

# DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

## Office of Policy Development and Research

### Research and Technology

#### SUMMARY OF RESOURCES

(Dollars in Thousands)

	Enacted/ Requested	Carryover	Supplemental/ Rescission	Total Resources	Obligations	Outlays
2020 Appropriation	98,000	21,078	-	119,078	68,147	68,719 <sup>a</sup>
2021 Appropriation	105,000	58,897	-	163,987	151,072	88,200
2022 President's Budget	145,000	15,110	-	160,110	120,000	115,200
Change from 2021	40,000	(43,877)	-	(3,877)	(31,072)	5,000

a/ Outlays different from MAX due to rounding.

#### PROGRAM PURPOSE

The Research and Technology (R&T) account administered by the Office of Policy Development and Research (PD&R) provides fundamental evidence to support the mission of the Department through policy analysis, research, surveys, and program evaluations, as authorized in Title V of the Housing and Urban Development Act of 1970, as amended. R&T funds the research and evaluation function and leverages it through data infrastructure development, information management, and technical assistance. PD&R's work enables the Secretary, the Congress, and principal staff at HUD and other agencies to make informed decisions on budget and legislative proposals and strengthen housing and community development policy. In addition to sustaining Core R&T data collection and research dissemination, the requested level reflects increased PD&R responsibilities for implementing the Foundations for Evidence-Based Policymaking Act (Evidence Act) enacted in January 2019 as well as new research on the housing interventions launched to address the economic consequences of the coronavirus pandemic. Technical Assistance provided through the R&T account is utilized for constantly improving implementation of most of HUD's existing programs, as well as launching new programs and program expansions so HUD's partners and customers have the knowledge, skills, tools, capacity, and systems needed to successfully implement HUD programs and policies and be effective stewards of federal funding. The 2022 Budget provides increased support for agency-wide technical assistance.

#### BUDGET OVERVIEW

The 2022 President's Budget requests \$145 million for Research and Technology, which is \$40 million more than the 2021 enacted level. The requested funding level for R&T provides support for three critical functions with growing importance:

1. Core R&T includes up to \$65 million to support the American Housing Survey and other national surveys, knowledge management, data acquisition, research dissemination, building technology, and public-private research;
2. Research, Evaluation, and Demonstrations includes up to \$30 million to support experimental demonstrations of innovative program concepts, evaluations of current programs, and other policy-focused research; and
3. Technical Assistance includes no less than \$50 million to ensure that HUD program partners and practitioners have access to research-informed guidance in effective practice for better accountability, efficiency, and outcomes for all of HUD's programs and customers.

The requested amount for R&T will enable PD&R to address priority research needs by successfully completing evaluations of ongoing program demonstrations, implementing the HUD Research Roadmap more fully, studying the emergency programs implemented in response to the coronavirus pandemic, and strengthening systematic evidence-building for the Department as envisioned by the Evidence Act. R&T investments are a cornerstone of an increasingly robust internal institutional capacity to accomplish HUD's mission that also can fully leverage diverse external partnerships.

## JUSTIFICATION

### Core Research and Technology

Core R&T requires the largest share of R&T resources, with a request of up to \$65 million for 2022, and comprises three components that are each described below: Housing Data Infrastructure; Knowledge Management, Dissemination, and Outreach; and Technical Expertise and Innovation.

The increase of nearly \$6 million in the 2022 Budget for Core R&T above the 2021 enacted Budget is needed to fund: increased survey costs, new surveys, and the early development of a new national eviction database; innovation activities such as the Innovation Showcase on the National Mall and research partnerships with Minority Serving Institutions (MSIs) of higher education and Historically Black Colleges and Universities (HBCUs); and increased investment in housing technology research, along with continued funding for Knowledge Management/HUDUSER, housing finance research, and data purchases.

In addition to the \$65 million requested in 2022, PD&R will continue to execute the \$20 million included in the 2021 Consolidated Appropriations Act for a competitive grant program to fund nonprofit or governmental entities to provide legal assistance at no cost to eligible low-income tenants at risk of or subject to eviction. PD&R expects to award up to 20 grants to national, State, and/or local providers over a two-year period. PD&R staff will continue to provide grants management and oversight to ensure the funds result in services being available, to the extent feasible, to residents of areas with high rates of eviction, residents of rural areas, and to people with limited English proficiency.

Core R&T makes significant contributions to the Administration's priorities. The housing safety net is strengthened by generating reliable evidence about market conditions to inform better policy. Housing equity is advanced by: investing in research collaborations with HBCUs and other MSIs that are engaged in their communities; developing publicly accessible data on the incidence and demographics of evictions; and investing in housing technology innovations that improve affordable housing choices by supporting greater durability, resilience, and energy efficiency.

Housing Data Infrastructure: This largest component of Core R&T supports the surveys that constitute the nation's housing data infrastructure. Reliable and well-structured housing data sets inform policymakers about homeowner and rental units, HUD-assisted and unassisted populations, and the nature of affordable housing problems. These data sources are utilized widely within the private sector and are essential for an efficient housing market—which in 2020 totaled \$2.9 trillion of housing and utilities consumption and more than \$885 billion of residential fixed investment, together accounting for 17.5 percent of gross domestic product.<sup>1</sup> The largest of these data sources is

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<sup>1</sup> Annual averages of seasonally adjusted quarterly data from the Federal Reserve Bank of St. Louis, (<https://fred.stlouisfed.org/>).

the American Housing Survey (AHS). Information from the biennial AHS covers the nation's housing stock, housing finance, and characteristics of markets, neighborhoods, and occupants, and supports national, regional, and metropolitan area estimates. Other surveys funded under Core R&T provide important data necessary to monitor housing finance and local housing market conditions, including the Survey of Construction (SOC), Survey of Market Absorption of Apartments (SOMA), Manufactured Homes Survey (MHS), and Rental Housing Finance Survey (RHFS). In addition, funding will support other timely and innovative surveys such as the Census Pulse Survey.

Housing Data Infrastructure also includes the acquisition of private sector data, and other data such as Low-Income Housing Tax Credit and U.S. Postal Service vacancy data, that are used in PD&R research and for numerous policy-relevant purposes. The Policy Analysis and Research Information System (PARIS) and the Enterprise Geographic Information System (eGIS) support HUD-wide objectives, and the Geocode Service Center (GSC) provides shared services for cross-agency missions.

HUD's survey activities are overseen by HUD's Statistical Official.<sup>2</sup> PD&R's staff expertise leverages the housing data assets by facilitating linkage with administrative data and external surveys and by conducting analysis to provide key program parameters such as income limits and fair market rents and to inform key policy initiatives. PD&R's Office of the Chief Data Officer (OCDO) will strengthen HUD's data governance, enhance privacy protections, and generate open data. OCDO is establishing structures, identifying stakeholders, defining policies and processes that will make data governance align with how HUD does business. Partnerships with federal agencies will further develop and utilize administrative data linkages and data licensing that leverages the value of public investments.

Knowledge Management, Dissemination, and Outreach: The second component of Core R&T supports knowledge management, a multidisciplinary effort to ensure that knowledge is created, organized, and shared effectively to advance HUD's mission. It supports dissemination of research to inform evidence-based policy and to ensure equitable access to knowledge and convenes stakeholders for shared learning opportunities. Key beneficiaries of knowledge management activities include HUD program staff, HUD grantees, researchers and policy analysts, and policy makers at all levels—local, state, national, and international. Along with formal research reports and the Cityscape journal, several shorter-format periodicals such as U.S. Housing Market Conditions, The Edge, and Evidence Matters make data and research freely accessible to broad audiences. The Comprehensive Housing Market Analyses produced by PD&R economists provide in-depth looks at economic, demographic, and housing inventory trends of specific housing markets to guide builders, lenders, and others. PD&R stakeholders have access to more than 10,000 research reports, articles, books and data sources, and during 2020, customers downloaded an average of over 850 thousand files per month from the HUDUSER.gov research portal.

Technical Expertise and Innovation: Core R&T also supports: building technology research and dissemination of information on new technologies; housing finance research, including analysis that reduces risk to the FHA Mutual Mortgage Insurance Fund and supports housing finance reform discussion; and the Research Partnerships program that complements HUD's direct research efforts by providing matching funds for external researchers who present unique research opportunities.

HUD seeks to use Research Partnership funds to support research projects relating to HUD's strategic interests such as home ownership, the production and availability of affordable housing,

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<sup>2</sup> As required by the Foundations for Evidence-Based Policymaking Act, HUD appointed a Statistical Official, Evaluation Officer, and Chief Data Officer in August 2019. See <https://data.hud.gov/eac.html>.

and related issues such as economic opportunity, employment, education, and health in distressed communities.

HUD is continuing its support for housing technology research as well as research on underserved people and places through grants to Minority Serving Institutions (MSIs), including Historically Black Colleges and Universities (HBCUs).

Technical innovation addresses the areas of building technologies and state and local land use practices that are crucial to increasing availability of high-quality affordable housing, as well as disaster preparedness and mitigation issues. Stakeholders for these efforts include HUD program offices, federal agencies, state and local policy makers, researchers and practitioners, and the housing industry. PD&R is again seeking to hold the successful Innovation Showcase for housing technology on the National Mall in 2022.

### **Research, Evaluation, and Demonstrations**

R&T funding of up to \$30 million for Research, Evaluation, and Demonstrations will focus on strengthening HUD's programs and policy. PD&R seeks to prioritize these resources:

1) to successfully complete multi-year program demonstrations and evaluations; 2) to inform and evaluate existing Departmental initiatives; and 3) to advance strategic evidence-building priorities established in the agency learning agenda, the HUD Research Roadmap.

PD&R's discretionary research and evaluation is guided by the HUD Research Roadmap, which has been a cornerstone of HUD's research and evaluation strategy since 2014. PD&R develops the Roadmap by consulting with stakeholders to ensure that the research function is forward-looking, systematic, and well-structured. The Research Roadmap is also the foundation of HUD's Learning Agenda, a strategic long-term framework for evidence-building through research, data collection, and data-driven policy analysis envisioned by the Foundations for Evidence-Based Policymaking Act. In 2020 PD&R released the HUD Research Roadmap: 2020 Update. The 2020 Roadmap identifies several research projects for PD&R to pursue that address the administration priorities of equity, affordable housing supply, and climate resiliency.

In addition to priorities established in the Research Roadmap, funding for Research, Evaluation, and Demonstrations will allow PD&R to learn from the unprecedented expansion of housing assistance in response to the pandemic. Several major pieces of legislation, most recently the American Rescue Plan, have included substantial increases to existing HUD programs like the Emergency Solutions Grants program and the Housing Choice Voucher (HCV) program, as well as emergency rental assistance programs administered by other agencies. PD&R plans to collaborate with our federal partners, including the Department of the Treasury, the Federal Emergency Management Agency (FEMA), and the U.S. Interagency Council on Homelessness to document and evaluate the Federal government's efforts to prevent evictions and homelessness in the wake of the pandemic and accompanying economic fallout. PD&R also intends to learn from the expansion of the HCV program about ways to deliver housing assistance on a large scale more effectively. An underlying goal of these research and evaluation efforts is to learn how to strengthen and broaden the Federal housing safety net for people in need.

Research, Evaluation, and Demonstrations will also include a new \$5 million set-aside to fund research on housing, climate adaptation and resilience. This research will be conducted in coordination with the new Advanced Research Projects Agency for Climate (ARPA-C) that will be located within the Department of Energy. The ARPA model of high-risk, accelerated research is uniquely meant to conduct R&D that, if successful, will result in transformational technology advancements.

## Technical Assistance

Funding of no less than \$50 million for the Technical Assistance (TA) program will equip HUD's partners and customers with the knowledge, skills, tools, capacity, and systems needed to successfully implement HUD programs and policies and be effective stewards of federal funding.

Many of HUD's programs serve a counter-cyclical role during economic disruptions. It is critical that HUD be able to adequately prepare grantees to respond and recover as effectively as possible with the program resources HUD provides. The increase in technical assistance funding will allow HUD to respond to needs arising from the American Rescue Plan, Emergency Rental Assistance Program, and other elements of the Federal responses to the COVID-19 pandemic, enabling the Department to address these new needs without compromising other essential TA activities. With proposed increases to program funding to address HCV expansion, Emergency Housing Vouchers, large-scale retrofits and physical improvements for HUD-assisted housing, and affordable rental housing development expansion, grantees across PIH, Housing, and CPD will require technical assistance to understand how to complete unmet needs assessments and strategically maximize their resources to ensure improve housing opportunities are realized. Communities will require support to guide program investment in rehabilitation of public infrastructure and facilities for marginalized communities facing persistent poverty.

Technical assistance resources will help grantees and HUD customers better utilize existing resources to make investments that support climate resilience, equitable access to resources, and ensure economic recovery. Among many planned and eligible uses, funds will assist in preparing for future epidemics and pandemics by developing lessons learned and best practices for CPD grantees, PHAs, and owners that had successful waivers or identified cost-saving measures during the COVID-19 pandemic. These TA funds also will be used to support PHAs, Tribally Designated Housing Entities, CDBG grantees, and Participating Jurisdictions in returning to normal operations after waivers have stopped.

The additional TA funds will also support cohort strategies for CPD grantees to build their capacity to best utilize, sequence, and maximize funds available for multiple purposes related to climate resilient community planning, upgrades to public facilities, improving supportive services and infrastructure. These TA funds will provide direct TA to troubled PHAs that are out of compliance in the aftermath of COVID-19 and assist tenants who are facing negative economic impacts after the pandemic.

HUD's technical assistance program equips HUD's customers with the knowledge, skills, tools, capacity, and systems needed to successfully implement HUD programs and policies and be effective stewards of federal funding. HUD plans to continue awarding TA funds on a competitive basis through a two-year (2022 and 2023) Community Compass Notice of Funding Opportunity (NOFO) because of the balance it offers between stability, flexibility, and administrative burden. Funding at the requested level will allow HUD to continue to provide programmatic TA to its grantees. The assistance will take the form of needs assessment, direct TA, tools and products, training, data analysis, and knowledge management. In addition to Technical Assistance for all of HUD's programs, the TA also provides support for place-based initiatives and for expansions of programs, such as new special purpose vouchers for homeless families.

Under a two-year NOFO (2022 and 2023), HUD will use a portion of these funds to continue to support Technical Assistance to units of general local government experiencing long-term economic hardship, whose residents have been underserved due to limited local capacity. This funding provides TA for general government financial management, internal process improvements, planning, and similar skill building to improve community capacity to benefit from available resources.

**SUMMARY OF RESOURCES BY PROGRAM**

(Dollars in Thousands)

Budget Activity	2020 Budget Authority	2019 Carryover Into 2020	2020 Total Resources	2020 Obligations	2021 Appropriation	2020 Carryover Into 2021	2021 Total Resources	2022 President's Budget
Core R&T	54,375	5,083	59,458	49,554	59,050	10,042	69,092	65,000
Technical Assistance	29,875	1,503	31,378	1,495	32,800	29,875	62,675	50,000
Research, Evaluations, and Demonstrations	13,750	14,492	28,242	17,098	13,150	18,265 <sup>b</sup>	31,415	30,000
BJA Pay for Success	-	-	-	-	-	805 <sup>c</sup>	805	-
Total	98,000	21,078	119,078	68,147	105,000	58,987	163,987	145,000

b/ Includes \$7.1 million of anticipated recaptures

c/ Includes \$804,535 of BJA Pay for Success recaptures

**LEGISLATIVE PROPOSALS AND GENERAL PROVISIONS****General Provisions**

The 2022 President's Budget re-proposes the following general provisions that were enacted in the 2021 appropriations bill:

Unobligated Research Funds: This provision gives HUD the ability to re-obligate research funds left unexpended at the conclusion of an agreement. (2022 President's Budget, Sec. 219).

**APPROPRIATIONS LANGUAGE**

The 2022 President's Budget includes proposed changes in the appropriations language listed below. New language is italicized, and language proposed for deletion is bracketed.

For contracts, grants, and necessary expenses of programs of research and studies relating to housing and urban problems, not otherwise provided for, as authorized by title V of the Housing and Urban Development Act of 1970 (12 U.S.C. 1701z-1 et seq.), including carrying out the functions of the Secretary of Housing and Urban Development under section 1(a) (1) (i) of Reorganization Plan No. 2 of 1968, and for technical assistance, [~~\$105,000,000~~] *\$145,000,000*, to remain available until September 30, [2022] *2023*: Provided further, That notwithstanding section 203 of this title, the Secretary may enter into cooperative agreements with philanthropic entities, other Federal agencies, State or local governments and their agencies, Indian Tribes, tribally designated housing entities, or colleges or universities for research projects: Provided further, That with respect to the preceding proviso, such partners to the cooperative agreements shall contribute at least a 50 percent match toward the cost of the project: Provided further, That for non-competitive agreements entered into in accordance with the preceding two provisos, the Secretary shall comply with section 2(b) of the Federal Funding Accountability and Transparency Act of 2006 (Public Law 109-282, 31 U.S.C. note) in lieu of compliance with section 102(a)(4)(C) of the Department of Housing and Urban Development Reform Act of 1989 (42 U.S.C. 3545(a)(4)(C)) with respect to documentation of award decisions[: Provided further, That prior to obligation of technical assistance funding, the Secretary shall submit a

plan to the House and Senate Committees on Appropriations on how the Secretary will allocate funding for this activity at least 30 days prior to obligation]. (*Department of Housing and Urban Development Appropriations Act, 2021.*)