

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Program Offices Salaries and Expenses

Office of Fair Housing and Equal Opportunity

SALARIES AND EXPENSES

(Dollars in Thousands)

	2020*	2021			2022		
	Actuals	Carryover	Enacted	Total	Carryover	President's Budget	Total
Personnel Services	\$66,367	\$6,635	\$71,664	\$78,299	\$3,628	\$88,862	\$92,490
Non-Personnel Services							
Travel	275	100	-	100	1,023	-	1,023
Rent and Utilities	-	1	-	1	-	2	2
Printing	23	1	-	1	-	5	5
Other Services/Contracts	501	1,068	-	1,068	204	3,504	3,708
Training	647	600	-	600	-	650	650
Supplies	57	6	-	6	-	77	77
Total, Non-Personnel Services	\$1,503	\$1,776	-	\$1,776	\$1,227	\$4,238	\$5,465
Working Capital Fund	2,015	1,427	-	1,427	3,244	-	3,244
Carryover	9,838		8,099	8,099	-	-	-
Grand Total	\$79,723	\$9,838	\$79,763	\$89,601	\$8,099	\$93,100	\$101,199
FTEs	452	47	502	549	24	600	624

*Includes 2019 Carryover.

PROGRAM PURPOSE

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 duty, therefore, is to create equal housing and credit opportunities for all persons living in America, which it does by administering and enforcing laws that prohibit housing discrimination on the basis of race, color, religion, sex, national origin, age, disability, and familial status.

The Administration has made fair housing a central pillar in its equity agenda, requiring a revitalized FHEO to play a key role. FHEO is tasked with simultaneously addressing both day-to-day discrimination claims and longstanding systemic inequities that are the legacy of a long history of racial and other injustice. This investment in FHEO's salaries and expenses will ensure that work is able to be done.

BUDGET OVERVIEW

The 2022 President's Budget requests \$93.1 million for FHEO S&E, \$13.3 million more than 2021 enacted. The Budget reflects total funding (carryover and new authority) of \$101.2 million, \$11.6 million above 2021 total funding.

Personnel Services (PS)

The Budget assumes total funding of \$92.5 million for FHEO Personnel Services (PS), \$14.2 million above 2021 total funding. This funding will support 624 full-time equivalents (FTEs), an increase of 75 FTEs from the total 2021 level.

The funding requested in 2022 will seek to maintain the staffing gains realized in 2021, with additional increases in 2022 to carry out the sophisticated policy and substantive work ahead. FHEO will also continue to prioritize the hiring of staff in field offices to support Title VIII enforcement and fair housing and civil rights compliance activities. FHEO will continue its practice of maintaining its primary staffing in the field. FHEO currently has approximately 80 percent of its staff located in the field.

The majority of FHEO's work is carrying out statutory and regulatory duties that have existed in some form for years, but FHEO now must do so with a greatly reduced staff. In 2010, FHEO had 622 on-board staff, whereas today FHEO is projected to end the fiscal year at 549. That is a reduction of 73 staff, or 12 percent, over the last decade. This reduction has resulted in significant loss of capacity to execute core FHEO programs, let alone carry out this Administration's agenda of addressing longstanding equity issues, and this budget seeks to alleviate that situation by providing the resources for much needed staffing increases.

FHEO will continue to engage in Title VIII complaint intake and investigations in accordance with its non-discretionary duty to ensure that each complaint is properly handled. Due to increased housing instability throughout the country caused by COVID-19 and other economic disparities, FHEO anticipates an influx of fair housing inquiries and complaints. FHEO predicts the on-discretionary enforcement caseload will increase to ensure full enforcement for all claims under the Fair Housing Act's (Act) purview, such as HUD's recognition that, after the *Bostock* decision, the Act bars discrimination based on sexual orientation and gender identity.

Title VIII caseloads will also increase with the renewed emphasis of addressing systemic discrimination, including through Secretary Initiated complaints, consistent with the Administration's overall equity agenda. Among other forms of discrimination, this focus will include extensive evaluation of practices in the lending industry, such as identifying race- and national origin-based discrimination in residential appraisals, and other barriers to racial equity and equal access to housing opportunities for other underserved communities and populations in our country. FHEO requires additional highly skilled staff with specialized capabilities to address both these disparities and other housing practices that have a discriminatory effect on minority populations.

FHEO also will need additional human capital to fully execute the part of its mission that involves ensuring non-discrimination in HUD-funded programs. In recent years, such affirmative compliance activities were deemphasized, as the limited number of Headquarters and Regional staffs focused on Act enforcement. With this request, FHEO will also devote compliance staff to combating other challenges in HUD-funded programs and projects, such as disability discrimination.

HUD has begun the regulatory proceedings necessary to return to enforcing the Act's mandate to Affirmatively Further Fair Housing (AFFH). FHEO will be charged with implementing these

requirements, which will require FHEO to invest significant staff in projects such as providing sustained technical assistance to HUD grantees to ensure successful fair housing planning and achievement of fair housing goals.

In very recent years, FHEO has had a reduction in staff. Many are performing multiple duties, while addressing racial equity issues in the distribution and use of unprecedented tens of billions of dollars of disaster funding. This is a highly specialized and nuanced workload that, given current climate trends, FHEO likely will need to shoulder for years to come. FHEO had diverted compliance staff previously devoted to AFFH for this purpose and now seeks to address both workloads in a robust, credible, and effective manner.

Non-Personnel Services (NPS)

The Budget assumes total funding of \$5.5 million for FHEO Non-Personnel Services (NPS), \$3.7 million above 2021 total funding. FHEO will allocate \$1 million in travel for litigating cases, undertaking fair housing investigations, conducting compliance reviews, and education and outreach efforts. Travel expenditures are expected to increase dramatically in 2022 as the country emerges from the COVID-19 pandemic. An additional \$2.6 million above the 2021 total funding level will be allocated for new contracts, and to support projected cost increases; \$50 thousand increase for training; \$71 thousand increase for supplies; and a minimal increase in printing.

Contract Description

The FHEO budget requests reflect \$2.1 million for new contracts.

2022 New Contracts	Funding Level
Customer Relationship Manager Subscription	\$360,000
FHEO Data Science	\$675,000
Digital Communications & Outreach Modernization	\$1,100,000
Total	\$2,135,000

Marketing Cloud and Customer Relationship Management: This contract supports FHEO’s responsibility of increasing awareness of the public’s fair housing rights and housing providers fair housing responsibilities. Also, the contract will increase public engagement through human-centric designed automation to improve HUD customers’ experience.

Digital Communications & Outreach Modernization: This contract addresses FHEO’s responsibility to ensure racial and ethnic equality and equity in housing. Also, the contract will assist FHEO in shaping the conversation of high-profile fair housing initiatives and the creation of forward-facing communications to improve equal housing opportunities for all.

Data Science Program: This contract addresses FHEO’s responsibility of ensuring civil rights in all HUD programs. In addition, this contract will perform data analysis on the identified risk assessed as civil rights issues.

Working Capital Fund (WCF)

The Budget assumes total funding of \$3.2 million for FHEO’s contribution to the Working Capital Fund (WCF), \$1.4 million above 2021 total funding. These funds are required to pay fees for use of shared services and other investments as determined by the Secretary, and the increase is primarily due to the addition of a business line to support end-user computer and IT devices.

KEY OPERATIONAL INITIATIVES

FHEO is statutorily obligated to investigate, conciliate, and when appropriate, administratively enforce several Federal Civil Rights Statutes, including inter alia, Title VI of the Civil Rights Act of 1964 (Title VI); Title VIII of the Civil Rights Act of 1968, as amended in 1988 (the Fair Housing Act); and Section 504 of the Rehabilitation Act of 1973. In addition to FHEO processing over 1,000 complaints per year, the Office also oversees 5,900 complaint investigations conducted annually. The Fair Housing Assistance Program (FHAP) agencies investigate approximately 80 percent of the administrative fair housing complaints filed in the country. Currently, there are 76 FHAP agencies in the program, including 35 States (including the District of Columbia) and 41 localities. FHEO also administers and oversees the Fair Housing Initiatives Program (FHIP), funding more than 145 private fair housing groups and non-profits nationally which provide direct assistance to individuals who feel they have been discriminated against while attempting to purchase, rent or finance housing. By funding entities through FHAP and FHIP, the Department not only ensures enforcement of several Federal Statutes, but also promotes State and local control in concerns relating to their communities.

This budget makes an investment toward eradicating race, national origin, and other discrimination in the housing and credit market; reducing gaps in homeownership based on protected characteristics; and otherwise advancing racial equity and supporting underserved communities and populations in housing. The task is a large one. Despite 53 years of prohibitions against housing discrimination, audits of race and national origin discrimination in the rental and sales market continue to show high indices of discrimination nationwide. Mortgage lenders still reject Black borrowers almost twice as often as White borrowers. Discrimination in the homebuying process, including appraisals, is also a continuing problem. Architects and builders continue to design and construct housing that is inaccessible for individuals with disabilities in violation of Fair Housing Act requirements. Studies have found that same-sex couples and transgender persons in communities across the country experience demonstrably less favorable treatment than their counterparts when seeking housing. Many cities with large populations and large rural areas have no fair housing organizations.^{1,2}

To deal with these major issues and others, the Department will carry out a targeted, focused and coordinated strategy for enforcement, and education and outreach. In 2016, FHEO began implementation of a robust Enterprise Risk Management (ERM) framework for identifying and managing risk. In subsequent years, working with the Department, FHEO began including an integrated governance structure to improve mission delivery, and to focus and align key operational initiatives, resources, staff efforts, and corrective actions toward key risks and opportunities which are most impactful in meeting Departmental goals and that of the President's Budget. Goals include creation of a SharePoint-based Consolidated Risk Register with user views for identification and update to risks, issues, strategies, and action plans; organizational change management to include training materials and events; risk assessment at operational and management work-unit levels, with intent for strategic, management planning, funding Information Technology (IT) and performance goals to be reflective of FHEO's risk profile, risk appetite, risk tolerance, and priorities.

¹ Levy, Diane, Doug Wissoker, Claudia L. Aranda, Brent Howell, Rob Pittingolo, Sarale Sewell, and Rob Santos. (2017). A Paired Testing Pilot of Housing Discrimination Against Same-Sex Couples and Transgender Individuals. The Urban Institute.

² Friedman, Samantha, Angela Reynolds, Susan Scovill, Florence R. Brassier, Ron Campbell, and McKenzie Ballou. (2013). An Estimate of Housing Discrimination Against Same-Sex Couples. US Department of Housing and Urban Development, Office of Policy Development and Research.

Additionally, FHEO has identified monitoring its grant-funded programs as Key Risks in the Departmental Consolidated Risk Registry. Funding to provide on-site or remote compliance monitoring and ensuring these activities are conducted by skilled grant monitors supports HUD's Departmental management goals of the integration of Enterprise Risk Management and internal controls.

Finally, as authorized by the Congress under the 2012 HUD Appropriations Act, Rental Assistance Demonstration (RAD) allows public housing agencies (PHAs) and owners of other HUD-assisted properties to convert units from their original sources of HUD financing to project-based Section 8 contracts. By drawing on an established industry of lenders, owners, and stakeholders, RAD allows PHAs and owners of HUD-assisted housing to preserve and improve affordable housing units that otherwise may be lost due to disrepair and/or other factors.

FHEO plays a critical role in this increasingly important Departmental priority. FHEO has a responsibility to ensure that public housing residents' rights are protected through the RAD process. The RAD program mandates that public housing agencies adhere to resident protections that are not required in HUD's other public housing capital improvement programs. FHEO's civil rights reviews of RAD conversions consist 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) reviews, requirements necessary prior to any RAD deal being approved. As RAD's success and size grows, it will continue to represent an expanding FHEO function as well.