



*Fiscal Year 2021*

# **BUDGET IN BRIEF**

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

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## Message from the Secretary

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For Fiscal Year 2021, President Trump requests \$47.9 billion to support the Department of Housing and Urban Development (HUD)'s efforts to provide safe, decent, and affordable housing for the American people while being good stewards of taxpayer dollars.

The President's Budget expands HUD's resources to make progress to end homelessness, invests record funding to reduce home health and safety hazards, and boosts programs that empower HUD-assisted families to achieve self-sufficiency. Equally important to taxpayers, the Budget continues a commitment to enhanced operations and fiscal restraint by improving our Department's financial monitoring systems, updating critical technology systems, and reducing funding for outdated or lower-value HUD programs.

The President's Budget funds our Department's critical work to help our most vulnerable citizens secure housing so they can begin creating a better life for themselves, including targeted investments to increase housing options for the elderly and persons with disabilities. Currently, more than 4.6 million low-income families pay their rent with federal help. The Budget supports the same number of rental-assisted households as we served last year while re-proposing a bold set of reforms to ensure the programs are sustainable for the future.

With more than half a million people living on our nation's streets, the President has budgeted \$2.8 billion to help communities across the nation end homelessness. HUD will continue working with local and state governments to compassionately house their homeless populations through grant funds for emergency shelters, rapid re-housing, and transitional and permanent supportive housing—all while providing people with key services to help them regain their independence.

HUD is committed to providing families with safe and healthy housing. Recognizing that housing conditions directly affect the health of residents, the President is requesting \$425 million to mitigate health and safety hazards. This is a \$90 million increase over the enacted level for 2020. The grants funded through these programs make over 20,000 unassisted low-income older homes free of lead-based paint hazards. The Budget includes \$35 million for grants to remove lead-based paint hazards from public housing and \$5 million for Lead Technical Studies and Support. In addition to lead-based paint hazards, the Budget also includes funding to reduce other hazards in the home, including \$45 million for Healthy Homes Grants and Support, \$35 million for carbon monoxide detectors, and \$5 million for radon testing.

The President's Budget bolsters HUD's efforts to break the cycle of poverty by requesting \$190 million for Self-Sufficiency Programs. These funds directly support key initiatives like our Family Self-Sufficiency Program, which has over 70,000 active participant households and 5,409 graduates who no longer require Temporary Assistance for Needy Families, and more than half graduate with an average savings of \$6,700. Our Jobs-Plus Program is geared toward increasing employment opportunities and earnings of public housing residents through a three-pronged approach of employment services, rent-based work incentives, and community support. Through Jobs-Plus, nearly 1,500 individuals have been continuously

employed for at least 180 days after placement, and residents have saved over \$21.3 million in rent payments.

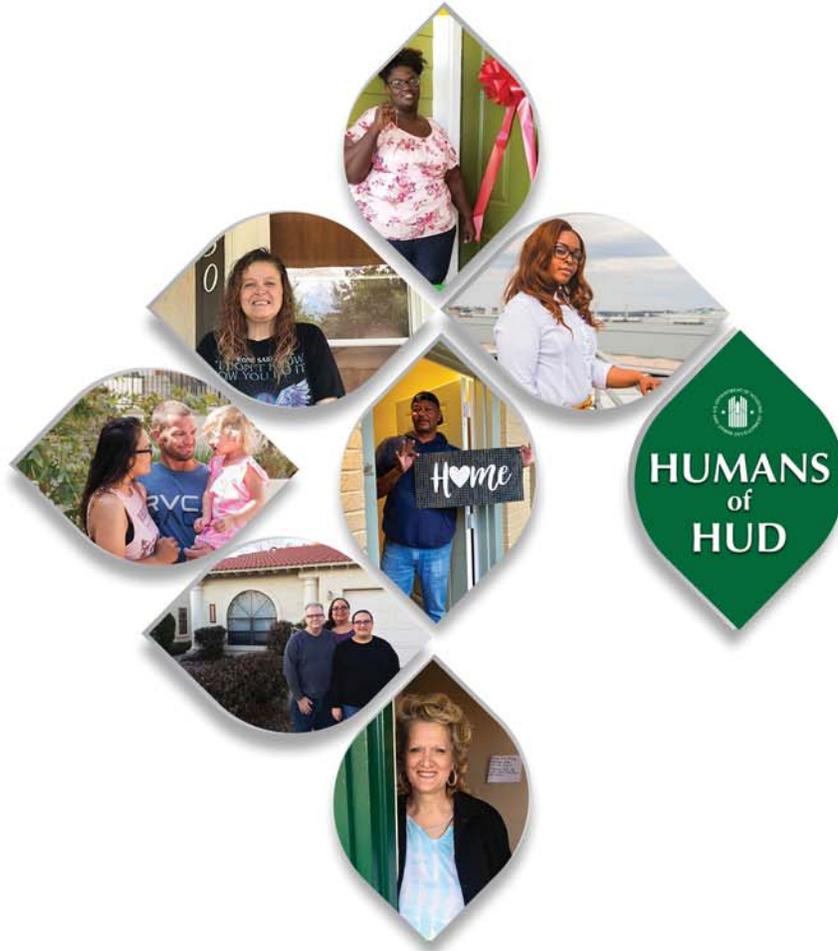
As Secretary, promoting transparency and accountability to taxpayers by investing in HUD's financial transformation is a top priority. The Department continues to implement our five-year plan for financial transformation to protect taxpayers and to support accountability, data, and transparency. This initiative has been critical to maintaining the viability of the agency, maintaining the trust of taxpayers, and mitigating risk and fraud.

As HUD continues working to help all communities thrive, we appreciate the President's financial support for our programs that increase affordable housing options, promote economic opportunity, help the homeless, and make homes healthier and safer for families. Just as the President is committed to HUD, we are committed to continually improving our programs so we can expand opportunities for those we are charged to serve.

Sincerely,

A handwritten signature in black ink, appearing to read 'B. Carson', with a long horizontal flourish extending to the right.

Benjamin S. Carson  
Secretary



**Charles**  
Lewiston, ME

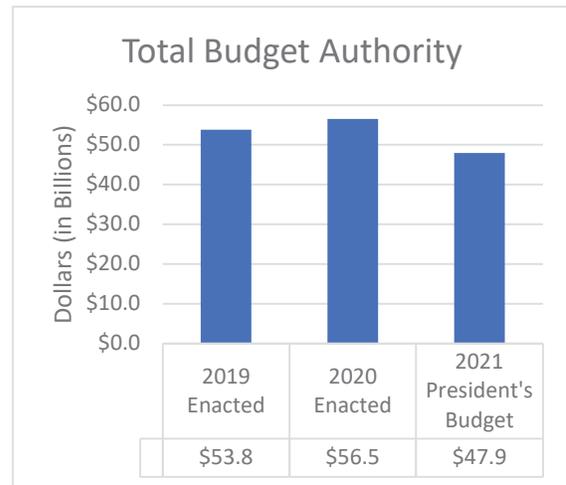
*"I have struggled with addiction since I was around 12 years old. Recently, I left that life behind, and I am going on my sixth year of sobriety. Through the recovery process, I submitted my name and was approved for public housing."*

Charles is from Lewiston, Maine, and is the father of two boys. He's never had a place of his own and lacked stability for most of his life. When he was connected to the **Lewiston Housing Authority (LHA)**, he was able to apply and be approved for a **Section 8 Housing Choice Voucher**. With the help of the LHA, Charles has enrolled his children in programs like Promise Early Education Program and receives items from the food pantry food truck that regularly visits his neighborhood. Charles looks forward to continuing his growth with LHA and providing for himself and his children.

## Overview

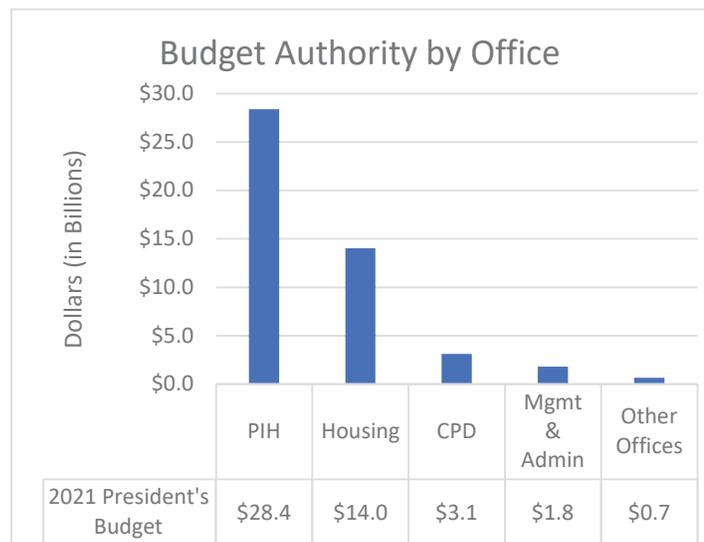
The 2021 President's Budget requests \$47.9 billion for the Department of Housing and Urban Development (HUD), \$8.6 billion less than the enacted level for 2020. The Budget invests in critical areas of HUD's programs and operations while protecting taxpayer funds. Secretarial priorities include:

- \$41.3 billion to help Americans pay rent, maintaining services for HUD-assisted households and constructing 1,000 units of housing for the elderly and persons with disabilities;
- \$2.8 billion to make progress to end homelessness;
- \$425 million to remove dangerous health hazards from homes, including lead, carbon monoxide, and radon;
- Investing in HUD's critical staffing needs.
- Coordinating efforts across the federal government to reduce regulatory barriers to creating affordable housing;
- Promoting transparency and accountability to taxpayers by investing in HUD's financial transformation;
- Reforming rental assistance and proposing work requirements for non-elderly, non-disabled tenants that would promote tenant self-sufficiency and reduce administrative burdens; and
- Supporting the "Prescription for HUD" management and policy agenda.



HUD's proposed budget allocates budget authority across programs and, to a much lesser extent, staffing and other management and administrative expenses. Most of the budget authority funds programs to help vulnerable, low-income households—many elderly or disabled—pay their rent. The Office of Public and Indian Housing (PIH) and the Office of Housing administer these programs.

The Budget proposes \$1.8 billion for HUD's Management and Administration expenses (including salaries), or about four percent of the proposed budget.

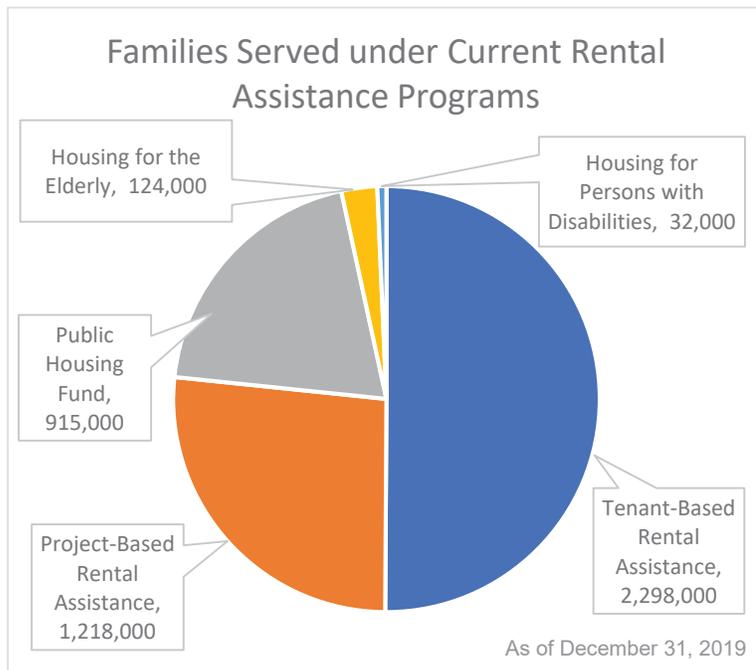


## Secretarial Priorities

### PROVIDING \$41.3 BILLION TO HELP AMERICANS PAY RENT

HUD's rental assistance programs help 4.6 million low-income families<sup>1</sup> pay their rent. These programs provide safe, stable, and affordable housing, and over half of assisted families are elderly or have a disabled head of household.

The 2021 President's Budget proposes \$41.3 billion to support HUD's rental assistance programs. This funding level supports the same number of households currently assisted, while re-proposing a bold set of responsible reforms to ensure the programs are sustainable for the future. The Budget also proposes \$180 million to construct approximately 1,000 units of housing for the elderly and persons with disabilities. Programs providing rental assistance include:



- Tenant-Based Rental Assistance (Housing Choice Vouchers);
- Project-Based Rental Assistance;
- Public Housing;
- Housing for the Elderly (Section 202);
- Housing for Persons with Disabilities (Section 811); and
- Moving to Work.<sup>2</sup>

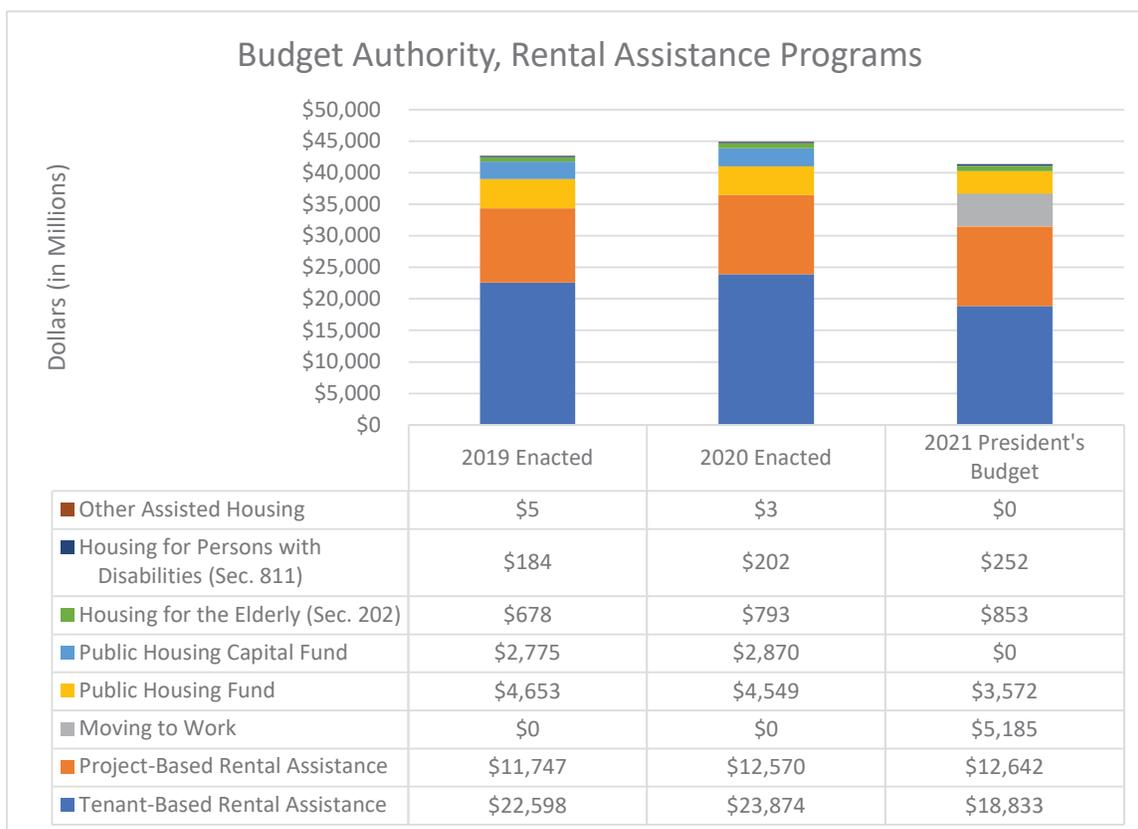
The current rent structure in HUD's rental assistance programs creates disincentives to employment; imposes large administrative burdens for public housing authorities (PHAs), private owners, and tenants; generates significant and increasing costs to the federal government; and represents a one-size-fits-all approach that does not take into consideration local community needs. With the Making Affordable Housing Work Act (MAHWA), submitted to Congress in April 2018, HUD proposed to reform rental assistance to address these issues.

The Budget incorporates the proposed reforms, which promote work, simplify program administration, reduce federal costs, and increase local choice. The reforms include increased tenant rent contributions, particularly for those able to work; reduced frequency of income recertifications; and additional flexibilities for PHAs and property owners to develop alternative rent structures. In addition, the Budget proposes uniform work requirements for work-able households. Consistent with Administration policy, the

<sup>1</sup> Including about 2.3 million families assisted through Tenant-Based Rental Assistance, 1.2 million families assisted through Project-Based Rental Assistance, 915,000 units assisted through the Public Housing Fund, 124,000 households assisted through Housing for the Elderly (Section 202), and 32,000 units funded through Housing for Persons with Disabilities (Section 811).

<sup>2</sup> The 2021 Budget proposes creating a new account for Moving to Work agencies, discussed in more detail in the section titled, "Office of Public and Indian Housing."

requirement would allow for work-seeking activities and would exempt the elderly, the disabled, those caring for a disabled family member or small child, and pregnant women.



### ADDRESSING HOMELESSNESS THROUGH \$2.8 BILLION IN GRANTS

The 2021 President's Budget proposes \$2.8 billion for Homeless Assistance Grants (HAG), which are key to addressing homelessness nationwide. HAG funds allow HUD to serve vulnerable individuals and families who are homeless or at risk of homelessness through service and housing interventions, including homelessness prevention, emergency sheltering, rapid re-housing, transitional housing, and permanent supportive housing.

The Administration will also begin a new initiative to reduce unsheltered homelessness. Funding would support comprehensive and coordinated interventions to reduce street homelessness and would be targeted to select cities that have experienced the largest increases in unsheltered homelessness in recent years.

### REMOVING DANGEROUS HAZARDS FROM HOMES WITH \$425 MILLION IN GRANTS AND TECHNICAL DEVELOPMENT

Every family deserves a safe and healthy home. One of Secretary Carson's signature proposals for the 2021 Budget is the reduction of hazards in the home, including lead-based paint, lead water pipes, carbon monoxide, and radon. The Budget requests \$425 million<sup>3</sup> to mitigate these issues, which is \$90 million more than the enacted level for 2020.

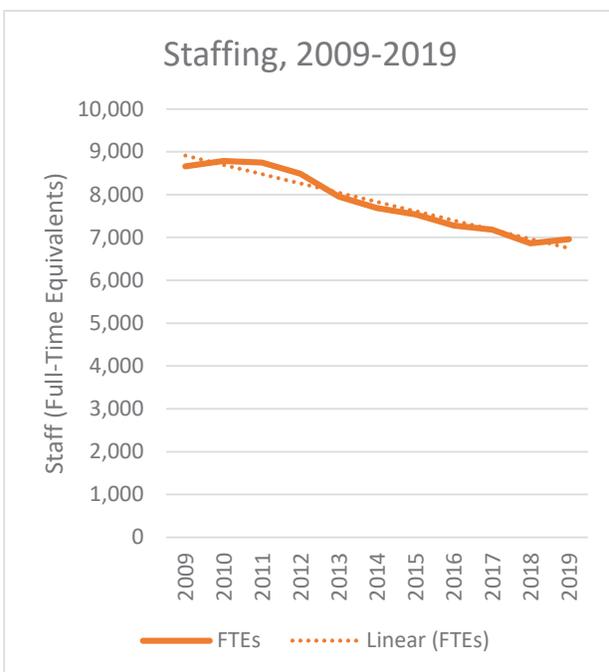
<sup>3</sup> The Budget requests \$360 million for the Lead Hazard Reduction program and \$65 million for lead-related initiatives within the Public Housing Fund.

Lead-based paint in housing presents one of the largest threats to the health, safety, and future productivity of America’s children, with over 22 million homes (34 percent of the homes built before 1978) having significant lead-based paint hazards. The 2021 President’s Budget requests \$240 million in funding for the Lead Based Paint Hazard Reduction Grants and Demonstration programs, which is \$69 million more than the enacted level for 2020. The grants funded through this program would make over 20,000 unassisted low-income older homes free of lead-based paint hazards. The Budget also requests \$35 million for grants to remove lead-based paint hazards from public housing and \$5 million for Lead Technical Studies and Support. Regarding lead water pipes, the Budget proposes \$30 million within the Public Housing Fund for replacement of lead service lines.

In addition to lead, the Budget requests funding to reduce other hazards in the home, including \$45 million for Healthy Homes Grants and Support, \$35 million for carbon monoxide detectors, and \$5 million for radon testing.

### INVESTING IN HUD’S CRITICAL STAFFING NEEDS

In the ten-year period between 2009 and 2018, HUD’s full-time equivalents (FTEs) declined from 8,661 to 7,011, a reduction of 19 percent. In 2019, HUD leadership made increasing HUD’s staffing levels a top priority across the Department. As a result of this focus, HUD ended the year with a slightly higher number of employees than at the beginning of the year for the first time since 2011. The 2021 Budget provides \$1.5 billion toward salaries and expenses (S&E), \$20.8 million more than the enacted level for 2020,<sup>4</sup> which, in combination with prior-year carryover funding, will support 7,282 FTEs.<sup>5</sup>



### REDUCING REGULATORY BARRIERS FOR AFFORDABLE HOUSING

Americans desire housing that is affordable, but government regulations, including zoning codes, often make housing more expensive. To address the regulatory barriers to affordable housing, HUD has collaborated across the Executive Branch to establish the White House Council on Eliminating Regulatory Barriers to Affordable Housing, covering eight federal agencies and led by Secretary Carson. The council will engage with state, local, and tribal leaders across the country to identify and remove the obstacles that impede the production of affordable homes—namely, the enormous price tag that follows burdensome government regulations and zoning.

<sup>4</sup> The 2021 President’s Budget realigned \$52.3 million from the Information Technology (IT) Fund to support IT and Computer Devices paid via the Working Capital Fund. Adding this \$52.3 million to the 2020 base results in the net increase of \$20.8 million year over year. For this calculation, the 2020 and 2021 Budget levels include funding for Ginnie Mae (two-year funding only) but exclude Office of Inspector General.

<sup>5</sup> Including Ginnie Mae; excluding Office of Inspector General.

HUD is also actively engaged with the Manufactured Housing Consensus Committee to revise the Manufactured Housing Construction and Safety Standards to reduce regulatory burdens for manufactured housing production and increase affordable housing for millions of Americans.

### **PROMOTING TRANSPARENCY AND ACCOUNTABILITY TO TAXPAYERS BY INVESTING IN HUD'S FINANCIAL TRANSFORMATION**

The Department has developed and is implementing a five-year "Financial Transformation Plan" to protect taxpayers and support accountability, data, and transparency. This initiative has been critical to maintaining the viability of the agency, maintaining the trust of taxpayers, and mitigating risk and fraud. The Departmental "Integrity Task Force," created by HUD's Chief Financial Officer in 2018, has improved HUD's finances, IT systems, acquisition process, risk assessment capability, grant processes, and HR processing. The office of the CFO has also:

- Digitized Notice of Funding Availability (NOFA) procedures, reducing processing from 7-10 days to 3 days;
- Reduced agency-wide open audit findings by over 20 percent;
- Reduced material weaknesses from nine (2017) to one (2019); and
- Began implementing a new OCFO Oversight Process for disaster recovery funds for Puerto Rico and the U.S. Virgin Islands, including the appointment of a Federal Financial Monitor to oversee use of disaster funds.

### **HOUSING FINANCE REFORM**

In March 2019, President Trump issued a Presidential Memorandum directing the Departments of the Treasury and HUD to reform the housing finance system to reduce taxpayer risks, expand the private sector's role, modernize government housing programs, and make sustainable home ownership for American families the benchmark of success. In September 2019, Treasury and HUD published plans with legislative and administrative recommendations to accomplish the goals set forth in the Presidential Memorandum. HUD's plan for the Federal Housing Administration (FHA) and the Government National Mortgage Association (GNMA or Ginnie Mae) includes recommendations to:

- Refocus FHA to its core mission;
- Protect American taxpayers;
- Modernize FHA and Ginnie Mae; and
- Provide liquidity to the housing finance system.

## SUPPORTING SECRETARY CARSON'S "PRESCRIPTION FOR HUD"

The 2021 President's Budget advances Secretary Carson's management and policy agenda, "The Prescription for HUD." The Budget funds programs and initiatives within each of the Prescription for HUD's three pillars:

### ► **Advance Economic Opportunity**

HUD is advancing economic opportunity for low-income families through homeownership, workforce training, educational advancement, and health and wellness programs and services.

### ► **Protect Taxpayer Funds**

HUD will improve processes and policies to enable it to meet reporting requirements while complying with laws and regulations related to all financial matters. The Department will develop new, or enhance existing, policies and procedures to provide guidance and alignment within HUD. To lead Departmental efforts, HUD has established the Agency-Wide Integrity Task Force, a CFO-chaired central steering committee that consists of the heads of HUD's program offices. HUD will strive to eliminate fraud, waste, and abuse of taxpayers' dollars as part of this strategic goal.

### ► **Streamline Operations**

HUD will examine its programs, customer needs, and employee expertise to streamline its operations. Alignment of program regulations, rules, and management activities will allow the Department's customers to access HUD services more easily. HUD will better align delegations of authority to prevent gaps and overlaps in responsibility while streamlining coordination. The Department will explore ways to strengthen coordination among program offices in Headquarters and the Field to ensure it empowers front-line employees to respond effectively to customers' needs. Department-wide efforts to simplify HUD's regulations and rules and to improve human capital management will support these efforts while ensuring their long-term sustainability.



## Summary Table

Program		2019 Enacted (millions)	2020 Enacted (millions)	2021 President's Budget (millions)
Public & Indian Housing	Tenant-Based Rental Assistance	\$22,598	\$23,874	\$18,833
	Public Housing Capital Fund	\$2,775	\$2,870	\$0
	Public Housing Fund (formerly Public Housing Operating Fund)	\$4,653	\$4,549	\$3,572
	Moving to Work	\$0	\$0	\$5,185
	Choice Neighborhoods Initiative	\$150	\$175	\$0
	Self-Sufficiency Programs	\$80	\$130	\$190
	Native American Programs (formerly Housing Block Grants)	\$755	\$825	\$600
	Native Hawaiian Housing Block Grant	\$2	\$2	\$0
	Indian Housing Loan Guarantee Fund (Section 184)	\$1	\$2	\$2
	Native Hawaiian Housing Loan Guarantee Fund (Section 184A)	\$0	\$0	(\$2)
<i>Subtotal PIH</i>		<b>\$31,015</b>	<b>\$32,427</b>	<b>\$28,380</b>
Housing	Project-Based Rental Assistance	\$11,747	\$12,570	\$12,642
	Housing for the Elderly (Section 202)	\$678	\$793	\$853
	Housing for Persons with Disabilities (Section 811)	\$184	\$202	\$252
	Mutual Mortgage Insurance Program	\$130	\$130	\$130
	Housing Counseling Assistance (Section 106)	\$50	\$53	\$45
	Rental Housing Assistance (Other Assisted Housing)	\$5	\$3	\$0
	Manufactured Housing Fees Trust Fund—General Fund	\$12	\$13	\$14
	Manufactured Housing Fees Trust Fund—Receipts	(\$15)	(\$16)	(\$16)
	Rental Assistance Demonstration	\$0	\$0	\$100
<i>Subtotal Housing</i>		<b>\$12,791</b>	<b>\$13,748</b>	<b>\$14,020</b>
Community Planning & Development	Housing Opportunities for Persons with AIDS	\$393	\$410	\$330
	Community Development Fund	\$3,365	\$3,425	\$0
	HOME Investment Partnerships Program	\$1,250	\$1,350	\$0
	Self-Help and Assisted Homeownership Opportunity Program	\$54	\$55	\$0
	Homeless Assistance Grants	\$2,636	\$2,777	\$2,773
<i>Subtotal CPD</i>		<b>\$7,698</b>	<b>\$8,017</b>	<b>\$3,103</b>
Other	Policy Development & Research (Research and Technology)	\$96	\$98	\$95
	Fair Housing & Equal Opportunity (Fair Housing Activities)	\$65	\$70	\$65
	Lead Hazard Control & Healthy Homes (Lead Hazard Reduction)	\$279	\$290	\$360
<i>Subtotal Other</i>		<b>\$440</b>	<b>\$458</b>	<b>\$520</b>
Mgmt & Admin	HUD Salaries and Expenses	\$1,379	\$1,425	\$1,497
	Government National Mortgage Association (Ginnie Mae) <sup>6</sup>	\$30	\$34	\$31
	Information Technology Fund (Direct Appropriation)	\$280	\$280	\$258
<i>Subtotal Mgmt &amp; Admin</i>		<b>\$1,689</b>	<b>\$1,738</b>	<b>\$1,786</b>
	Office of Inspector General	\$128	\$138	\$133
<b>Discretionary Total (Gross)</b>		<b>\$53,761</b>	<b>\$56,526</b>	<b>\$47,942</b>

<sup>6</sup> Includes Ginnie Mae two-year funding and no-year funding.



**Kristy**  
Griffin, GA

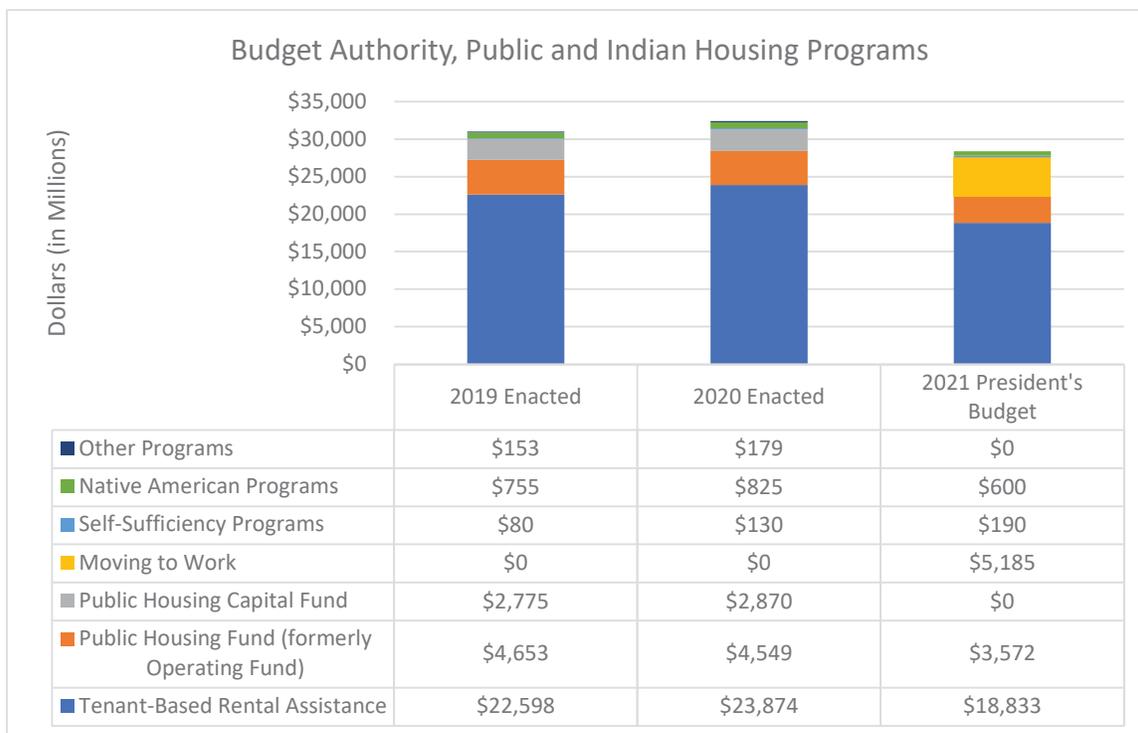
*"Low-income housing does not have to be your final choice, and the cycle of dependency and generational poverty can end now."*

Kristy was born and raised in Georgia and received housing assistance for herself and her three kids. After setting goals to become a homeowner, Kristy moved into HUD assisted housing and enrolled herself in **HUD's Family Self-Sufficiency (FSS) program**. Through the FSS program, Kristy gained life skills and worked with a financial coach to help her purchase her first home. Kristy became a homeowner through the Griffin Housing Authority's partnership with the Department of Community Affairs' Community HOME Investment Program (CHIP). Kristy hopes to continue as a successful homeowner and strives for her three sons to be successful in school

## Office of Public and Indian Housing

The Office of Public and Indian Housing (PIH) oversees and monitors a range of programs for low-income households. Its three major business areas include the Housing Choice Voucher (HCV) program, Public Housing program, and Native American programs.

The 2021 President's Budget requests \$28.4 billion for PIH, which is \$4 billion less than the enacted level for 2020 due to the Department's rental reform proposal (Making Affordable Housing Work Act) and changes in the structure of PIH's accounts.<sup>7, 8</sup>



### Providing \$27.6 billion to help Americans pay rent, maintaining services for all currently HUD-assisted households.

The Budget requests \$27.6 billion for rental assistance programs managed by the Office of Public and Indian Housing, including Tenant-Based Rental Assistance, Public Housing Fund, and Moving to Work. One change is the manner in which Moving to Work (MTW) agencies receive their funding. Currently, they receive funding through the Tenant-Based Rental Assistance, Public Housing Operating Fund, and Public Housing Capital Fund accounts. The 2021 Budget proposes to create a separate Moving to Work account to fund MTW agencies, which offer flexibility and innovation in serving low-income households.

<sup>7</sup> In Fiscal Year 2020, Congress appropriated \$825 million to Native American Programs, which included \$70 million for Indian Community Development Block Grants. The account title in the 2021 President's Budget was revised to align with this new account structure for purposes of consistency with the 2020 Enacted.

<sup>8</sup> In the "Budget Authority, Public and Indian Housing" chart, "Other Programs" includes Choice Neighborhoods, the Indian Housing Loan Guarantee Fund (Sec. 184), Native Hawaiian Housing Loan Guarantee Fund (Sec. 184A), and Native Hawaiian Housing Block Grants programs. The program Family Self-Sufficiency was a standalone program in 2019 and consolidated into the Self-Sufficiency Programs account for 2020 and 2021.

## TENANT-BASED RENTAL ASSISTANCE

Tenant-Based Rental Assistance (TBRA), commonly known as the Housing Choice Voucher (HCV) program, helps around 2.3 million extremely low- to very low-income households to rent housing in the private market. The Budget requests \$18.8 billion for Tenant-Based Rental Assistance (TBRA), which is \$5.0 billion less than the enacted level for 2020. This decrease is primarily due to moving funds to the proposed Moving to Work (MTW) account. MTW agencies have been partially funded out of the TBRA account; the 2021 Budget proposes moving those funds from the TBRA account to the new MTW account. There are 39 current MTW public housing authorities (PHAs), and HUD expects to add 30 new PHAs, which would serve 374,000 of the 2.3 million total HCV units.

About 2,200 state and local PHAs administer the HCV program, and it is the largest income-targeted rental assistance program. Of the households currently receiving HCV assistance, over half are either elderly or have a disabled head of household, and 75 percent are extremely low-income with incomes at or below 30 percent of the area median income. Without rental assistance, these households would be at risk of homelessness or would be forced to choose between decent housing and other life necessities, such as food, clothing, and medicine.

HCV rental assistance is primarily tenant-based assistance, which means HUD does not permanently tie the assistance to a unit or property. Instead, HUD ties the assistance to an individual household. If the family moves, it can use its rental assistance at another property that participates in or is willing to begin participating in the program.

The HCV program has proven to be effective at meeting the housing needs of the most vulnerable citizens. In October 2016, HUD published the results of the Family Options Study. Launched in 2008, the study's goal was to determine which housing and service interventions work best for families with children experiencing homelessness. The study determined that the HCV program was the most effective intervention of the approaches tested. HCV intervention reduced most forms of residential instability by more than one half, reduced food insecurity, and improved multiple measures of adult and child well-being.

## PUBLIC HOUSING FUND

The Budget requests \$3.6 billion for the Public Housing Fund. In prior years, Congress appropriated funds separately to the Public Housing Operating Fund and Public Housing Capital Fund. HUD is proposing moving activities of the two funds into a "Public Housing Fund" and eliminating the Capital Fund.

The request for \$3.6 billion for the Public Housing fund is \$3.8 billion less than the enacted level for the Capital and Operating Funds for 2020. This decrease is partly due to moving funds to the proposed Moving to Work (MTW) account. MTW agencies have been partially funded out of the Public Housing account; the 2021 Budget proposes moving those funds from the Public Housing account to the new MTW account. There are 39 current MTW PHAs, and HUD expects to add 30 new PHAs, which would serve 94,000 of the approximately 915,000 public housing units.

## MOVING TO WORK

The Budget requests \$5.2 billion for the Moving to Work (MTW) demonstration program, which will serve over 450,000 families. MTW is a demonstration program that provides public housing authorities (PHAs) flexibility in designing and testing non-traditional policies and programs that better address the issues surrounding low-income housing in their communities. MTW PHAs have the flexibility to modify existing

requirements to meet one of the three MTW statutory objectives: Increase cost-effectiveness of federal expenditures, encourage self-sufficiency, and increase housing choice among participants. Finally, MTW PHAs also have the authority to use their funds to implement innovative policies that go beyond the traditional Public Housing and HCV forms of assistance to better serve low-income families. MTW was enacted in 1996 and Congress directed HUD to expand the program to an additional 100 PHAs in 2016.

The 2021 President's Budget is the Department's first request to establish MTW as a separate budget account. Funding MTW agencies through this new MTW account would, first, eliminate administrative burden for both MTW PHAs and HUD by reducing the number of funding accounts that must be managed and reconciled for these agencies. Second, it would simplify the tracking of funds, since all funds would be traced back to the MTW account. It would also provide greater transparency regarding the funding needs of the MTW demonstration program.

## Strategic Plan Connection: Transitioning Public Housing units to a sustainable platform

Transitioning Public Housing units to a more sustainable platform is one of HUD's Agency Priority Goals. The Rental Assistance Demonstration (RAD), a program of the Office of Housing, is one of the primary mechanisms for doing so. The 2021 President's Budget requests \$100 million for the Office of Housing RAD program to facilitate such conversions of PIH's public housing.

RAD allows public housing properties to shift to the Section 8 Project-Based Voucher (PBV) or Project-Based Rental Assistance (PBRA) platform. These project-based Section 8 programs can leverage private financing for modernization, generally resulting in higher quality housing for the assisted low-income families. The funding would support the conversion of public housing properties that are unable to convert using only funds currently provided through Public Housing appropriations.

★ **Agency Priority Goal for FY 2020-21:** By September 30, 2021, enhance rental assistance by transitioning an additional 64,550 Public Housing units to a more sustainable platform. ★

### ► Number of Public Housing units transitioned to a sustainable platform

This measure tracks the number of Public Housing units transitioned through the Rental Assistance Demonstration (RAD), Voluntary and Required Conversions, Section 18 Demolitions and Dispositions, and Declaration of Trust releases.

	FY17 Actual	FY18 Actual	FY19 Actual <sup>9</sup>	FY20 Target <sup>10</sup>	FY21 Target
RAD Conversions	32,256	26,977	17,226	22,000	25,000
Other: Declaration of Trust Release (DOT) and Voluntary & Required <sup>11</sup> Conversion	N/A	955	742	750	800
Section 18 Demolitions/ Dispositions	N/A	9,346	7,884	7,500	8,500

<sup>9</sup> HUD PIH Information Center (PIC) and RAD Resource Desk data.

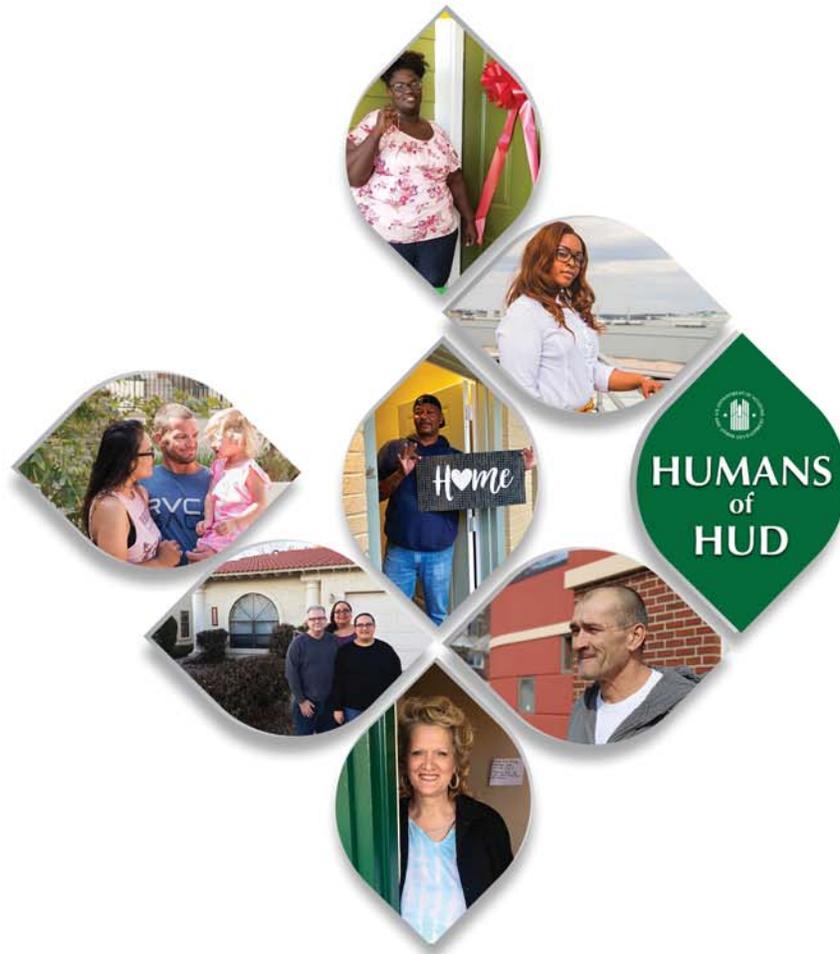
<sup>10</sup> The FY20 and FY21 targets have been adjusted to reflect a more realistic target to better account for past program performance.

<sup>11</sup> *Voluntary & Required Conversion* and *Declaration of Trust Release* has been consolidated from this point forward because these strategies account for a small percentage of total units repositioned. In FY18, DOT accounted for 100 percent of the actual, or 995. In FY19, Voluntary & Required Conversion accounted for 100 percent of the actual, or 742.

## Other Highlights

- **Reducing Lead in Public Housing:** Within the Public Housing Fund, HUD proposes \$35 million for grants to remove lead-based paint hazards from public housing and \$30 million to replace lead pipes used for water service lines.
- **Self-Sufficiency Programs:** The Budget proposes \$190 million for Self-Sufficiency Programs. Congress created this account in 2020 by relocating the funding for three existing programs: Family Self-Sufficiency (FSS), Resident Opportunity and Supportive Services (ROSS), and the Jobs-Plus Initiative.
  - **Family Self-Sufficiency:** The Budget proposes \$90 million for FSS, which is a \$10 million increase over the enacted level for 2020. The Budget provides funding to expand FSS to residents assisted through Project-Based Rental Assistance. FSS aims to increase participants' earned income, reducing or eliminating their need for assistance. Over 70,000 households actively participate in the program annually. Of the 5,409 families that have graduated from the program between July 2018 and June 2019, all no longer require Temporary Assistance for Needy Families (TANF), and 41 percent have escrow savings at graduation, at an average of \$6,700.
  - **Jobs-Plus Initiative:** The Budget proposes \$100 million for the Jobs-Plus Initiative, which is a \$85 million increase over the enacted level for 2020. The Budget provides funding to expand Jobs-Plus to residents assisted through Project-Based Rental Assistance and Project-Based Vouchers. The Jobs-Plus Initiative is a program for increasing the employment opportunities and earnings of public housing residents through a three-pronged approach of employment services, rent-based work incentives, and community support for work. From 2014 to 2019, Jobs-Plus sites reported placing 4,174 residents into part-time or full-time employment. As a result of the program, nearly 1,500 individuals have been continuously employed for at least 180 days after placement. Through the Jobs-Plus "Earned-Income Disregard," residents have saved over \$21.3 million in rent payments.
- **Native American Programs:** The Office of Native American Programs (ONAP) provides grants, loan guarantees, and technical assistance to Native Americans throughout the country to help address their housing and community development needs. The Indian Housing Block Grant program—which is the single largest source of Indian housing assistance—funds affordable housing activities. The Section 184 program encourages private lending by guaranteeing home mortgage loans, which allow Native American families to become homeowners.
- **Salaries & Expenses:** The Budget requests \$236.4 million for S&E for the Office of Public and Indian Housing. In combination with carryover of prior-year funding, the request supports 1,301 full-time equivalents.





**Jeanie**  
Pueblo, CO

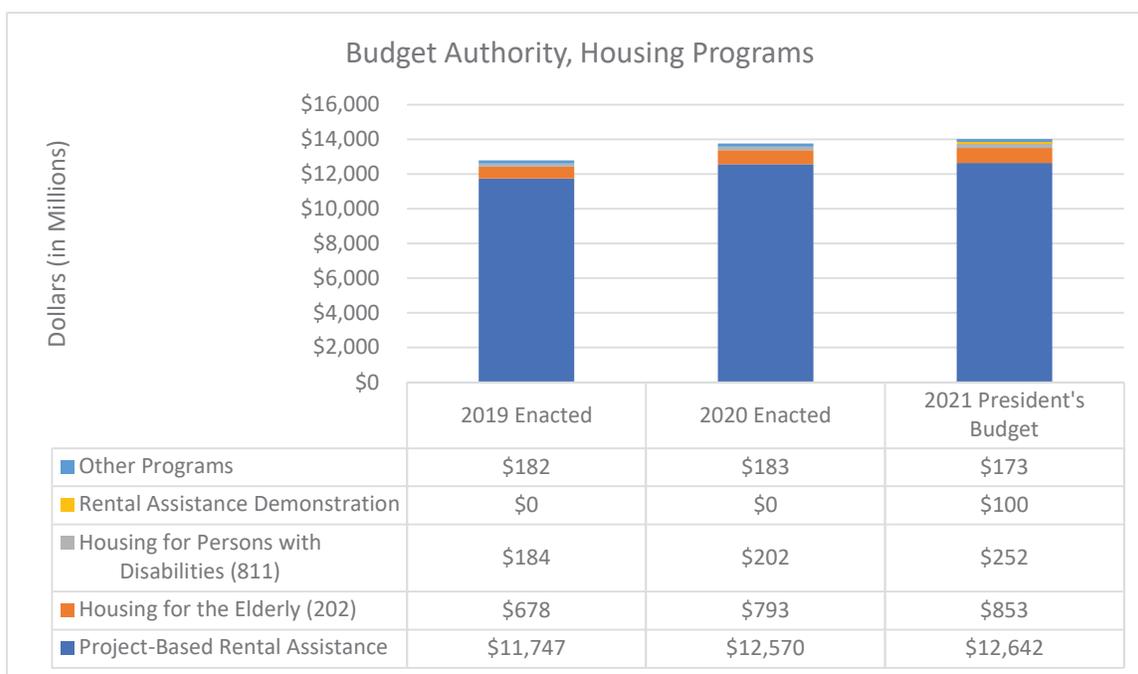
*"I grew up wondering if we were going to have a roof over our heads, and I never wanted my children to experience homelessness. Don't give up on your dreams. If I can make mine happen, so can you."*

From the time she was a child, Jeanie dreamed of becoming a homeowner. Throughout her adolescence, she experienced homelessness, moving from city to city with her mom who struggled with substance abuse. Now that she's an adult, Jeanie is working to make her dream come true. Through **HUD's HOME program**, she received down payment assistance from the **Colorado Housing Assistance Corporation (CHAC)** and learned some valuable lessons in her first-time homeownership classes. Jeanie and her family are now enjoying their forever home and are planning some home projects for the coming years. CHAC is a HUD-approved housing counseling agency that provides pre-purchase counseling in both English and Spanish. They are also approved by HUD to provide down payment assistance to homebuyers utilizing FHA-insured first mortgages to finance their home purchases.

## Office of Housing

The Office of Housing plays a vital role for the nation's homebuyers, homeowners, renters, and communities through its nationally administered programs. Its major programs provide rental assistance to low- and very low-income households, including the elderly and persons with disabilities; insure mortgages for single-family homes, multifamily properties, and healthcare facilities; and regulate the design and construction of manufactured homes across the country.

The 2021 President's Budget requests \$14 billion for the Office of Housing, which is \$272 million more than the enacted level for 2020.<sup>12</sup>



### Providing \$13.7 billion to help Americans pay rent.

The Budget requests \$13.7 billion for rental assistance programs managed by the Office of Housing, including Project-Based Rental Assistance, Housing for the Elderly (Section 202), and Housing for Persons with Disabilities (Section 811). This funding level supports the same number of households currently assisted and proposes \$180 million to construct approximately 1,000 units of housing for the elderly and persons with disabilities.

### PROJECT-BASED RENTAL ASSISTANCE

The Budget requests \$12.6 billion for Project-Based Rental Assistance (PBRA), which is \$72 million more than the enacted level for 2020. The PBRA program helps low- and very low-income households pay rent. The program currently provides safe, stable, and affordable housing to approximately 1.2 million households each year. Approximately 47 percent of assisted households in the PBRA program are headed by elderly persons, 17 percent by persons with disabilities, and 26 percent by females with

<sup>12</sup> In the "Budget Authority, Housing" chart, "Other Programs" includes the following programs: MMI Contract Expenses, Manufactured Housing (including Manufactured Housing Fee Collections), Housing Counseling Assistance, and Other Assisted Housing programs.

children. The program supports a stock of affordable housing and maintains and protects the long-term Federal investment in these assets, which would be costly to recreate.

In the PBRA program, HUD provides rental assistance at properties owned by private owners. An eligible household generally pays 30 percent of its income in rent to the property owner, and HUD pays the remainder of the contract rent to the owner. Because the rental assistance is associated with the property—hence the term "project-based"—if the tenant moves, the rental assistance stays with the property. This is the major distinction from Tenant-Based Rental Assistance, in which the rental assistance is primarily associated with the tenant; if the tenant moves, the rental assistance moves with the tenant.

### HOUSING FOR THE ELDERLY (SECTION 202)

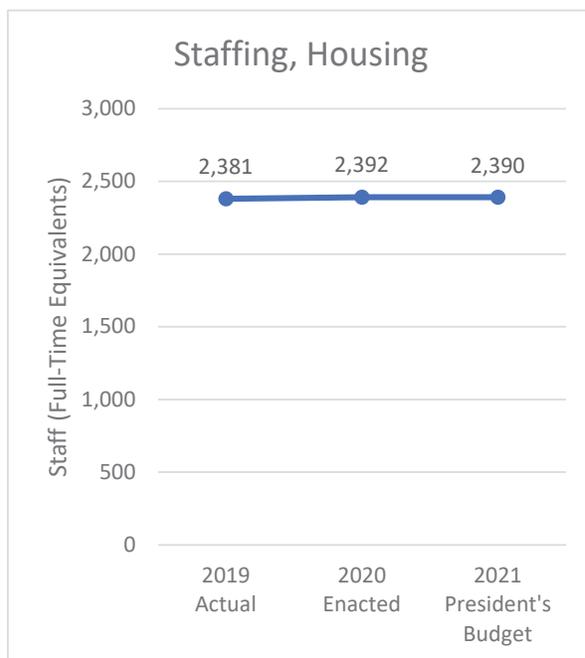
The Budget requests \$853 million, which is \$60 million more than the enacted level for 2020. The Section 202 program helps more than 124,000 elderly households pay rent. This Budget will fully fund contract renewals and amendments of existing Project Rental Assistance Contracts (PRACs) and Senior Preservation Rental Assistance Contracts (SPRACs). In addition, the Budget includes \$100 million for Capital Advances to build approximately 600 units of new affordable housing for seniors.

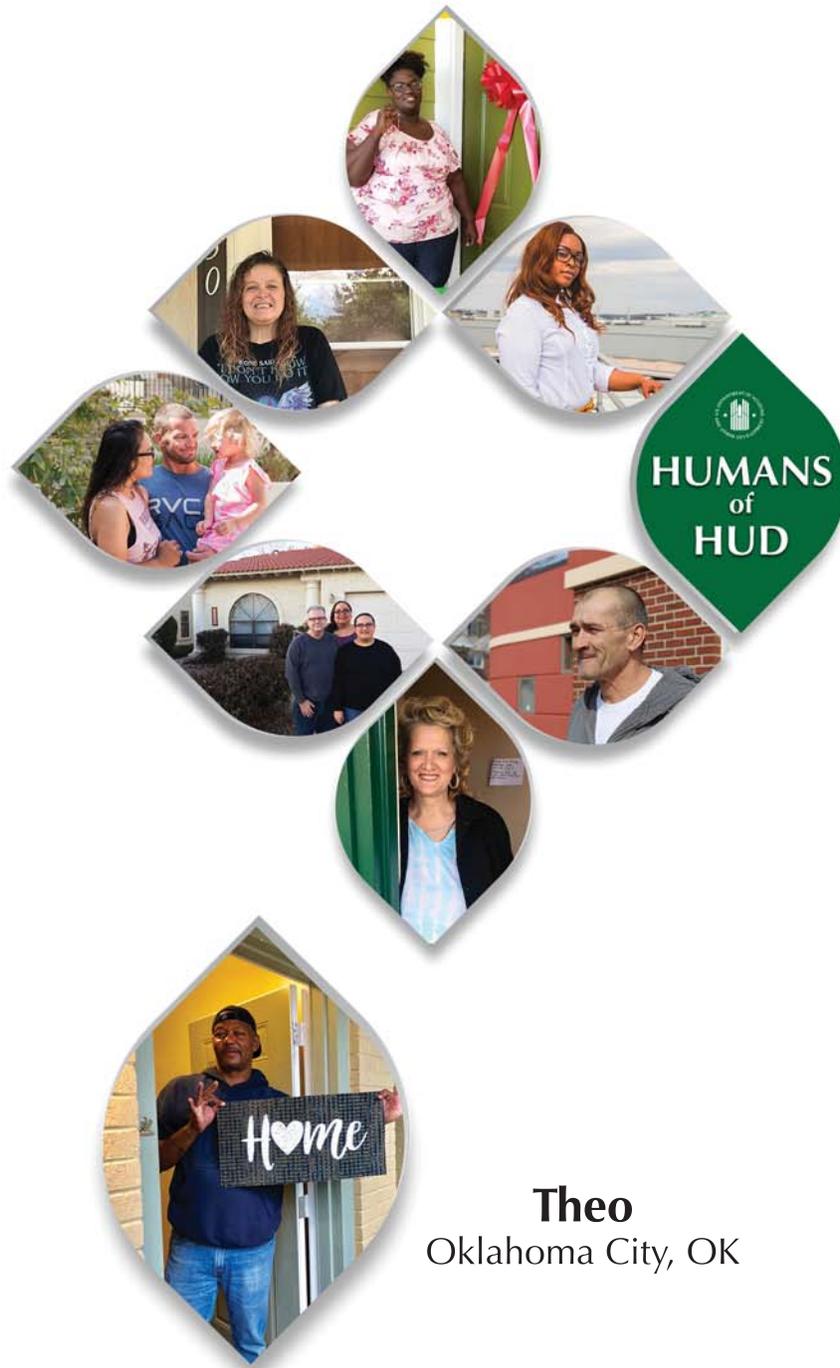
### HOUSING FOR PERSONS WITH DISABILITIES (SECTION 811)

The Budget requests \$252 million, which is \$50 million more than the enacted level for 2020. The Section 811 program helps more than 32,000 persons with disabilities pay rent. This Budget fully funds the annual renewals and amendments for existing units and includes \$80 million for Capital Advances to build approximately 400 units of new housing for persons with disabilities.

## Other Highlights

- **Housing Counseling Assistance:** The Budget requests \$45 million, which is \$8 million less than the enacted level for 2020. This funding will permit the Office of Housing Counseling (OHC), through its network of approximately 1,750 housing counseling agencies, to assist more than 930,000 consumers improve their housing quality and affordability through budgeting, saving, use of credit, and understanding the rights and responsibilities of homeownership and tenancy.
- **Salaries & Expenses:** The Budget requests \$411.9 million for S&E for the Office of Housing. In combination with carryover of prior-year funding, the request supports 2,390 full-time equivalents, including Federal Housing Administration (FHA) personnel.





**Theo**  
Oklahoma City, OK

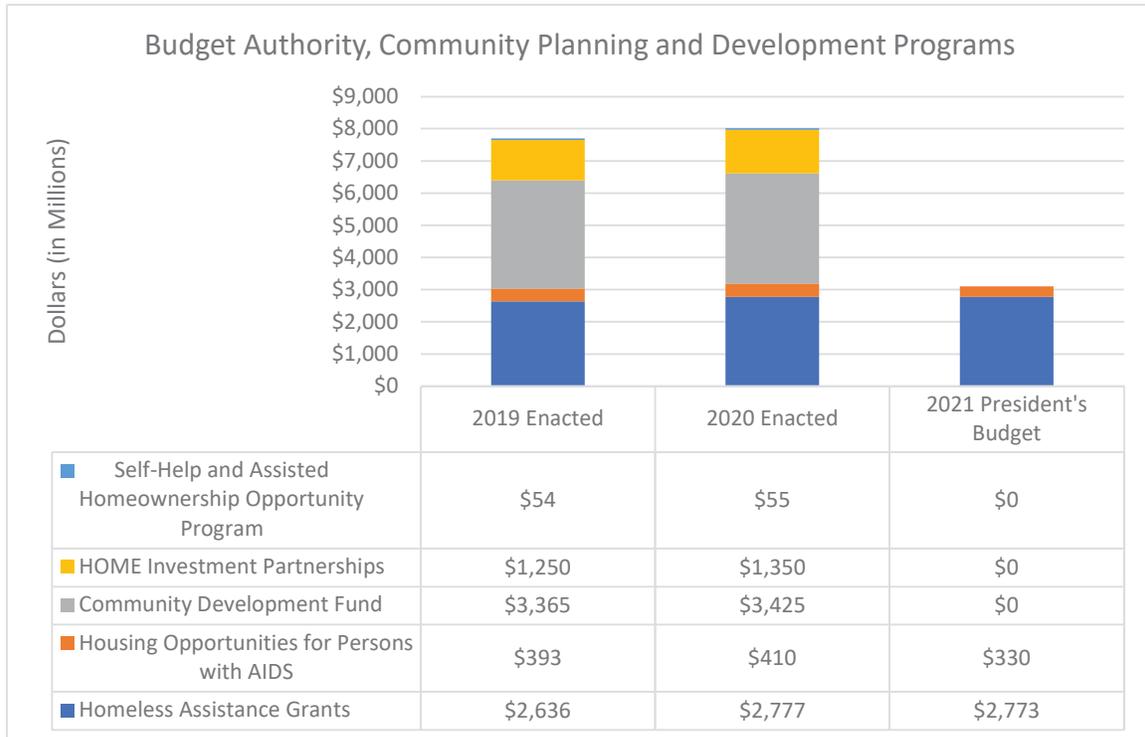
*"I joined the Army in 1980 and served nine years with combat service support. I experienced some traumatic life events that caused me to separate from my support systems. I became homeless and lived on the streets of Oklahoma City for fourteen years. I got involved with the Homeless Alliance, who helped me get a Section 8 voucher, and moved into my new apartment in October. It's been one of the best experiences I've had. Being a voucher recipient has given me a better appreciation for the services available and allowed me to move forward with my life after being homeless for so long."*

**The Homeless Alliance** is a nonprofit organization that works with public and private partners to end local homelessness. They have a Day Shelter, which provides healthcare services, budgeting assistance, legal support, and classes to help people like Theo move toward self-sufficiency. Theo is especially thankful for his case manager, who helped him achieve a **Section 8 voucher**. HUD gave the Homeless Alliance \$2.6 million in 2018 to help people like Theo climb the ladder of opportunity.

## Office of Community Planning and Development

The Office of Community Planning and Development (CPD) promotes viable communities by developing partnerships with state and local governments and the private sector, including for-profit and non-profit organizations.

The 2021 President's Budget requests \$3.1 billion for CPD, which is \$4.9 billion less than the enacted level for 2020. The reduced budget is due to ending funding for the Community Development Block Grant program, HOME Investment Partnerships Program, and the Self-Help and Assisted Homeownership Opportunity Program.



### Addressing homelessness through \$2.8 billion in grants.

The Budget requests \$2.8 billion for Homeless Assistance Grants (HAG), which is \$4 million less than the enacted level in 2020. HAG funds are key to addressing homelessness nationwide, allowing HUD to serve vulnerable individuals and families who are homeless or at risk of homelessness through service and housing interventions, including homelessness prevention, emergency sheltering, rapid re-housing, transitional housing, and permanent supportive housing.

The Administration will also begin a new initiative to reduce unsheltered homelessness. Funding would support comprehensive and coordinated interventions to reduce street homelessness and would be targeted to select cities that have experienced the largest increases in unsheltered homelessness in recent years.

The Budget includes:

- \$2.5 billion for the Continuum of Care Program, which will allow HUD to continue to serve over 750,000 people experiencing homelessness each year;
- \$280 million for Emergency Solutions Grants, which support over 350,000 persons in emergency shelters each year; and
- \$7 million for Homeless Management Information System (HMIS) Technical Assistance through the National Homeless Data Analysis Project.

## Strategic Plan Connection: Reducing the length of homelessness in communities

Reducing the average length of homelessness in communities is one of HUD's Agency Priority Goals.

★ **Agency Priority Goal for FY 2020-21:** By September 30, 2021, reduce the average length of homelessness in communities by an average of three days from FY19. ★

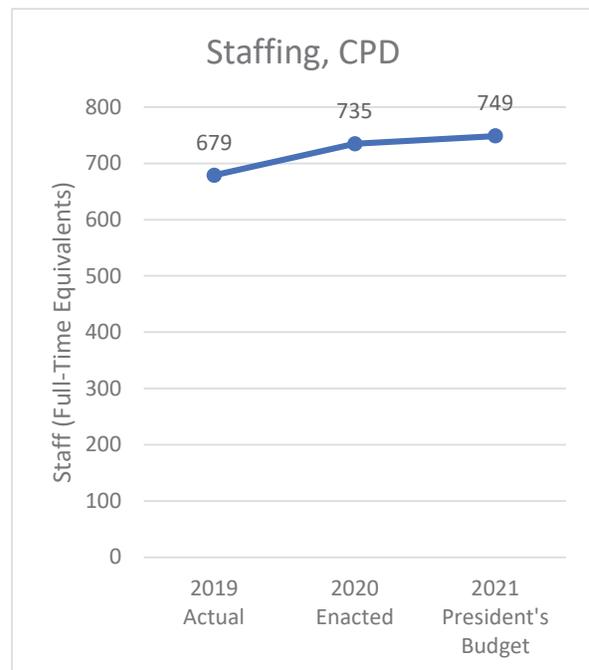
### ► Length of homelessness

This measure tracks the national average length of homelessness in Continuum of Care (CoC) programs.

FY17 Actual	FY18 Actual	FY19 Actual <sup>13</sup>	FY20 Target <sup>14</sup>	FY21 Target
174	168	No Data	165	164

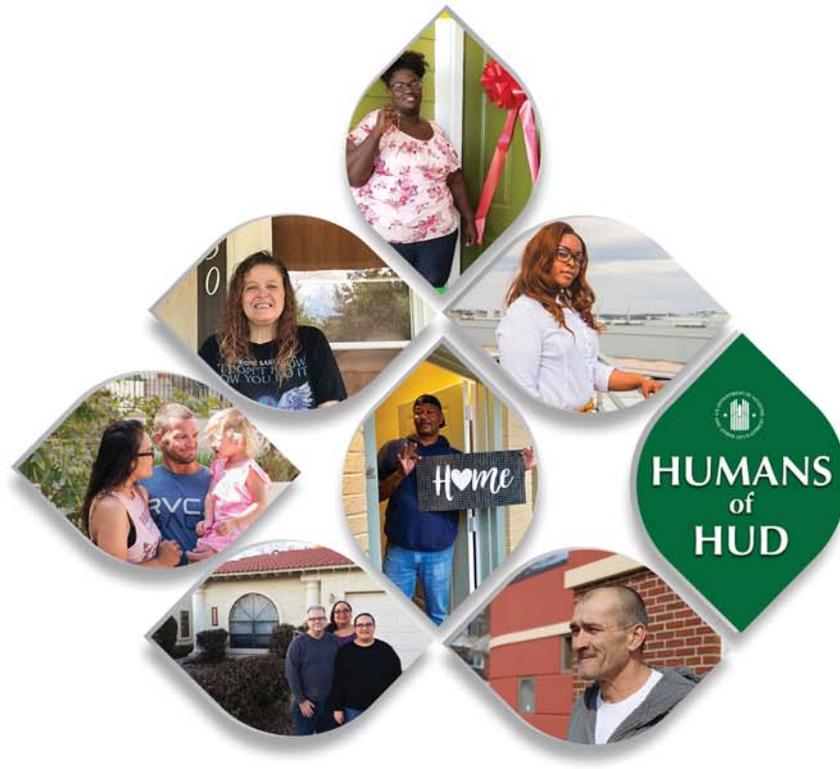
## Other Highlights

- **Housing Opportunities for Persons with AIDS (HOPWA):** The Budget requests \$330 million for HOPWA, which is \$80 million less than the enacted level for 2020.
- **Salaries & Expenses:** The Budget requests \$129.5 million for S&E for the Office of Community Planning and Development. In combination with carryover of prior-year funding, the request supports 749 full-time equivalents. The requested FTE increase will allow CPD to better manage its core workload relating to grant administration, continue to lead in the forefront of current and future disaster-related response and recovery efforts, and provide targeted support to Puerto Rico recovery efforts.



<sup>13</sup> System Performance Measures are submitted by CoCs to HUD each April on the last complete fiscal year, and they must then go through a limited validation process. Thus, FY19 actuals will be available in August 2020.

<sup>14</sup> HUD updated the FY19 and FY20 targets based on the updated FY17 data.



**Michelle**  
Fayetteville, AR

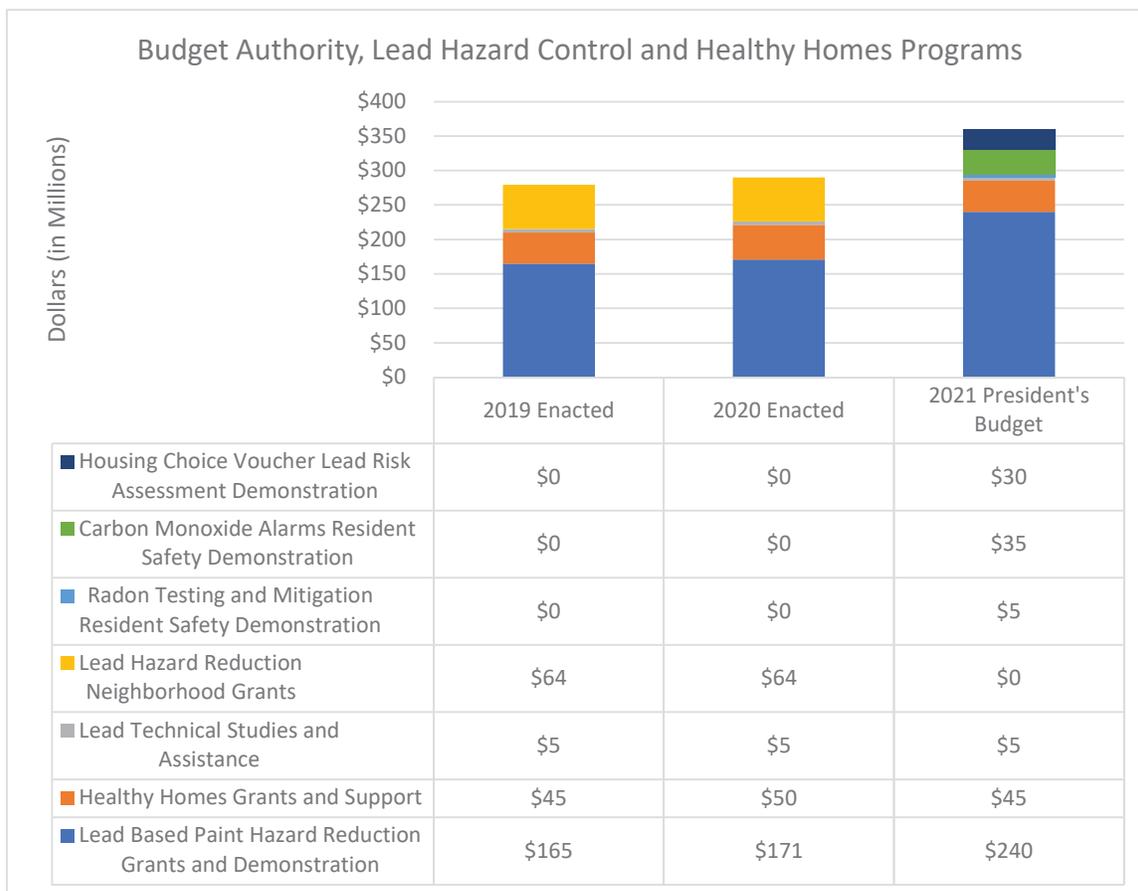
*"I was in a car accident that changed everything for me. After weeks in the hospital, in clinics and in physical therapy, I had to give up my service dog and became homeless. While still in a lot of pain, scared, and depressed about my situation, I was referred to the Salvation Army where I was given a bed and met a case manager from 7hills Homeless Center. Zach, a case manager at 7hills, found me an apartment and helped me to get three months of rental assistance from a 7hills' Emergency Solutions Grant (ESG). When I walked into that apartment, it was like a miracle. I had been so scared and depressed, but the fact that Zach and 7hills stuck with me, now I can see some real opportunities. Being homeless is a real life or death situation -- the work of 7hills and other homeless agencies that receive HUD funds truly does matter."*

The **7hills HOPE program** provides community-based rapid re-housing and homelessness prevention services to homeless and near-homeless Veterans like Michelle. Temporary financial assistance is supplemented with wrap-around case management to ensure participants' success post-program. The primary goal of the HOPE program is to help people secure a stable place to call home.

## Office of Lead Hazard Control and Healthy Homes

The Office of Lead Hazard Control and Healthy Homes (OLHCHH) provides funds to state and local governments to develop and implement cost-effective ways to reduce lead-based paint and other housing-related health and safety hazards. In addition, OLHCHH enforces HUD's lead-based paint regulations, provides public outreach and technical assistance, and conducts technical studies to protect children and their families from health and safety hazards in the home.

The 2021 President's Budget requests \$360 million for OLHCHH, which is \$70 million more than the enacted level in 2020.



### Removing dangerous hazards from homes with \$360 million in grants and technical development.<sup>15</sup>

Every family deserves a safe and healthy home. One of Secretary Carson's signature proposals for the 2021 Budget is the reduction of hazards in the home, including lead-based paint, carbon monoxide, and radon.

<sup>15</sup> The Budget includes \$360 million within the Lead Hazard Control account. An additional \$65 million related to lead-based paint and lead water pipes is also requested in PIH's budget for public housing, producing a total of \$425 million within HUD's budget proposal.

## LEAD HAZARD REDUCTION GRANTS AND TECHNICAL DEVELOPMENT

Lead-based paint in housing presents one of the largest threats to the health, safety, and future productivity of America's children, with over 22 million homes (34 percent of the homes built before 1978) having significant lead-based paint hazards.<sup>16</sup>

The Budget requests \$240 million in funding for the Lead-Based Paint Hazard Reduction Grants and Demonstration programs, which is \$69 million more than the enacted level for 2020. OLHCHH's two main programs are the Lead Hazard Control and Lead Hazard Reduction Demonstration grant programs, which share the same goal to make privately owned low-income housing lead safe. The main distinction between the two programs is that the Lead Hazard Reduction Demonstration grant program (begun in 2003) focuses on cities, counties, parishes, and other units of local government with the most pre-1940 rental housing and highest rates of childhood lead poisoning cases, while the original Lead Hazard Control grant program (begun in 1993) is open to a broader range of states, Native American tribes, and communities. Funding is projected to make the housing units enrolled in these programs lead-safe at an average of \$12,000 per unit.

HUD has rigorously evaluated the effectiveness of the programs, determining them effective in both the pure outcome measure (i.e., reducing children's blood lead levels)<sup>17</sup> and the long-term effectiveness of the hazard controls.<sup>18</sup> The programs offer high returns for children's reduced healthcare costs and later increased work productivity, i.e., \$17–\$221 per dollar controlling lead paint hazards.<sup>19</sup>

For the Lead Technical Studies and Support program, the Budget requests \$5 million to develop detection, evaluation, and control technologies regarding lead and other residential hazards, and provide the basis for the building, housing, scientific, and public health communities to address the hazards more efficiently and broadly. The technical studies and assistance activities are conducted through grants, cooperative agreements, and contracts, and include technical support and training, grant management and evaluation tools, and interagency collaboration projects.

## HEALTHY HOMES GRANTS AND SUPPORT

The Budget requests \$45 million for Healthy Homes Grants and Support, which is \$5 million less than the enacted level for 2020. This includes \$28 million for Healthy Homes Supplements to the Lead Hazard Control and Lead Hazard Reduction Demonstration grant programs to mitigate multiple health hazards that contribute to asthma, cancer, and unintentional injuries in 9,300 homes. This also includes \$12 million for the Healthy Homes Production Grant Program to identify and correct housing-related health and safety hazards besides lead-based paint in another 2,600 homes.

The remaining \$5 million of the Healthy Homes funding is for grants and contracts to further the understanding of housing conditions and their connections to resident health, identify effective interventions and preventive practices, demonstrate health and economic benefits of interventions, and provide technical support and training, grant management and evaluation tools.

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<sup>16</sup> As determined by OLHCHH's American Healthy Homes Survey I (Dewalt FG et al. Prevalence of Lead Hazards and Soil Arsenic in U.S. Housing. *J. Env. Health.* 78(5):22-29 (2015)).

<sup>17</sup> Clark S, et al. Effects of HUD-supported lead hazard control interventions in housing on children's blood lead. *Env. Research.* 111(2):301–311 (2011).

<sup>18</sup> Dixon SL, et al. Window replacement and residential lead paint hazard control 12 years later. *Env. Research.* 113(1):14-20 (2012).

<sup>19</sup> Gould E., Childhood Lead Poisoning: Conservative Estimates of the Social and Economic Benefits of Lead Hazard Control. *Env. Health Perspectives.* 117(7):1162-7 (2009).

## CARBON MONOXIDE ALARMS RESIDENT SAFETY DEMONSTRATION

The Budget requests \$35 million for the installation and replacement of carbon monoxide alarms or of combination smoke detector-carbon monoxide alarm devices in high-risk units as defined by the Secretary. The demonstration would support consideration of supplementing HUD's current carbon monoxide safety requirements and guidelines. This demonstration will help further reduce the risk of dangerous carbon monoxide levels in HUD-assisted housing.

## RADON TESTING AND MITIGATION RESIDENT SAFETY DEMONSTRATION

The Budget requests \$5 million for radon testing and mitigation in public housing units with levels at or above the Environmental Protection Agency (EPA)'s radon action level<sup>20</sup> in areas identified by the EPA or a state or local government as having high potential for elevated indoor radon levels.

## HOUSING CHOICE VOUCHER LEAD RISK ASSESSMENT DEMONSTRATION

The Budget requests \$30 million for public housing authorities that administer the Housing Choice Voucher program to conduct lead hazard screens or risk assessments in pre-1978 units in which children under age 6 reside or are expected to reside. Because adding a risk assessment requirement could affect the leasing process and the availability and affordability of units, this demonstration would examine whether the requirement is disruptive, and, if so, to what extent, to help inform Congressional decision-making regarding possible enactment of a lead hazard screen / lead risk assessment requirement.

## Strategic Plan Connection: Increasing healthy, lead-safe housing

Increasing healthy, lead-safe housing is one of HUD's Agency Priority Goals.

✪ **Agency Priority Goal for FY 2020-21:** By September 30, 2021, protect families from lead-based paint and other health hazards by making an additional 17,800 at-risk housing units healthy and lead-safe. ✪

### ► **Number of at-risk HUD housing units made healthy, physically safe, and lead-safe each year**

This measure tracks the number of housing units made healthy and lead-safe through HUD's Lead Hazard Control Grants, Healthy Homes Grants, Lead Disclosure Rule Enforcement, and Lead Safe Housing Rule Enforcement.

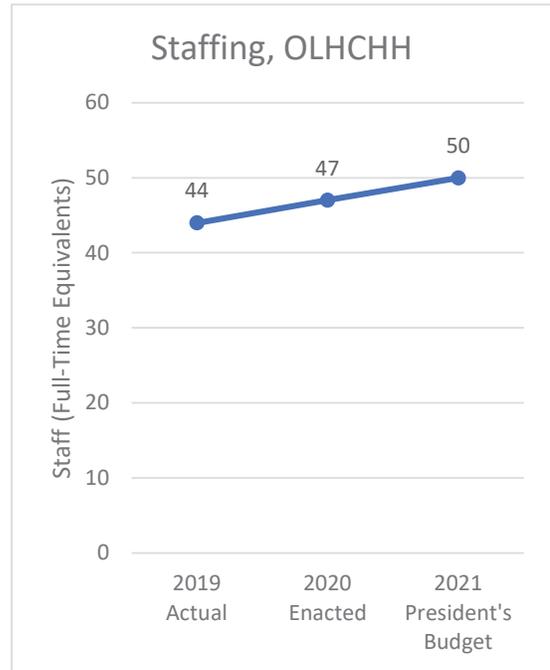
FY17 Actual	FY18 Actual	FY19 Actual	FY20 Target <sup>21</sup>	FY21 Target
17,940	15,607	13,076	8,900	8,900

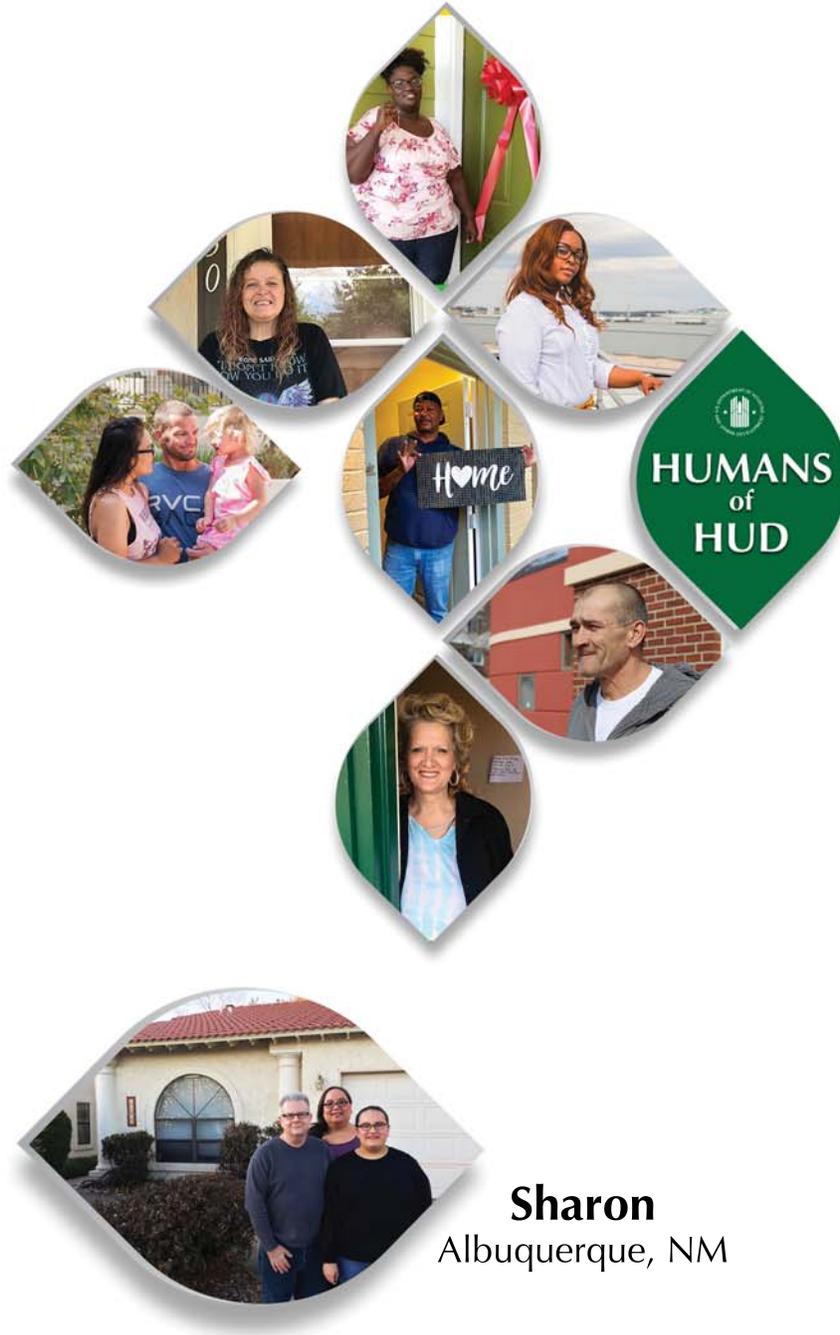
<sup>20</sup> EPA Office of Air and Radiation. Technical Support Document for the 1992 Citizen's Guide to Radon. EPA-400-R-92-011. May 1992. Available through <https://nepis.epa.gov>.

<sup>21</sup> The FY20-21 targets do not include contributions from the CPD programs due to HOME Investment Partnerships Program and Community Development Block Grant program funding recommendations in the President's Budgets for these years.

## Other Highlights

- **Salaries & Expenses:** The Budget requests \$9.9 million for S&E for the Office of Lead Hazard Control and Healthy Homes. In combination with carryover of prior-year funding, the request supports 50 full-time equivalents.





**Sharon**  
Albuquerque, NM

*"It was very rewarding to have the house keys handed to us. That little home is an entire blessing."*

As a Realty Specialist for the Bureau of Indian Affairs, Sharon knew the necessary steps she had to take to become a homeowner. Through **HUD's Section 184 Loan Guarantee Program**, Sharon and her family made their dream of homeownership a reality and purchased a three-bedroom home in Albuquerque, New Mexico. Section 184 is a home mortgage program for American Indian and Alaska Native families, tribes, and tribally designated housing entities. One of the key factors of financing under Section 184 is the low down payment of 2.25 percent. The additional money Sharon and her family saved allowed them to purchase major appliances and make small renovations to their home. Since the program's inception in 1992, HUD's Office of Native American Programs has guaranteed nearly 43,000 loans providing \$7.3 billion investment in Native communities.

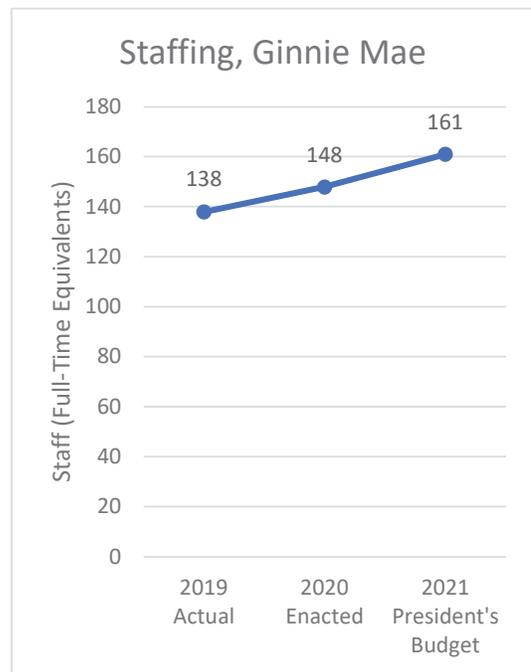
# Government National Mortgage Association

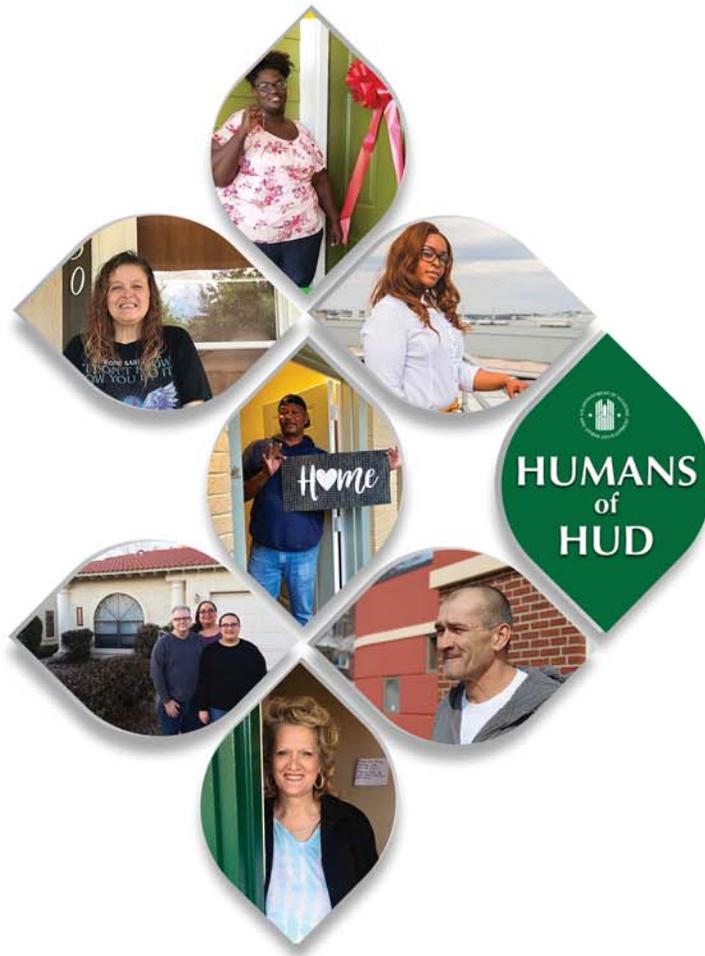
The mission of the Government National Mortgage Association (GNMA or Ginnie Mae) is to bring global capital into the housing finance market—a system that runs through the heart of the nation’s economy—while minimizing risk to the taxpayer.

Ginnie Mae makes affordable housing a reality for millions of first-time homebuyers, veterans, and low- and moderate-income households across America by channeling global capital into the nation’s housing markets. Specifically, the Ginnie Mae guaranty allows mortgage lenders to obtain a better price for their Federally insured mortgage loans in the secondary mortgage market and increases total funding available for lenders to offer such mortgages. This, in turn, increases access to affordable and sustainable homeownership.

## Highlights

- **Commitment Authority:** The Budget requests \$550 billion in commitment authority for Ginnie Mae to guarantee securities backed by Federally insured mortgages.
- **Salaries & Expenses:** The Budget requests \$31.5 million for S&E for Ginnie Mae. In combination with carryover of prior-year funding, the request supports 161 full-time equivalents.





**Kelly & Souny**  
Long Beach, CA

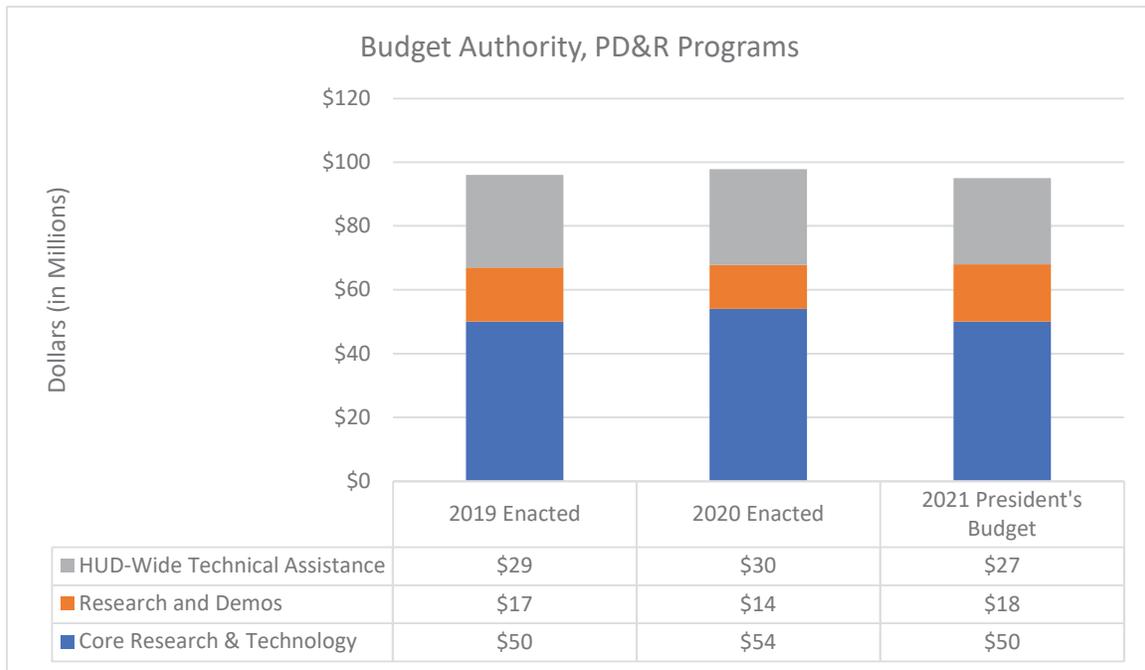
*We got the apartment! We just stood there in the aisle at Walmart crying together. It was the most touching time in my life, except for my daughter's birth."*

Kelly and Souny recount the day they found out they were selected for an apartment at **Century Villages at Cabrillo (CVC)**. Their limited income and student loans had made it impossible for them to get approved for an apartment. CVC provides 662 units of permanent supportive housing across the community. Every year, CVC provides housing for nearly 2,200 people, including over 1,000 veterans and 600 families with children. The 27-acre campus has benefited from \$66 million in Low-Income Housing Tax Credits and nearly \$18 million in HUD capital investment.

## Office of Policy Development and Research

The Office of Policy Development and Research (PD&R) provides fundamental support for the mission of the Department through policy analysis, research, surveys, and program evaluations. PD&R's work enables Congress, the Secretary, and other HUD principal staff to make informed decisions on budget and legislative proposals and strengthens housing and community development policy.

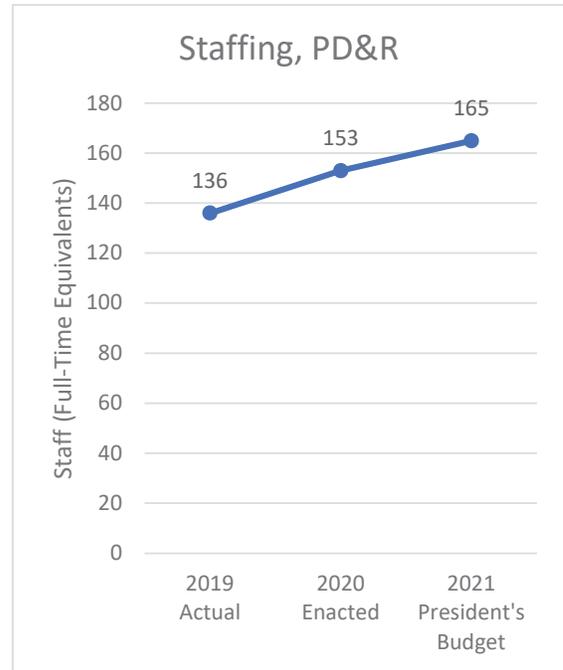
The 2021 President's Budget requests \$94.7 million for Research and Technology (R&T), \$3 million less than the enacted level for 2020. These funds will provide objective evidence to support policy and program outcomes in the areas below.

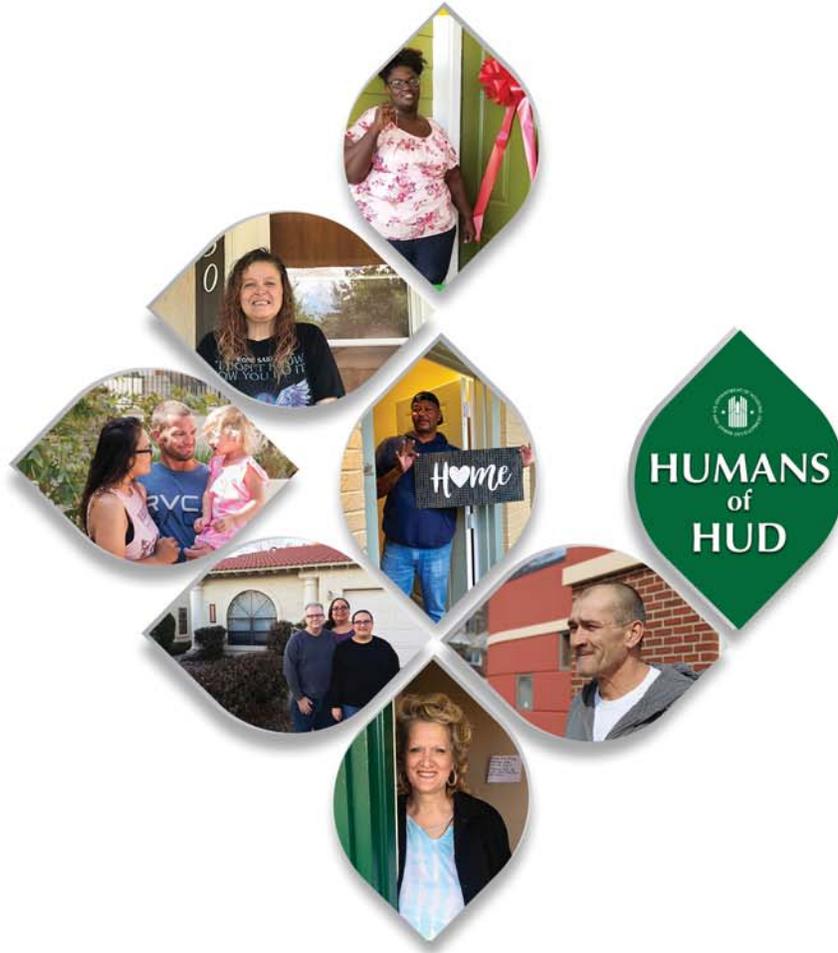


### Highlights

- **Core R&T:** The Budget requests \$50.0 million, which is \$4.4 million less than the enacted level for 2020. Core R&T comprises three components: Housing Data Infrastructure; Knowledge Management, Dissemination, and Outreach; and Technical Expertise and Innovation.
  - **American Housing Survey (AHS):** The Budget requests funding to support HUD's collaboration with the Census Bureau to conduct the AHS. The AHS is the most detailed source of data about the housing stock, housing finance, and characteristics of markets, neighborhoods, and occupants, as well as housing insecurity.
- **Research, Evaluation, and Demonstrations:** The Budget requests \$17.7 million, which is \$3.9 million more than the enacted level for 2020. PD&R seeks to prioritize these resources (1) to 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.

- Technical Assistance:** The Budget requests \$27.0 million, which is \$2.9 million less than the enacted level for 2020. This funding ensures that HUD’s partners receive the guidance, tools, and knowledge they need to implement programs and respond to the challenges of housing and community development practice.
- Salaries & Expenses:** The Budget requests \$35.4 million for S&E for the Office of Policy Development and Research. In combination with carryover of prior-year funding, the request supports 165 full-time equivalents. The Budget includes the creation of a new Office of the Chief Data Officer to implement the requirements of the Evidence Act enacted by Congress in January 2019.





**Raquel**  
Oklahoma City, OK

*"HUD and the Metropolitan Fair Housing Council of Oklahoma (MFHC) helped to improve my life and the lives of my children. Being a single mother, the worst fear is not feeling safe in your home and not being able to protect your family. MFHC took a stand with me to stop sexual harassment from landlords, and I will continue to stand and fight for women's rights."*

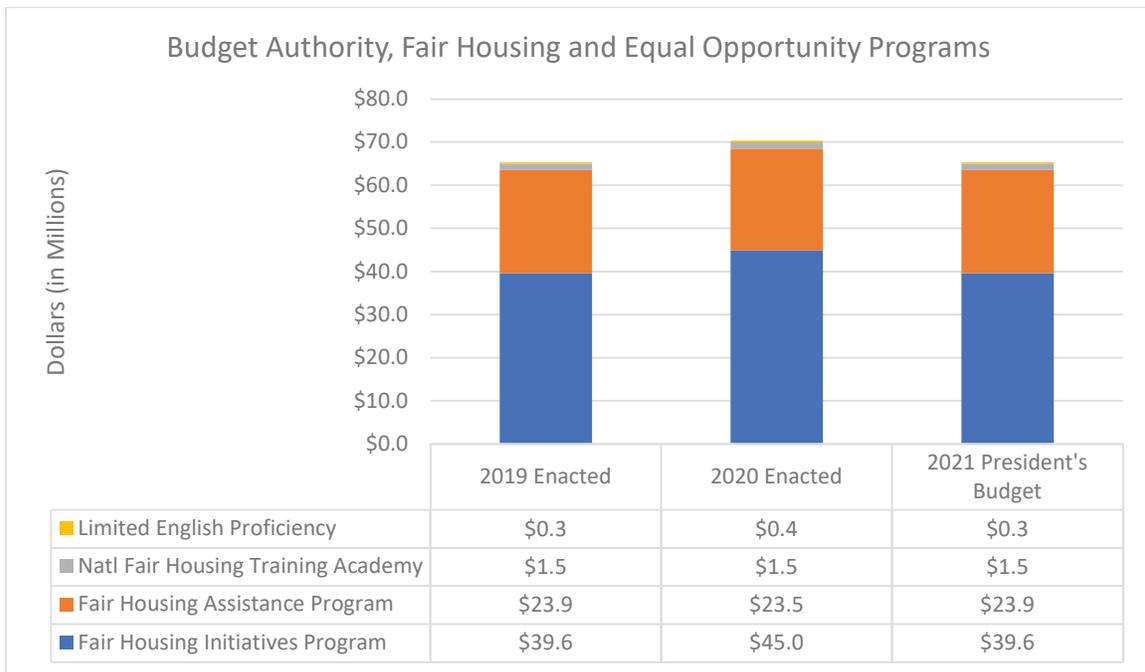
**HUD's Fair Housing Initiative Program (FHIP)** participant **Metropolitan Fair Housing Council of Oklahoma, Inc.**, assisted Raquel in her fight to stop the sexual harassment she was experiencing from her landlord. HUD provided \$37 million in FHIP grants in 2018 to support the Metropolitan Fair Housing Council of Oklahoma and other FHIP agencies in serving their communities through fair housing education, awareness, and enforcement.

## Office of Fair Housing and Equal Opportunity

The Office of Fair Housing and Equal Opportunity (FHEO) fights housing discrimination, promotes economic opportunity, and strives to create diverse, inclusive communities. It leads the nation in the enforcement, administration, development, and public understanding of Federal fair housing laws and policies. These laws protect people from discrimination because of race, color, religion, sex, national origin, disability, and familial status. In addition, FHEO ensures that housing providers that receive HUD funding are complying with fair housing laws. FHEO responsibilities include:

- Investigating complaints from the public;
- Ensuring civil rights compliance in HUD programs;
- Assisting states and localities with fair housing investigations;
- Increasing public awareness of housing-related civil rights;
- Awarding and monitoring fair housing grants; and
- Enhancing economic opportunity for low-income populations.

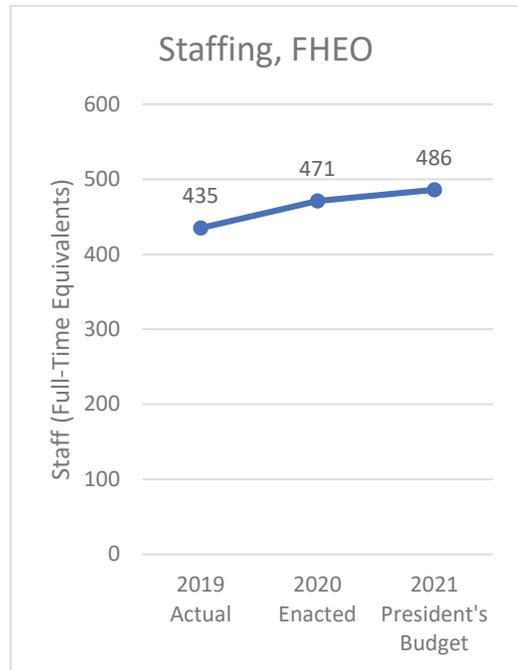
The 2021 President's Budget requests \$65.3 million for fair-housing programs, which is \$5 million less than the enacted level for 2020.



### Highlights

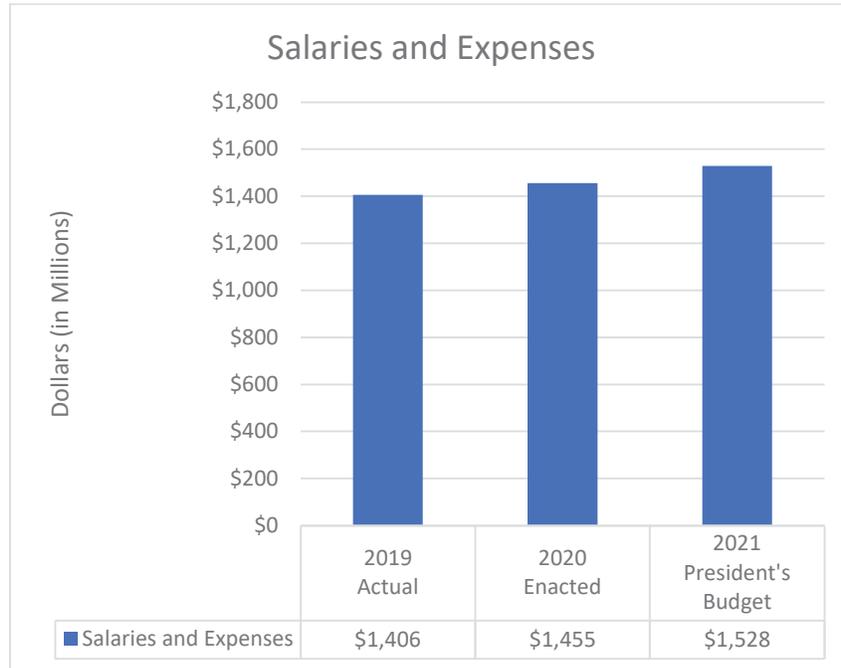
- **Fair Housing Initiatives Program (FHIP):** The Budget requests \$39.6 million for FHIP, which will provide support for fair housing enforcement activities conducted by approximately 94 private fair-housing organizations. FHIP includes four components: the Private Enforcement Initiative, the Fair Housing Organization Initiative, the Education Outreach Initiative, and the Fair Housing Accessibility FIRST program.

- Fair Housing Assistance Program (FHAP):** The Budget requests \$23.9 million for FHAP, which provides funding to state and local civil rights enforcement agencies that administer fair housing laws that provide rights, remedies, and procedures that are substantially equivalent to those in the Fair Housing Act. This funding will maintain HUD's commitment to this coordinated intergovernmental partnership to protect the fair housing rights of individuals and families.
- Salaries & Expenses:** The Budget requests \$77 million for S&E for the Office of Fair Housing and Equal Opportunity. In combination with carryover of prior-year funding, the request supports 486 full-time equivalents.



## Management and Administration

HUD has outgrown its operational infrastructure related to people, processes, and technology, and this puts its operations at risk. To mitigate this risk, the 2021 President's Budget proposes strategically investing in staffing, financial transformation, and IT modernization. The Budget requests \$1.5 billion for S&E.<sup>22</sup> In combination with carryover of prior-year funding, the request will support 7,282 full-time equivalents (FTEs).<sup>23, 24</sup>



## Staffing

The decline in staffing (19 percent from 2009 to 2018) has eroded HUD's ability to monitor compliance on properties, loans, grants, public housing authorities, and other areas of responsibility, as well as significantly limited its ability to address systemic issues inside the Department. Further, this staffing decline has adversely impacted long-term productivity improvements and innovation within HUD's programs.

In 2019, HUD leadership made increasing HUD's staffing levels a top priority by hiring high-priority candidates across the Department. As a result, HUD ended the year with a slightly higher number of employees than at the beginning of the year for the first time since 2011.

In 2020, HUD's enacted funding levels will support this continued focus on improved staffing. The 2021 Budget provides \$1.5 billion for S&E,<sup>25</sup> 20.8 million above 2020 Enacted.<sup>26</sup> In combination with prior-

<sup>22</sup> Including Ginnie Mae; excluding Office of Inspector General.

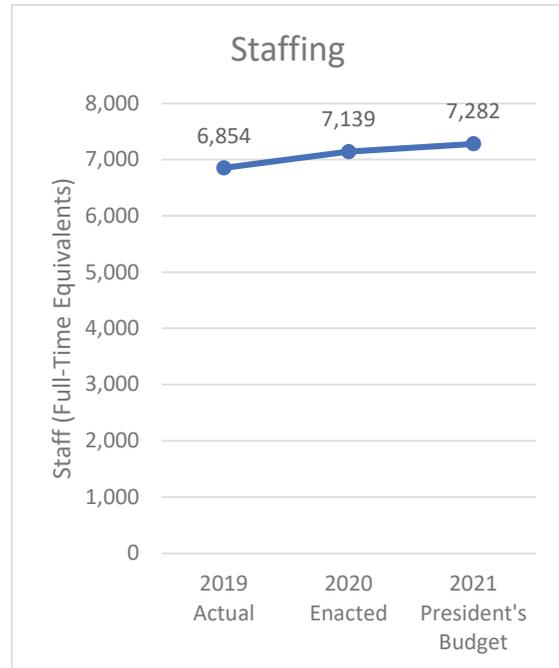
<sup>23</sup> Including Ginnie Mae; excluding Office of Inspector General.

<sup>24</sup> The "Salaries and Expenses" chart only includes enacted/requested budget authority for each year; it does not include carryover. It also includes Ginnie Mae (two-year funding only).

<sup>25</sup> Including Ginnie Mae; excluding Office of Inspector General.

<sup>26</sup> The 2021 President's Budget realigned \$52.3 million from the Information Technology (IT) Fund to support IT and Computer Devices paid via the Working Capital Fund. Adding this \$52.3 million to the 2020 base results in the net increase of \$20.8 million year over year. For this calculation, the 2020 and 2021 Budget levels include funding for Ginnie Mae (two-year funding only) but exclude Office of Inspector General.

year carryover funding, HUD FTEs will increase to 7,282 FTEs, allowing the Department to better and more efficiently serve HUD-assisted households, homeless individuals, and communities across the country.<sup>27</sup> Using workforce succession strategies, the Department intends to execute this increase to ensure that additional staffing results in the right people allocated to the right jobs, providing the biggest impact toward achieving HUD’s priorities.



## Information Technology Fund

The 2021 President's Budget requests \$257.6 million for the IT Fund, which is \$22 million less than the enacted level for 2020. This funding level provides \$20 million to modernize FHA single-family systems. This funding level also excludes end-user IT devices and support, and the associated amount (\$52 million) is requested as a new activity for the Working Capital Fund with funding provided within HUD S&E. The Department also continues its proposal to allow transferring up to \$10 million of S&E funding to the IT Fund.

### INFORMATION TECHNOLOGY MODERNIZATION

The Budget continues the modernization of IT systems and supports an expanded cybersecurity program. HUD is implementing recommendations from current-state assessments and requirements for development using modern technologies to improve public experience and increase operational efficiency. These efforts will accelerate IT modernization and maximize the impact to the public and return on investment to taxpayers.

HUD's Office of the Chief Information Officer (OCIO) is also prioritizing new investment initiatives across the IT portfolio, and these new capabilities and technologies will strengthen and modernize mission programs and enterprise support functions. This includes \$20 million to continue the modernization of FHA single-family systems and the automation of lender interactions with FHA, consistent with recommendations in HUD’s housing finance reform plan.

OCIO's approach to system modernization will create proposals to consolidate systems, provide enterprise capabilities, and reduce customer burden through improved program operating efficiencies. It will also identify common areas of functionality required by the HUD enterprise and provide IT solutions aligned to those functions, enabling program offices and lines of business to share those solutions. By using an agile approach, HUD will deliver new functionality incrementally, while maximizing flexibility and minimizing risk.

## Working Capital Fund

The Working Capital Fund (WCF) provides shared services to HUD offices with the goal of increasing transparency into costs and operations, improving service delivery, and encouraging efficiencies. In 2021, the WCF proposes to expand its services by offering Records Management and Information Technology

<sup>27</sup> Including Ginnie Mae; excluding Office of Inspector General.

Customer Devices. By moving Records Management and IT Customer Devices into the WCF, these business lines will be more efficient and effective in the delivery of services by:

- **Incentivizing Program Offices:** Delivery of these services in a WCF model incentivizes program offices to utilize WCF services efficiently because costs will align to usage;
- **Reduce Overlap and Duplication:** HUD will reduce overlap and duplication of efforts by providing a centralized funding source for Records Management and IT Customer Device needs across HUD; and
- **Transparency:** Finally, delivery of these services under the WCF model will drive transparency into the operation and management of the Records Management and IT Customer Devices service lines and into the overall costs to administer these services.

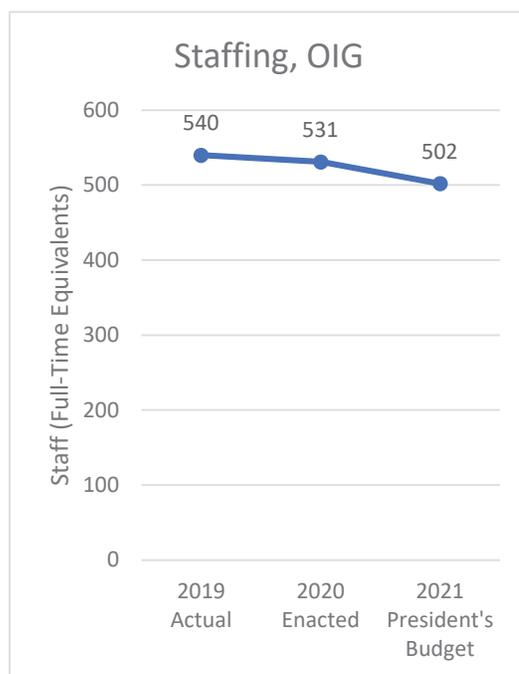
## Office of Inspector General

The mission of the Office of Inspector General (OIG) is to prevent and detect fraud, waste, and abuse in the programs and operations of HUD, as well as to promote economy, efficiency, and effectiveness. The OIG does this by conducting independent investigations, audits, and evaluations. The work performed by investigators, auditors, and evaluators provides the means to keep the Secretary and the Congress fully informed about the Department's challenges while also identifying best practices. After identifying weaknesses, the OIG makes recommendations to improve operations and monitors Departmental progress on corrective actions. Stewardship of taxpayer resources is one of the Inspector General's highest priorities, ensuring funding is appropriately utilized, properly managed, and achieving the outcomes stakeholders require and deserve.

The 2021 President's Budget requests \$133.3 million for the OIG, which is \$4.9 million less than the enacted level for 2020. This funding level supports 502 FTEs.

### Highlights

- **Congressionally Mandated Activities:** The Budget provides the resources to support congressionally mandated activities, including:
  - The HUD consolidated financial statement audit;
  - Information security audits and evaluations related to FISCAM and FISMA legislation;
  - DATA Act compliance audits; and
  - Other legislatively required audits and evaluations.
- **Safe and Affordable Housing:** Ensuring the availability of affordable housing that is decent, safe, sanitary, and in good repair is a top management challenge for HUD, and one of the highest priorities for the OIG. Currently, OIG auditors, investigators, and evaluators are working proactively to identify systemic deficiencies in the administration of public-housing programs, including by reviewing health and safety concerns such as lead, mold, and other hazardous conditions.
- **Information Technology and Cybersecurity:** The Department maintains IT systems that help it facilitate and process FHA mortgages, track family members receiving rental-housing benefits, provide funding for grantees and recipients of disaster relief funds, maintain the ledgers for the Ginnie Mae portfolio, and carry out many other important programs. Increased resources will allow the OIG to conduct additional evaluation and audit work in this important area and assist both departmental and congressional stakeholders in determining how best to address HUD's IT weaknesses.
- **Protecting the FHA Insurance Fund:** Improved oversight of potential hazards to the FHA insurance fund and ongoing evaluation of HUD's response to changes in the mortgage industry



remain a priority for the OIG. The OIG intends to increase its efforts aimed at identifying the top programmatic vulnerabilities facing the Mutual Mortgage Insurance Fund (MMI) fund and provide timely data to stakeholders that will facilitate effective policy responses to emerging threats.

- **HUD Internal Financial Management:** The OIG's primary role in working with Department stakeholders will continue to be auditing and providing recommendations to improve financial governance and financial systems. However, by externalizing the HUD Consolidated Financial Statement Audit, the OIG should be able to reorient its financial-management workload to provide greater focus on HUD's internal controls and other financial management issues facing the Department.
- **HUD's Ethics Culture:** Building a culture of ethical conduct is essential to HUD achieving its mission and deterring possible fraud, waste, and abuse of organizational resources. The OIG believes it can have a positive impact by examining HUD's processes for identifying and deterring ethical lapses and raising awareness about areas where HUD's current procedures do not provide for proper monitoring or deterrence of ethical risk, including "revolving door" risk within the Department's workforce and insufficient conflict-of-interest policies or practices affecting the performance of some public-housing authorities.
- **Fair Housing:** Ensuring that HUD programs are promoting and guaranteeing fair housing has become a recent organizational priority for the OIG. Addressing whether the Department is doing enough to promote fair housing is essential to maintaining the public's trust and confirming that HUD programs align with congressional intent.