2022

BUDGET IN BRIEF

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
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Throughout my life of public service, my purpose has always been to do the most for those who have the least. These are values I bring to HUD as we carry out our fundamental mission – working to ensure every American has a fair chance to live each day with security, dignity, and hope. Our work is critical to achieving the President’s vision to address the major challenges confronting our country.

The COVID-19 pandemic has exacerbated our Nation’s affordable housing crisis. More than 11 million Americans are behind on their rent and mortgage payments. Far too many of our fellow Americans are struggling to make ends meet.

We must alleviate this housing crisis and get people the support they need to come back from the edge; the 2022 President’s Budget propels us on that path. We must redouble our commitment to meeting our central responsibilities—such as significantly expanding affordable housing and services to end homelessness and supporting sustainable economic development in our communities.

Moving forward, we have the added responsibility—and great opportunity—to help our Nation build back stronger than ever before. We must deliver on the Administration’s commitments to produce, preserve, and retrofit more than a million affordable, resilient, accessible, energy efficient, and electrified housing units. Additionally, we must make the dream of homeownership – and the security and wealth creation that comes with it – a reality for more Americans by increasing access to credit and ending discriminatory practices in the housing market.

Furthermore, this Budget will make significant investments in our operations and staffing in order to improve delivery of our services across the board. HUD’s staffing has declined by 17 percent since 2012, which has resulted in a significant reduction in the Department’s capability to execute its mission and serve the American people. Filling critical roles at Headquarters and in the field will ensure that grantees, the public, and families receive the customer experience they deserve and allow HUD to fully deliver on its mission.

At HUD, we understand that our homes represent more than four walls and a roof. A good home can serve as a platform to spark economic opportunity and create healthier, more sustainable, and more inclusive communities. I am proud to join all of our outstanding public servants in furthering HUD’s mission through this Budget.

Sincerely,

Marcia L. Fudge
Secretary
Overview

The 2022 President's Budget requests $68.7 billion for the Department of Housing and Urban Development (HUD), approximately $9.0 billion more than the enacted level for 2021. The Budget outlines an ambitious agenda to address challenges our Nation faces, ranging from climate change to housing discrimination to ending homelessness.

The priorities in the Budget include:

- $30.4 billion for the Housing Choice Voucher Program, which accommodates 200,000 new vouchers, prioritizing those fleeing from domestic violence and households experiencing homelessness.
- $3.5 billion to provide housing and services to individuals and families experiencing homelessness, including a focus on survivors of domestic violence and youth experiencing homelessness;
- $400 million to remove dangerous health hazards from homes, including lead, carbon monoxide, and radon;
- $800 million in targeted climate resilience and energy efficiency improvements in public housing and other assisted housing;
- $85 million for Fair Housing programs, and increased HUD staff capacity to redress discriminatory housing practices; and
- $2 billion for Management and Administration expenses, or about three percent of the proposed Budget, investing in critical staffing and information technology needs to strengthen HUD’s capacity to deliver on its mission.

HUD’s proposed Budget allocates budget authority across programs and for 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), the Office of Housing, and the Office of Community Planning and Development (CPD) administer these programs.

This request dovetails with funds provided by the CARES Act of 2020 and the American Rescue Plan Act of 2021,
which allocated $12.4 billion and $10.7 billion, respectively, across multiple HUD programs for urgently needed housing and services due to the COVID-19 pandemic and the housing crisis. The 2022 President’s Budget extends this comprehensive approach to address these challenges and invigorates the Nation’s response through program budget increases and policy interventions. By targeting funds across programs, the 2022 President’s Budget lays out its approach to the interlocking priorities of strengthening the Federal housing safety net, advancing equity, increasing access to affordable housing, addressing the climate crisis, and building HUD’s capacity overall.

Secretarial Priorities

**STRENGTHEN AND BROADEN THE FEDERAL HOUSING SAFETY NET FOR PEOPLE IN NEED**

One of HUD’s core functions is to provide a safety net for households when they need it, and help people access a safe and stable place to live. Since 2000, rent costs increased 13 percent compared to renter incomes, which in 2019 had only increased one percent in the same time period. This Budget provides the opportunity to expand the number of people that can rely on HUD’s programs, and once people have stable housing, they can better focus on their families, jobs, health, and other aspects of life.

Key features of the Budget include:

- Full funding for multiple HUD programs, including two of HUD’s largest programs providing this safety net – **Tenant-Based Rental Assistance (TBRA)** and **Project-Based Rental Assistance (PBRA)** – as well as for **Housing for the Elderly (Section 202)**, **Housing for Persons with Disabilities (Section 811)**, and the operating subsidy formula in the **Public Housing Fund**.

- Notably, the **TBRA** request will allow HUD to issue vouchers to 200,000 more households that currently qualify for rental assistance. These new vouchers, the largest one-year increase since the program was authorized, will increase affordable housing and provide greater access to areas of opportunity for very low-income families and individuals that are experiencing or at risk of homelessness. This includes individuals and families fleeing, or attempting to flee domestic violence, dating violence, sexual assault, or stalking. The Administration looks forward to working with the Congress to build on this investment and achieve its long-term goal of providing housing vouchers to all eligible households, while increasing the program’s impact on equity and poverty alleviation.

- An increase of 14 percent for public housing capital funds (under the **Public Housing Fund**), for a total of $3.2 billion, which will be critical to improving the quality of public housing.

- An increase of $500 million for HUD’s **Homeless Assistance Grants**, to provide housing and services for vulnerable individuals and families who are homeless or at risk of homelessness. Such an increase will provide capacity and support to communities as they work to coordinate an effective homeless response system in a trauma-informed and equitable way. HUD will also be able to build on the many lessons learned from the

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monumental effort of keeping people experiencing homelessness safe in response to the threat of the COVID-19 while encouraging partnering between other Federal and local programs.

ADVANCE HOUSING EQUITY AS A MEANS TO IMPROVING HOUSING CHOICES AND GREATER ECONOMIC OPPORTUNITY

Every family should be able to have a safe place to call home. However, discriminatory practices have led to longstanding inequities in access to housing. This Budget makes investments in key areas to bring an end to discrimination in housing and eliminate patterns of racial and ethnic segregation and economic disparities in communities, while proactively advancing equity for historically underserved communities. Key initiatives include:

- **Fair Housing Programs**: $85 million, a $12.5 million or 17.2 percent increase over 2021, for targeted and coordinated enforcement, education, and outreach.
- **Community Development Block Grant (CDBG) Program**: $3.8 billion, a $295 million increase specifically to incentivize communities to direct funds to historically underserved communities and neighborhoods.
- **Indian Housing Block Grant (IHBG) Program**: $723 million, a $76 million or 11.7 percent increase over 2021, for grants to finance affordable housing construction and related community development. As funding for IHBG has remained level for many years, Indian Tribes have had to rely on other programs to fund the production and preservation of affordable housing, reserving IHBG for operations and maintenance of existing housing. This increase will help Tribes change this balance.
- **Mobility Services initiative under TBRA (new)**: $491 million to fund cost-effective housing mobility strategies to assist families with children to move from areas of extreme poverty to areas of higher opportunity. The funding will also address impediments to public housing agency collaboration, with a goal of reversing the effects of residential segregation adversely impacting people of color.
- **Eviction Prevention Demonstration program**: The 2022 Budget will continue to fund HUD’s Office of Policy Development and Research’s execution of the $20 million competitive grant program that provides free legal assistance to eligible low-income tenants at risk of or subject to eviction.

INCREASE THE PRODUCTION OF AND ACCESS TO AFFORDABLE HOUSING

Increasing the availability of affordable housing is essential to the resilience of households and communities. This Budget proposes several key tools to further this goal.

The **HOME Investment Partnerships (HOME) Program** has long served as an anchor of this nation’s affordable housing finance system. The 2022 President’s Budget has the opportunity to make a significant impact, at $1.9 billion – $500 million and 37 percent more than the 2021 enacted level. This Budget includes a $100 million set-aside for a new initiative, the **FirstHOME Downpayment Assistance initiative**, which provides funding to States and insular areas to better support sustainable homeownership.

The **Housing for the Elderly (Section 202) Program** proposes $100 million for new Capital Advances to increase the supply of affordable housing for seniors by approximately 1,100 units. The **Housing for Persons with Disabilities (Section 811) Program** proposes $80 million,
which will support 900 new units to expand the supply of affordable housing for very low- and extremely low-income persons with disabilities to live independently in the community with connections to critical supportive services. Combined, these programs provide a total of $180 million to support a total of 2,000 new units for vulnerable populations.

**Ginnie Mae Securitization of Risk-Sharing Loans:** The Budget proposes Ginnie Mae authority to securitize affordable multifamily loans made by Housing Finance Agencies (HFAs) and insured under the Federal Housing Administration’s (FHA) 542(c) Risk-Sharing program. As an interim measure that will sunset three years after implementation, HUD is resuming its partnership with Treasury’s Federal Financing Bank (FFB) to provide “Ginnie-like” financing for HFA Risk-Sharing loans. The proposed Ginnie Mae securitization authority would provide a permanent source of low-cost capital for these affordable housing loans once FFB financing expires.

Finally, the Budget proposes $30 million for two other homeownership resources through FHA to:

- Expand the **Good Neighbor Next Door (GNND) Program**, which offers a substantial discount to law enforcement officers, teachers, firefighters, and emergency medical technicians to encourage them to purchase and reside in homes in distressed communities; and
- Create a **Home Equity Accelerator Loan (HEAL) Pilot** that would test new loan products designed to lower barriers to homeownership for first-generation and/or low-wealth first-time homebuyers.

**PROMOTE CLIMATE RESILIENCE, ENVIRONMENTAL JUSTICE, AND ENERGY EFFICIENCY ACROSS THE HOUSING SECTOR**

In response to the President’s Executive Order 14008 (“Tackling the Climate Crisis at Home and Abroad”), HUD’s Budget includes $800 million to reduce carbon pollution, increase resilience to the impact of climate change, and address environmental justice. Communities served by HUD programs, which often have a significant share of low-moderate income households and people of color, are often more vulnerable to climate change due to their locations, aging infrastructure, and historic disinvestment. As part of the Administration’s whole-of-government approach to the climate crisis, the Department is committed to expanding energy-efficient and climate-resilient housing options in public and assisted housing. The following investments proposed in the Budget are crucial to assist communities throughout the country to mitigate and prepare for the worst effects of climate change:

- **Public Housing Fund:** $300 million to pay for the installation of measures to increase energy efficiency, reduce water consumption, and promote climate resilience in public housing.
- **Native American Programs:** $100 million to eligible Indian Tribes and Tribally Designated Housing Entities (TDHEs) to increase energy efficiency, improve water conservation, and further climate resilience. Preliminary estimates indicate this funding would allow HUD to retrofit approximately 16,600 housing units.
- **Choice Neighborhoods:** $50 million to further support energy-efficient housing construction and environmentally sensitive and resilient design of community improvement projects.
• **Green and Resilient Retrofit Program (new):** $250 million to rehabilitate Multifamily-assisted properties to be more energy-efficient, healthier, and more resilient to extreme weather events. This increased investment will improve the stock of affordable housing available to many low- and extremely low-income families, often from marginalized communities.

• **Rental Assistance Demonstration Program:** $100 million under the TBRA and PBRA programs for public housing authorities (PHAs) to transition public housing units to the Section 8 platform. This program preserves and improves public housing properties and will enable public housing authorities to holistically address critical property needs, environmental hazards, energy inefficiencies, and increase housing choice for residents.

In addition, the Budget requests $85 million for the **Healthy Homes component in the Office of Lead Hazard Control and Healthy Homes**, an increase of $25 million or 41.7 percent. These funds will help grantees identify and mitigate multiple health hazards in low-income households.

Finally, the budget requests $5 million for the Office of Policy Development and Research for research on housing, climate adaptation and resilience conducted in coordination with the new Advanced Research Projects Agency for Climate (ARPA-C) at the Department of Energy. The ARPA model of high-risk, accelerated research is uniquely designed for research and development that, if successful, results in transformational technology advancements.

Together, these investments will decrease the financial burden on tenants, help to address inequities, reduce carbon emissions, and increase the climate resilience of HUD’s housing stock while improving indoor air quality and creating healthier and safer homes for families.

**STRENGTHEN HUD’S INTERNAL INSTITUTIONAL CAPACITY TO DELIVER ON MISSION**

HUD’s Enterprise Risk Management program identified staffing as one of the top risks to the Department. In fact, in the 2021 Risk Profile, all program offices identified risk related to the quality of their business functions resulting from a need for an immediate infusion of expert staff in procurement, information technology, and human resources areas.

In the period between 2012 and 2019, the number of full-time equivalent (FTEs) employees at HUD declined from 8,576 to 6,837, a reduction of 20 percent. Although a focus on the hiring process and the salaries and expenses (S&E) budget have enabled HUD to regain some of the ground lost, attrition has resulted in imbalanced program offices and the loss of expert staff with the knowledge to effectively administer some programs. For example, HUD’s review of enterprise risks found that due to the decline, HUD lost staff in critical disaster mitigation posts, the institutional memory within its environmental programming, and specialized skills.
necessary to administer contracts critical to the functioning of the agency. In addition, inadequate staffing due to numerous retirements threatens HUD’s vital cybersecurity capabilities. Overall, these enterprise issues and risks weaken HUD’s ability to deliver strong, sustainable, inclusive communities and quality affordable housing.

The 2022 Budget requests $1.7 billion toward S&E, $189 million more than the enacted level for 2021, which, in combination with carryover of 2021 funding, will support 8,186 FTEs.2,3 The 2022 Budget will support the gains made in 2020 and projected for 2021 and provide for continued increases in staffing, which will enable the Department to better and more efficiently serve households and communities across the country.

The Budget also proposes $323 million for the IT Fund, to continue the modernization of HUD’s IT systems and cybersecurity. These investments in IT and staffing will help ensure that HUD has the resources and capacity to rise to meet the critical work ahead.

### Salaries and Expenses

(Dollars in thousands)

<table>
<thead>
<tr>
<th>Program Office</th>
<th>2021 Enacted Funding</th>
<th>2022 Requested Funding</th>
<th>Change from 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public and Indian Housing</td>
<td>$243,056</td>
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<tr>
<td>Housing</td>
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<tr>
<td>Community Planning and Development</td>
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<tr>
<td>Fair Housing and Equal Opportunity</td>
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<tr>
<td>Lead Hazard Control and Healthy Homes</td>
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<tr>
<td>Policy Development and Research</td>
<td>$36,250</td>
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<tr>
<td>Executive Offices</td>
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<tr>
<td>Administrative Support Offices</td>
<td>$576,689</td>
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<td><strong>HUD TOTAL</strong></td>
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<td><strong>$1,680,950</strong></td>
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<tr>
<td>Ginnie Mae</td>
<td>$33,500</td>
<td>$40,350</td>
<td>$6,850</td>
</tr>
<tr>
<td>Office of Inspector General</td>
<td>$137,200</td>
<td>$147,000</td>
<td>$9,800</td>
</tr>
</tbody>
</table>

Note: Total FTE supported by both Enacted/Requested and carry over funding.

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2 Including Ginnie Mae; excluding Office of Inspector General.
3 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).
### Summary Table

<table>
<thead>
<tr>
<th>Program</th>
<th>2020 Enacted (millions)</th>
<th>2021 Enacted (millions)</th>
<th>2022 President's Budget (millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tenant-Based Rental Assistance</td>
<td>$23,874</td>
<td>$25,082</td>
<td>$30,442</td>
</tr>
<tr>
<td>Public Housing Capital Fund</td>
<td>$2,870</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Public Housing Fund (formerly Public Housing Operating Fund)</td>
<td>$4,549</td>
<td>$7,806</td>
<td>$8,575</td>
</tr>
<tr>
<td>Choice Neighborhoods</td>
<td>$175</td>
<td>$200</td>
<td>$250</td>
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<tr>
<td>Self-Sufficiency Programs</td>
<td>$130</td>
<td>$155</td>
<td>$175</td>
</tr>
<tr>
<td>Native American Programs (formerly Housing Block Grants)</td>
<td>$825</td>
<td>$825</td>
<td>$1,000</td>
</tr>
<tr>
<td>Native Hawaiian Housing Block Grant</td>
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<td>$2</td>
<td>$7</td>
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<tr>
<td>Indian Housing Loan Guarantee Fund (Section 184)</td>
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<td>$2</td>
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<tr>
<td><strong>Subtotal PIH</strong></td>
<td><strong>$32,427</strong></td>
<td><strong>$34,072</strong></td>
<td><strong>$40,453</strong></td>
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<td>Project-Based Rental Assistance</td>
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<td>Housing for the Elderly (Section 202)</td>
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<td>Housing for Persons with Disabilities (Section 811)</td>
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<td>Mutual Mortgage Insurance Program/FHA Administrative Contracts and Credit Subsidy</td>
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<td>Housing Counseling Assistance (Section 106)</td>
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<tr>
<td>Green and Resilient Retrofit Program</td>
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<td>Rental Housing Assistance (Other Assisted Housing)</td>
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<td>$0</td>
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<td>Manufactured Housing Fees Trust Fund—General Fund</td>
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<td>$13</td>
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<tr>
<td>Manufactured Housing Fees Trust Fund—Receipts</td>
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<td><strong>Subtotal Housing</strong></td>
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<td><strong>$14,755</strong></td>
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<td>Housing Opportunities for Persons with AIDS</td>
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<td>Community Development Fund</td>
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<td>HOME Investment Partnerships Program</td>
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<td>Self-Help and Assisted Homeownership Opportunity Program</td>
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<td>$60</td>
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<tr>
<td>Homeless Assistance Grants</td>
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<td>$3,500</td>
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<td><strong>Subtotal CPD</strong></td>
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<td><strong>$8,315</strong></td>
<td><strong>$9,630</strong></td>
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<td>Policy Development &amp; Research (Research and Technology)</td>
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<td>Fair Housing &amp; Equal Opportunity (Fair Housing Activities)</td>
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<td>Climate Initiative&lt;sup&gt;4&lt;/sup&gt;</td>
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<td>$0</td>
<td>($800)</td>
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<td>Lead Hazard Control &amp; Healthy Homes (Lead Hazard Reduction)</td>
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<td><strong>Subtotal Other</strong></td>
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<td><strong>$630</strong></td>
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<tr>
<td>HUD Salaries and Expenses</td>
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<td>$1,499</td>
<td>$1,681</td>
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<td>Government National Mortgage Association (Ginnie Mae)&lt;sup&gt;5&lt;/sup&gt;</td>
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<td>$35</td>
<td>$40</td>
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<td>Information Technology Fund (Direct Appropriation)</td>
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<td>$300</td>
<td>$323</td>
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<tr>
<td><strong>Subtotal Mgmt &amp; Admin</strong></td>
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<td><strong>$1,833</strong></td>
<td><strong>$2,045</strong></td>
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<tr>
<td>Office of Inspector General</td>
<td>$138</td>
<td>$137</td>
<td>$147</td>
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<tr>
<td><strong>Discretionary Total (Gross)</strong></td>
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<td><strong>$59,650</strong></td>
<td><strong>$68,678</strong></td>
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</tbody>
</table>

<sup>4</sup> Funding for initiatives to promote climate resilience is included in: Public Housing ($300 million), Choice Neighborhoods ($50 million), Native American Programs ($100 million), Green and Resilient Retrofit for Multifamily Housing ($250 million), and RAD set-asides within Tenant-Based and Project-Based Rental Assistance ($100 million).

<sup>5</sup> Includes Ginnie Mae two-year funding and no-year funding.

<sup>6</sup> This total does not include the $6 million rescission for the Native Hawaiian Loan Guarantee Fund and does include $16 million in receipts for the Manufactured Housing Fees Trust Fund.
Office of Public and Indian Housing

The Office of Public and Indian Housing (PIH) oversees and monitors a range of programs that ensure stable housing is accessible to our most vulnerable and disadvantaged households. These programs provide rental assistance to low-income families, fund grants that improve public housing while reducing carbon emissions and improving indoor air quality, provide grants and loan guarantees that support affordable rental and owner-occupied housing for Native American and Native Hawaiian families, and increase employment opportunities and participants’ earned income so that families are able to reduce or eliminate their need for assistance.

The 2022 President's Budget requests $40.5 billion for PIH, which is nearly $6.4 billion more than the enacted level for 2021.7

<table>
<thead>
<tr>
<th>Budget Authority, Public and Indian Housing Programs</th>
<th>2020 Enacted</th>
<th>2021 Enacted</th>
<th>2022 President’s Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Programs</td>
<td>$179</td>
<td>$204</td>
<td>$261</td>
</tr>
<tr>
<td>Native American Programs</td>
<td>$825</td>
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<td>$30,442</td>
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Providing $39.0 billion to help Americans pay rent, expanding housing and services to more households and modernizing HUD-funded housing.

The Budget requests $39.0 billion for rental assistance programs managed by the Office of Public and Indian Housing, including Tenant-Based Rental Assistance and the Public Housing Fund.

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7 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.
**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 $30.4 billion for Tenant-Based Rental Assistance (TBRA), which is approximately $5.4 billion more than the enacted level for 2021. The HCV program seeks to: provide greater access to housing choice and better housing opportunities for very low- and extremely low-income families; reduce the number of chronically homeless individuals, families, and veterans; and reverse the effects of residential segregation in the pursuit of racial equity. The 2022 Budget proposes a 200,000-voucher expansion of the HCV program, the largest one-year increase in vouchers since the program was authorized. This expansion will broaden the Federal housing safety net and provide greater access to areas of opportunity for very low-income families. The Administration looks forward to working with the Congress to build on this investment and achieve its long-term goal of providing housing vouchers to all eligible households, while increasing the program’s impact on equity and poverty alleviation.

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 approximately 78 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 ties the assistance to an individual household rather than a unit or property. 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 $8.6 billion for the Public Housing Fund, which is $769 million more than the enacted level for 2021. In prior years, the Congress enacted funds separately to the Public Housing Operating Fund and Public Housing Capital Fund. However, in the 2021 Appropriations Act, the Congress consolidated the activities of the two funds into the Public Housing Fund.

The Public Housing Fund supports the Public Housing program by providing Federal grants necessary for Public Housing Agencies (PHAs) to operate, maintain and make capital improvements to approximately 960,000 affordable public housing units in 2022, serving nearly 1.8 million residents. Investing in public housing addresses racial inequities as over two-thirds of public housing residents are people of color. In addition to decreasing the financial burden on tenants, these investments also reduce carbon emissions and increase the climate resilience of our housing stock while improving indoor air quality and creating healthier and safer homes for families.
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 2022 Budget requests $1 billion for Native American Programs, which is $175 million more than the 2021 enacted level. The Indian Housing Block Grant program (IHBG)—which is the single largest source of Indian housing assistance—funds affordable housing activities. The Budget requests $723 million for IHBG, which is $76 million more than the 2021 enacted level. In addition, the Budget includes $200 million for competitive grants to be administered through IHBG, half of which is for targeted investments in Native American housing under the new climate initiative. This initiative would support projects that increase energy efficiency, improve water conservation, and further climate resilience, with priority given to projects designed to sustain these improvements over a longer period. The Budget requests $3.5 million for the Indian Housing Loan Guarantee Fund (also known as Section 184) program, which is $1.5 million more than the 2021 enacted level. This program encourages private lending by guaranteeing home mortgage loans, which allow Native American families to become homeowners.

Other Highlights

- **Rental Assistance Demonstration (RAD):** A program of the Office of Housing, RAD is HUD’s primary mechanism for leveraging private sector funds to fund needed repairs. The 2022 President's Budget requests $100 million—$50 million in TBRA and $50 million in Project-Based Rental Assistance (PBRA)—for conversions that promote the energy efficiency or climate resilience of properties. The RAD program 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 families. This will support the green conversion of public housing properties that are unable to convert using only funds currently provided through Public Housing appropriations.

- **Reducing Lead in Public Housing:** Within the Public Housing Fund, HUD proposes $25 million for grants to remove lead-based paint hazards from public housing and $25 million for grants to remove lead-based paint hazards from public housing and $25 million to help PHAs identify and eliminate other housing-related hazards, such as mold, carbon monoxide, pest infestation, radon, lead-based paint, and other housing hazards.

- **Self-Sufficiency Programs:** The Budget proposes $175 million for Self-Sufficiency Programs. Congress created this account in 2020 by relocating the funding for three existing programs: Family Self-Sufficiency (FSS), Jobs Plus Initiative (JPI), and the Resident Opportunity and Self-Sufficiency (ROSS). The Budget proposes $120 million for FSS, which will fund approximately 1,500 coordinators to support the FSS program aim of increasing participants’ earned income and reducing or eliminating their need for assistance. The Budget proposes $20 million to fund up to 10 grants for JPI, which is a program that increases 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. The Budget proposes $35 million to fund existing ROSS service coordinators who provide vital services to over 65,000 public and Indian housing residents. ROSS assists not just families, but also elderly and disabled
residents. In addition to funding PHAs, ROSS has the unique ability to provide grant funding to Tribes, non-profits, and Residents Associations.

- **Salaries & Expenses:** The Budget requests $268.9 million for PIH S&E. In combination with carryover of 2021 funding, the Budget supports 1,448 full-time equivalents.
Office of Housing

The Office of Housing provides essential support to the Nation’s homebuyers, homeowners, renters, and communities. Its major programs: insure mortgages for single-family homes, multifamily properties, and healthcare facilities; provide rental assistance to low- and very low-income households, including the elderly and persons with disabilities; and regulate the design and construction of manufactured homes across the country. Because of this work, the Office of Housing is in a unique position to help address the housing crisis, which has been exacerbated by the impact of COVID-19.

The 2022 President’s Budget requests $15.8 billion for the Office of Housing, which is $1 billion more than the enacted level for 2021.8

<table>
<thead>
<tr>
<th>Budget Authority, Housing Programs</th>
<th>2020 Enacted</th>
<th>2021 Enacted</th>
<th>2022 President’s Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Programs</td>
<td>$186</td>
<td>$208</td>
<td>$264</td>
</tr>
<tr>
<td>Green and Resilient Retrofit</td>
<td>$0</td>
<td>$0</td>
<td>$250</td>
</tr>
<tr>
<td>Program</td>
<td></td>
<td></td>
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<tr>
<td>Housing for Persons with Disabilities (811)</td>
<td>$202</td>
<td>$227</td>
<td>$272</td>
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<tr>
<td>Housing for the Elderly (202)</td>
<td>$793</td>
<td>$855</td>
<td>$928</td>
</tr>
<tr>
<td>Project-Based Rental Assistance</td>
<td>$12,570</td>
<td>$13,465</td>
<td>$14,060</td>
</tr>
</tbody>
</table>

Providing $15.3 billion to help America’s most vulnerable obtain decent, safe, and affordable housing.

The Budget requests $15.3 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 provides over 1.3 million low-income households and vulnerable populations with rental assistance, as well as funding the construction of 2,000 additional Section 202 and Section 811 units, giving the Nation’s most vulnerable populations access to safe and affordable rental homes.

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8 In the “Budget Authority, Housing Programs” chart, "Other Programs" includes the following programs: MMI Contract Expenses, expansion of the Good Neighbor Next Door Program, Manufactured Housing (including Manufactured Housing Fee Collections), and Housing Counseling Assistance.
PROJECT-BASED RENTAL ASSISTANCE (PBRA)

The Budget requests $14.1 billion for Project-Based Rental Assistance (PBRA), which is $595 million more than the enacted level for 2021. The PBRA program provides over 1.2 million low-income and very low-income families with decent, safe, and affordable housing. Without this assistance, many currently affordable properties would either convert to market rates or would be unable to generate enough rental income to be maintained in good condition. PBRA supports safe and affordable rental homes for some of the Nation’s most vulnerable populations. Approximately 50 percent of assisted households in the PBRA program are headed by elderly persons, 16 percent by non-elderly persons with disabilities, and 24 percent by females with children.

HOUSING FOR THE ELDERLY (SECTION 202)

The Budget requests $928 million, which is $73 million more than the enacted level for 2021, for the Section 202 Supportive Housing for Very Low-Income Elderly. The Section 202 program supports nonprofit entities in building and operating affordable housing for approximately 115,000 very low-income elderly tenants. Housing through Section 202 provides seniors with options that allow them to live independently and in an environment that provides connection to supportive services such as cleaning, cooking, and transportation. Section 202 will be particularly important in ensuring housing for very low-income elderly individuals that have been adversely impacted by the COVID-19 pandemic. The Budget includes $100 million for Capital Advances to increase the supply of affordable housing for seniors by approximately 1,100 units.

HOUSING FOR PERSONS WITH DISABILITIES (SECTION 811)

The Budget requests $272 million, which is $45 million more than the enacted level for 2021. The Section 811 Supportive Housing for Persons with Disabilities program provides project-based rental assistance to very low- and extremely low-income persons with disabilities to live independently in integrated housing settings with community-based support and services. Funding will provide rental assistance for approximately 31,000 existing units. Funding will also expand the supply of affordable housing for this population by approximately 900 units through $80 million in Capital Advances and Project Rental Assistance to State Housing Finance Agencies (HFAs).

Other Highlights

- **Climate Resilience and Energy Efficiency**: The Budget requests $250 million for the new Green and Resilient Retrofit Program. This funding enables owners of Multifamily-assisted properties to rehabilitate approximately 15,000 units to be more energy efficient, healthier, and more resilient to extreme weather events. This increased investment will improve the existing affordable housing available to many low- and extremely low-income families, often from marginalized communities.

- **Housing Counseling Assistance**: The Budget requests $85.9 million, which is $8.4 million more than the enacted level for 2021. Funding at this level will allow the HUD-approved network of certified counselors and HUD-approved Housing Counseling agencies to serve a projected 1,165,950 clients. Many of these clients are traditionally from marginalized, rural, underserved, and tribal communities that have been most negatively impacted by COVID-19. Funding will also provide grants to maintain and expand the availability of housing counseling services supporting rental counseling and rental eviction prevention which will be critical to the Nation’s recovery from COVID-19.
• **Federal Housing Administration (FHA):** The Budget requests $400 billion in loan guarantee commitment authority to provide mortgage insurance for single-family loans under the Mutual Mortgage Insurance (MMI) Fund. It also requests $30 billion in loan guarantee commitment authority under the General and Special Risk Insurance (GI/SRI) Fund to insure mortgages for multifamily housing, residential healthcare facilities and acute care hospitals, and Title I properties. In addition, it requests $30 million for a temporary expansion of the Good Neighbor Next Door (GNND) Program, and the new Home Equity Accelerator Loan (HEAL) Pilot. The GNND program enables law enforcement officers, teachers, firefighters, and emergency medical technicians to purchase HUD-owned homes at a discount. The HEAL Pilot will test new loan products to lower barriers to homeownership for first-generation and/or low-wealth first-time homebuyers. These programs will assist FHA in equitably strengthening communities by providing affordable housing to people that serve those neighborhoods and expanding access to credit.

• **Salaries & Expenses:** The Budget requests $452.3 million for Office of Housing S&E. In combination with carryover of 2021 funding, the Budget supports 2,595 full-time equivalents, including FHA personnel. This funding will ensure that the Office of Housing has the right number of qualified and trained individuals to maintain existing programs and support new efforts to provide COVID-19 financial relief to the Nation’s homeowners and renters, reduce the homeownership gap, and expand the availability of affordable homes.
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. CPD seeks to encourage empowerment of local residents by helping to give them a voice in the future of their neighborhoods, stimulate the creation of community-based organizations, and enhance the management skills of existing organizations so they can achieve greater production capacity. Housing and community development are not viewed as separate programs, but rather as among the myriad elements that make up a comprehensive vision of community development. These groups are at the heart of a bottom-up housing and community development strategy.

The 2022 President’s Budget requests $9.6 billion for CPD, which is $1.3 billion more than the enacted level for 2021.

<table>
<thead>
<tr>
<th>Budget Authority, Community Planning and Development Programs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Dollars (in Millions)</strong></td>
</tr>
<tr>
<td>2020 Enacted</td>
</tr>
<tr>
<td>-------------</td>
</tr>
<tr>
<td>Self-Help and Assisted Homeownership Opportunity Program</td>
</tr>
<tr>
<td>HOME Investment Partnerships</td>
</tr>
<tr>
<td>Community Development Fund</td>
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<tr>
<td>Housing Opportunities for Persons with AIDS</td>
</tr>
<tr>
<td>Homeless Assistance Grants</td>
</tr>
</tbody>
</table>

Providing $9.6 billion to create greater access for individuals and families to safe and decent housing, necessary services, and economic opportunity within communities.

**HOMELESS ASSISTANCE GRANTS**

The Budget requests $3.5 billion for Homeless Assistance Grants (HAG), which is $500 million more than the enacted level in 2021. 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 evidence-based housing and services interventions, including rapid re-housing and permanent supportive housing.

HAG funds have been a critical resource to addressing the threat of COVID-19 to people experiencing homelessness. These efforts have demonstrated the importance of coordinating with key partners, especially in the mainstream housing and healthcare sectors. These
partnerships will be more important than ever to address rising number of people experiencing unsheltered homelessness. Through HAG funding, HUD is implementing best practices to guide people from homelessness to stability and dignity.

The Budget includes:

- $3.1 billion to renew grants under the Continuum of Care Program, which will allow HUD to continue to serve over 750,000 people experiencing homelessness each year;
- At least $52 million for grants that provide critical housing and services to survivors of domestic violence, dating violence, sexual assault, or stalking;
- $316 million for new Continuum of Care Program grants that will allow communities to leverage mainstream housing and healthcare resources to reduce homelessness, especially unsheltered homelessness;
- Not less than $82 million for Youth Homelessness Demonstration Program, which will support additional communities to develop a comprehensive and collaborative approach to address youth homelessness;
- $290 million for the Emergency Solutions Grants Program, which supports homelessness prevention, emergency shelters, and other services; and
- $7 million for Homeless Management Information System (HMIS) Technical Assistance through the National Homeless Data Analysis Project.

COMMUNITY DEVELOPMENT FUND

The Budget requests $3.8 billion for the Community Development Fund, which is $295 million more than the 2021 enacted level. The Community Development Block Grant (CDBG) Entitlement and Non-Entitlement Programs account for $3.4 billion requested, with the $295 million increase going toward targeted revitalization activities in historically underserved communities and neighborhoods.

CDBG funding is often used in association with other HUD grants for projects that further the Administration’s policy priorities. In 2020 alone, the CDBG program: served 53,000 families through providing direct homeownership assistance and funding for the rehabilitation of homes; provided benefits to nearly 129,000 people through improvements to homeless facilities; assisted 1.8 million people through public improvements; and helped more than 15,600 individuals find permanent employment or keep the full-time jobs they were at risk of losing. Funding also assisted more than 3.5 million people, providing operating costs of homeless and HIV/AIDS patients programs, senior services, food banks, services for the disabled, and general health or mental health services.

The Budget also proposes $295 million that will advance the Administration’s priority of redressing the history of the Federal Government systematically declining to invest in communities of color and low-income neighborhoods and preventing residents of those communities from access to high-quality housing, jobs, public transit, and other resources. This CDBG increase would provide additional funds via formula to grantees that opt-in and agree to use the funds for more geographically targeted, potentially transformational activities that address Administration priorities related to promoting equity and economic recovery. In addition to the benefits to the targeted areas, participating grantees can use the lessons learned to influence investment decisions for their other CDBG and local funds. HUD will share successful models nationally, with the expectation of advancing local community development practice across the entire CDBG portfolio.
The 2022 President’s Budget’s requests $1.9 billion for the HOME Investment Partnerships Program (HOME), which is $500 million more than the 2021 enacted level. HOME funds at the requested funding level will strengthen and broaden the Federal housing safety net for people in need by providing an estimated 35,000 units of safe, decent, and affordable housing to very low-income and low-income households and assisting an estimated 14,000 households with tenant-based rental assistance over time.

The HOME Investment Partnerships Program Budget includes a new $100 million set-aside for a FirstHOME Downpayment Assistance initiative. It aims to support sustainable homeownership among first-generation and/or low-wealth first-time homebuyers while piloting programmatic flexibilities and innovations in subsidy delivery. The funding, which would go to States and insular areas, would help households with one of the most significant obstacles to homeownership – the required downpayment. The home equity established at time of purchase reduces the likelihood of default and foreclosure, creating stability for both the household and the community.

Other Highlights

- **Housing Opportunities for Persons with AIDS (HOPWA):** The Budget requests $450 million for HOPWA, which is $20 million more than the 2021 enacted level. HOPWA provides stable and permanent housing assistance and supportive services to low-income persons living with HIV/AIDS, who may face barriers to stable housing. With this level of funding, HUD estimates that communities will be able to provide access to affordable housing and sustain housing stability for approximately 56 thousand economically vulnerable households living with HIV infection.

- **Self-Help and Assisted Homeownership Opportunity Program (SHOP):** The Budget requests $60 million for the Self-Help and Assisted Homeownership Opportunity Program (SHOP). Included in this amount:
  - The Section 4 Capacity Building for Community Development and Affordable Housing Program and the Rural Capacity Building Program provide grants for enhancing the capacity of local organizations to provide affordable housing and community development activities that benefit low- and moderate-income families and persons.
  - SHOP also awards grant funds to eligible non-profit organizations and consortia to purchase home sites and develop or improve the infrastructure needed to for sweat equity and volunteer-based homeownership programs for low-income individuals and families.
  - The Veterans Housing Rehabilitation and Modification Pilot Program provides grants to nonprofit organizations that may be used to modify or rehabilitate eligible veterans’ primary residences or to provide grantees’ affiliates with training support in connection with those services.
• **Salaries & Expenses:** The Budget requests $146.6 million for CPD S&E. In combination with carryover of 2021 funding, the Budget supports 877 full-time equivalents. The requested FTE increase will allow CPD to better manage its core workload relating to grant administration, homeless assistance, disaster management and recovery and COVID-19 pandemic response (e.g., American Rescue Plan).
The Office of Fair Housing and Equal Opportunity (FHEO) fights housing discrimination, promotes economic opportunity, and strives to achieve diverse, inclusive communities that are free from discrimination. It leads the Nation in the enforcement, administration, development, and public understanding of Federal fair housing and civil rights laws and policies. These laws protect people from discrimination based on race, color, religion, sex (including sexual orientation and gender identity), national origin, age, disability, and familial status, and provide remedies for victims of discrimination. In addition, FHEO ensures HUD’s Federally-conducted programs and grantees that receive HUD funding comply with Federal fair housing and civil rights laws and requirements. FHEO responsibilities include:

- Investigating fair housing, fair lending, and civil rights complaints from the public;
- Ensuring civil rights compliance in HUD’s Federally-conducted and assisted programs;
- Administering a program that provides funding, support and oversight to States and local agencies enforcing substantially equivalent fair housing laws;
- Increasing public awareness of housing and community development-related civil rights;
- Awarding and monitoring competitive grants to fair housing organizations; and
- Advancing environmental justice and enhancing economic opportunity for low-income populations.

The 2022 President's Budget requests $85 million for fair housing programs, which is $12 million more than the enacted level for 2021.

Providing $85 million to advance housing equity and fight housing discrimination.

**FAIR HOUSING INITIATIVES PROGRAM (FHIP)**

The Budget requests $56 million for FHIP, an increase of $9.7 million from the 2021 enacted level, which will provide support for fair housing enforcement and education and outreach activities conducted by approximately 145 private fair housing organizations. FHIP provides
funding to eligible organizations under three initiatives: the Private Enforcement Initiative, the Fair Housing Organization Initiative, and the Education and Outreach Initiative. Additionally, FHIP funds are awarded for the Fair Housing Accessibility FIRST program that addresses fair housing design and construction matters.

**FAIR HOUSING ASSISTANCE PROGRAM (FHAP)**
The Budget requests $25 million for FHAP, $600 thousand more than the 2021 enacted level, which provides funds for State and local civil rights enforcement agencies that administer fair housing laws. These laws 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.

**NATIONAL FAIR HOUSING TRAINING ACADEMY (NFHTA)**
The Budget requests $3 million for NFHTA, which is $1.5 million more than the 2021 enacted level. This will allow NFHTA to expand beyond its current foundational courses and offerings to offer intermediate and advanced trainings on emerging issues of national importance. Increased investment in NFHTA means increased investment in fair housing practitioners’ knowledge, skills, and capacity to ensure equal access and fair housing opportunities for all.

**LIMITED ENGLISH PROFICIENCY INITIATIVE (LEPI)**
The Budget requests $1 million for LEPI, an increase of $650 thousand over the 2021 enacted level. This will allow LEPI to expand language assistance services, provide targeted customer-centric outreach materials in multiple languages, and expand community-focused outreach efforts. This funding furthers HUD’s commitment to maintain accessibility of HUD housing, services, programs, and activities to LEP individuals.

**Other Highlights**
- **Salaries & Expenses:** The Budget requests $93.1 million for FHEO S&E. In combination with carryover of 2021 funding, the Budget supports 624 full-time equivalents.
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 and nonprofit organizations to develop and implement cost-effective ways to reduce lead-based paint and other housing-related health and safety hazards in homes of low-income families. In addition, OLHCHH enforces HUD’s lead-based paint regulations, provides public outreach and technical assistance on issues regarding housing and health, and conducts technical studies to develop and evaluate cost-effective methods to protect children and their families from health and safety hazards in the home.

The 2022 President's Budget requests $400 million for OLHCHH, which is $40 million more than the enacted level in 2021.

Removing dangerous hazards from homes with $400 million in grants and technical development.9

Every family deserves a safe and healthy home. The Budget will reduce lead-based paint, carbon monoxide, and radon, promoting climate resilience and environmental justice resulting in safer and healthier homes.

9 The Budget includes $400 million within the Lead Hazard Control account. An additional $25 million related to lead-based paint, and $25 million related to housing-related health and safety hazards is also requested in PIH's budget for public housing, producing a total of $450 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 26 million homes (44 percent of the homes built before 1978) having significant lead-based paint hazards.10

The Budget requests $305 million in funding for the OLHCHH’s two main programs, Lead-Based Paint Hazard Control and Lead Hazard Reduction Demonstration grant programs, which is $20 million more than the enacted level for 2021. The programs share the same goal to make privately owned low-income unassisted older 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. In rigorous evaluations, HUD has determined that these programs reduce children’s blood lead levels and that the hazard controls are effective in the long term.11,12

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 $85 million for Healthy Homes Grants and Support, which is $25 million more than the enacted level for 2021. 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 $32 million for the Healthy Homes Production Grant Program to identify and correct housing-related health and safety hazards besides lead-based paint in another 7,000 homes.

The remaining $25 million of the Healthy Homes funding includes:

- $10 million in grants to make safety and functional repairs and renovations of the homes of low-income elderly homeowners to help them remain in their primary residence;
- $5 million in grants to demonstrate whether the coordination of Healthy Homes remediation and weatherization activities achieves cost savings and better outcomes; and
- $5 million in grants and $5 million in contracts, both 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

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10 As determined by OLHCHH’s American Healthy Homes Survey II (2021).
interventions, and provide technical support and training, grant management and evaluation tools.

Other Highlights

- **Radon Testing and Mitigation Resident Safety Demonstration:** The Budget requests $5 million for grants for radon testing and mitigation in public housing units with levels at or above the Environmental Protection Agency (EPA)'s radon action level in areas identified by the EPA or a State or local government as having high potential for elevated indoor radon levels.\(^{13}\)

- **Salaries & Expenses:** The Budget requests $11.1 million for OLHCHH S&E, to support the expansion of the Office’s programs described above. In combination with carryover of 2021 funding, the Budget supports 60 full-time equivalents.

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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.

Chartered as a government corporation within HUD, Ginnie Mae is the only Federal agency tasked with the administration and oversight of an explicit full faith and credit guarantee on mortgage-backed securities (MBS). The Ginnie Mae guarantee (i.e., the timely payment of principal and interest to MBS investors) enables mortgage lenders to obtain a better price for their mortgage loans in the secondary mortgage market. Lenders can then use the proceeds to make new mortgage loans to first-time homebuyers, veterans, rural homeowners, low-to moderate-income borrowers and others who qualify for support under Federal mortgage programs. This increases liquidity in the housing finance system, which in turn leads to lower financing costs, increasing access to affordable and sustainable housing and homeownership for borrowers who use the Federal housing finance programs administered by HUD, the Department of Veterans Affairs, and the Department of Agriculture.

The 2022 President’s Budget requests $900 billion in commitment authority for Ginnie Mae, which is $400 billion lower than the 2021 enacted level.

MEETING INCREASED DEMAND AND RESPONDING TO THE COVID-19 PANDEMIC
Over the last several years, Ginnie Mae has seen steady demand for its MBS issuances. Driven largely by the decline in interest rates and the resulting increase in refinance activity, Ginnie Mae experienced record growth in 2020 with more than $749 billion in MBS issuances (nearly 50 percent more than the previous highpoint of $505 billion set in 2017). The Budget projects a lower but historically elevated MBS issuance level of $616 billion in 2022.

![Ginnie Mae Production Chart]

<table>
<thead>
<tr>
<th>Year</th>
<th>Commitment Authority Sales</th>
<th>MBS Issuances</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$530</td>
<td>$505</td>
</tr>
<tr>
<td>2018</td>
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<td>2019</td>
<td>$456</td>
<td>$452</td>
</tr>
<tr>
<td>2020</td>
<td>$587</td>
<td>$749</td>
</tr>
</tbody>
</table>
Largely as a result of the record low interest rates brought on by the COVID-19 pandemic, Ginnie Mae and its insuring and guaranteeing partners financed homeownership for more than 900,000 first-time homebuyers.

### Total First-Time Homebuyers

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
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<tr>
<td>Homes</td>
<td>975,340</td>
<td>915,072</td>
<td>888,457</td>
<td>965,115</td>
</tr>
</tbody>
</table>

**Digital Collateral Initiative**

While navigating unprecedented economic times during the pandemic, Ginnie Mae accelerated steps toward the development, implementation, and acceptance of loan instruments that exist only in electronic form (“digital collateral”), an essential program evolution to continue meeting the needs of an innovative government loan market. The release of this important long-term customer initiative increased the speed and security of MBS issuances without additional risk to taxpayers. This was a milestone effort to build on previous work in mortgage digitalization and bring the government sphere to an equal footing with conventional MBS. As a result, Ginnie Mae achieved greater momentum in its wide-ranging drive to use technology to reduce costs, decrease risks, and provide a better borrower experience.

**Other Highlights**

- **Salaries & Expenses**: The Budget requests $40.4 million in spending authority from offsetting collections ($181 million) for Ginnie Mae S&E. In combination with carryover of 2021 funding, the Budget supports 214 full-time equivalents.
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 the 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 2022 President’s Budget requests $145 million for Research and Technology (R&T), $40 million more than the enacted level for 2021. These funds will provide objective evidence to support policy and program outcomes in the areas below.

Providing $145 million towards advancing research and technical assistance to support decision-making for both HUD and its stakeholders.

**CORE RESEARCH AND TECHNOLOGY (CORE R&T)**

The Budget requests $65 million for Core R&T, which is $6 million more than the enacted level for 2021. 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 $30 million, which is $16.9 million more than the enacted level for 2021. 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.

Eviction Prevention Demonstration: In 2022, PD&R will continue to execute the $20 million first included in the 2021 Consolidated Appropriations Act for a competitive grant program to fund nonprofit or governmental entities to provide legal assistance at no cost to eligible low-income tenants at risk of or subject to eviction. The grants will support legal services for tenants experiencing eviction as well as other eviction-related services for tenants who are at risk of eviction but not yet subject to it. PD&R staff will continue to provide grants management and oversight to ensure the funds prioritize outreach and assistance to eligible low-income tenants in historically underserved populations -- including residents of areas where low-income tenants are at high risk of eviction, residents of rural areas, and to people with limited English proficiency. PD&R will conduct an evaluation to assess the implementation of the program and to learn more about how legal services and housing services can work together to help tenants avoid eviction altogether or avoid the most harmful effects of eviction.

Climate Research: The Budget includes $5 million for PD&R to fund research in climate adaptation and resilience in coordination with the new Advanced Research Projects Agency for Climate (ARPA-C) at the Department of Energy. The ARPA-C model of high-risk, accelerated research is uniquely meant to conduct R&D that, if successful, results in transformational technology advancements.

TECHNICAL ASSISTANCE
The Budget requests $50 million for technical assistance, which is $17.2 million more than the enacted level for 2021. This funding ensures that HUD’s partners receive the guidance, tools, and knowledge needed to implement programs and respond to the challenges of housing and community development practice.

Other Highlights
- **Salaries & Expenses**: The Budget requests $35.5 million for PD&R S&E. In combination with carryover of 2021 funding, the Budget supports 177 full-time equivalents. This includes an increase of 12 FTEs from 2021 to support the 33 percent increase to R&T.
Management and Administration

HUD has outgrown its operational infrastructure related to people, processes, and technology. The 2022 President's Budget proposes strategically investing in staffing, financial transformation, and IT modernization to best manage and reduce risks associated with this growth. The Budget requests $1.7 billion for S&E, $189 million above the 2021 enacted level.\textsuperscript{14,15} In combination with carryover of 2021 funding, the Budget will support 8,186 full-time equivalents (FTEs).\textsuperscript{16,17}

![Bar chart showing Salaries and Expenses (in Millions) for 2020 Actual, 2021 Enacted, and 2022 President's Budget]

**STAFFING AND RISK**

HUD experienced a decline in staffing of approximately 20 percent during the period 2012 through 2019. This decline significantly eroded HUD's ability to monitor compliance on properties, loans, grants, public housing authorities, and other areas of responsibility, as well as greatly 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.

The Enterprise Risk Management program has provided a line of sight and revealed trending and emerging risks. These risks reveal agency-wide exposures that could prevent the agency from accomplishing its mission, vision, and program outcomes. In particular, the declining staffing numbers over the last two decades, if allowed to continue, will place the Department in

\textsuperscript{14} The 2022 President's Budget realigned $11.8 million from the Information Technology (IT) Fund to support End-user IT Devices and wireless support paid via the Working Capital Fund. Adding this $11.8 million to the 2022 base results in the net increase of $189 million year over year. For this calculation, the 2021 and 2022 Budget levels include funding for Ginnie Mae (two-year funding only) but exclude Office of Inspector General.

\textsuperscript{15} Including Ginnie Mae; excluding Office of Inspector General.

\textsuperscript{16} Including Ginnie Mae; excluding Office of Inspector General.

\textsuperscript{17} 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).
an increasingly vulnerable position for managing programmatic and operational responsibilities and will further compromise readiness for disaster recoveries.

To begin addressing these risks and mission degradation, HUD began a focused effort beginning in 2019 to prioritize the Department’s S&E budget and reverse the decade long decline in staffing. As a result of these efforts, 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 Department significantly built on this success in 2020 by increasing its staffing by approximately 180 FTEs, an almost three percent gain from 2019 levels. HUD continues to focus on staffing in 2021 and projects to end the fiscal year with just under a six percent increase over 2020 staffing levels.

In 2022, HUD’s requested funding levels will support the gains made in 2020 and projected for 2021 and provide for continued increases in staffing. These staffing increases will allow the Department to better and more efficiently serve households and communities across the country. 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 2022 President's Budget requests $323.2 million for the Information Technology (IT) Fund, which is $23.2 million more than the enacted level for 2021. This funding level provides $25 million to modernize FHA single-family systems and $20 million to modernize Public and Indian Housing systems. The IT funding level also excludes end-user IT devices and wireless support, and the associated amount ($11.8 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. These new capabilities and technologies will strengthen and modernize mission programs and enterprise support functions. This includes $25 million to complete the original scope of the multi-year Single-Family Housing (SFH) FHA Catalyst initiative – to leverage its platform to meet other SFH requirements and to begin to modernize the Multi-Family Housing program. The Budget also includes $20 million to complete the planned modernization effort for PIH.
Investing in HUD’s IT systems enables HUD to strengthen business processes and financial management, while leveraging technology to make a positive impact for its stakeholders. 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, allowing 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 efficiency. In 2022, the WCF proposes to expand its services by offering End-user Information Technology Devices and Wireless Support. By moving End-user IT Devices and Wireless Support into the WCF, this business line will be more efficient and effective in the delivery of services. It will:

- **Incentivize Program Offices:** Delivery of these services in a WCF model incentivizes program offices to utilize WCF services efficiently by aligning service costs with service usage.
- **Promote Consistent IT Modernization:** By providing these services through the WCF, HUD will promote regular, routine employee device refreshes that improve efficiency and decrease risk by using up to date technology.
- **Increase Transparency:** Finally, delivery of these services under the WCF model will drive transparency into the operation and management of the End-user IT Devices and Wireless Support service lines and into the overall costs to administer these services.
Office of Inspector General

The Office of Inspector General (OIG) for HUD is an independent and objective organization, conducting and supervising audits, evaluations, investigations, and reviews relating to the Department’s programs and operations. The OIG promotes economy, efficiency, and effectiveness in these programs and operations while also preventing and detecting fraud, abuse, and mismanagement. The OIG works to ensure that its resources and activities encompass the issues and concerns most critical to the Department.

The 2022 President’s Budget requests $147 million for the OIG, which is $9.8 million more than the enacted level for 2021.

OVERSIGHT PRIORITIES AND ORGANIZATIONAL INITIATIVES

The OIG has continued to implement a robust oversight planning process that identifies the most pressing needs of the Department and immediate program vulnerabilities that could jeopardize HUD’s success. Focusing the work of the OIG in these areas enables the OIG to partner with the Department in achieving the Administration’s priorities.

To deliver the critical and necessary oversight in the most vital areas of HUD operations, the OIG is undertaking an array of initiatives that will improve organizational effectiveness. These include:

- Proposing to realign the Planning, Performance, Risk Management & Engagement Division (PPRIME) within the Office of Evaluation to create the office of the Chief Strategy Officer (CSO) within the Immediate Office of the Inspector General to assist the IG with developing and executing strategic plans and initiatives, centralize oversight strategy, manage OIG organizational risk, and increase OIG quality assurance.

- Increased utilization of analytics to improve organizational strategy and the identification of emerging threats to the Department. Effectively leveraging this information can save valuable time, resources, and help the organization focus on the most important investigations, audits, evaluations, and reviews.

CONSULTING SERVICES AND TECHNOLOGY REQUIREMENTS

The OIG is requesting additional funding to support small inflationary increases and investment in specific organizational needs, including:

- An investment of $500,000 for expanded use of expert consulting and legal services to educate and advise OIG staff to enhance oversight of HUD’s housing finance and mortgage insurance programs. This support will supplement the current legal and program oversight staff in such a way that is more cost effective than hiring full-time government personnel with this experience.

- Increased IT network costs of $1 million, associated with achieving Trusted Internet Connect (TIC) compliance. TIC secure networks will improve the OIG’s information security posture, ensuring constant network monitoring against external threats and bring the OIG into compliance with OMB mandates.

HUD CONSOLIDATED FINANCIAL STATEMENT AUDIT

As of December 2020, the OIG has awarded two contracts that in aggregate provide for the full outsourcing of the financial statement audit, including GNMA, FHA, and the HUD consolidated portion. Assuming contract performance continues to meet predefined metrics and the 2021
audit is completed successfully, the OIG expects to exercise the optional renewal of both contracts in December 2021 (FHA / HUD Consolidated) and March 2022 (GNMA). The total cost for these renewals in 2022 is $5.7 million.

Other Highlights

- **Salaries & Expenses**: The 2022 Budget requests 10 additional FTEs, for a total of 535 FTEs, and funding to support inflationary costs associated with the current OIG staffing base, increased oversight in priority areas, and improving IT infrastructure.