

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Office of Fair Housing and Equal Opportunity (FHEO)

Fair Housing Programs

SUMMARY OF RESOURCES

(Dollars in Thousands)

	Enacted/ Requested	Carry over	Supplemental/ Rescission	Total Resources	Obligations	Net Outlays
2021 Appropriation	72,555	16,627	19,400	108,582	35,574	65,594
2022 Annualized CR	72,555	73,025	-	145,580	138,395	85,000
2023 President's Budget	86,000	9,185	-	95,185	90,185	85,000
Change from 2022	13,445	(63,840)	-	(50,395)	(48,211)	-

a/ 2021 Supplemental funding was appropriated through the American Rescue Plan, pursuant to Public Law 117-2.

b/ 2022 and 2023 Total Resources excludes \$1 million in estimated offsetting collections.

PROGRAM PURPOSE

The mission of HUD's Office of Fair Housing and Equal Opportunity (FHEO) 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 funds four Fair Housing Programs: (1) the Fair Housing Initiatives Program (FHIP); (2) the Fair Housing Assistance Program (FHAP), (3) the Limited English Proficiency Initiative (LEPI); and (4) the National Fair Housing Training Academy (NFHTA). In combination with the other work of FHEO, these programs aim to redress injuries to victims, prevent housing discrimination, and eliminate segregation. The 2023 Budget supports the Secretary's commitment to fair housing and provide resources to implement fair housing activities.

BUDGET OVERVIEW

The 2023 President's Budget for Fair Housing Programs is \$86 million, which is \$13.4 million more than the 2022 annualized CR level. The Budget funds the following programs:

- Fair Housing Initiatives Program (FHIP): \$56 million will support grants to private fair housing organizations for enforcement, and education and outreach on fair housing rights and responsibilities.
- Fair Housing Assistance Program (FHAP): \$26 million will support State and local civil rights enforcement agencies with grants, training, and technical assistance.
- Limited English Proficiency Initiative (LEPI): \$1 million will support language assistance services to the public and outreach efforts, including through grant opportunities to increase awareness of fair housing and other HUD services to underserved communities.
- National Fair Housing Training Academy (NFHTA): \$3 million will support national training on fair housing investigation and conciliation techniques.

Housing-related challenges can trigger significant mental health distress. Training and technical assistance resources available in this account will be used to support HUD's department-wide effort to reduce the impacts of housing-related challenges on mental and emotional well-being and improve the experience of the Department's customers. HUD will coordinate validated, evidence-based training for front-line housing professionals on the signs and symptoms of emotional distress and mental health challenges. This training will help housing professionals connect customers who are experiencing emotional distress with appropriate local resources.

JUSTIFICATION

The 2023 President's Budget reflects the Department's goal of supporting the efforts of public and private organizations to provide fair housing enforcement and education and outreach services in addressing currently unmet needs. This budget makes an investment toward eradicating discrimination based on race, national origin, and other protected characteristics from the housing market. Despite decades of prohibitions against housing discrimination, audits of race and national origin discrimination in the rental and sales market continue to show high occurrence nationwide. Mortgage lenders still reject people of color and other protected class applicants almost twice as often as White Americans. The Interagency Task Force on Property Appraisal and Valuation Equity is engaged in efforts to identify, and provide recommendations for, biased appraisals in mortgage transactions. Architects, engineers, and builders continue to design and construct housing that is inaccessible for individuals with disabilities, and housing providers and lenders continue to deny reasonable accommodations and modifications that may be necessary for individuals with disabilities to have an equal opportunity to enjoy and use housing. Studies have found that same-sex couples and transgender persons in communities across the country experience less favorable treatment than their heterosexual and cisgender counterparts when seeking housing.¹ In the rental market, many households face source of income discrimination by housing providers.

Fair Housing Initiatives Program (FHIP)

Many cities with large populations and many rural areas have no fair housing organizations. The Department's efforts to reduce homeownership gaps based on race, color, national origin, and other protected characteristics are frustrated by persistent systemic discrimination. To address these major issues, the Department will continue to carry out a targeted, coordinated strategy for enforcement, education, and outreach. FHIP supports critical fair housing enforcement work throughout the United States, as well as education and outreach to the public about the rights of individuals and families and the responsibilities of housing providers, lenders, and State and local governments under the Fair Housing Act (the Act). The 2023 Budget level of \$56 million for FHIP will provide support for fair housing activities conducted by more than 128 private fair housing organizations and represents a 21 percent increase above the 2021 enacted level. It will allow the program to continue enforcement, education, and outreach activities nationwide at the 2022 enacted level, and provide additional funding for activities to combat discrimination in the housing market.

There are three major initiatives under FHIP:

Private Enforcement Initiative: Under the Private Enforcement Initiative, continued funding is needed for multi-year projects to carry out complaint intake, testing, investigative activities, and legal fees for systemic investigations as well as investigations of individual complaints. The Department will also increase funding under this initiative to ensure full enforcement for all claims under the Act's purview. This includes funding to encourage and support all testing by FHIP grantees designed to expose discrimination under the Act, including source of income testing intended to reveal discriminatory effects. The funding will also support the increased demand on FHIP enforcement services after clarification by HUD in February 2021 that the Act bars discrimination based on sexual orientation and gender identity. This expansion in the protections

¹ Friedman, Samantha, Angela Reynolds, Susan Scovill, Florence R. Brassier, Ron Campbell, and McKenzie Ballou. (2013). An Estimate of Housing Discrimination Against Same-Sex Couples. U.S. Department of Housing and Urban Development, Office of Policy Development and Research, and 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.

and the scope of covered persons and prohibited practices can be expected to increase the demand on FHIP education, outreach, and enforcement services. The increased funding will also bolster the resources to encourage and support all testing by FHIP grantees designed to expose discrimination under the Act.

Fair Housing Organization Initiative: The Budget requests funding for the Fair Housing Organization Initiative for HUD to support the creation of at least one new fair housing enforcement organization located in an unserved or underserved area. These are typically communities that lack the presence of a private fair housing enforcement group and have a large and growing population that is vulnerable to housing discrimination. HUD's efforts to create fair housing groups in unserved and underserved areas commenced in 1994, and the groups created through this initiative make a notable difference in resolving fair housing complaints and most importantly, in increasing the knowledge in the areas served of the fair housing rights of individuals and families and the responsibilities of housing providers. The 2023 Budget will also provide funding to build the capacity of existing organizations to enforce the rights granted under the Act.

Education and Outreach Initiative (EOI): Fair housing discrimination based on race or national origin continues to be a persistent problem. To address these problems, the proposed 2023 Budget will support four specific components in the Education and Outreach Initiative.

- **EOI National - National Media Component.** Earlier studies of segregation found that Black Americans and other members of protected classes who reported being subject to discrimination in the housing market did not file complaints or take legal action. One of the key reasons for the lack of action had to do with the belief that such actions would not yield results or remedy the discrimination. The studies also showed that a lack of knowledge about where or how to file a complaint was a factor in not filing a complaint. For the Department to have a more enduring impact on reducing housing discrimination against people of color and other protected classes, HUD plans to fund a national fair housing media campaign to educate the American public regarding the forms of discrimination that can occur in the rental, sales, mortgage, insurance, and appraisal markets. The campaign will provide information on how to file a housing discrimination complaint through HUD.
- **EOI General – Regional, Local, and Community-based Component Striving for Housing Equity.** This component addresses the issues that may arise when people protected under the Act exercise their rights to expand housing choice. These issues include but are not limited to opposition to affordable housing, harassment against families of color who move into predominantly white residential neighborhoods and creating obstacles for people with disabilities seeking to enforce their fair housing rights. HUD will fund local and community-based projects to address these issues and promote equity and justice in housing, consistent with the mission of the Act.
- **Targeted Fair Housing Component.** The Budget also requests funds for an initiative to allocate EOI General awards for targeted fair housing education and outreach projects. Fair housing organizations may use these funds for a variety of purposes, including projects to: (1) develop law school curricula related to fair housing; (2) improve access to homeownership for underserved populations that have historically been denied such opportunities; and (3) advance community integration. These funds may also be used to provide complaint intake services to underserved communities and underserved populations.
- **Fair Housing Accessibility FIRST.** This component reflects FHEO's continued dedication to Fair Housing Accessibility Instruction, Resources, Support and Technical Guidance (FIRST), which has been in operation for over 20 years. The contract provides training and

technical guidance through interactive classroom and virtual training, a web-based resource clearinghouse, and on-demand technical assistance for architects, builders, code officials, advocates, and others on compliance with the design and construction requirements of the Act. Fair Housing Accessibility FIRST is part of a broad effort to increase compliance with fair housing design and construction requirements across the U.S., especially in disaster-impacted areas. Fair Housing Accessibility FIRST conveys the importance of front-end planning for compliance with the accessibility requirements prior to work on engineering, design, and construction. FHEO proposes to fund the contract at \$1 million in the 2023 budget, expanding the scope of training to cover a comprehensive curriculum covering all Federal accessibility standards and partnerships with architecture schools to increase industry compliance, technical training, and services to disaster-impacted areas.

- **EOI Sexual Orientation and Gender Identity Component.** This budget includes funding for fair housing organizations to update existing materials to reflect the recognition that the Act bars discrimination based on sexual orientation and gender identity.

Fair Housing Initiatives Program (FHIP)

(Dollars in Thousands)

	2021 Enacted	2022 Annualized CR	2023 President's Budget	2023 vs. 2022
Private Enforcement Initiative	36,350	36,350	41,300	4,950
Education Outreach Initiative	7,405	7,405	10,000	2,595
Fair Housing Organization Initiative	2,000	2,000	3,700	1,700
FIRST	550	550	1,000	450
FHIP Total	46,305	46,305	56,000	9,695

Performance Indicators. FHEO measures success by ensuring: (1) sound financial management techniques; (2) development of activities that allow for increases in quality and timeliness of deliverables; (3) increases in the number of enforcement actions initiated; and (4) increases in the number of people reached through education and outreach efforts. FHEO documents these outcomes by requiring grantees to report quarterly and annual successes and positive outcomes, which are used to gauge grantee performance against target goals. For example, in 2020, cases filed with HUD involving a FHIP agency were less likely to be dismissed than other cases. FHIP-assisted complaints resulted in higher conciliation rates (45.7 percent) than non-FHIP complaints (28.9 percent).

Fair Housing Assistance Program (FHAP)

FHAP is requesting \$26 million, \$1.6 million above the 2022 annualized CR level. This level will allow the program to implement a 6.5 percent increase in case processing reimbursement rates and administrative funds, which supports State and local FHAP agencies in covering costs associated with increased salaries and expenses and competitive employee recruitment and retention. FHAP agencies have reported high staff turnover due to retirements, retention challenges, and inflationary strains that are likely to continue into 2023. The pandemic has also exacerbated the resources available to our FHAP agency partners due to challenges in hiring and reductions in State and local budgets. FHAP has not increased complaint processing reimbursement rates since 2017 or the amount of administrative funds since 2018, both of which

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are the two main sources of FHAP funding provided to our agency partners.

The funding level in the 2023 Budget will allow FHAP to continue enforcement activities nationwide and provide Capacity Building funds to admit at least two new agencies to the program, pending review and certification. An increase in Partnership funds will provide resources for agencies to enhance their mission by partnering with FHIP organizations, as well as other community-based fair housing organizations to conduct fair housing testing, public education and outreach, and training. The National Fair Housing Training Academy (NFHTA) no longer charges FHAP staff to attend its training and has developed a largely virtual training platform that has resulted in FHAP agencies incurring lower travel costs. Consequently, the Budget requests a reduction in training funding.

FHAP agencies investigate approximately three-quarters of the administrative complaints filed under the Fair Housing Act. Currently, there are 77 FHAP agencies in the program, including 35 States (including the District of Columbia) and 42 localities. FHAP agencies investigate fair housing complaints to ensure compliance with fair housing laws and, where necessary, litigate complaints to address violations. FHAP agencies plan and conduct investigations, interview parties and witnesses, gather and analyze evidence, facilitate resolution, and render determinations. Further, these agencies ensure compliance with settlement agreements and, where necessary, litigate complaints to address violations. FHAP agencies also conduct education on fair housing and fair lending at events throughout their jurisdictions. In 2021, FHAP agencies processed over 5,600 fair housing complaints and obtained monetary relief totaling more than \$4.34 million in addition to public interest relief such as adoption/revision of nondiscrimination policies, education and outreach efforts, and fair housing training.

Performance Indicators. FHEO measures success by: (1) ensuring sound financial management techniques; (2) monitoring each agency’s ability to meet the nine performance standards and program requirements at 24 CFR §§ 115.206 and 115.307; and (3) increasing the number of cases processed by FHAP agencies each year and the number of cases FHAP agencies resolved through recommendation of a legal charge of discrimination or a conciliation. FHEO monitors agency performance and conformity with regulatory requirements at least once every 24 months, and in connection with recertification every five years.

Fair Housing Assistance Program (FHAP)
(Dollars in Thousands)

	2021 Enacted	2022 Annualized CR	2023 President's Budget	2023 vs. 2022
Complaint Processing	16,700	16,700	17,750	1,050
Administrative Costs	4,740	4,740	5,090	350
Training	1,700	1,700	1,200	-500
SEE	100	100	100	-
Partnership Activities	800	800	1,500	700
Capacity Building	360	360	360	-
FHAP Total	24,400	24,400	26,000	1,600

Limited English Proficiency Initiative (LEPI)

The funding request for the Limited English Proficiency Initiative (LEPI) is \$1 million. LEPI is a direct initiative to ensure HUD's compliance with Executive Order 13166. This Order requires Federal agencies to assess and address the needs of otherwise eligible persons seeking access to federally funded programs and activities who, due to limited English proficiency (LEP), cannot fully and equally participate in or benefit from those programs and activities. FHEO manages the HUD-wide Language Assistance Services program. This program provides translation and interpretation services for HUD-related and sponsored material, services, activities, and programs at no cost to the public. The increased funding will allow the Department to continue providing existing language assistance services to the public and expand upon these efforts through new grant opportunities to increase awareness of fair housing and HUD services to underserved LEP communities.

Performance Indicators. FHEO measures progress in the LEPI program by: (1) the number of instances of multi-lingual document translations and (2) the number of instances of multi-lingual interpretation. FHEO uses data from the contracted vendor’s monthly and ad hoc reports to assess the quantity and quality of the services rendered in the program. FHEO plans to evaluate the LEPI grant program through the development of targeted outreach content and activities and measurement of direct engagement with LEP populations.

Limited English Proficiency Initiative (LEPI)

(Dollars in Thousands)

	2021 Enacted	2022 Annualized CR	2023 President's Budget	2023 vs. 2022
LEPI	350	350	1,000	650

National Fair Housing Training Academy (NFHTA)

The funding request for the National Fair Housing Training Academy (NFHTA) is \$3 million. In 2023, NFHTA will continue work to support and build competencies grounded in the President's Executive Orders on Advancing Racial Equity and Support for Underserved Communities and Preventing and Combating Discrimination based on Gender Identity or Sexual Orientation. NFHTA will move to the delivery of regional, in-person classroom training opportunities should HUD’s protocols and public health conditions allow for in person activities. The funding in the 2023 Budget will be used to develop curricula and deliver regionalized advanced courses on fair lending and other topics. In addition, the funding allows for training on appraisal biases, accessibility and architectural design, cultural competency on systemic racism, investigating discrimination against the LGBTQ+ community, and the relevance and use of data. NFHTA will continue its partnership with subject matter experts and will endeavor to create additional partnerships with industry professionals, such as appraisers, mortgage bankers, Geographic Information System (GIS) mapping and data experts, developers, and architects, to assist fair housing professionals in specializing in emerging novel and complex fair housing issues. Additionally, NFHTA will work alongside other FHEO offices to engage Historically Black Colleges and Universities (HBCUs); Hispanic-Serving and other Minority-Serving Institutions of higher education; and the students of these institutions. This may include collaboration to develop and deliver curricula and other content. NFHTA will also evaluate training needs that stem from HUD’s stakeholder listening sessions related to equity.

Performance Indicators. FHEO will evaluate the effectiveness of NFHTA’s offerings through a variety of short and long-term measures. FHEO has determined the core competencies needed to

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conduct quality, timely, and comprehensive investigations that include knowledge of fair housing law and policies, data analysis, knowledge and application of investigative techniques, conciliation and mediation techniques and application. In the short term, FHEO will evaluate the quality of the training and increased knowledge. Over the long term, based on the core competencies, FHEO will evaluate the gaps between current and needed proficiency levels to effectively support quality investigations.

National Fair Housing Training Academy (NFHTA)

(Dollars in Thousands)

	2021 Enacted	2022 Annualized CR	2023 President's Budget	2023 vs. 2022
NFHTA	1,500	1,500	3,000	1,500

SUMMARY OF RESOURCES BY PROGRAM

(Dollars in Thousands)

Budget Activity	2021 Budget Authority	2020 Carry over Into 2021	2021 Total Resources	2021 Obligations	2022 Annualized CR	2021 Carry over Into 2022	2022 Total Resources	2023 President's Budget
Fair Housing Initiatives Program (FHIP)	46,305	10,241	56,546	10,315	46,305	46,199	92,504	56,000
Fair Housing Assistance Program (FHAP)	24,400	4,022	28,422	22,844	24,400	5,689	30,089	26,000
Limited English Proficiency Initiative (LEPI)	350	211	561	315	350	237	587	1,000
National Fair Housing Training Academy (NFHTA)	1,500	1,500	3,000	1,500	1,500	1,500	3,000	3,000
CARES Act - FHIP	-	654	654	600	-	-	-	-
American Rescue Plan (ARP) - FHIP	19,400	-	19,400	-	-	19,400	19,400	-
Total	91,955	16,627	108,582	35,574	72,555	73,025	145,580	86,000

a/ FHAP 2021 carryover includes \$128,840 in recaptures.

b/ 2022 Total Resources excludes \$1 million in estimated offsetting collections.

LEGISLATIVE PROPOSALS AND GENERAL PROVISIONS

General Provision

The 2023 President's Budget proposes to continue the following General Provision included in the 2021 appropriations bill:

Fair Housing Act Investigations and Prosecutions: This section makes clear that the Department will not use its authority under the Fair Housing Act to investigate or prosecute legal activity. (2023 President's Budget, Sec. 202)

APPROPRIATIONS LANGUAGE

The 2023 President's Budget includes the appropriation language listed below.

For contracts, grants, and other assistance, not otherwise provided for, as authorized by title VIII of the Civil Rights Act of 1968 (42 U.S.C. 3601 et seq.), and section 561 of the Housing and Community Development Act of 1987 (42 U.S.C. 3616a), \$86,000,000, to remain available until September 30, 2024: Provided, That notwithstanding section 3302 of title 31, United States Code, the Secretary may assess and collect fees to cover the costs of the Fair Housing Training Academy, and may use such funds to develop on-line courses and provide such training: Provided further, That none of the funds made available under this heading may be used to lobby the executive or legislative branches of the Federal Government in connection with a specific contract, grant, or loan: Provided further, That of the funds made available under this heading, \$1,000,000 shall be available to the Secretary for the creation and promotion of translated materials and other programs that support the assistance of persons with limited English proficiency in utilizing the services provided by the Department of Housing and Urban Development.

Note.—A full-year 2022 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Act, 2022 (Division A of P.L. 117- 43, as amended). The amounts included for 2022 reflect the annualized level provided by the continuing resolution.