FISCAL YEAR 2021
ANNUAL PERFORMANCE REPORT
U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT

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About This Report

The Fiscal Year (FY) 2021 Annual Performance Report (APR) for the U.S. Department of Housing and Urban Development (hereinafter, "HUD," or "the Department") provides detailed performance-related information to the President, the Congress, and the American people. This report allows readers to identify HUD's FY 2021 performance targets, relative to HUD's priorities and stewardship of public resources. This plan consists of several sections:

Agency Organization and Performance Reporting

The Agency Organization and Performance Reporting section provides a broad overview of HUD as a Department and its business and describes HUD's organizational structure, scope of responsibilities, and management agenda.

Priorities, Performance Indicators, and Cross-Agency Priority (CAP) Goals[1]

The second section is organized by HUD's five priorities as defined in the FY 2022 Annual Performance Plan (APP) and provides accountability for the priorities established in the FY 2022 APP.[2] The Department's FY 2021 priorities were aligned to HUD's FY 2022 Budget request and were intended to reflect the outcome or management impact the Department aimed to achieve during the period of performance. HUD tracked each priority annually through a specific set of performance indicators. For each priority that HUD monitored in FY 2021, HUD has included associated performance indicators that track HUD's progress.

Performance indicators have targets and are how HUD tracks its progress. For some performance indicators, HUD is still gathering data to establish baselines and preparing to set targets in future years. These metrics are indicated with the phrase "to be determined," abbreviated "TBD" in the tables. A third category of indicators, marked as "Tracking Only," provide information about program operations or external conditions but will not have targets. For these indicators, targets would be difficult to establish, would not provide meaningful indications of agency performance expectations, or could create unintended incentives for program staff and HUD's partners.

Some of the data published in the FY 2022 APP has been included in this report and modified by HUD. Information regarding changes to previously published indicators is in the footnotes of this report. Although HUD strives to maintain consistency from year to year, the Department will continue to scrutinize the effectiveness of its metrics and make changes when areas for improvement are identified.

Additional Information

The third section of the document includes required supporting information, including a description of HUD's data-driven management review process, a summary of both completed and upcoming evaluations and research to inform progress on HUD's strategic priorities, and a section on data validation and verification.

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[1] CAP Goals are a subset of Presidential priorities that drive cross-government collaboration to tackle government-wide management challenges affecting most agencies. Alignment of HUD's strategic goals with CAP Goals will be defined in HUD's FY 2022-2026 Strategic Plan.

[2] The FY 2021 Annual Performance Report will be the last performance report based upon the FY 2018-2022 Strategic Plan framework and serves to close out this performance period. HUD has developed the FY 2022-2026 Strategic Plan, and will begin reporting against new strategic objectives, indicators, and milestones in the FY 2023 APP.

Section One: Agency Organization and Performance Reporting

Message from Secretary Fudge

I am pleased to present the Fiscal Year 2021 Annual Performance Report (FY 2021 APR) for the U.S. Department of Housing and Urban Development. The FY 2021 APR documents the progress we have made on the goals and objectives that drive HUD's mission.

The United States has been grappling with a longstanding crisis in affordable housing. Nearly 11 million Americans spent more than half of their incomes on rent in 2018; more than 580,000 people were experiencing homelessness on any given night at the time of the most recent Point-in-Time (PIT) count; and the Black-White homeownership gap is wider than in 1968, when banks could legally discriminate against borrowers because of their race. The FY 2021 APR speaks to HUD's bold action to expand housing opportunity in America.

We have delivered relief to renters and homeowners who have fallen behind on their housing payments during the pandemic—and helped struggling small landlords, who provide a vital source of affordable housing in many of our cities. HUD has continued to advance partnerships at the local, state, Tribal, and Federal levels to put our country on the path toward ending homelessness. In the face of climate change, we are giving communities the resources they need to recover from extreme weather events and natural disasters, which highlight the need for equitable access to resilient and sustainable housing.

This report discusses our efforts to meet HUD's core responsibilities. These include our work to provide housing and supportive services to Americans experiencing homelessness; increase our Nation's supply of affordable rental housing; spark sustainable economic development in communities across our Nation; root out systemic racism from our housing market; and help more hardworking Americans realize their dream of homeownership.

At HUD, we understand that a hazard-free and healthy home in a thriving community can increase access to better academic and professional opportunities and more affordable transportation options. We are committed to ensuring affordable, sustainable housing and building stronger communities for everyone.

I am proud to join all the outstanding public servants at HUD who work each day to provide every American with the chance to live with security, with dignity, and with hope.

Sincerely,

Marcia L. Fudge

MARCIA L. FUDGE,
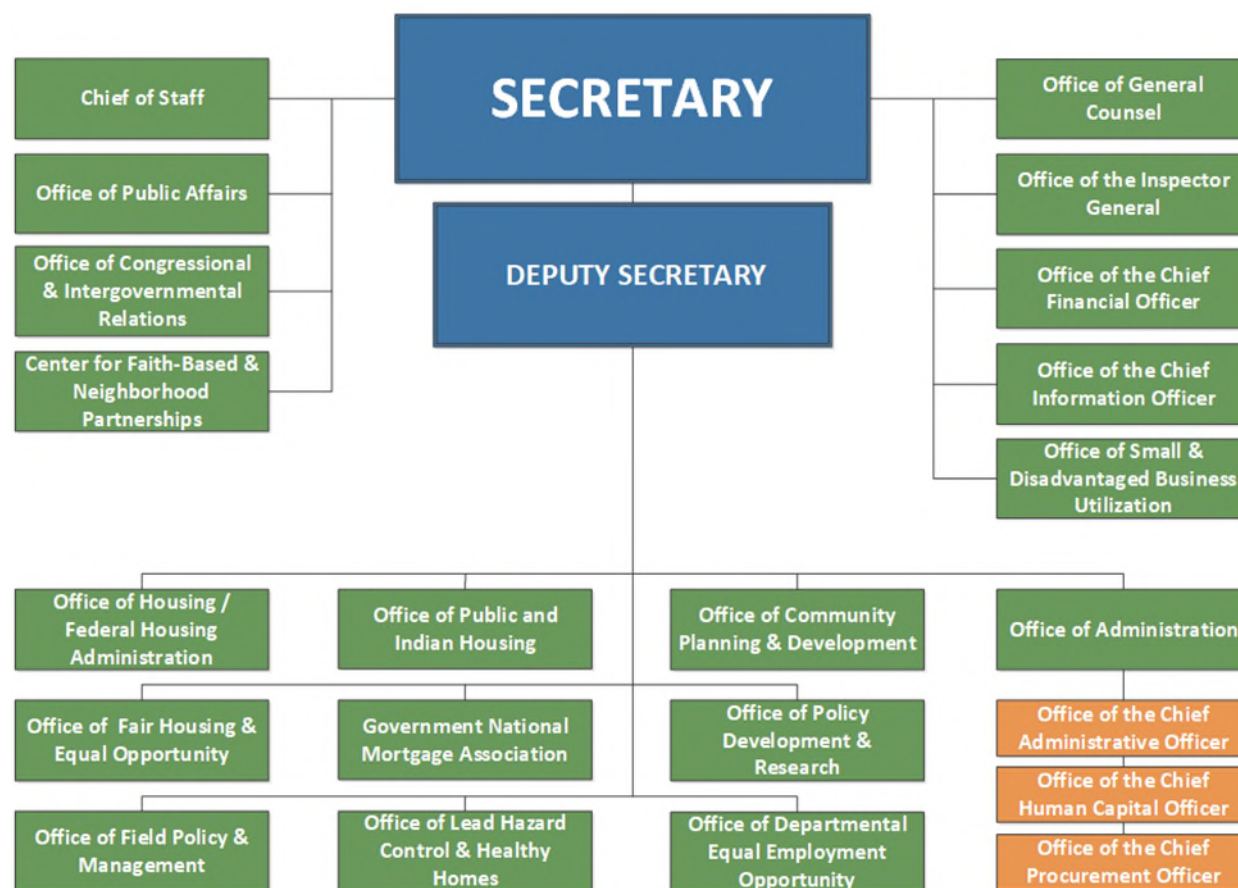*Secretary, U.S. Department of Housing and Urban Development*

Introduction

The Fiscal Year (FY) 2021 Annual Performance Report (APR) for the U.S. Department of Housing and Urban Development documents achievements with respect to the Department's FY 2021 performance targets and any revisions to the goals since their publication in the FY 2022 Annual Performance Plan, which covers the agency's goals for FY 2022. In addition, this report specifically highlights the Department's responses to the President's Executive Orders (EOs) on advancing equity (EO 13985) and addressing climate change (EO 14008). HUD's continued response to the Coronavirus Disease 2019 pandemic and the Department's management of the American Rescue Plan and the Coronavirus Aid, Relief, and Economic Security Act funding are also highlighted in this plan. This plan reflects HUD's continuing commitment to inform the American people, Congress, its partners, and its employees about the mission and work the Department seeks to accomplish.

HUD's mission is to create strong, sustainable, inclusive communities and quality affordable homes for all. HUD is working to strengthen the housing market to bolster the economy and protect consumers; meet the need for quality affordable rental homes; utilize housing as a platform for improving quality of life; build inclusive and sustainable communities free from discrimination; and transform the way HUD does business.

The President's FY 2023 Budget will identify additional supporting program activities and initiatives, as required under the Government Performance and Results Modernization Act, 31 U.S.C. § 1115(b)(10). The public will be able to access the volume at: https://www.gpo.gov/fdsys/browse/collectionGPO.action?collectionCode=BUDGET.

Departmental Structure

SECRETARY

DEPUTY SECRETARY

Chief of Staff

Office of Public Affairs

Office of Congressional & Intergovernmental Relations

Center for Faith-Based & Neighborhood Partnerships

Office of General Counsel

Office of the Inspector General

Office of the Chief Financial Officer

Office of the Chief Information Officer

Office of Small & Disadvantaged Business Utilization

Office of Housing / Federal Housing Administration

Office of Public and Indian Housing

Office of Community Planning & Development

Office of Administration

Office of Fair Housing & Equal Opportunity

Government National Mortgage Association

Office of Policy Development & Research

Office of the Chief Administrative Officer

Office of the Chief Human Capital Officer

Office of Field Policy & Management

Office of Lead Hazard Control & Healthy Homes

Office of Departmental Equal Employment Opportunity

Office of the Chief Procurement Officer

HUD, a Cabinet-level department created in 1965, is responsible for National policy and programs that address America's housing needs, improve, and develop the Nation's communities, and enforce fair housing laws. It accomplishes its mission through component organizations and offices that administer programs carried out through a network of regional and field offices and partnerships with other Federal agencies, state, Tribal, and local grantees, and for-profit, philanthropic, and nonprofit organizations of the private sector.

▶ **Learn more about HUD's major organizational units and program offices**.
▶ **Learn more about HUD's regions and field offices**.

Advance Equity

Executive Order 13985 ("Advancing Racial Equity and Support for Underserved Communities Through the Federal Government")[3] mandates that the Federal Government "pursue a comprehensive approach to advancing equity for all, including people of color and others who have been historically underserved, marginalized, and adversely affected by persistent poverty and inequality." HUD recognizes that some of its programs have historically perpetuated inequities. The absence of an equity lens throughout the Department's work has served to reinforce discrimination in the United States, stunting the economic advancement of and access to housing as a form of wealth for members of underserved communities, particularly among people of color. Given the vital importance of housing and community to well-being, and HUD's role in promoting fair housing policies, HUD has an opportunity to remove barriers and promote equity for people in communities that have been historically underserved by its programs.

HUD has launched a comprehensive effort under Secretary Fudge's leadership to embed equity within the Department's programs, policymaking, and operations. To move this work forward, HUD has created a Leadership Committee and an Equity Working Group to provide guidance on the Executive Order 13985 equity assessment and inform a longer-term equity strategy. To ensure Department-wide alignment as HUD builds out this longer-term strategy, HUD's FY 2022-2026 Strategic Plan has placed equity as an overarching priority to embed specific equity focused strategies throughout the Department's strategic goals and objectives.

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[3] https://www.federalregister.gov/d/2021-01753.

Address Climate Change

The global impact of climate change threatens the health and safety of the Nation's communities in ways that require immediate action. HUD recognizes that it plays a central role in the Federal Government's ability to meet the moment by preparing the Nation's communities to be resilient, reducing carbon emissions and energy use across housing, and delivering environmental justice for a more equitable society.

In response to the President's Executive Order (EO) 14008, "Tackling the Climate Crisis at Home and Abroad",[4] HUD is moving swiftly to address the threat of climate change through an increase in investments in both existing and new programs. HUD has also launched a cross-departmental Climate and Environmental Justice Council, with representation at the Assistant Secretary level, along with a staff-level working group, to address lasting integration of climate change and environmental justice into the Department's programs and operations.

Reducing the carbon emissions and environmental impact of HUD's approximately 4.5 million existing public and assisted housing units is critical to the Department's mitigation effort in combating climate change. HUD's most recent analysis found that its affordable housing assets produce an estimated 13.6 million metric tons of carbon emissions, and their utilities cost as much as 14 percent of the Department's total budget. Improving energy and water conservation by HUD's housing stock will greatly reduce its environmental impact. Significant investments in energy efficient and resilient retrofits of public and assisted housing will be key drivers of improving housing quality and efficiency. Also, HUD plans to implement measures to strengthen minimum codes and standards; incentivize investments in energy-efficient, high-performance building; and directly assist partners in the implementation of utility benchmarking and other proven measures in their properties, lowering energy use and reducing carbon emissions.

Increasing climate resilience in communities and properties served by HUD, as well as aiding in the rebuilding and long-term recovery of communities affected by natural disasters, are foundational features of the Department's adaptation effort in combatting climate change. Increasingly, low- and moderate-income communities are becoming more and more vulnerable to climate-related threats. Through increased investment in these areas, HUD will strengthen the future resilience of public and assisted housing against the threat of severe weather events, preserving the vital infrastructure that is the Nation's affordable housing stock. Additionally, continued partnership with and funding of grants to communities and Tribes through programs managed by the Office of Public and Indian Housing, the Office of Housing, the Office of Community Planning and Development, and the Office of Lead Hazard Control and Healthy Homes, as well as cross-governmental partnerships with the Department of Energy, will continue to yield significant benefits and long-term savings by reducing the risk posed by future climate-related events and environmental health hazards.

Climate change is not an issue to be addressed reactively; it requires foresight, resolve, and innovation. HUD is committed to playing a major role in ensuring the long-term future of the Nation's vibrant communities, cultural resources, and environmental quality. The Department is committed to the President's priority of tackling the climate crisis and to playing the essential role it has been given as directed by EO 14008. HUD's mission to create strong, sustainable, inclusive communities and quality affordable homes for all can only be achieved if HUD safeguards the planet American people call home.

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[4] https://www.federalregister.gov/d/2021-02177.

Response to the COVID-19 Pandemic

HUD continues its efforts to support communities impacted by the Coronavirus Disease 2019 (COVID-19) pandemic. The Department updated the HUD coronavirus website to better communicate COVID-19 resources HUD has available to individuals and communities impacted by the pandemic.[5] HUD also worked with the U.S. Department of Health and Human Services (HHS) to increase access to COVID-19 prevention and treatment services, including testing and vaccinations, among disproportionately affected communities, including among HUD-assisted households and people experiencing homelessness. Further, HUD and HHS expect the COVID-19 Vaccine Program will reach over 6,000 multifamily housing properties, 6,700 homeless shelters, and approximately 7,500 public housing properties across the country to help prevent and stop the spread of COVID-19.

Congress passed the American Rescue Plan (ARP) Act of 2021 (P.L. 117-2) that allocated an additional $10.77 billion in funding to the Department for housing relief. Secretary Fudge announced in April 2021 that $5 billion of the ARP funds will be used for homelessness assistance and supportive services through the HOME Investment Partnerships Program-American Rescue Plan (HOME-ARP) program. HOME-ARP funding gives local governments, states, and insular areas the flexibility to best meet the needs of vulnerable populations, through the development of affordable rental housing, tenant-based rental assistance, supportive services, and acquisition and development of non-congregate shelter units.

In addition to HOME-ARP, the Department is using ARP funds to provide:

- ▶ **Emergency housing vouchers:** The legislation provided $5 billion for emergency housing vouchers for individuals and families who are experiencing homelessness or at are risk of homelessness or are fleeing domestic violence.
- ▶ **Housing assistance and supportive services programs for Native Americans:** The legislation provided $750 million for assistance for Native Americans and Native Hawaiians, helping reduce housing-related health risks during the pandemic.
- ▶ **Funds for fair housing activities:** The legislation provided $20 million for the Fair Housing Initiatives Program to investigate fair housing complaints, strengthen enforcement, and assist those who believe they have been victims of housing discrimination.

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[5] http://www.hud.gov/coronavirus.

HUD CARES Act Compliance and Response Team

HUD was appropriated approximately $12.4 billion in FY 2020 from the Coronavirus Aid, Relief, and Economic Security (CARES) Act[6] (P.L.116-136) to help address HUD programs affected by the Coronavirus Disease 2019 (COVID-19) pandemic. This is equivalent to 22 percent of HUD's enacted appropriations for FY 2020 of $56.5 billion. As a result, the Office of the Chief Financial Officer (OCFO) established the HUD CARES Act Compliance and Response Team (HCCRT) as the Department-wide framework to ensure timely distribution of funds while following the requirements of the CARES Act. HCCRT coordinates efforts throughout the Department, providing accurate and actionable CARES Act compliance and reporting guidance to mitigate potential risks. Further, the team led HUD's CARES Act management strategy driven by three primary goals and objectives.

First, HCCRT continues to ensure funding is administered to its intended recipients by focusing on meeting deadlines, maximizing accuracy of funding programs, establishing communication, ensuring alignment and adoption of CARES Act requirements, and reporting clear and accurate information to decision-makers and oversight stakeholders.

Second, HCCRT strengthens internal controls to maximize the effectiveness of programs and manage risks of fraud, waste, and abuse. To accomplish this second goal, HCCRT provides a unified Department-wide approach to compliance for HUD and its stakeholders. It assesses HUD's internal control processes to focus on fraud, waste, and abuse. HCCRT also serves as lead when responding and monitoring actions.

Third, HCCRT enhances capabilities to ensure successful program results from the disbursement of CARES Act funding. The team works to ensure that the Department has adequate staffing dedicated to addressing additional burdens caused by the pandemic. With collaboration among OCFO, the Office of the Chief Information Officer, and HUD's program offices, HCCRT strengthens its data and Information Technology systems to enable HUD to perform the additional processing and reporting required by the CARES Act.

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[6] https://www.congress.gov/116/plaws/publ136/PLAW-116publ136.pdf.

HUD's Five Priorities

HUD's Mission

Create strong, sustainable, inclusive communities and quality affordable homes for all.

Priority 1: Strengthen and broaden the Federal housing safety net for people in need.
Increase access to safe, stable, and affordable housing for those at high risk of homelessness or housing instability.

Priority 2: Advance housing equity as a means to improving housing choices and greater economic opportunity.
Support safe and sustainable homeownership opportunity and equitable access to credit for purchase and improvements while promoting wealth-building in underrepresented communities.

Priority 3: Increase the production of and access to affordable housing.
Address the housing crisis by increasing investments in opportunities that promote production and access to affordable housing and neighborhood choice and strengthening fair housing policies and practices to build safe and resilient communities.

Priority 4: Promote climate resiliency, environmental justice, and energy efficiency across the housing sector.
Integrate climate considerations, promote innovation, and collaborate with stakeholders to continue building healthy, resilient, and energy-efficient communities.

Priority 5: Strengthen HUD's internal institutional capacity to deliver on mission.
Improve HUD's internal operations so that the Department can more effectively meet communities' housing needs.

Section Two: Priorities, Performance Indicators, and Cross-Agency Priority Goals

Priority 1: Strengthen and broaden the Federal housing safety net for people in need.

Increase access to safe, stable, and affordable housing for those at high risk of homelessness or housing instability.

LEADING THIS PRIORITY

Program Offices
Office of Community Planning and Development
Office of Housing
Office of Public and Indian Housing

2021 APR PROGRESS UPDATE[7]

During FY 2021, the Department awarded over $54.7 million in capital advance and project rental assistance grants to 15 organizations. The funds are intended to expand the supply of affordable rental housing for extremely low-income persons with a disability. The capital advance awards will support integrated affordable housing by providing funding for the development of permanent supportive rental housing through HUD's Section 811 Supportive Housing for Persons with Disabilities Program. Additionally, project rental assistance awards were used to subsidize rents for extremely low-income persons with a disability. The grants were awarded to organizations who will create permanent supportive housing models that will be at the forefront of design, service delivery, and efficient use of Federal resources.

In September 2021, the Office of Multifamily Housing opened a new application period for owners of multifamily properties participating in assisted housing programs to apply for more than $180 million in supplemental operating funds. These funds were designed to support expenses for protecting residents and staff from the Coronavirus Disease 2019 (COVID-19). Owners of properties participating in HUD's Section 202 Housing for the Elderly, Section 811 Housing for Persons with Disabilities, and Section 8 Project-based Rental Assistance programs are eligible to receive reimbursements. To promote use of such funds, HUD has:

- Extended the timeframe for eligible expenses from four months to seven months;[8]
- Expanded eligible reimbursements to include limited types of capital investments made in direct response to COVID-19, such as improvements in ventilation and air filtration in common areas, backup generators, and installation of broadband Wi-Fi infrastructure;
- Implemented minimum expected funding levels for each property, so that owners can be certain that reimbursement will occur at no less than established levels; and
- Streamlined its prioritization schedule for approval of requests for reimbursements that exceed minimum payment amounts.

In January of 2021, HUD awarded $2.5 billion to renew grants to support thousands of local homeless assistance programs across the Nation through the FY 2020 Continuum of Care (CoC) Program. HUD's CoC grants provided critically needed support to more than 6,500 local programs serving individuals and families experiencing homelessness. In acknowledgement of the capacity constraints caused by COVID-19, and the continual need to focus on the threat of COVID-19 to people experiencing homelessness, HUD considered the impacts of COVID and how CoCs addressed challenges from the COVID-19 pandemic in the points awarded to CoCs in the FY

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[7] The FY 2021 Annual Performance Report will be the last performance report based upon the FY 2018-2022 Strategic Plan framework and serves to close out this performance period. HUD has developed the FY 2022-2026 Strategic Plan, and will begin reporting against new strategic objectives, indicators, and milestones in the FY 2023 Annual Performance Plan.
[8] Funds can be used to cover expenses incurred between April 1, 2021, and Oct. 31, 2021

2021 CoC Notice of Funding Opportunities. HUD did not conduct a normal CoC Program Competition for FY 2020 Competition Grants. Instead, HUD funded existing projects.

HUD continues to take steps to improve the operations of the Housing Choice Voucher (HCV) program, enhance systems, and streamline requirements to reduce burden on Public Housing Authorities (PHAs). In 2021, HUD worked on several rulemakings aligned with these goals. To improve the operations of the HCV program, HUD published implementation guidance setting forth the policies and procedures for the administration of tenant-based and project-based Section 8 HCV rental assistance including the Family Unification Program, the Emergency Housing Voucher Program, and the HUD-Veterans Affairs Supportive Housing program.[9]. HUD also made significant progress on a final rule that would implement sections 102, 103, and 104 of the Housing Opportunity Through Modernization Act of 2016, which made significant changes to existing statutes governing public housing income calculations and review. On December 4, 2020, HUD re-opened the public comment period to seek comments on over-income families and continues to review public comments from the notice of proposed rulemaking (NPRM) published September 17, 2019,[10] and consideration of public comments received on the NPRM.[11]

To address the impact COVID-19 has had on evictions, HUD provided assistance to the U.S. Department of Treasury's Emergency Rental Assistance (ERA) program, which makes funding available to assist households that are unable to pay rent or utilities. Two separate programs have been established: ERA1 provides up to $25 billion under the Consolidated Appropriations Act of 2021 (P.L. 116-260), which was enacted on December 27, 2020; and ERA2 provides up to $21.55 billion under the American Rescue Plan Act of 2021 (P.L.117-2), which was enacted on March 11, 2021. The funds were provided directly to states, U.S. territories, local governments, and (in the case of ERA1) Indian tribes or Tribally Designated Housing Entities, as applicable, and the Department of Hawaiian Home Lands. Grantees use the funds to provide assistance to eligible households through existing or newly created rental assistance programs. On October 7, 2021, HUD published an interim final rule to require housing providers participating in public housing and project-based rental assistance programs to provide tenants facing eviction for non-payment of rent with notification of and information about the opportunity to secure emergency funding and additional time to secure such funding prior to eviction.[12]

This priority has transitioned to HUD's 2022-2026 Strategic Plan and now supports the following strategic objectives:

- 1B: Reduce Homelessness.
- 1C: Invest in the Success of Communities.
- 2B: Improve Rental Assistance.
- 4C: Integrate Healthcare and Housing.

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[9] 86 FR 53207, https://www.federalregister.gov/documents/2021/09/27/2021-20734/section-8-housing-choice-vouchers-revised-implementation-of-the-hud-veterans-affairs-supportive.

[10] 85 FR 78295, https://www.federalregister.gov/documents/2020/12/04/2020-26197/housing-opportunity-through-modernization-act-of-2016-re-opening-public-comment-period-on-subject-of; and 84 FR 48820, https://www.federalregister.gov/documents/2019/09/17/2019-19774/housing-opportunity-through-modernization-act-of-2016-implementation-of-sections-102-103-and-104.

[11] 84 FR 48820, https://www.federalregister.gov/documents/2019/09/17/2019-19774/housing-opportunity-through-modernization-act-of-2016-implementation-of-sections-102-103-and-104.

[12] 86 FR 55693, https://www.federalregister.gov/documents/2021/10/07/2021-21960/extension-of-time-and-required-disclosures-for-notification-of-nonpayment-of-rent.

KEY PERFORMANCE INDICATORS

To help achieve this priority, HUD has established the following performance indicators:

▶ **Number of families served through HUD rental assistance[13]**
   This measure will track the number of rental units occupied by HUD-assisted households.

FY18 Actual	FY19 Actual	FY20 Actual	FY21 Actual	FY21 Target
4,631,866	4,613,722	4,611,751	4,705,405	Tracking Only

▶ **Length of homelessness**
   This measure will track the national average length of homelessness in CoCs.

FY18 Actual	FY19 Actual	FY20 Actual	FY21 Actual	FY21 Target
164	168	193	TBD[14]	166

▶ **Number of people experiencing homelessness**
   This measure will annually track the number of people experiencing homelessness in the Point-in-Time (PIT) count, a count taken on a single night in January each year.

FY18 Actual	FY19 Actual	FY20 Actual	FY21 Actual	FY21 Target
552,830	567,715	580,466	Limited Data[15]	N/A[16]

CAP GOALS, STRATEGIC GOALS, STRATEGIC OBJECTIVES, AND AGENCY PRIORITY GOALS

Alignment to Cross-Agency Priority Goals is defined in the FY 2022-2026 HUD Strategic Plan. The Department has developed new strategic goals, strategic objectives, and Agency Priority Goals (APGs) within the FY 2022-2026 Strategic Plan. These goals, objectives, and APGs expand on the strategic priorities highlighted in the FY 2022 Budget.

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[13] This key performance indicator is a tracked figure rather than established as a target.

[14] System Performance Measures are submitted by CoCs to HUD each April on the last complete fiscal year, and then must go through a limited validation process. Thus, FY 2021 actuals will be available in August 2022.

[15]Because of allowable statutory waivers made available due to COVID-19, not all communities who were required to conduct an unsheltered PIT count in 2021, participated. HUD has published the 2021 Annual Homelessness Assessment Report (AHAR) [https://www.huduser.gov/portal/sites/default/files/pdf/2020-AHAR-Part-1.pdf] which, due to these limitations, does not provide a national number of people experiencing homelessness in 2021. The AHAR does contain an estimate of the total number of sheltered people experiencing homeless in 2021.

[16] There was no target established for the national number of people experiencing homelessness in 2021 because many communities did not conduct a count due to COVID-19.

EVIDENCE

HUD's Office of Policy Development and Research (PD&R) has produced an extensive body of evidence on the scope of housing needs among renters nationally, how HUD programs meet those needs, and how those programs could be enhanced to meet these needs in the future. PD&R supplements its surveys of national and regional market activity with biennial reports to Congress about households with "worst-case housing needs." Renter households with very low incomes who do not receive government housing assistance and who pay more than one-half of their income for rent, live in severely inadequate conditions, or both, have worst case needs for adequate, affordable rental housing. Worst-case housing needs affect 7.7 million very low-income renter households, with a shrinking proportion of affordable and available units relative to need.[17]

Following the completion of preliminary reports, PD&R produced follow-up outcomes analyses for two landmark studies intended to shed light on improvements to HUD's core programs: the Rent Reform Demonstration and the Rental Assistance Demonstration. The Rent Reform Demonstration was designed to test an alternative to the current HUD-assisted rent structure to assess its effect on the employment, earnings, and hardship of the residents that rely on housing vouchers. The results indicate that, when the findings for all four study PHAs are combined, the new policy did not have a statistically significant impact on the quarterly employment rate of household heads. The story, however, varied substantially across locations as there were some positive effects on earnings in one site, and on earnings and employment in another, but they were not sustained, and no effect at one site and negative effects at one site.[18] The Rental Assistance Demonstration (RAD) provides PHAs with new options for preserving Public Housing units through conversion to the more financially sustainable project-based Section 8 assisted housing platform. PD&R's evaluation shows that as of October 2018 over 100,000 units of public housing were converted to the Section 8 platform under RAD and over $12.6 billion was raised, with significant leverage, from numerous sources to improve the physical and financial condition of properties. The study confirmed that the physical and financial condition of converted properties improved, and a majority of tenants reported that the physical condition of their units and developments was better after conversion. More than 80 percent of interviewed tenants expressed satisfaction with their units and developments post-conversion.[19]

HUD's research helps form the backbone of evidence supporting efforts to prevent and end homelessness among several key populations. PD&R's landmark Family Options study found that families who received priority access to deep housing subsidies experienced major decreases in returns to homelessness and increases in family well-being relative to those offered usual care in shelters, and documented major cost savings of rapid rehousing and permanent housing relative to shelter and transitional options on a per-month basis.[20] HUD draws on the considerable research literature regarding Permanent Supportive Housing (PSH) and the Housing First program model when implementing programs for chronically homeless individuals. Randomized controlled trials evaluating PSH programs using a Housing First approach show that it improves housing stability, physical and mental health, and a variety-of-quality of life measures while also yielding cost savings through reduced need for emergency health services.[21]

In partnership with the Assistant Secretary for Planning and Evaluation at the U.S. Department of Health and Human Services, HUD recently completed a research effort exploring the rise in unsheltered homelessness encampments in many major cities and the costs of the interventions being deployed. The final report on the costs of encampment responses in four major cities, published in early 2021, provides a useful template for local

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[17] "Worst Case Housing Needs: 2019 Report to Congress" (2020), https://www.huduser.gov/portal/publications/worst-case-housing-needs-2020.html.

[18] https://www.huduser.gov/portal/publications/RentReform-InterimFindings.html.

[19] https://www.huduser.gov/portal/publications/RAD-Evaluation-Final-Report.html. See Table 77 (Housing Now Compared to Housing Before RAD) and Table 76 (Tenant Satisfaction With Current Housing Unit and Development).

[20] "Family Options Study: 3-Year Impacts of Housing and Services Interventions for Homeless Families" (2016), https://www.huduser.gov/portal/publications/Family-Options-Study.html.

[21] Permanent Supportive Housing: Evaluating the Evidence for Improving Health Outcomes Among People Experiencing Chronic Homelessness (2018), https://www.ncbi.nlm.nih.gov/books/NBK519597/#ref_000409.

governments to assess their own interventions.[22] The Understanding Rapid Re-Housing (RRH) study, published in early 2020, provides the first comprehensive documentation of RRH participant experiences and program practices in different types of communities.[23] Other recent projects such as the Youth Homelessness Demonstration are designed to build on available research to understand how program models can meet the needs of key target populations, and how they have evolved from demonstration projects to components of the HUD homeless assistance system nationally.

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[22] Exploring Homelessness Among People Living in Encampments and Associated Cost: City Approaches to Encampments and What They Cost (2021), https://www.huduser.gov/portal/publications/Exploring-Homelessness-Among-People.html.
[23] https://www.huduser.gov/portal/publications/RRH-community-scan-report.html.

Priority 2: Advance housing equity as a means to improving housing choices and greater economic opportunity.

Support safe and sustainable homeownership and equitable access to economic opportunity in underrepresented communities.

LEADING THIS PRIORITY

Program Offices
Office of Fair Housing and Equal Opportunity
Office of Community Planning and Development
Office of Public and Indian Housing
Office of Policy Development and Research

2021 APR PROGRESS UPDATE[24]

During FY 2021, the Department's work focused heavily on advancing housing justice for historically underserved communities to build equitable, inclusive, and sustainable neighborhoods. On January 20, 2021, Executive Order 13985 ("Advancing Racial Equity and Support for Underserved Communities Through the Federal Government") directed the Federal Government to "pursue a comprehensive approach to advancing equity for all, including people of color and others who have been historically underserved, marginalized, and adversely affected by persistent poverty and inequality."[25] HUD conducted an equity assessment that will inform the HUD equity action plan to redress inequities in HUD's policies and programs that serve as barriers to equal housing and economic opportunity.[26]

The Department and its fair housing partner organizations continued to help the American public, including those who utilize or could benefit from HUD programs by: 1) investigating complaints alleging discrimination; 2) issuing charges when there was reasonable cause to believe there were violations of the Fair Housing Act and state and local fair housing laws; and 3) obtaining justice and relief for victims of housing discrimination. HUD issued 35 charges of discrimination under the Fair Housing Act during FY 2021. The Department entered into 636 conciliation agreements/voluntary compliance agreements to resolve complaints of discrimination, covering a wide range of allegations. The Department's National Fair Housing Training Academy continued to engage with fair housing advocates, lawyers, investigators, and other stakeholders by providing 16 four-day training sessions throughout FY 2021 in the following foundational topics: (1) Basics of Fair Housing, (2) Fundamentals of Intake, (3) Fundamentals of Fair Housing Assistance Program (FHAP) Investigation, and (4) Litigating Fair Housing Cases.

The Fair Housing Initiatives Program (FHIP) announced the availability of over $20 million in grants through FY 2021 appropriations.[27] These grants were for fair housing organizations, in FHIP, to: undertake fair housing testing; education and outreach; and capacity building to expose and remedy discrimination under the Fair Housing Act. They could also be used to uncover discrimination that contributes to a failure to affirmatively further

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[24] The FY 2021 Annual Performance Report will be the last performance report based upon the FY 2018-2022 Strategic Plan framework and serves to close out this performance period. HUD has developed the FY 2022-2026 Strategic Plan, and will begin reporting against new strategic objectives, indicators, and milestones in the FY 2023 Annual Performance Plan.
[25] Executive Order 13985 equity action plan is due the Office of Management and Budget (OMB) on January 20, 2022: https://www.federalregister.gov/documents/2021/01/25/2021-01753/advancing-racial-equity-and-support-for-underserved-communities-through-the-federal-government.
[26] Executive Order 13985 equity action plan is due the OMB on January 20, 2022: https://www.federalregister.gov/documents/2021/01/25/2021-01753/advancing-racial-equity-and-support-for-underserved-communities-through-the-federal-government.
[27] https://www.hud.gov/press/press_releases_media_advisories/HUD_No_21_078.

fair housing. Additionally, the Department made $19.4 million available through American Rescue Plan funding to help HUD's FHIP Private Enforcement Initiative organizations conduct enforcement activities that will address discriminatory housing practices related to the Coronavirus Disease 2019 (COVID-19) pandemic.[28] The grants support the efforts of 120 national and local fair housing organizations working to address violations of the Fair Housing Act and helping to end discrimination in housing.

The FHAP partnerships announced the availability of $800,000 in funds. These funds were available to: support testing, education, and outreach in several areas of fair housing focus to include discrimination on the basis of sexual orientation or gender identity; race; and fair housing issues related to the COVID-19 pandemic, or resulting from, or in connection with the lifting of eviction moratoria. Additionally, $100,000 in FHAP Special Enforcement Efforts funds were made available to support certain extraordinary enforcement activities (i.e., prompt judicial action). HUD also announced that it will administer and fully enforce the Fair Housing Act to prohibit discrimination on the basis of sexual orientation and gender identity.[29] HUD executed a Memorandum of Understanding (MOU) addenda with over 80% of participating FHAP agencies to ensure that substantially equivalent jurisdictions provide the full protection of the Fair Housing Act for lesbian, gay, bisexual, transgender, and queer persons.

In FY 2021, HUD released statements, guidance, and communications to housing providers and tenants reminding them of the fair housing obligations related to actions to evict. The Department issued a comprehensive package of materials to respond to the lifting of the Centers for Disease Control national Eviction Moratorium.[30] This comprehensive legal guidance addressed: civil rights-related eviction mitigation measures, non-discriminatory application of lease violation and termination policies, effective communication, language access, reasonable accommodations, and other affirmative obligations on HUD-funded housing providers to further fair housing.

The Department finalized HUD's Language Access Plan that establishes a strategy for ensuring timely and meaningful access for persons with Limited English Proficiency (LEP).[31] This is an update to HUD's 2008 Limited English Proficiency Implementation Plan. Public posting of this plan demonstrates HUD's commitment to advancing equity to persons with LEP and details HUD's initiatives and specific steps that HUD offices must take to implement the Agency's policy at each program level.

In August 2021, the Department and the Federal Housing Finance Agency launched a first-of-its-kind MOU to enhance their enforcement of the Fair Housing Act.[32] This collaborative agreement strengthens this partnership's ability to enforce fair housing and fair lending requirements, promote information sharing, and coordinate on investigations and review compliance.

A Presidential Memorandum published on January 26, 2021, instructed HUD to take all steps necessary to examine the effects of two rules: Preserving Community and Neighborhood Choice (August 7, 2020) (PCNC Rule), and "HUD's Implementation of the Fair Housing Act's Disparate Impact Standard" (September 24, 2020)

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[28] https://www.hud.gov/press/press_releases_media_advisories/HUD_No_21_113.
[29] https://www.hud.gov/press/press_releases_media_advisories/hud_no_21_021.
[30] Materials included a HUD statement on Fair Housing and the Eviction Moratorium, guidance to FHIP and FHAP agencies on the use of prompt judicial action authority under the Fair Housing Act to respond to allegations of discriminatory evictions, and guidance targeted to HUD-assisted housing providers to ensure civil rights compliance. The cornerstone of this package was Guidance for HUD Housing Providers and Housing Program Administrators Regarding Fair Housing and Civil Rights Implications of Termination Actions (Including Evictions) Related to the COVID-19 Pandemic. https://www.hud.gov/sites/dfiles/FHEO/documents/Guidance_for_Assisted-HUD_Housing_Providers_and_Housing_Programs_Final.pdf.
[31] More information on HUD's Language Access Plan can be found at: https://www.hud.gov/sites/dfiles/FHEO/documents/HUD_Language_Access_Plan.pdf. The new LEP guidance applies to all Departmental programs, services, and activities in accordance with Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency: https://www.hud.gov/sites/dfiles/FHEO/documents/HUD_Language_Access_Plan.pdf.
[32] The Memorandum of Understanding is available at: https://www.hud.gov/sites/dfiles/PA/documents/FHFA-HUD-MOU_8122021.pdf.

(2020 Disparate Impact Rule).[33] Following review of the 2020 PCNC Rule, the Department published an interim final rule that went into effect on July 31, 2021, to restore the implementation of the Fair Housing Act's Affirmatively Furthering Fair Housing (AFFH) requirement.[34] Under the restored AFFH regulatory definition, municipalities and other HUD funding recipients that must regularly certify compliance with the Fair Housing Act's AFFH requirement will commit to taking steps to remedy fair housing issues unique to their communities.

Following review of the 2020 Disparate Impact Rule, HUD published a notice of proposed rulemaking (NPRM) to restore the 2013 Discriminatory Effects Rule on June 25, 2021.[35] Restoring the 2013 discriminatory effects rule would clarify and make consistent a framework for assessing claims of discriminatory effects. The NPRM supports the current Administration's policy goal of creating a housing market that is free from both intentional discrimination and policies and practices that have unjustified discriminatory effects.

On April 22, 2021, the Department reaffirmed the Equal Access Rule to ensure that all individuals —regardless of sexual orientation, gender identity, or marital status — have equal access to all HUD programs, particularly HUD-funded and HUD-assisted housing.[36] This includes ensuring equal access to the Department's Office of Community Planning and Development (CPD) programs, shelters, other buildings, and facilities, benefits, services, and accommodations. Transgender and gender non-conforming persons face enormous safety risks in shelters. Equal access to HUD programs that serve people who are homeless or at risk of homelessness is essential in addressing the challenges faced by transgender and gender non-conforming persons. Along with the announcement, HUD released technical assistance resources prepared by technical assistance providers to HUD grantees that support CPD grantees in implementing the Equal Access Rule, and announced HUD would withdraw a proposed rule that would have permitted grant recipients, subrecipients, owners, operators, managers, and providers of facilities under HUD's CPD programs to establish a policy to make admissions and placement determinations based on sex.[37] The proposed rule was withdrawn April 27, 2021.

HUD continued funding local programs throughout the country that provide affordable housing, community development and economic opportunity, and support to individuals and families, including those in underrepresented communities. The Department continued to work with state and local governments to serve their communities' needs through locally driven initiatives, including public-private partnerships. Specifically, HUD awarded $3.45 billion through the Community Development Block Grant Program.[38] In FY 2021, this annual grant program provided more than 1,250 state and local grantees jurisdictions with funding for a range of activities.[39]

Furthermore, the Department promoted economic opportunity for HUD-assisted residents with its self-sufficiency programs. HUD awarded approximately $80 million in Family Self-Sufficiency (FSS) Program funding to 693 public housing authorities (PHAs). In addition to FSS, the Resident Opportunity and Self-Sufficiency (ROSS) grant program awarded more than $36 million to PHAs, public housing resident associations, Native American Tribes, and nonprofit organizations across the Nation.[40]

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[33] The Presidential Memorandum is available at: https://www.whitehouse.gov/briefing-room/presidential-actions/2021/01/26/memorandum-on-redressing-our-nations-and-the-federal-governments-history-of-discriminatory-housing-practices-and-policies/. 85 FR 47899, https://www.federalregister.gov/documents/2020/08/07/2020-16320/preserving-community-and-neighborhood-choice and 85 FR 60288, https://www.federalregister.gov/documents/2020/09/24/2020-19887/huds-implementation-of-the-fair-housing-acts-disparate-impact-standard.
[34] https://www.federalregister.gov/documents/2021/06/10/2021-12114/restoring-affirmatively-furthering-fair-housing-definitions-and-certifications.
[35] 86 FR 33590, https://www.federalregister.gov/documents/2021/06/25/2021-13240/reinstatement-of-huds-discriminatory-effects-standard; U.S. DEP'T OF HOUS. & URBAN DEV., HUD PROPOSES RESTORING DISCRIMINATORY EFFECTS RULE (June 25, 2021),
[36] https://www.hud.gov/press/press_releases_media_advisories/HUD_No_21_069.
[37] 86 FR 22125, https://www.federalregister.gov/documents/2021/04/27/2021-08513/making-admission-or-placement-determinations-based-on-sex-in-facilities-under-community-planning-and.
[38] CDBG provides annual grants on a formula basis to states, cities, and counties to develop viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for low- and moderate-income persons.
[39] Eligible CDBG expenses include but are not limited to infrastructure projects, housing rehabilitation, and public services.
[40] ROSS funds can be used to hire and/or retain Service Coordinators to assist public and Native American housing families meet their professional, financial, health, and educational goals https://www.hud.gov/press/press_releases_media_advisories/HUD_No_21_054.

HUD also announced a $28 million investment to 12 PHAs to help families increase their earned income and improve their economic mobility through the Jobs Plus Initiative.[41] In FY 2021, the Department celebrated the expansion of the Moving to Work (MTW) Demonstration Program, by selecting 41 of the 100 MTW Expansion PHAs.[42] HUD also launched the Eviction Protection Grant Program in FY 2021 to help to low-income tenants, including families and individuals, avoid eviction or minimize the disruption and damage caused by the eviction process in areas with high rates of evictions or prospective evictions, including rural areas.

This priority has transitioned to HUD's 2022-2026 Strategic Plan and now supports the following strategic objectives:

- 1A: Advance Housing Justice.
- 1C: Invest in the Success of Communities.
- 3A: Advance Sustainable Homeownership.
- 3A – Major Initiative: Expand Homeownership Opportunities.

KEY PERFORMANCE INDICATORS

To help achieve this priority, HUD has established the following performance indicators:

▶ **Number of cases referred by Fair Housing Initiatives Program (FHIP) organizations**
This measure will track the number of cases completed each year that were referred by FHIP organizations to HUD or a FHAP partner and that result in a recommendation of a legal charge of discrimination or conciliation of the case.

	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Actual	FY21 Target[43]
Cases referred by FHIP organizations	771	692	739	509	520
Cases that resulted in a recommendation of a legal charge	47	63	82	50	40
Cases that resulted in conciliation of case	305	277	283[44]	188	195

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[41] https://www.hud.gov/press/press_releases_media_advisories/hud_no_21_073
[42] Prior to the expansion, the MTW Demonstration had enabled 39 PHAs to think outside the box and use their funding flexibly to develop creative solutions in service of vulnerable families in their communities.
[43] FY 2021 Targets reflect reduced activity due to COVID-19.
[44] The FY 2020 actuals have been revised as follows: Cases that resulted in conciliation of case from 281 to 283. The sub-metrics are provided by state and local governments with different reporting periods that do not align with the Federal reporting cycle. Additionally, the investigation of fair housing cases can at times be protracted, and information may be updated as these cases proceed.

► **Number of cases Fair Housing Assistance Program (FHAP) agencies processed**
This measure will track the number of cases processed by FHAP agencies each year that result in a recommendation of a legal charge of discrimination or a conciliation of the case.

	FY18 Actual	FY19 Actual	FY20 Actual[45]	FY21 Actual	FY21 Target[46]
Cases FHAP agencies processed	6,127	6,066	5,889	5,627	5,300
Cases that resulted in a recommendation of a legal charge	416	467	461	397	320
Cases that resulted in conciliation of case	1,294	1,234	1,124	1,027	1,000

► **Number of Limited English Proficiency Initiative services provided**
This measure will track the number of instances of documents translated into other languages and the number of instances of foreign language interpretation provided in support of HUD programs.

FY18 Actual	FY19 Actual	FY20 Actual	FY21 Actual	FY21 Target
985	1,098	1,149	2,058	1,432

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[45] The FY 2020 actuals have been revised as follows: Cases FHAP agencies processed from 5,876 to 5,889; Cases that resulted in a recommendation of a legal charge from 457 to 461; and Cases that resulted in conciliation of case from 1,121 to 1,124. The sub-metrics are provided by state and local governments with different reporting periods that do not align with the Federal reporting cycle. Additionally, the investigation of fair housing cases can at times be protracted, and information may be updated as these cases proceed.
[46] FY 2021 Targets reflect reduced activity due to COVID-19.

OTHER INDICATORS

▶ **Number of FHIP and FHAP fair housing practitioners who attend National Fair Housing Training Academy (NFHTA) courses and Fair Housing Forums[47]**

This measure will track the number of practitioners who attend training activities, which include five different courses on building knowledge and skills on fair housing and 10 forums offered by NFHTA per year.

	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Actual	FY21 Target
Number of Practitioners who Attended Courses	N/A	N/A	195	601	Tracking Only
Number of Practitioners who Attended Fair Housing Forums	N/A	N/A	N/A	3,693	Tracking Only

▶ **Number of households served through the Eviction Protection Grant Program**

This measure was intended to track the cumulative number of households subject to or at risk of eviction that receive eviction protection services through HUD's Eviction Protection Grant Program, as reported by grantees. The Eviction Protection Grant Program is a 2-year program funded with FY 2021 appropriations. Beneficiaries began receiving services in FY 2022. Thus, there are no actuals for FY 2021. The first quarterly reports from grantees are due on April 30, 2022.

CAP GOALS, STRATEGIC GOALS, STRATEGIC OBJECTIVES, AND APGs

Alignment to Cross-Agency Priority Goals is defined in the FY 2022-2026 HUD Strategic Plan. The Department has developed new strategic goals, strategic objectives, and Agency Priority Goals (APGs) within the FY 2022-2026 Strategic Plan. These goals, objectives, and APGs expand on the strategic priorities highlighted in the FY 2022 Budget.

EVIDENCE

Housing equity and equity in access to credit remain significant challenges for households in the United States. Harvard researchers report that the Black-White homeownership gap has reached 31 percentage points, the greatest disparity in decades.[48] Increasing access to credit is a key component for expanding homeownership opportunities. Recent research from HUD's Office of Policy Development and Research (PD&R) documented that credit histories of assisted renters can be strengthened substantially by providing credit agencies with their rental payment histories.[49] . Recent research has also confirmed the importance of exposure to opportunity

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[47] NFHTA restarted operations in FY2020.
[48] Joint Center for Housing Studies of Harvard University, 2020. "The State of the Nation's Housing 2020," at p. 25 *et seq.*, The Widening Black-White Homeownership Gap. https://www.jchs.harvard.edu/state-Nations-housing-2020.
[49] Policy and Economic Research Council. 2019. Potential Impacts of Credit Reporting Public Housing Rental Payment Data. https://www.huduser.gov/portal/sites/default/files/pdf/Potential-Impacts-of-Credit-Reporting.pdf.

neighborhoods, with adult economic outcomes improving about 4 percent per year of childhood exposure to good neighborhoods.[50]

PD&R has launched a range of high-profile research efforts meant to better understand the ways that assisted housing can be a platform for promoting self-sufficiency and economic opportunity. PD&R recently launched the Housing Choice Voucher Mobility Demonstration, a large-scale, multi-site randomized controlled trial to test and evaluate the effectiveness of providing voucher assistance and mobility-related services to families with children to encourage such families to move to lower-poverty areas and expand access to opportunity areas. The rigorous, multi-year evaluation will assess whether families receiving mobility-related services are more likely to move to low poverty, higher opportunity areas, how long families stay in those areas, and the costs associated with these services.[51]

PD&R recently published a multi-part evaluation of the MTW Demonstration program as it is currently operating in the initial 39 PHAs.[52] This retrospective evaluation produced six reports that together provide the most comprehensive description to date of the housing assistance provided by current MTW agencies, the households served by MTW agencies, and the success of MTW agencies in relation to the demonstration's statutory objectives of cost effectiveness, self-sufficiency, and housing choice. PD&R is also developing a multi-part evaluation of the ongoing expansion of the MTW Demonstration. This expansion may grant up to 100 PHAs the flexibility to restructure some programs, reallocate resources, and implement innovative programs. HUD is rolling out the expansion in cohorts to allow for more rigorous analysis of various elements of the MTW Demonstration program. To date, 70 of the 100 PHAs for the expansion have been selected. The first cohort of the expansion will test how small PHAs used their flexibility to better meet community needs and the three MTW statutory objectives of housing choice, cost-effectiveness, and self-sufficiency. The second cohort will evaluate stepped and tiered rent policies the third cohort will study landlord incentives, and the fourth cohort will evaluate asset building initiatives.

HUD's other primary tool for promoting self-sufficiency and economic opportunity among assisted tenants is the FSS program. In FSS, participants work with case managers to set goals and access services. In addition, any increases in the family's rent as a result of increased earned income during the family's participation in the program result in a credit to the family's escrow account that can be accessed upon graduation from the program, or, in many cases, during the program in pursuit of self-sufficiency goals. In 2012, HUD commissioned a national random assignment evaluation of the FSS program's impacts on labor market and other quality of life outcomes for participant households. The FSS evaluation has documented implementation, participants' engagement in the program, and program impacts on labor force participation and government benefits receipt over the first two years of what is typically a five-year program. So far, FSS participants have increased enrollment in employment-related services and support services by a statistically significant 13 percentage points. Participants in the FSS program have not seen substantive changes to their employment rates and average earnings thus far but have experienced small shifts from part-time to full-time employment.[53]

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[50] Chetty, Raj and Nathaniel Hendren. 2018. "The Impacts of Neighborhoods on Intergenerational Mobility I: Childhood Exposure Effects. *Quarterly Journal of Economics.* 133, 3: 1107-1162. https://scholar.harvard.edu/hendren/publications/impacts-neighborhoods-intergenerational-mobility-i-childhood-exposure-effects.

[51] https://www.federalregister.gov/documents/2020/07/15/2020-15037/section-8-housing-choice-vouchers-implementation-of-the-housing-choice-voucher-mobility; https://www.hud.gov/press/press_releases_media_advisories/HUD_No_21_076.

[52] https://www.huduser.gov/portal/mtw/study.html.

[53] https://www.huduser.gov/portal/publications/Promoting-Work-and-Self-Sufficiency-for-Housing-Voucher-Recipients.html.

Priority 3: Increase the production of and access to affordable housing.

Address the housing crisis by increasing investments in opportunities that promote access to affordable housing, neighborhood choice, and practices to build safe and resilient communities.

LEADING THIS PRIORITY

Program Offices
Office of Housing
Office of Community Planning and Development

2021 APR PROGRESS UPDATE[54]

As the country continues to feel the effects of the Coronavirus Disease 2019 (COVID-19) pandemic, HUD has focused efforts towards providing sustainable, equitable recovery, and economic relief to individuals and families. The Department has taken several steps to modernize its landscape and offer greater flexibilities to the communities the Department serves. As an example, HUD took steps in FY 2021 to clarify and continue the eligibility of Federal Housing Administration (FHA) insured financing for Deferred Action for Childhood Arrivals recipients.[55]

HUD's continued efforts in assisting in the Nation's recovery from the COVID-19 pandemic are highlighted by a record-breaking volume of $19 billion of endorsements for mortgage insurance processed by the Office of Multifamily Housing Production in FY 2020. The Office of Multifamily Housing Programs exceeded FY 2020 volume with $29.5 billion in initial endorsements in FY 2021.[56]

During FY 2021, the Biden Administration announced several measures that will create additional affordable homes over the next three years. Emphasis has been on supporting the lower and middle segments of the housing market. Efforts included the temporary relaunch of the partnership between the U.S. Department of the Treasury's Federal Financing Bank and HUD's Risk Sharing Program.[57] HUD also issued guidance informing mortgagees of new student loan calculation requirements of the monthly payment obligation for Title II traditional mortgages and Home Equity Conversion Mortgages.[58] The new requirements better align Departmental standards with those commonly found in the housing industry. The updated guidance increased access to FHA insured financing for borrowers with student loan debt by more accurately calculating student loan payments as part of the underwriting process. These actions have supported development towards a more equitable system allowing for more individuals and families to be served.

Additionally, the first Government National Mortgage Association (Ginnie Mae) mortgage-backed security backed by digital collateral settled in January 2021. The Digital Collateral Program is a key function of the Department's effort to increase the flexibility of its platform on behalf of Issuers and the consumers they serve. Increasing

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[54] The FY 2021 Annual Performance Report will be the last performance report based upon the FY 2018-2022 Strategic Plan framework and serves to close out this performance period. HUD has developed the FY 2022-2026 Strategic Plan, and will begin reporting against new strategic objectives, indicators, and milestones in the FY 2023 Annual Performance Plan.
[55] Mortgagee letter (ML) can be found here: https://www.hud.gov/sites/dfiles/OCHCO/documents/2021-12hsgml.pdf.
[56] Data can be found here: https://www.hud.gov/program_offices/housing/mfh/mfdata/mfproduction.
[57] White House press release can be found here: https://www.whitehouse.gov/briefing-room/statements-releases/2021/09/01/fact-sheet-biden-harris-administration-announces-immediate-steps-to-increase-affordable-housing-supply/.
[58] Mortgagee letter (ML) can be found here: https://www.hud.gov/sites/dfiles/OCHCO/documents/2021-13hsgml.pdf.

eMortgage adoption is particularly important as the industry continues to develop and accelerate the use of virtual procedures in navigating the COVID-19 pandemic.[59]

This priority has transitioned to HUD's 2022-2026 Strategic Plan and now supports the following strategic objectives and major initiative:

- 2A: Increase the Supply of Housing.
- 3A: Advance Sustainable Homeownership.
- 3A – Major Initiative: Expand Homeownership Opportunities.
- 3B: Create a More Accessible and Inclusive Housing Finance System.

KEY PERFORMANCE INDICATORS

To help achieve this priority, HUD has established the following performance indicators:

▶ **Percentage of new FHA-insured purchase mortgages that are first-time homebuyers**
This measure computes the percentage of FHA single-family purchase originations for which the borrower is a first-time homebuyer.

FY18 Actual	FY19 Actual	FY20 Actual	FY21 Actual	FY21 Target
82.7%	82.8%	83.1%	84.61%[60]	Tracking Only

▶ **Capital Reserve Ratio**
The capital ratio compares the "economic net worth" of the Mutual Mortgage Insurance Fund (MMIF) to the dollar balance of active, insured loans, at a point in time. Economic net worth is defined as a net asset position, where the present value of expected future revenues and net claim expenses is added to current balance sheet positions. HUD will maintain a capital reserve ratio that meets or exceeds the statutory minimum requirement.

FY18 Actual	FY19 Actual	FY20 Actual	FY21 Actual	FY21 Target
2.76%	4.84%	6.1%	8.03%[61]	Tracking Only

CAP GOALS, STRATEGIC GOALS, STRATEGIC OBJECTIVES, AND APGs

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EVIDENCE

HUD's Office of Policy Development and Research (PD&R) produces quarterly reports on U.S. Housing Market Conditions and the monthly National Housing Scorecard to document the status of rental and owner housing markets, including production, transactions, and affordability. Production of housing in proportion to household formation is critical to achieving affordability. Rental affordability is near historic lows, as affordability of the

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[59] https://www.ginniemae.gov/newsroom/GinnieInBrief/Pages/Post.aspx?PostID=57.
[60] Information can be found here: https://www.hud.gov/sites/dfiles/Housing/documents/2021FHAAnnualReportMMIFund.pdf, page 89.
[61] Information can be found here: https://www.hud.gov/sites/dfiles/Housing/documents/2021FHAAnnualReportMMIFund.pdf, prefix page III.

median rent relative to the median renter income at the end of 2020 was 27 percent below its peak in the first quarter of 2001. Affordability of owner-occupied homes is variable because of shifting mortgage interest rates and home prices, and in 2020 was 52 percent better than its pre-recession low point in 2006.[62] Each year, the Department also prepares the Annual Report to Congress Regarding the Financial Status of the MMIF, which provides important insights for Congress and the American taxpayer into the financial performance of FHA[63] and the Agency Financial Report.[64] PD&R recently produced an analysis of past FHA loan limit policies,[65] and future efforts will continue to build evidence of effective approaches to fostering homeownership through original research and more extensive collaboration with outside partners. Research on housing finance, securitization, and risk assessment from partners such as Ginnie Mae and FHA will be critical to bolstering HUD's future evidence base.

PD&R is conducting an evaluation of the First-Time Homebuyer Education and Counseling Demonstration to assess the impact of homebuyer education and counseling for prospective first-time homebuyers. Early results provided useful analysis about what types of clients are more likely to take advantage of counseling services.[66] Preliminary evidence about short-term (12- to 18-month) impacts is mixed, showing higher rates of confidence, feelings of preparedness, and satisfaction with the homebuying process, but without clear impacts on short-term loan performance measures or other outcomes.[67] The final report on long-term impacts of education and counseling on homebuyer outcomes, and loan performance of low- to moderate- and middle-income first-time homebuyers is expected in 2021.

A study of the potential of downpayment assistance through the HOME-American Dream Downpayment Initiative found that small amounts of savings can have significant impact on the probability of transitioning to homeownership, and simulations suggest that small amounts of downpayment assistance can stimulate substantial homebuying.[68] Recent studies have assessed the role of down-payments in reducing mortgage risk under varied macroeconomic conditions.[69]

FHA also makes a substantial contribution to multifamily housing. Administrative data show that on average over the last three years (FY 2018 to FY 2020), FHA completed initial endorsements on 1,179 multifamily mortgages per year representing 174,176 units and $19.2 billion of financing. Of these endorsements, new construction represented 219 mortgages per year, 34,850 units, and $5.1 billion of financing.[70] As more than 87 percent of rental units are in single-family properties (1 to 4 units) or small multifamily properties (5 to 49 units), a 2015 study examined alternative FHA mortgage insurance programs for financing such properties and identified options for expanding FHA's role.[71] The Low Income Housing Tax Credit (LIHTC) program continues to be the largest federal production subsidy program; research indicates that the majority of LIHTC units remain affordable after the 15-year initial compliance period ends.[72]

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[62] The National Housing Scorecard is available online at: https://www.huduser.gov/portal/ushmc/hmi-update.html.

[63] The Annual Report to Congress Regarding the Financial Status of the Mutual Mortgage Insurance Fund is available at https://www.hud.gov/fhammifrpt.

[64] The HUD Agency Financial Report is available online at: https://www.hud.gov/program_offices/cfo/reports/cforept.

[65] https://www.huduser.gov/portal/publications/FHA-Loan-Limits.html.

[66] Who Participates in Homebuyer Education and Counseling Services and Why? Insights From HUD's First-Time Homebuyer Education and Counseling Demonstration (2018), https://www.huduser.gov/portal/publications/First-Time-Homebuyer-Education-and-Counseling-Services.html.

[67] Short-Term Impact Report: The HUD First-Time Homebuyer Education and Counseling Demonstration, Preliminary Findings (2019), https://www.huduser.gov/portal/publications/Short-Term-Impact-Report.html.

[68] HUD. 2005. "The Potential of Downpayment Assistance for Increasing Homeownership Among Minority and Low-Income Households." https://www.huduser.gov/portal/publications/homeown/downpayasstlih.html.

[69] https://www.huduser.gov/portal/sites/default/files/pdf/Downpayment-FinalReport.pdf.

[70] HUD. 2021. "FHA MF Firm Commitments and Endorsements Historical Database (FY 2006 - FY 2020)." https://www.hud.gov/program_offices/housing/mfh/mfdata/mfproduction. Excludes loans for Hospitals and Group Practice facilities.

[71] HUD. 2015. "Examination of Alternative FHA Mortgage Insurance Programs for Financing Single-Family Rental and Small Multifamily Rental Properties." https://www.huduser.gov/portal/publications/hsgfin/externalfha042015.html.

[72] HUD. 2012. "What Happens to Low-Income Housing Tax Credit Properties at Year 15 and Beyond?" https://www.huduser.gov/portal/publications/hsgfin/lihtc_report2012.html.

Priority 4: Promote climate resiliency, environmental justice, and energy efficiency across the housing sector.

> Integrate climate considerations, promote innovation, and collaborate with stakeholders to continue building healthy, resilient, and energy-efficient communities.

LEADING THIS PRIORITY

Program Offices
Office of Public and Indian Housing
Office of Lead Hazard Control and Healthy Homes
Office of Housing (Multifamily Housing)
Office of Community Planning and Development

2021 APR PROGRESS UPDATE[73]

During FY 2021, HUD worked towards comprehensive action to advance the Administration's priorities on promoting 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 established an internal Climate and Environmental Justice Council.[74] Work also included the launching of an internal Climate and Environmental Justice Working Group, to support the Council, and a HUD-wide Climate Action Plan.[75]

Several additional significant energy and climate activities were undertaken by the Department in 2021 in support of this priority, these include:

- Continuing the Multifamily Better Buildings Challenge, a voluntary partnership with the U.S. Department of Energy (DOE) and 90+ multifamily partners representing 710,000 housing units who have committed to a 20 percent reduction in portfolio-wide energy consumption;[76]
- Continuous offering of the Green Mortgage Insurance Premium (MIP) which incentivizes green building and utility benchmarking in FHA-insured multifamily housing and in FY 2021 updated the Multifamily Accelerated Processing (MAP) Guide with the first detailed implementation guidance for borrowers;[77]
- The development of the Health@Home guidelines for moderate rehabilitation projects; [78]
- The first competitive grant awards by the Office of Lead Hazard Control and Healthy Homes to projects that integrate weatherization and healthy housing; and

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[73] The FY 2021 Annual Performance Report will be the last performance report based upon the FY 2018-2022 Strategic Plan framework and serves to close out this performance period. HUD has developed the FY 2022-2026 Strategic Plan, and will begin reporting against new strategic objectives, indicators, and milestones in the FY 2023 Annual Performance Plan.

[74] The Climate and Environmental Justice Council features representation at the Assistant Secretary-level. It is headed by the Department's Senior Advisor for Climate Change.

[75] The Climate and Environmental Justice Council will oversee the long-term integration of climate action and environmental justice into HUD's programs and operations as laid out in the HUD Climate Action Plan. The staff-level Working Group provides operational support to the Council.

[76] There is an increased emphasis on reducing carbon emissions through two new initiatives: (1) the launch of a Low-Carbon Pilot (https://betterbuildingssolutioncenter.energy.gov/challenge/special-initiatives/low-carbon-pilot) with DOE, which includes several assisted multifamily or public housing partners who have pledged to complete at least two zero carbon buildings over two years, and (2) the Better Climate Challenge (https://betterbuildingssolutioncenter.energy.gov/better-climate-challenge), which includes seven multifamily and public housing providers representing 40,000 units with 32 million square feet of floor space who have committed to cut their portfolio-wide greenhouse gas emissions by 50% over 10 years. The Better Buildings Challenge 2021 Data Drive (April 2021) resulted in 407,000 units successfully benchmarking their utilities (57% or all units, highest since program inception). Two new Goal Achievers were added in 2021, bringing the total to 11 partners who have achieved a 20% reduction in energy use. https://betterbuildingssolutioncenter.energy.gov/webinars/multifamily-sector-meet-0

[77] 106 Green MIP loans with 20,505 units, and $3.5 billion in loan volume (77% of all FHA multifamily-insured new construction) were initially endorsed in FY 2021. HUD, 2020 MAP Guide, March 24, 2021. https://www.hud.gov/program_offices/administration/hudclips/guidebooks/hsg-GB4430.

[78] More information on Health@Home can be found here: https://www.hudexchange.info/resources/health-at-home/introduction/

- The implementation of incentives or requirements for energy efficient and green buildings through competitive grant programs.[79]

HUD continued to align a range of health and housing agendas, support key research, target enforcement efforts, and provide tools to build sustainable local programs that mitigate housing-related health hazards. The Department awarded approximately $151 million in grant funds to protect children and families from lead and other home health hazards in housing across the country. As part of this effort, HUD assisted state and local governments to remedy unsafe housing conditions and address the acute shortage of decent and safe dwellings for low-income families. Responding to grantees' Coronavirus Disease 2019 related business disruptions, HUD recognized these challenges as reasonable bases for performance period extensions for lead and healthy homes grants and contracts. The issuance of technical guidance on balancing coronavirus safety and lead safety supported this extension. The Department also collaborated with nongovernmental partners, especially philanthropies, to create local, regional, and national partnerships that advance childhood lead safety and promote healthy homes. To drive Federal cooperation, HUD chaired the interagency Healthy Homes Working Group and Lead Exposure and Prevention Advisory Committee. Engagements were also furthered by HUD's participation in the Children's Environmental Health Task Force, Asthma Disparities Working Group, and Federal Bedbug Working Group.[80]

This priority has transitioned to HUD's 2022-2026 Strategic Plan and now supports the following strategic objectives:

- 4A: Guide Investment in Climate Resilience.
- 4B: Strengthen Environmental Justice.
- 4C: Integrate Healthcare and Housing.

KEY PERFORMANCE INDICATORS

To help achieve this priority, HUD has established the following performance indicator:

▶ **Number of at-risk housing units made healthy, physically safe, and lead-safe each year**
The number of housing units made healthy and lead-safe through HUD's Lead Hazard Control Grants, Healthy Homes Grants, Lead Disclosure Rule Enforcement, and Lead Safe Housing Rule Enforcement.

FY18 Actual	FY19 Actual	FY20 Actual	FY21 Actual	FY21 Target
15,607	13,076	10,106	9,961	8,900

CAP GOALS, STRATEGIC GOALS, STRATEGIC OBJECTIVES, AND APGs

Alignment to Cross-Agency Priority Goals is defined in the FY 2022-2026 HUD Strategic Plan. The Department has developed new strategic goals, strategic objectives, and Agency Priority Goals (APGs) within the FY 2022-2026 Strategic Plan. These goals, objectives, and APGs expand on the strategic priorities highlighted in the FY 2022 Budget.

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[79] Applicable grant programs include but are not limited to Choice Neighborhoods, Section 202 Supportive Housing for the Elderly, and Section 811 Supportive Housing for Persons with Disabilities.
[80] HUD participation in these cross-agency partnerships is part of its ongoing collaborations with the U.S. Department of Health and Human Services, U.S. Environmental Protection Agency, U.S. Department of Agriculture, and other Federal agencies.

EVIDENCE

Energy Efficiency

Residential energy use accounts for roughly 20 percent of greenhouse gas emissions in the U.S., and the Nation cannot meet the Paris Agreement target of an 80 percent emissions reduction by 2050 without residential sector initiatives, including deep energy retrofits, transition to low-carbon energy sources, and reducing energy intensity.[81] DOE's retrospective evaluation of its Weatherization Assistance Program demonstrated the substantial net benefits of home weatherization as well as of healthy homes interventions. The program generated a savings-to-investment ratio of 1.4 and a benefit-cost ratio, including health and safety benefits, of 4.1.[82]

One of the best sources of data for utility reduction in public housing and HUD-assisted housing is HUD's Office of Policy Development and Research (PD&R) evaluation of the American Recovery and Reinvestment Act (ARRA) of 2009.[83] Of the approximately $13.6 billion in ARRA funds appropriated to HUD, about $4 billion was allocated to the Public Housing Capital Fund for the modernization and renovation of the Nation's public housing stock, and $250 million was allocated to establish the Green Retrofit Program for Multifamily Housing. The amount of electricity saved is sufficient to power about 29,000 average U.S. homes for one year. The water savings are sufficient to supply about 7,000 U.S. families for one year, and the carbon dioxide savings are equivalent to removing 37,400 vehicles from the road.

Healthy Homes

There is no safe level of blood lead, and the prevalence of elevated blood lead in children under age 6 at or above the Centers for Disease Control and Prevention's (CDC's) blood lead reference value[84] persists at significant levels. Elevated blood lead is associated with, among other effects, cardiovascular mortality in adults[85] and harmful outcomes for children related to education, behavior, and criminal justice involvement that are mitigated by early intervention.[86] CDC-HUD analysis of tenant data linked with health surveys shows that children ages 0–5 who lived in HUD-assisted housing in 2005–2012 had lower blood lead levels than expected given their demographic, socioeconomic, and family characteristics.[87]

Evaluations of HUD's Lead Hazard Control Grant Program showed significant reductions in concentrations of dust lead, the major pathway for U.S. children's lead exposure, for multi-year periods after intervention.[88,89] A 2015 survey of the practices and capabilities for achieving dust-lead clearance for allowing reoccupancy after hazard control projects showed the feasibility of further strengthening the then-current dust-lead risk assessment and clearance standards,[90] informing the U.S. Environmental Protection Agency (EPA) rulemaking in 2019 and

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[81] Goldstein, Benjamin, Dimitrios Gounaridis, and Joshua P. Newell. 2020. "The carbon footprint of household energy use in the United States." Proceedings of the National Academy of Sciences.117, 32. www.pnas.org/cgi/doi/10.1073/pnas.1922205117.

[82] https://www.energy.gov/eere/wap/about-weatherization-assistance-program/weatherization-National-evaluation.

[83] https://www.huduser.gov/portal/sites/default/files/pdf/Assessment-of-ARRA-Green.pdf.

[84] CDC. CDC Response to Advisory Committee on Childhood Lead Poisoning Prevention Recommendations in "Low Level Lead Exposure Harms Children: A Renewed Call of Primary Prevention". June 7, 2012. https://www.cdc.gov/nceh/lead/docs/cdc_response_lead_exposure_recs.pdf.

[85] Brown L, et al. 2020. Developing a Health Impact Model for Adult Lead Exposure and Cardiovascular Disease Mortality. Environmental Health Perspectives, 128(9). https://ehp.niehs.nih.gov/doi/10.1289/EHP6552.

[86] Billings SB and Schnepel KT. 2018. Life after Lead: Effects of Early Interventions for Children Exposed to Lead. American Economic Journal: Applied Economics, 10(3): 315–344. https://doi.org/10.1257/app.20160056.

[87] Ahrens KA, Haley BA, Rossen LM, Lloyd PC, and Aoki Y. (2016). Housing assistance and blood lead levels in children in the United States, 2005–2012. American Journal of Public Health, 106(11):2049–2056. http://ajph.aphapublications.org/doi/10.2105/AJH.2016.303432.

[88] National Center for Healthy Housing and University of Cincinnati Department of Environmental Health. 2004. "Evaluation of the HUD Lead-Based Paint Hazard Control Grant Program: Final Report." HUD, Office of Lead Hazard Control and Healthy Homes. https://nchh.org/resource-library/report_evaluation-of-the-hud-lead-based-paint-hazard-control-grant-program_final-report.pdf.

[89] Wilson, Jonathan, Tim Pivetz, Peter Ashley, et al. 2006. "Evaluation of HUD-funded lead hazard control treatments at 6 years post-intervention." Environmental Science. https://doi.org/10.1016/j.envres.2006.04.007.

[90] Cox, David, and Gary Dewalt. 2015. Lead Hazard Control Clearance Survey: Final Report. HUD, Office of Lead Hazard Control and Healthy Homes. https://www.hud.gov/sites/documents/ClearanceSurvey_24Oct15.pdf.

2020.[91] A variety of research grants and partnerships continue to improve the efficacy and cost-effectiveness of methods for evaluation and control of residential lead-based paint, other housing-related health and safety hazards, and site contamination hazards.

Another major public health challenge relating to housing is asthma. Triggered by residential dampness and mold, asthma costs the Nation about $16.8 billion annually.[92] Reducing household allergens, which contribute to or trigger asthma and allergies, results in a return of $5.30 to $16.50 for every $1 invested in mitigation and prevention.[93]

Climate Resilience

Climate change has increased risk of natural disasters and threats to health and well-being. Changes in historical precipitation patterns account for an estimated one-third of cumulative flood damages over 1988 to 2017 at a cost of $73 billion and with climate models predicting continued intensification.[94] Sea level rise and coastal subsidence exacerbate coastal flooding risks from strengthening hurricanes.[95,96]

HUD has helped build the evidence base for designing effective future disaster response, recovery, and resilience efforts. The *Natural Hazard Mitigation Saves: 2019 Report,* funded in-part by HUD, represents an exhaustive benefit-cost analysis of natural hazard mitigation, from adopting up-to-date building codes and exceeding codes, to addressing the retrofit of existing buildings and utility and transportation infrastructure.[97] The study found that natural hazard mitigation saves $6 on average for every $1 spent on Federal mitigation grants.

In early 2021, HUD released a report on accelerating housing recovery after severe disasters, based on an examination of housing recovery activities funded by Community Development Block Grant – Disaster Recovery (CDBG-DR) grants during 2005 to 2015.[98] Going forward, PD&R is funding research that will create and test models for optimizing disaster recovery labor and supply chains to expedite housing recovery of the most vulnerable populations. The CDBG-DR resilience cost-effectiveness and implementation studies, another ongoing PD&R research effort, have the potential to help communities save public resources, modernize infrastructure, and improve access to opportunity for vulnerable populations through cost-benefit analyses and best practice guidebooks directed to states and communities recovering from flood-related natural disasters.

Through a research partnership with the National Institute of Standards and Technology, resilience planning case studies will produce best practice guidance using climate projection data as part of community planning. Results from these studies are expected in 2022 and 2023. Finally, PD&R is working to acquire proprietary hazard risk data on flood and wildfire threats that can be used to assess the risk exposure of HUD assets and HUD-assisted populations and to inform policy and programmatic decision-making.

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[91] EPA. Review of Dust-Lead Post-Abatement Clearance Levels. 85 Federal Register 37810-37819. June 24, 2020. https://www.federalregister.gov/d/2020-13582.

[92] Mudarri, DH. 2016. Valuing the Economic Costs of Allergic Rhinitis, Acute Bronchitis, and Asthma from Exposure to Indoor Dampness and Mold in the US. Journal of Environmental and Public Health. May 29, 2016. https://doi.org/10.1155/2016/2386596.

[93] Nurmagambetov TA et al. Economic Value of Home-Based, Multi-Trigger, Multicomponent Interventions with an Environmental Focus for Reducing Asthma Morbidity: A Community Guide Systematic Review. American Journal of Preventive Medicine. 41(2S1): S33– S47. 2011. https://www.thecommunityguide.org/sites/default/files/publications/Asthma-AJPM-econ-homebased.pdf or www.ajpmonline.org/article/S0749-3797(11)00314-X/fulltext.

[94] Davenport, Frances V., Marshall Burke, and Noah S. Diffenbaugh. 2021. "Contribution of historical precipitation change to US flood damages." Proceedings of the National Academy of Sciences. 118, 4. https://doi.org/10.1073/pnas.2017524118.

[95] Perkins, Sid. 2020. "Often driven by human activity, subsidence is a problem worldwide." *Proceedings of the National Academy of Sciences.* 118, 20. https://www.pnas.org/content/118/20/e2107251118.

[96] Emanuel, Kerry. 2020. "Evidence that hurricanes are getting stronger." *Proceedings of the National Academy of Sciences*. 117, 24. www.pnas.org/cgi/doi/10.1073/pnas.2007742117.

[97] Available at https://www.nibs.org/projects/natural-hazard-mitigation-saves-2019-report.

[98] Housing Recovery and CDBG-DR: A Review of the Timing and Factors Associated with Housing Activities in HUD's Community Development Block Grant for Disaster Recovery Program (2021). https://www.huduser.gov/portal/publications/HousingRecovery-CDBG-DR.html.

Priority 5: Strengthen HUD's internal institutional capacity to deliver on mission.

> Improve HUD's internal operations so that the Department can more effectively meet communities' housing needs.

LEADING THIS PRIORITY
Support Offices Office of Administration Office of the Chief Financial Officer Office of the Chief Information Officer

2021 APR PROGRESS UPDATE[99]

In FY 2021, HUD strengthened its internal institutional capacity by investing in human capital; continuing to transform HUD's financial operations; improving on information technology (IT); and enhancing HUD's Customer Experience (CX).

HUD made progress towards strengthening its Human Capital by hiring 819 new employees across the Department, bringing the total number of HUD employees to approximately 7,500. The Department made approximately 1,441 hiring selections from internal and external sources. These staffing gains increased HUD's capacity to better serve households and communities across the country. Also, in FY 2021, HUD has made gains in making the Department a better place to work. According to the Office of Personnel Management's (OPM's) FY 2021 Federal Employee Viewpoint Surveys (FEVS), the HUD's Employee Engagement Index (EEI) was 77%, which is 2 percentage points higher than HUD's FY 2020 EEI score of 75%.

The fiscal year saw notable progress towards the streamlining of financial, cost accounting, grants, and budget processes. Specifically, HUD partnered with the U.S. Department of Treasury's Administrative Resource Center (ARC) to deliver systems and functions to provide better services to internal and external customers. The Department fully implemented the Working Capital Fund and Managerial Accounting in FY 2021 using ARC's OneStream application. HUD also began development of a streamlined budget formulation system that is expected to be implemented in FY 2022. Underscoring these efforts has been the 33 percent reduction in the percentage of open Office of the Inspector General (OIG) audit recommendations pertaining to the Department's internal controls.

HUD made significant progress in modernizing HUD's information technology and strengthening cybersecurity in FY 2021. The Department continued investments in the Federal Housing Administration (FHA) Catalyst system, the Office of Public and Indian Housing modernization, and Ginnie Mae's rebuild of its mortgage-backed securitization platform. Additionally, HUD continued efforts to bolster cybersecurity by: acquiring staff for a 24/7 Security Operations Center and Computer Incident Response Team; implementing an Information Security Continuous Monitoring and Ongoing Authorization program; conducting table top and phishing exercises; assisting in spearheading the establishment of Supply Chain Risk Management governance and management strategy and processes; leveraging innovative security technologies and processes; providing general and specialized cybersecurity training and awareness; and enhancing Enterprise IT Risk Management processes.

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[99] The FY 2021 Annual Performance Report will be the last performance report based upon the FY 2018-2022 Strategic Plan framework and serves to close out this performance period. HUD has developed the FY 2022-2026 Strategic Plan, and will begin reporting against new strategic objectives, indicators, and milestones in the FY 2023 Annual Performance Plan.

HUD's Customer Experience Transformation Team (CXTT) initiated an assessment to explore how CX is currently executed at HUD. This assessment helped to define the Department's CX capability and outlined what is needed to operationalize HUD's desired future state of building a mature and sustainable CX capability within the Department. The CXTT began to implement CX best practices by working with several cross-office teams to demonstrate the value of CX with projects. This has led to the development of a CX coalition. HUD redesigned its COVID-19 website, using Human-Centered Designs, to better meet the needs of HUD customers. The Department expanded its focus on equity by launching a pilot to test a Voice of the Customer (VoC) tool. This tool allows HUD to better, and more systematically, capture feedback and measure CX before procuring an enterprise solution in the future.

HUD's Synergy Innovation Lab (iLab) Pilot enabled the Department to incubate and test prototypes of new service delivery models and program improvements designed to help make HUD a premiere place to work. In May of 2021, thirteen HUD Innovation Fellows were selected from 123 agency-wide applicants to participate in this inaugural program. The 16-week pilot provided opportunities for Headquarters and field employees to apply skills obtained through training in Human-Centered Design and innovation competencies. The diversity within the Fellow's cohort enabled the co-creation of seven prototypes in support of making HUD a premiere place to work. The iLab creates space for innovation to occur in a low-risk collaborative environment with internal and external partners before scaling. This pilot demonstrates the opportunity for employee innovation to impact employee engagement, employee experience, and the customer experience.

Note that this priority has transitioned to HUD's 2022-2026 Strategic Plan and now supports the following strategic objectives:

- 5A: Enable the HUD Workforce.
- 5B: Improve Acquisition Management.
- 5C: Strengthen Information Technology.
- 5D: Enhance Financial and Grants Management.
- 5E: Improve Ease, Effectiveness and Trust in HUD Services.

KEY PERFORMANCE INDICATORS

To help achieve this priority, HUD has established the following performance indicators:

▶ **Percentage of OIG recommendations closed**
   This measure will track the percentage reduction in OIG open recommendations that the OIG auditors issued in previous audits.

FY18 Actual	FY19 Actual	FY20 Actual	FY21 Actual	FY21 Target
36%	34%	39%	33%	35%

▶ **Decommission Legacy Financial Systems**

This measure will track the number of legacy financial systems that have undergone modernization, consolidation, or decommission, with the ultimate goal that HUD will only utilize one central structure.

FY18 Actual	FY19 Actual	FY20 Actual	FY21 Actual	FY21 Target
1	1	3	2	1[100]

▶ **Average Time-to-Hire (Office of Personnel Management [OPM] model)**

This measure will track the average number of days it takes from validation of hiring need to tentative offer. HUD will analyze current and historical data for the Department to inform talent management strategies and decisions regarding the workforce.

FY18[101] Actual	FY19[102] Actual	FY20[103] Actual	FY21 Actual	FY21 Target
72 days	95 days	97 days	82 days	85 days

▶ **Number of Enterprise IT Solutions Implemented**

This measure will track the number of enterprise-wide IT solutions that are implemented to streamline manual or cumbersome processes.

FY18 Actual	FY19 Actual	FY20 Actual	FY21 Actual	FY21 Target
3	3	8	4	1[104]

CAP GOALS, STRATEGIC GOALS, STRATEGIC OBJECTIVES, AND APGs

Alignment to Cross-Agency Priority Goals is defined in the FY 2022-2026 HUD Strategic Plan. The Department has developed new strategic goals, strategic objectives, and Agency Priority Goals (APGs) within the FY 2022-2026 Strategic Plan. These goals, objectives, and APGs expand on the strategic priorities highlighted in the FY 2022 Budget.

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[100] There is one remaining legacy system that has not been decommissioned. The plan is to decommission the system in FY 2021, closing out all legacy systems in FY 2022.

[101] For FY 2018-FY 2020 all time-to-hire data was revised to reflect the changes OPM made regarding the time to hire key performance indicator. The reporting now compares all fiscal years using the same metric.

[102] FY 2019 time-to-hire data excludes the time lapse in appropriations and furlough created by the Federal Government shutdown.

[103] FY 2020 time-to-hire data excludes time in security and time to onboard. In addition to the referenced increase in recruitment and hiring activity that was planned for FY 2020, the additional requirements to hire per the CARES Act hindered the Department's achievement of the FY 2020 target of 93 days.

[104] The number of enterprise IT solutions implementations have been reduced for FY 2021 due to resources and funding availability.

EVIDENCE

Human Capital

Employee satisfaction surveys are a core tool for tracking employee outcomes and improving and monitoring progress on workforce changes pursued in this objective. HUD participates in the annual, government-wide FEVS.[105] The Government Accountability Office (GAO) also conducts the Survey of Organizational Performance and Management Issues among Federal managers.[106] Performance management practices reported by HUD managers for the GAO survey exceed the Federal average for many of the questions in the GAO survey. [107]

Financial Transformation and IT Modernization

OIG-identified material weaknesses are assessed annually and documented in HUD's Agency Financial Report, along with HUD's reporting on the closure of open OIG audit recommendations that reduce material weaknesses or significant deficiencies.[108] Progress and strategies to manage financial risks are also a central component of FHA's Annual Financial Reports.

Recent reports by GAO have highlighted opportunities for Chief Information Officers to improve IT acquisitions and operations,[109] and for HUD, noted that cost estimating practice needs to be strengthened.[110] This evidence is used in the formulation and ongoing management of HUD's IT modernization.

Customer Experience

The 2019 American Customer Satisfaction Index (ACSI) found that HUD ranked 14 points below the mean government score of 68.1.[111] ACSI estimates of customer satisfaction are generated by econometric modeling of survey data, where expectations and perceptions of the quality of government services are used as inputs and complaints and citizen trust in government are used as outputs. Evidence-building will be supported in HUD's Customer Experience Initiative through the VoC Tool.[112]

HUD has a history of using partner satisfaction surveys[113] to measure service delivery outcomes for partner groups such as housing providers, cities, lenders, and grantees. This research showed that levels of satisfaction among partner groups are correlated with the extent to which they perceived HUD as primarily a regulator or primarily assisting. HUD also has measured satisfaction of final customers (assisted renters) through surveys by HUD's Real Estate Assessment Center (Resident Assessment Subsystem, during 2000–2003),[114] and HUD's Office of Policy Development and Research (PD&R) surveys of voucher households.[115]

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[105] For the FEVS, see https://www.opm.gov/policy-data-oversight/data-analysis-documentation/employee-surveys/.

[106] The 2017 Survey of Organizational Performance and Management Issues survey results for HUD are found at https://files.gao.gov/special.pubs/gao-17-776sp/resultshud.htm.

[107] GAO. 2018. "Managing for Results: Government-wide Actions Needed to Improve Agencies' Use of Performance Information in Decision Making." GAO-18-609SP. https://www.gao.gov/assets/gao-18-609sp.pdf. See pp.55–56.

[108] HUD's Agency Financial Reports are available at https://portal.hud.gov/hudportal/HUD?src=/program_offices/cfo/reports/cforept.

[109] "Opportunities for Improving Acquisitions and Operations" (2017), https://www.gao.gov/products/GAO-17-251SP, "Further Implementation of Recommendations Is Needed to Better Manage Acquisitions and Operations" (2018), https://www.gao.gov/products/GAO-18-460T.

[110] "Information Technology: HUD Needs to Address Significant Weaknesses in Its Cost Estimating Practices" (2017), https://www.gao.gov/products/GAO-17-281.

[111] American Customer Satisfaction Index. 2020. "ACSI Federal Government Report 2019." https://www.theacsi.org/images/stories/images/reports/20jan_gov-report-2019.pdf.

[112] HUD. 2020. *HUD Research Roadmap: 2020 Update.* https://www.huduser.gov/PORTAL/sites/default/files/pdf/Research-Roadmap-2020.pdf. See p.58.

[113] See "Partner Satisfaction With HUD's Performance: 2010 Survey Results and Trends Since 2005," https://www.huduser.gov/portal/publications/polleg/partnersatis_2011.html; "Partner Satisfaction with HUD's Performance" (2006), https://www.huduser.gov/portal/publications/polleg/partnersatis.html "How's HUD Doing: Agency Performance as Judged by Its Partners" (2001), https://www.huduser.gov/portal/publications/polleg/hows_hud.html; and indicator E.16 in HUD FY 2008 Performance and Accountability Report.

[114] See for example indicators 1.2.4.5 and 5.1.3 of HUD FY 2001 Annual Performance Report.

[115] Unpublished report by Gray et al., 2008, "Tell Us About Your Home: Three Years of Surveying Housing Quality and Satisfaction in the Section 8 Housing Choice Voucher Program," HUD-PD&R.

Cross-Agency Priority Goals

Established by the Government Performance and Results Modernization Act of 2010, Cross-Agency Priority (CAP) Goals are a tool used by the Administration to accelerate progress on a limited number of Presidential priority areas where implementation requires active collaboration between multiple agencies, overcoming organizational barriers to achieve better performance than one agency can achieve on its own.

Set or revised at least every four years, CAP Goals include outcome-oriented goals that cover a limited number of crosscutting policy areas as well as management goals focused on management improvements across the Federal Government in areas of financial management, strategic human capital management, information technology management, procurement and acquisition management, and real property management. While the President's Management Agenda's vision has been released, a series of Administration-wide CAP Goals will be determined during FY 2022. Each goal will feature: clearly named accountable officials; data-driven reviews that incorporate a broad range of quantitative and qualitative inputs; and reporting to the public through a common website as a framework to drive performance improvements on cross-government collaboration and tackle government-wide management challenges affecting most agencies.

Please refer to https://www.performance.gov/ for the Department's contributions and progress towards the CAP Goals, where applicable.

Section Three: Additional Information

Major Management Priorities and Challenges

Major management priorities and challenges are addressed in Priority 5, Strengthen HUD's internal institutional capacity to deliver on mission. Please see HUD's initiatives (Invest in Human Capital, Financial Transformation, Modernizing Information Technology, and Improve Customer Experience) for information on the management priorities and challenges HUD pursued to Improve HUD's internal operations so that the Department can more effectively meet communities housing needs.

Acronym List

Acronym	Definition
ACSI	American Customer Satisfaction Index
AFFH	Affirmatively Furthering Fair Housing
AHAR	Annual Homelessness Assessment Report
AIDS	Acquired Immunodeficiency Syndrome
APG	Agency Priority Goals
APP	Annual Performance Plan
APR	Annual Performance Report
ARC	Administrative Resource Center
ARCATS	Audit Resolution Corrective Action Tracking System
ARP	American Rescue Plan
ARRA	American Recovery and Reinvestment Act
CAP	Cross Agency Priority
CARES	Coronavirus Aid, Relief, and Economic Security Act
CDBG	Community Development Block Grant Program
CDBG -DR	Community Development Block Grant – Disaster Recovery Grants
CDC	Centers for Disease Control and Prevention
CoC	Continuum of Care
COVID-19	Coronavirus Disease 2019
CPD	Office of Community Planning and Development
CX	Customer Experience
CXTT	Customer Experience Transformation Team
DOE	U.S. Department of Energy
EEI	Employee Engagement Index
EO	Executive Order
EPA	U.S. Environmental Protection Agency
ERA	Emergency Rental Assistance
FEVS	Federal Employee Viewpoint Surveys
FHA	Federal Housing Administration
FHAP	Fair Housing Assistance Program
FHIP	Fair Housing Initiatives Program
FSS	Family Self-Sufficiency
FY	Fiscal Year
GAO	Government Accountability Office
Ginnie Mae	Government National Mortgage Association
HCCRT	HUD CARES Act Compliance and Response Team
HCV	Housing Choice Voucher
HDX	Homelessness Data Exchange
HEMS	HUD Enforcement Management System
HHS	U.S. Department of Health and Human Services
HMIS	Homeless Management Information Systems
HOME	HOME Investment Partnerships Program
HOME-ARP	HOME Investment Partnerships Program -American Rescue Plan
HUD	U.S. Department of Housing and Urban Development
iLab	Innovation Lab
IMS/PIC	Inventory Management System/ Public and Indian Housing Information Center
iREMS	Integrated Real Estate Management System
IRP	Interest Reduction Payments

IT	Information Technology
LEP	Limited English Proficiency
LEPI	Limited English Proficiency Initiative
LIHTC	Low Income Housing Tax Credit
LOCCS	Line Of Credit Control System
LSHR	Lead Safe Housing Rule
MAP	Multifamily Accelerated Processing
MIP	Mortgage Insurance Premium
MMIF	Mutual Mortgage Insurance Fund
MOU	Memorandum of Understanding
MPRD	Multifamily Portfolio Reporting Database
MPRD	Multifamily Portfolio Reporting Database
MTW	Moving to Work
NFHTA	National Fair Housing Training Academy
NPRM	Notice of Proposed Rulemaking
OCFO	Office of the Chief Financial Officer
OCHCO	Office of the Chief Human Capital Officer
OIG	Office of the Inspector General
OMB	Office of Management and Budget
OPM	The Office of Personnel Management's
PBRA	Project-Based Rental Assistance
PCNC	Preserving Community and Neighborhood Choice
PD&R	Office of Policy Development and Research
PHA	Public Housing Authority
PIH	Office of Public and Indian Housing
PIT	Point-in-Time
PRAC	Project Rental Assistance Contracts
PSH	Permanent Supportive Housing
RAD	Rental Assistance Demonstration
ROSS	Resident Opportunity and Self-Sufficiency
RRH	Rapid Re-Housing
SSP	Shared Service Provider
TBD	To Be Determined
TRACS	Tenant Rental Assistance Certification System
VMS	Voucher Management System
VoC	Voice of the Customer

Data Sources, Limitations and Advantages, and Validation

This section lists the following information for each metric in the APP:

- **Description**
- **Data source**
- **Unit of measurement**
- **Dimension**
- **Calculation method**
- **Frequency**
- **Direction**
- **Data quality (limitations/advantages of the data)**
- **Validation, verification, and improvement of measure**

Priority 1: Strengthen and broaden the Federal housing safety net for people in need.

Number of families served through HUD rental assistance

- **Description:** Aggregate count of Public Housing, Multifamily, and Housing Choice Voucher (HCV) units occupied
- **Data source:** Voucher Management System (VMS), Inventory Management System/ Public and Indian Housing Information Center (IMS/PIC), Integrated Real Estate Management System (iREMS), Tenant Rental Assistance Certification System (TRACS), Multifamily Portfolio Reporting Database (MPRD)
- **Unit of measurement:** Number of occupied units per program
- **Dimension:** Count
- **Calculation method:** Total count of households served by Public Housing, Multifamily, and HCV programs (each household occupies one unit)
- **Frequency:** Annualized, see below
- **Direction:** N/A – Tracking Only
- **Data quality (limitations/advantages of the data):** See sub-metrics below.
- **Validation, verification, and improvement of measure:** See sub-metrics below.

Public and Indian Housing

Number of Utilized Housing Choice Vouchers

- **Description:** This indicator tracks the number of utilized vouchers within the Office of Public and Indian Housing's (PIH's) HCV program, including tenant-based and project-based vouchers. This data is reported 70 days after the end of the quarter due to data validation processes.
- **Data source:** VMS
- **Unit of measurement:** Number of utilized HCV vouchers
- **Dimension:** Count
- **Calculation method:** The number of leased vouchers entered into PIH's VMS.
- **Frequency:** Quarterly
- **Direction:** N/A – Tracking Only
- **Data quality (limitations/advantages of the data):** VMS captures information related to the leasing and Housing Assistance Payment expenses for the HCV program. Public housing authorities (PHAs) enter the information, which is therefore subject to human (data-entry) error. The Department, however, has instituted "hard edits" for entries in the system.
- **Validation, verification, and improvement of measure:** The HCV program uses four other means to ensure the accuracy of the data:
    1. HUD has developed a voucher utilization projection tool, which will enable the Department and PHAs to forecast voucher utilization and better manage the Voucher program.
    2. The Housing Choice Voucher Financial Management Division performs data-validation checks of the VMS data after the monthly database has been submitted to HUD Headquarters for management reporting purposes.
    3. Data that appear to be inconsistent with prior months' data are resolved with the PHA.
    4. Corrections are entered directly into the VMS System to ensure that the data are accurate.

- *Number of Public Housing Households* **Description:** The number of Public Housing units that are occupied at the end of a fiscal year.
- **Data source:** IMS/PIC

- **Unit of measurement:** Public Housing rental units under an Annual Contribution Contract
- **Dimension:** Count
- **Calculation method:** The sum of Public Housing units occupied. Occupied units are defined as units occupied by assisted tenants and units occupied by non-assisted tenants.
- **Frequency:** Quarterly
- **Direction:** N/A – Tracking Only
- **Data quality (limitations/advantages of the data):** Generally, the data are high quality at a national level. PHAs self-report inventory and occupancy data in HUD's IMS/PIC using Form HUD 50058. Changes to unit use categories are approved by local HUD field offices. PHAs annually certify the accuracy of Public Housing building and unit counts within IMS/PIC system. There may be some temporary errors for specific unit statuses at some PHAs due to PHA-staff input errors. **Validation, verification, and improvement of measure:** Through the annual Capital Fund certification process, errors in physical inventory information are identified in IMS/PIC. PHAs are required to correct errors before certifying the accuracy of the data for each development. When a PHA encounters errors that the PHA staff or HUD field office staff cannot correct, the PHA is required to inform the Real Estate Assessment Center Technical Assistance Center help desk and to enter the help desk ticket number and a comment in their certification. The IMS/PIC system unit status data benefited from a major evaluation in 2011. In addition to recent technical efforts to correct system-driven data anomalies, PIH is developing additional tools to further enhance the ability of PHAs and field offices to ensure that the Public and Indian Housing Information Center unit status data is accurate.

Housing

Section 8 Project-Based Rental Assistance (PBRA) units
- **Description:** This sub-metric tracks the number of families receiving rental assistance through the PBRA program.
- **Data source:** TRACS and iREMS
- **Unit of measurement:** Households receiving rental assistance through the PBRA program
- **Dimension:** Count
- **Calculation method:** Number of units receiving rental assistance through the PBRA program (there is one household per unit)
- **Frequency:** Quarterly
- **Direction:** N/A – Tracking Only
- **Data quality (limitations/advantages of the data):** TRACS has more than 6,000 business rules to ensure data validation. Data fields are required for property and project management purposes. These systems serve two primary customers: HUD staff and business partners called performance-based contract administrators.
- **Validation, verification, and improvement of measure:** The system business rules and operating procedures are defined in HUD Occupancy Handbook 4350.3, HUD's IT system security protocols; and financial requirements established in the Office of Management and Budget's (OMB's) Circular A-127. Often referenced as validation rules, these business rules check for data accuracy, meaningfulness, and security of access logic and controls. TRACS' primary data element is the HUD 50059 tenant certification, which originates from owner/agents, performance-based contract administrators, and traditional contract administrators. HUD's 50059 transmissions are processed via secure system access and a predetermined system script. Invalid data are identified by an error code and are returned to the sender with a descriptive message and procedures to correct the error. This electronic process approximates that of the paper Form HUD 50059. TRACS edits every field, according to the HUD rental assistance program policies.

- ***Number of units subsidized by under Sections 202 and 236 (Multifamily)*Description:** Number of units covered by old Section 202 direct loans, insured under Section 236, or receiving interest reduction payments (IRP).
- **Data source:** MPRD and iREMS
- **Unit of measurement:** Number of units subsidized by the old Section 202, 236, and IRP programs
- **Dimension:** Count
- **Calculation method:** Count
- **Frequency:** Quarterly
- **Direction:** N/A – Tracking Only
- **Data quality (limitations/advantages of the data):** Although these units are assumed to be occupied, there is no assurance that this assumption is correct.
- **Validation, verification, and improvement of measure:** The number of units per project in the MPRD comes from iREMS and has been validated multiple times by project managers in field asset management against source documents.

Project Rental Assistance Contracts in the Section 202 Housing for the Elderly and Section 811 Housing for Persons with Disabilities programs (202/811 PRAC)
- **Description:** Number of households receiving rental assistance through a 202/811 Project Rental Assistance Contracts (PRAC).
- **Data source:** TRACS and iREMS
- **Unit of measurement:** Number of households receiving rental assistance through a 202/811 PRAC

- **Dimension:** Count
- **Calculation method:** Number of units receiving assistance through a 202/811 PRAC
- **Frequency:** Quarterly
- **Direction:** N/A – Tracking Only
- **Data quality (limitations/advantages of the data):** TRACS has more than 6,000 business rules to ensure data validation. Data fields are required for property and project management purposes.
- **Validation, verification, and improvement of measure:** The system business rules and operating procedures are defined in HUD Occupancy Handbook 4350.3; HUD's IT system security protocols; and financial requirements established in the Office of OMB's Circular A-127. Often referenced as validation rules, these business rules check for data accuracy, meaningfulness, and security of access logic and controls. TRACS' primary data element is the HUD 50059 tenant certification, which originates from owner/agents. HUD's 50059 transmissions are processed via secure system access and a predetermined system script. Invalid data are identified by an error code and are returned to the sender with a descriptive message and procedures to correct the error. This electronic process approximates that of the paper Form HUD 50059. TRACS edits every field, according to the HUD rental assistance program policies.

Length of homelessness
- **Description:** Average length of time persons experience homelessness. At this time, only persons experiencing sheltered homelessness are included in this measure; future data submissions will include persons experiencing unsheltered homelessness as well.
- **Data source:** Data collected in each Continuum of Care's (CoC's) Homeless Management Information Systems (HMIS). Data is reported as "System Performance Measures" into the Homelessness Data Exchange (HDX).
- **Unit of measurement:** Days
- **Dimension:** Weighted Rate
- **Calculation method:** Each CoC is required to collect data and report to HUD annually on specific system performance measures. These measures are based on a set of programming specifications HUD provided to communities to ensure consistency: https://www.hudexchange.info/resource/4483/system-performance-measures-tools/.
- **Frequency:** Annually
- **Direction:** Decrease
- **Data quality (limitations/advantages of the data):** Data is relatively comprehensive as CoCs must report data regardless of funding source. The data is limited by how many projects report their data in HMIS and how accurate their data quality is. HUD requires each CoC to track null and missing value information as well as other data quality concerns. The rates of data quality issues per each response element that impacts the system performance measures is submitted to HUD at the time that the measures are submitted. HUD reviews this and includes the data quality piece in its larger evaluation of the system performance measures.
- **Validation, verification, and improvement of measure:** HUD includes the system performance measures in its annual CoC Program Competition, along with data quality and HMIS bed coverage information. This creates incentives to have accurate data as well as to show improved outcomes. HUD will continue to include this as a scoring factor and will incorporate it into more reporting requirements. HUD will provide more resources to improve data quality. HUD provided programming specifications to ensure consistency and will provide more resources to help CoCs test the accuracy of their systems to pull the data.

Number of people experiencing homelessness
- **Description:** Total number of people experiencing homelessness based on a count that occurs on a single night, usually in January.
- **Data source:** Point-in-Time (PIT) count reported in the HDX
- **Unit of measurement:** Homeless persons on a single night, usually in January
- **Dimension:** Count
- **Calculation method:** A count of homeless persons on a single night, usually in January
- **Frequency:** Although many jurisdictions count annually, 24 Code of Federal Regulations 578.7(c)(2) only requires that the counts be done "biennially."
- **Direction:** Decrease
- **Data quality (limitations/advantages of the data):** HUD establishes PIT count guidance annually that states the minimum amount of data that all Continuums of Care (CoCs) must collect and report to HUD. There are additional reporting tools that provide guidance on HUD's reporting requirements and standards.
- **Validation, verification, and improvement of measure:** When CoCs submit their data in the HDX, there are also several validations in HDX itself to ensure consistency in reporting. After the data are submitted, HUD's contractors analyze the data again and call communities if there are further discrepancies that need to be explained or corrected.

Priority 2: Advance housing equity as a means to improving housing choices and greater economic opportunity.

Number of cases referred by Fair Housing Initiatives Program (FHIP) organizations

Cases referred by FHIP organizations

- **Description:** This measure will track the number of cases completed each year that were referred by FHIP organizations to HUD or a Federal Housing Assistance Program partner.
- **Data source:** HUD Enforcement Management System (HEMS)
- **Unit of measurement:** Number of cases
- **Dimension:** Count
- **Calculation method:** Relevant cases tallied from the data captured in HEMS
- **Frequency:** Annually
- **Direction:** Increase
- **Data quality (limitations/advantages of the data):** All cases investigated by HUD and by FHAP agencies as part of the FHAP program are entered into HEMS, which tracks multiple aspects of the case and the investigation. One of these aspects is whether a given case was referred by a FHIP organization. This measures when the investigation is substantially completed, and the matter has been closed, conciliated, or referred onward for adjudication.
- **Validation, verification, and improvement of measure:** All FHAP cases entered into HEMS are reviewed by HUD grants monitors as part of the reimbursement process. HUD cases are reviewed by a supervisor and depending on the resolution may also be reviewed by HUD counsel.

Cases that resulted in a recommendation of a legal charge

- **Description:** This measure will track the number of cases that resulted in a recommendation of a legal charge each year that were referred by FHIP organizations to HUD or a FHAP partner.
- **Data source:** HEMS
- **Unit of measurement:** Number of cases
- **Dimension:** Count
- **Calculation method:** Relevant cases tallied from the data captured in HEMS
- **Frequency:** Annually
- **Direction:** Increase
- **Data quality (limitations/advantages of the data):** All cases investigated by HUD and by FHAP agencies as part of the FHAP program are entered into HEMS, which tracks multiple aspects of the case and the investigation. One of these aspects is whether a given case was referred by a FHIP organization. This measures when the investigation is substantially completed, and the matter has been referred onward for adjudication.
- **Validation, verification, and improvement of measure:** All FHAP cases entered into HEMS are reviewed by HUD grants monitors as part of the reimbursement process. HUD cases are reviewed by a supervisor and depending on the resolution, may also be reviewed by HUD counsel.

Cases that resulted in conciliation of case

- **Description:** This measure will track the number of cases that resulted in a conciliation of the case each year that were referred by FHIP organizations to HUD or a FHAP partner.
- **Data source:** HEMS
- **Unit of measurement:** Number of cases
- **Dimension:** Count
- **Calculation method:** Relevant cases tallied from the data captured in HEMS
- **Frequency:** Annually
- **Direction:** Increase
- **Data quality (limitations/advantages of the data):** All cases investigated by HUD and by FHAP agencies as part of the FHAP program are entered into HEMS, which tracks multiple aspects of the case and the investigation. One of these aspects is whether a given case was referred by a FHIP organization. This measures when the investigation is substantially completed, and the matter has been conciliated between the parties to the complaint.
- **Validation, verification, and improvement of measure:** All FHAP cases entered into HEMS are reviewed by HUD grants monitors as part of the reimbursement process. HUD cases are reviewed by a supervisor and depending on the resolution may also be reviewed by HUD counsel.

Number of cases Fair Housing Assistance Program (FHAP) agencies processed

Cases of cases FHAP agencies processed

- **Description:** This measure computes the number of cases processed by FHAP agencies each year.
- **Data source:** HEMS
- **Unit of measurement:** Number of cases
- **Dimension:** Count

- **Calculation method:** Relevant cases tallied from the data captured in HEMS.
- **Frequency:** Annually
- **Direction:** Increase
- **Data quality (limitations/advantages of the data):** FHIP organizations are required to refer substantial complaints of fair housing violations to HUD or FHAP agencies. All cases investigated by FHAP agencies as part of the FHAP program must be entered into HEMS, which tracks multiple aspects of the case and the investigation. This measures when the investigation by the agency is substantially completed, and the matter has been closed, conciliated, or referred onward for adjudication.
- **Validation, verification, and improvement of measure:** All FHAP cases entered into HEMS are reviewed by HUD grants monitors as part of the reimbursement process. This review verifies key elements of the case investigation.

Cases that resulted in a recommendation of a legal charge
- **Description:** This measure computes the number of cases processed by FHAP agencies each year that result in a recommendation of a legal charge.
- **Data source:** HEMS
- **Unit of measurement:** Number of cases
- **Dimension:** Count
- **Calculation method:** Relevant cases tallied from the data captured in HEMS.
- **Frequency:** Annually
- **Direction:** Increase
- **Data quality (limitations/advantages of the data):** All cases investigated by FHAP agencies as part of the FHAP program must be entered into HEMS, which tracks multiple aspects of the case and the investigation. This measures when the investigation by the agency has been referred for adjudication.
- **Validation, verification, and improvement of measure:** All FHAP cases entered into HEMS are reviewed by HUD grants monitors as part of the reimbursement process. This review verifies key elements of the case investigation including whether the case has been referred for adjudication.

Cases that resulted in conciliation of case
- **Description:** This measure computes the number of cases processed by FHAP agencies each year that result a conciliation of the case.
- **Data source:** HEMS
- **Unit of measurement:** Number of cases
- **Dimension:** Count
- **Calculation method:** Relevant cases tallied from the data captured in HEMS.
- **Frequency:** Annually
- **Direction:** Increase
- **Data quality (limitations/advantages of the data):** All cases investigated by FHAP agencies as part of the FHAP program must be entered into HEMS, which tracks multiple aspects of the case and the investigation. This measures when the investigation by the agency has resulted in a conciliation of the complaint between the parties to the investigation.
- **Validation, verification, and improvement of measure:** All FHAP cases entered into HEMS are reviewed by HUD grants monitors as part of the reimbursement process. This review verifies key elements of the case investigation, including the resolution of the investigation.

Number of Limited English Proficiency Initiative (LEPI) services provided
- **Description:** This measure will track the number of instances of documents translated into other languages and the number of instances of foreign language interpretation provided in support of HUD programs.
- **Data Source:** Contractor monthly and annual reports
- **Unit of measurement:** Number of document translations or instances of interpretation provided as part of the contract service
- **Dimension:** Count
- **Calculation Method:** Count of each instance of document translation and each instance of interpretation service rendered.
- **Frequency:** Annually
- **Direction:** Increase
- **Data quality (limitations/advantages of the data):** Internal requests for document translation are entered through an internal HUD portal, and then passed onto the contractor once approved. Requests for verbal interpretation are made via a request phone number, which connects directly to the contractor.
- **Validation, verification, and improvement of measure:** HUD LEPI Portal data on requests is compared to reports received from translation contractor on number of translations performed. The number of interpretation services rendered is reported directly by the contractor.

Number of FHIP and FHAP fair housing practitioners who attend National Fair Housing Training Academy (NFHTA) courses
- **Description:** This metric will track the number of practitioners who attend training activities, which include five different courses on building knowledge and skills on fair housing.
- **Data Source:** NFHTA Learning Management System

- **Unit of measurement:** Number of fair housing practitioners who attend training
- **Dimension:** Count
- **Calculation Method:** Count of relevant participants who receive a course completion certificate
- **Frequency:** Annually
- **Direction:** Increase
- **Data quality (limitations/advantages of the data):** Data on course participants is tracked in a Learning Management System. This system tracks the learning history of each student at the Academy, including enrollment and course completion data.
- **Validation, verification, and improvement of measure:** Relevant course participants receive HUD authorization to attend, are tracked during course delivery, and then are counted based on issuance of completion certificate.

Number of households served through the Eviction Protection Grant

- **Description:** This measure will track the cumulative number of households subject to or at risk of eviction that receive eviction protection services through the grant program, as reported by grantees.
- **Data Source:** Administrative data from grantee performance reports
- **Unit of measurement:** Number of households subject to or at risk or eviction
- **Dimension:** Count
- **Calculation Method:** Summation
- **Frequency:** Quarterly, Annual
- **Direction:** N/A - Tracking Only
- **Data quality (limitations/advantages of the data):** Criteria for serving households subject to or at risk of eviction may vary across grantees depending on their program priorities. Count data are not subject to sampling error.
- **Validation, verification, and improvement of measure:** During the first year of implementation, the Office of Policy Development and Research (PD&R) will review administrative data for errors and omissions and geocoding compatibility. PD&R will identify technical assistance needs of grantees accordingly.

Priority 3: Increase the production of and access to affordable housing.

Percentage of new FHA-insured purchase mortgages that are first-time homebuyers

- **Description:** This measure computes the percentage of Federal Housing Administration (FHA) insured single-family purchase originations for which the borrower is a first-time homebuyer.
- **Data source:** Single-Family Data Warehouse and American Housing Survey
- **Unit of measurement:** Share of FHA endorsed originations that belong to first-time homebuyers
- **Dimension:** Percentage
- **Calculation method:** Percentage of FHA endorsed originations made to first-time homebuyers.
- **Frequency:** Quarterly
- **Direction:** N/A - Tracking Only
- **Data quality (limitations/advantages of the data):** HUD will rely on data from the Single-Family Data Warehouse, which tracks the number of FHA loans to first-time homebuyers on a quarterly basis.
- **Validation, verification, and improvement of measure**: American Housing Survey is available every 2 years.

Capital Reserve Ratio

- **Description:** The capital ratio compares the "economic net worth" of the Mutual Mortgage Insurance Fund to the dollar balance of active, insured loans, at a point in time. Economic net worth is defined as a net asset position, where the present value of expected future revenues and net claim expenses is added to current balance sheet positions. HUD will maintain a capital reserve ratio that meets or exceeds the statutory minimum requirement. The capital ratio computation is part of an annual valuation of the outstanding portfolio of insured loans at the end of each fiscal year.
- **Data source:** FHA Single Family Data Warehouse Meta Tables
- **Unit of measurement:** Comparative between net asset position to balance of loans
- **Dimension:** Ratio
- **Calculation method:** The Net Present Value of future cash flows plus capital resources divided by insurance-in-force
- **Frequency:** Annual; HUD will investigate ways of showing on a quarterly basis how the business is tracking against the most recent actuarial forecast.
- **Direction:** Increase
- **Data quality (limitations/advantages of the data):** The data originate in the Single-Family Insurance System-Claims Subsystem, and for convenience are reported from FHA Single Family Housing Enterprise Data Warehouse.
- **Validation, verification, and improvement of measure:** No data limitations are known to affect this indicator. The loan servicers enter the FHA data, and the FHA monitors the data entry.

Priority 4: Promote climate resiliency, environmental justice, and energy efficiency across the housing sector.

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

Lead Hazard Control Grants
- **Description:** Number of housing units made healthy and lead-safe through HUD's Lead Hazard Control Grants.
- **Data source:** Grantee reports to Healthy Homes Grant Management System
- **Unit of measurement:** Housing units
- **Dimension:** Count
- **Calculation method:** Total of units from each grantee
- **Frequency:** Quarterly
- **Direction:** Increase
- **Data quality (limitations/advantages of the data):** Units are counted only after payment has been made after lead hazard control work has been done and the units have been cleared for re-occupancy, so grantees have a fiduciary responsibility to report accurately; but some grantees report on a single unit more than once, as they make partial and then final payments.
- **Validation, verification, and improvement of measure:** Reports are validated against financial payments ((Line of Credit Control System [LOCCS] reporting) and verified by remote and on-site monitoring by grant Government Technical Representatives. Having software checks for duplicate counting of units would improve the measure.

Healthy Homes Grants
- **Description:** Number of housing units made healthy and lead-safe through HUD's Healthy Homes Grants.
- **Data source:** Grantee reports to Healthy Homes Grant Management System
- **Unit of measurement:** Housing units
- **Dimension:** Count
- **Calculation method:** Total of units from each grantee
- **Frequency:** Quarterly
- **Direction:** Increase
- **Data quality (limitations/advantages of the data):** Units are counted only after payment has been made after hazard control work has been done and re-occupancy has been allowed, so grantees have a fiduciary responsibility to report accurately; but some grantees report on a single unit more than once, as they make partial and then final payments.
- **Validation, verification, and improvement of measure:** Reports are validated against financial payments (LOCCS reporting) and verified by remote and on-site monitoring by grant Government Technical Representatives. Having software checks for duplicate counting of units would improve the measure.

Lead Disclosure Rule Enforcement
- **Description:** Number of housing units made healthy and lead-safe through HUD's Lead Disclosure Rule Enforcement.
- **Data source:** Property owner/property manager reports
- **Unit of measurement:** Housing units
- **Dimension:** Count
- **Calculation method:** Total of units from each owner/manager
- **Frequency:** Quarterly
- **Direction:** Increase
- **Data quality (limitations/advantages of the data):** Units are counted only after the owners/managers have documented completing work and the units have been tested to confirm low lead levels that would allow re-occupancy, so owners/managers face economic and/or court sanctions for not reporting accurately; but limitations on HUD staffing and travel funding preclude on-site quality control checking.
- **Validation, verification, and improvement of measure:** Lead hazard control work is validated by consistency checks on records from owners and managers. They are then verified by the U.S. Environmental Protection Agency or State-certified lead risk assessors. The measure could be improved with routine on-site quality control checking by HUD lead program enforcement and/or its lead enforcement partners.

Lead Safe Housing Rule (LSHR) Enforcement - HOME- Community Development Block Grant - Housing Opportunities for Persons With AIDS
- **Description:** Housing units made lead safe through work under HUD's LSHR.
- **Data source:** Reporting by funding recipients as tracked by the Integrated Disbursement and Information System
- **Unit of measurement:** Housing units
- **Dimension:** Count
- **Calculation method:** Total of units from each funding recipient
- **Frequency:** Quarterly

- **Direction:** Increase
- **Data quality (limitations/advantages of the data):** Units are counted only after payment has been made for completing work and allowing re-occupancy, so funding recipients have a fiduciary responsibility to report accurately; routine on-site quality control checking for lead results by HUD lead program enforcement and/or its lead enforcement partners is not conducted.
- **Validation, verification, and improvement of measure:** Reports are validated against financial payments (LOCCS reporting) and verified by remote and on-site monitoring by CPD representatives. Measure would be improved by routine on-site quality control checking for lead results by HUD lead program enforcement and/or its lead enforcement partners.

Priority 5: Strengthen HUD's internal institutional capacity to deliver on mission.

Reduce the percentage of OIG open recommendations

- **Description:** This measure will track the reduction of the percentage of outstanding audit recommendations that are significantly overdue (i.e., findings for which corrective actions have been delayed by a year or more).
- **Data source:** The Audit Resolution Corrective Action Tracking System (ARCATS)
- **Unit of measurement:** Significantly overdue OIG audit remediation at of the end of the fiscal year
- **Dimension:** Percentage
- **Calculation method:** For the given annual performance review period (a fiscal year), the numerator is the number of significantly overdue recommendations closed and the denominator is the beginning balance of significantly overdue recommendations.
- **Frequency:** Annual
- **Direction:** Decrease in number of significantly overdue or increase in percent closed (depends on perspective)
- **Data quality (limitations/advantages of the data):** Data are reliable and reviewed and maintained in ARCATS.
- **Validation, verification, and improvement of measure:** The number of significantly overdue recommendations is reported by ARCATS via an aging report. Source data are jointly maintained, managed, and confirmed by the Office of the Inspector General and HUD management.

Decommission Legacy Financial Systems

- **Description:** Modernize, consolidate, and then decommission HUD's separate financial systems into one central structure.
- **Data source:** Program Accounting System, Line of Credit Control System, HUD Central Accounting and Program System, and Financial Data Mart
- **Unit of measurement:** Financial system
- **Dimension:** Count
- **Calculation method:** Sum
- **Frequency:** Annual
- **Direction:** Decrease
- **Data quality (limitations/advantages of the data):** An advantage is that the data is derived from a hard count of active systems that is verified by system managers. A limitation is that management changes may run the risk of common definitions noting the difference between a decommissioned but accessible system and a fully offline, inaccessible system.
- **Validation, verification, and improvement of measure:** Chief Technology Officer and the Office of the Chief Information Officer verified reports, checklists, traceability, etc.

Average Time-to-Hire (the Office of Personnel Management's model)

- **Description:** This measure will track the average number of days it takes from validation of hiring need to tentative offer. HUD will analyze current and historical data for the Department to inform talent management strategies and decisions regarding the workforce.
- **Data source:** Career Connector and the Bureau of the Fiscal Service Shared Service Provider (SSP)
- **Unit of measurement: Calendar** Days
- **Dimension:** Count
- **Calculation method:** Number of days within process
- **Frequency:** Annually
- **Direction:** Decrease
- **Data quality (limitations/advantages of the data):** Data is dependent upon SSP entry of some data elements. The Office of the Chief Human Capital Officer (OCHCO) will provide quality oversight review of SSP data.
- **Validation, verification, and improvement of measure:** OCHCO will provide quality oversight review of SSP data.

Number of Enterprise Information Technology (IT) Solutions Implemented

- **Description:** The number of enterprise-wide IT solutions that are implemented to streamline manual or cumbersome processes.
- **Data Source:** The HUD Chief Technology Officer
- **Unit of measurement:** Number of enterprise-wide IT processes
- **Dimension:** Count
- **Calculation Method:** Count of enterprise-wide IT processes during each calendar year
- **Frequency:** Annually

- **Direction:** Increase
- **Data quality (limitations/advantages of the data):** A constraint is the limited ability to challenge the Chief Technology Officer's direct knowledge of solution implementation.
- **Validation, verification, and improvement of measure:** Solutions are catalogued, verified, and validated by HUD's Chief Information Officer and Principal Deputy Chief Information Officer.

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