



# Management Overview

## HUD's Mission

As the Department embraces the new century, HUD's mission is to:

**Promote adequate and affordable housing, economic opportunity, and a suitable living environment free from discrimination.**

To fulfill this mission, HUD will be a high performing, well respected, and empowering partner with all levels of government, the private sector, and with families and individuals. This commitment to ensuring competence and public trust permeates all Departmental planning and is an integral part of each strategic objective.

## Strategic Goals and Objectives

For Fiscal Year (FY) 2001, HUD had five strategic goals in support of the Department's mission:

1. Increase the availability of decent, safe, and affordable housing in American communities.
2. Ensure equal opportunity in housing for all Americans.
3. Promote self-sufficiency of and asset development by families and individuals.
4. Improve community quality of life and economic vitality.
5. Ensure public trust in HUD.

The Discussion and Analysis (D&A) section of this report presents selected key indicators for the strategic goals. Detailed information on all the HUD performance indicators is presented in Section III, Performance Information.

In October 2001, Secretary Mel Martinez outlined his new priorities and strategic goals that will guide the Department.

## HUD's Mission:

*Promote adequate and affordable housing, economic opportunity, and a suitable living environment free from discrimination.*

## Vision:

*To fulfill our mission, HUD will be a high-performing, well-respected, and empowering partner with all levels of government, with the private sector, and with families and individuals.*

Strategic Goal 1	Strategic Goal 2	Strategic Goal 3	Strategic Goal 4	Strategic Goal 5
Increase the availability of <b>decent, safe and affordable housing</b> in American communities.	Ensure <b>equal opportunity</b> in housing for all Americans.	Promote <b>self-sufficiency</b> of and <b>asset development</b> by families and individuals.	Improve community <b>quality of life</b> and <b>economic vitality</b> .	Ensure <b>public trust</b> in HUD.
Strategic Objectives	Strategic Objectives	Strategic Objectives	Strategic Objectives	Strategic Objectives
1.1 Homeownership is increased.	2.1 Housing discrimination is reduced.	3.1 Homeless families and individuals become self-sufficient.	4.1 The number, quality, and accessibility of jobs increase in urban and rural communities.	5.1 HUD and HUD's partners effectively deliver results to customers.
1.2 Affordable rental housing is available for low-income households.	2.2 Low-income people are not isolated geographically in America.	3.2 Poor and disadvantaged families and individuals become self-sufficient and develop assets.	4.2 Disparities in well-being among neighborhoods and within metropolitan areas are reduced.	5.2 HUD leads housing and urban research and policy development nationwide.
1.3 America's housing is safe and disaster resistant.	2.3 Disparities in homeownership rates among racial and ethnic groups are reduced.		4.3 Communities are safe.	

# HUD'S COMPONENTS

HUD's organizational components fall into three main groups:

1. Major program areas;
2. Program monitoring offices and processing centers; and
3. Support staff and organizations.

There is an Organization Chart at the end of this section that shows the relationship of these entities.

## Major Program Areas

### Federal Housing Administration (FHA)

FHA programs provide insurance on mortgages relating to one to four family residences, multi-family rental housing, condominiums, nursing homes, assisted living facilities, hospitals, manufactured housing, property improvement, and "special risk" units.

### The Office of Housing

The Office of Housing administers various rental subsidy, homeownership subsidy, and grant programs designed to provide housing to low, very low, and moderate income persons.

*Section 8 Project-Based Rental Assistance:* This program encourages owners to develop or rehabilitate rental housing for low and very-low income families with rental assistance tied to specific units under an assistance contract with the project owner.

*Section 202/811 Capital Grants:* Capital grants are provided for the construction and long-term support of housing for the elderly (Section 202) and persons with disabilities (Section 811). Advances are interest-free and do not have to be repaid providing the housing remains available for low-income persons for at least 40 years. Prior to the Section 202 Capital Grant program, Section 202 loans were made to finance housing for low-income elderly persons.

*Other Housing Programs:* Housing also maintains manufactured housing construction and safety standards, administers the Real Estate Settlement Procedures Act (RESPA), and regulates interstate land sales. There are some terminated loan programs, such as the Section 202 Loan program, which still have outstanding loans. Additionally, programs such as the Homeownership Assistance Program (Section 235) and the Rental Housing Assistance Program (Section 236) are inactive but insurance for the programs is still in force.

### Government National Mortgage Association (Ginnie Mae)

Through its Mortgage-Backed Securities program, Ginnie Mae facilitates the financing of residential mortgage loans by guaranteeing the timely payment of principal and interest to investors of privately issued securities backed by pools of mortgages insured or guaranteed by FHA, the Department of Veterans Affairs, and the Rural Housing Service. The Ginnie Mae guarantee gives lenders access to the capital market to originate new loans.

### The Office of Public and Indian Housing (PIH)

PIH programs serve low and very low-income families and individuals who live in public housing, Section 8-assisted housing, and Native American housing. Major activities are described below:

#### Housing Certificate Fund

*Section 8 Tenant-based Rental Assistance:* Low- and very low-income families receive rent subsidies to enable them to obtain decent, safe and sanitary housing in privately owned housing units. This tenant-based program is administered through State and local Housing Agencies (HAs).

#### Public Housing Operating Fund

*Operating Subsidies:* Financial assistance in the form of subsidies is provided for project operation to approximately 3,200 HAs with approximately 1.3 million units under management.

## **Public Housing Capital Fund**

Funds are provided by formula for capital improvements (i.e., developing, rehabilitating and demolishing units), for replacement housing, and for management improvements .

## **Other Public Housing Programs**

*Native American Housing Block Grants and Home Loan Guarantees:* Native Americans are assisted in building or purchasing homes on Trust Land; obtaining affordable housing; implementing local housing strategies to promote homeownership; and developing viable communities.

*Services to Families and Individuals:* Grants are provided for HAs to administer programs that help to stabilize the lives of families living in public housing.

*HOPE VI:* Funds are awarded to HAs for demolition of obsolete public housing; major reconstruction, rehabilitation, and new construction; management improvements; planning and technical assistance; and self-sufficiency programs for residents.

## **The Office of Community Planning and Development (CPD)**

CPD administers the Department's major economic and community development grant programs, several housing programs, and HUD's homeless assistance programs. The following are the largest:

*Community Development:* Community Development Block Grants are provided to units of local government and States for the funding of local community development programs that address housing and economic development needs, primarily for low and moderate income persons.

*Affordable Housing Programs:* HOME Investment Partnership Grants provide assistance to renters and first-time homebuyers, build State and local capacity to carry out affordable housing programs, and expand the capacity of nonprofit community housing organizations to develop and manage housing. The Housing Opportunities for Persons with AIDS (HOPWA) provides affordable housing and related assistance to persons with HIV/AIDS.

*Homeless Programs:* Programs developed under the McKinney-Vento Homeless Assistance Act consist primarily of grants to communities to establish comprehensive systems for meeting the needs of homeless people and persons with AIDS.

## **The Office of Fair Housing and Equal Opportunity (FHEO)**

FHEO enforces the Federal Fair Housing Act and other civil rights laws in its effort to ensure equal housing opportunity. The Federal Fair Housing Act prohibits discrimination based on race, color, religion, sex, national origin, disability, or familial status. FHEO also endeavors to direct jobs, training, and economic opportunities to low-income residents in communities receiving housing and community development assistance.

*Fair Housing Assistance Program (FHAP)* provides grants to State and local agencies that administer fair housing laws which are substantially equivalent to the Federal Fair Housing Act.

*Fair Housing Initiatives Program (FHIP)* provides funds competitively to private and public entities to carry out local, regional and national programs that assist in eliminating discriminatory housing practices and educate the public and housing providers on their fair housing rights and responsibilities.

## **The Office of Healthy Homes and Lead Hazard Control**

The Office of Healthy Homes and Lead Hazard Control provides funds to State and local governments to develop cost effective ways to reduce lead-based paint hazards and other housing related health risks.

## **The Office of Federal Housing Enterprise Oversight (OFHEO)**

OFHEO is an independent office within HUD that provides oversight with respect to the financial safety and soundness of the Federal Home Loan Mortgage Corporation (Freddie Mac) and the Federal National Mortgage Association (Fannie Mae).

# HUD'S COMPONENTS

## Program Monitoring Offices and Processing Centers

The Real Estate Assessment Center and the Departmental Enforcement Center are designed to provide consistent and comprehensive oversight and improvement of program performance. In addition, Processing Centers centralize repetitive “back-room” functions previously performed in field offices.

### The Real Estate Assessment Center (REAC)

REAC is the office that assesses the physical condition, financial soundness, management capability, and resident satisfaction of HUD’s multifamily and public housing real estate portfolio. This enables the Department to improve targeting of monitoring and enforcement resources.

### The Departmental Enforcement Center (DEC)

DEC is the office into which the bulk of HUD’s enforcement efforts have been consolidated making enforcement its primary activity. DEC was created to restore and maintain the public trust by bringing recalcitrant property owners into compliance with HUD program requirements. DEC addresses monitoring and internal control problems with responsibility for distressed multifamily properties; aggressive enforcement strategies for Public Housing Agencies (PHAs); enforcement of all regulatory and business agreements (including suspensions and debarments); and referral of civil cases to the Department of Justice and criminal cases to HUD’s Inspector General.

## The Financial Management Center (FMC)

FMC is a processing center reporting to the Assistant Secretary for Public and Indian Housing and is responsible for the financial management of the Public and Indian Housing (PIH) tenant-based and Office of Multifamily (MF) Housing project-based Section 8 programs, which HUD administers with Annual Contributions Contracts (ACCs). FMC provides financial management support for approximately 10,400 ACCs. HUD uses annual budgets and requisitions/payment schedules to advance funds to the Housing Authorities and Contract Administrators (collectively “HAs/CAs”) that administer these programs.

## Other Monitoring Offices and Processing Centers

- 18 Multifamily HUBS with 33 program centers;
- 2 Multifamily Property Disposition Centers (MPDCs);
- Office of Multifamily Housing Assistance Restructuring
- 4 Single Family Homeownership Centers (HOCs);
- 2 Public and Indian Housing Troubled Agency Recovery Centers (TARCs);
- Grants Management Center (GMC);
- Financial Operations Center (FOC);
- Accounting Center (AC);
- Administrative Services Center (ASC); and
- Employee Services Center (ESC).

## Support Organizations

The major support organizations include the Offices of Administration, Chief Financial Officer, Chief Information Officer, Congressional and Intergovernmental Relations, General Counsel, Inspector General, and Policy Development and Research.

# HUD DEPARTMENT OVERVIEW



