUD partners, to achieve fair housing outcomes.
  - Provide up-front guidance, technical assistance and training. To provide program participants with the data, resources, information, and support needed to succeed in successful completing Assessments of Fair Housing (AFH), HUD plans to provide extensive guidance and training to all program participants and direct Technical

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- Assistance (TA). Development of guidance and training materials begun in fiscal year 2015 will be completed and delivered in fiscal year 2017 and beyond.
- Review Assessments of Fair Housing (AFH) submissions and provide technical assistance to approximately 1,245 Community Planning and Development (CPD) jurisdictions, and over 3,000 Public Housing Agencies (PHAs) over the next several years. In fiscal year 2017, FHEO anticipates review of an estimated 53 AFHs from CPD grantees.
  - Provide TA to CPD jurisdictions and PHAs to ensure they are in the best position to submit a successful AFH; FHEO expects to provide significant TA to these recipients. TA will need to be provided to an estimated 107 CPD grantees in fiscal year 2017, who will submit in fiscal year 2018.
  - Review Consolidated Plans and PHA Annual Action Plans to evaluate application of AFH and progress on fair housing goals and compliance with standards established in the AFFH regulation. Program participants will submit action plans for achieving goals identified in AFH submissions seven and a half months after the AFH submissions. The action plans will be incorporated into Consolidated Plans (for CPD grantees) and 5-year PHA Plans (for PHAs).
  - Evaluate the implementation of the AFFH rule and propose modifications to streamline or standardize the AFH review processes.
  - FHEO plans to allocate 107.2 FTE to support AFFH.
- Priority 2 - Support the Department in carrying out its obligation to conduct the civil rights reviews of Rental Assistance Demonstration (RAD): FHEO's civil rights reviews of RAD conversions consists of performing a range of activities throughout the conversion process including site and neighborhood, PHA Plan, threshold, accessibility and relocation reviews as well as Affirmative Fair Housing Marketing Plan (AFHMP) review and approvals. This request also provides additional staff to conduct compliance reviews in order to ensure that Housing Authorities seeking to convert units under RAD are in compliance with applicable fair housing and civil rights laws. FHEO plans to allocate 13.0 FTE to support RAD.
  - Priority 3 - Provide timely and complete investigations of complaints filed under the Fair Housing Act, Title VI, Section 504 and the ADA: In fiscal year 2017, FHEO seeks to further reduce its aged case inventory and achieve high impact outcomes where housing discrimination has occurred. Over the past several years, FHEO has seen steady increases in the number of cases open over 300 days. The implementation of rigorous agency-wide performance objectives in fiscal year 2015 began a modest reversal in this trend. The Title VIII aged case inventory carried into fiscal year 2016 remained level over the previous year, while aged cases under FHEO's other civil rights authorities decreased by 30 percent during the same period. However, significantly more progress must be supported, as nearly half of FHEO's open case inventory is aged. While the reduction of aged cases has been an important priority, FHEO has continued to achieve impactful enforcement outcomes. Despite this agency-wide focus on reducing backlog, FHEO charged or successfully conciliated 33 percent of its cases in fiscal year 2015, obtaining relief valued at over \$200 million. The fiscal year 2017 requested FTEs would allow FHEO to more effectively reduce aged cases by expediting the completion of newly filed cases and

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aggressively addressing backlog, while still achieving impactful case outcomes that deliver full and just remedy to victims of housing discrimination. FHEO plans to allocate 25.5 FTE to support this effort.

- Priority 4 – Monitor CPD, PIH, and Housing grantees for compliance with civil rights laws: Staff will also resolve outstanding compliance reviews, which should lead to a substantial increase in the number of completed compliance reviews for fiscal year 2017. FHEO plans to allocate 20.2 FTE to support this effort.

**Full-time Equivalents**

<b>Staffing</b>	<b>FY 2015 FTE</b>	<b>FY 2016 FTE (Est)</b>	<b>FY 2017 FTE (Est)</b>
Office of the Assistant Secretary	5	6	6
Office of the GDAS	5	4	3
Office of the DAS for Policy, Legislative Initiatives and Outreach (AFFH)	21	25	23
Office of the DAS for Enforcement and Programs	5	7	7
DAS/EP – Office of Enforcement	19	18	16
DAS/EP – Office of Programs	16	15	14
DAS/EP – Office of Systemic Investigations	4	5	4
Office of the DAS Office for Operations and Management	4	5	5
DAS/OM – Office of Field Oversight	3	3	3
DAS/OM – Office of Administrative Services	8	7	6
DAS/OM – Office of Information Services	12	11	10
DAS – OM – Office of Management and Budget	11	10	9
<b>Total FHEO Headquarters</b>	<b>113</b>	<b>116</b>	<b>106</b>
<b>FHEO Field</b>	<b>377.2</b>	<b>398</b>	<b>412</b>
<b>Grand Total Field and Headquarters</b>	<b>490.2</b>	<b>514</b>	<b>518</b>

**Key Operational Initiatives**

- Implement AFFH Rule
- Implement RAD Monitoring
- Release and Monitor Section 3 Rule/Registry
- Release Harassment Rule
- AFFH User Interface Tool Partially Developed – For fiscal year 2017, \$1.5M within the IT Fund is needed to continue system development of the Internal User Analysis module, AFFH Comprehensive Workflow Process module, Response Template, Dashboard, Report Module, Custom Map Capability and PHA Template. The AFFH Tool will provide a means to properly plan how to affirmatively further fair housing by local governments and States that receive Community Development Block Grant funding, HOME Investment Partnership funding, Emergency Solutions Grants, and funding through Housing Opportunities for Persons With AIDS, and also PHAs. To better facilitate this obligation, as well as address issues raised by the Government Accountability Office. HUD proposes an improved structure and process whereby HUD would provide the above program participants with guidance, data, and an assessment template from which they would complete an assessment of fair housing (the AFH). This assessment would link to Consolidated Plans, PHA Plans, and Capital Fund Plans to prevent duplication and lessen the workload.
- Enterprise Opportunity – Fund the Document System integration requirements with IDIS and other business systems for deployment in fiscal year 2017. Estimated funding \$1M.
- FHEO Section 3 Performance Evaluation and Registration:
  - The objectives of Section 3 are (1) to use HUD program funds to provide a springboard for residents to become economically empowered through direct participation in construction and other activities designed to physically improve and revitalize their neighborhoods; and (2) to leverage HUD funds to strengthen local economies, promote self-sufficiency, and reduce dependency on Federal housing subsidies.
  - HUD expects to issue a revised Section 3 rule in fiscal year 2016 that will clarify fair housing obligations and reduce barriers to compliance. It will help communities analyze their own challenges to fair housing choice and establish their own goals and priorities to address their fair housing barriers. To adhere to this Rule, development funds are imperative to address the necessary system changes.
  - Another component of SPEARS is the Section 3 Business Registry. This is a tool that HUD launched in fiscal year 2014 to meet regulatory obligations to notify Section 3 businesses of the availability of local HUD-funded contracts and to increase the amount of contracts awarded to Section 3 businesses. The funds are requested to modify the existing Section 3 Performance Evaluation and Registration System (SPEARS) to comply with changes to Form 60002 and the Business Registry based on the new rule.

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- There are about 5,000 covered grantees, who receive funds that are subject to Section 3, and are required to submit Form 60002 to HUD. There are also about 1,000 businesses who have self-certified that they meet one of the definitions of a Section 3 business. The systems enhancements to SPEARS will save grantees and businesses time and effort, and will promote consistency in compliance with the revised regulatory requirements.