



Executive Order 14091: HUD's Agency Equity Action Plan

Message from the Agency Head:

From Day One, the U.S. Department of Housing and Urban Development (HUD, the Agency) has heeded President Biden's charge to carry out our agency's mission in ways that advance racial equity, respect the great diversity in our nation, and begin to right historical wrongs. As the lead agency that engages with some of our country's most historically and systemically disadvantaged populations, these efforts are of critical importance. As such, the work we are doing in accordance with the President's directive extends to all program offices and departments, and across both intra-and inter-agency initiatives.

Under the Biden-Harris Administration, HUD's work to advance equity has aligned with the following strategic goals: promoting equitable development and increasing the supply of affordable housing; advancing sustainable homeownership and wealth generation; reducing barriers and enhancing support for protected classes of people by enforcing fair housing regulations, advancing housing justice, and improving rental assistance.; reducing racial and ethnic disparities in homeless systems through identifying and addressing barriers; and advancing sustainable communities by strengthening climate resilience and energy efficiency, promoting environmental justice, and driving the creation of good-paying jobs. In advancement of our goal to promote equitable development, we have released funding to ensure communities can pair housing investments with infrastructure projects; strengthened our nation-to-nation relationships with Tribal Leaders on housing; conducted research on the impacts of zoning laws; and launched initiatives to bridge the racial wealth gap.

To fortify support for fair housing, rental assistance, and civil rights, we have greatly increased assistance through housing vouchers, while expanding choice for renters; clarified our authority under the Violence Against Women Act and delivered new resources for survivors; taken direct action to address bias in the home valuation and appraisal system; issued new guidance related to housing for those with criminal records; and encouraged work to better serve lesbian, gay, bisexual, transgender, queer, intersex, and asexual (LGBTQIA+) youth experiencing homelessness and housing instability.

On homelessness, we are partnering with state and local leaders to launch an initiative to reduce unsheltered homelessness; tested new processes to transform the experiences of those who are disproportionately represented in homeless populations; expanded legal services to low-income people at risk of or subject to eviction; and we have taken steps to protect tenants from screening practices that may violate the Fair Housing Act.

To promote environmental justice in housing, we have begun implementing a robust climate action plan and stood up new funding to make new and existing multi-family properties more energy efficient and climate resilient. Those actions also align with our work to advance safe and healthy housing, which we have done by implementing new inspection standards for HUD-assisted housing, releasing new funding to reduce lead and other health hazards in housing, and through new career opportunities for green jobs.

Looking ahead to FY 2024 and beyond, our work to implement, track, and expand these activities will continue to grow and evolve. The following action plan will serve as our guide as we carry out this aspect of our mission.

Through all of these efforts, HUD is taking the steps necessary to ensure we leave the nation better than we found it, and we will continue working to turn the tide to correct historical injustices that have persisted for far too long.

Executive Summary of Equity Action Plan:

Due to the nature of HUD’s work and the populations we serve, our focus on equity permeates throughout everything the Agency does. The mission of the U.S. Department of Housing and Urban Development is to create strong, sustainable, inclusive communities and quality affordable homes for all. Through prior efforts the Agency has taken in support of equity-related goals, and with continued efforts moving forward, HUD’s goal is to ensure the words “*for all*” within our mission and vision statement encompass and represent every person in the nation.

HUD’s Equity Action Plan describes five strategies that the Agency will take to further support equity through economic and community development, sustaining homeownership and wealth building, enforcing and advancing housing justice, improving homelessness relief efforts, and strengthening climate resilience. Completing this plan required a whole-of-agency assessment of how HUD programs are effectively delivered to the public, and a comprehensive review of how current methods of data collection, partnerships with stakeholders, and policy development are performed. This effort is intended to further advance the Administration’s commitment to improve decision-making that results in more equitable outcomes for the American people and specifically for historically underserved communities.

- **Invest in the success of historically underserved communities by increasing the supply of affordable housing and promoting equitable economic development:** Housing is a cornerstone in the economic development of a community and plays a key role in improving lives. Implementation of federal policies that serve to eliminate systemic discrimination and promote equity in accessing affordable housing is an important pillar for inclusive and sustainable communities. HUD’s Equity Action Plan intends to expand the reach and impact of economic development at the community, municipal, Tribal, and state levels to find solutions where the demand for affordable housing exceeds the available supply. In further support of these actions, HUD also plans to promote greater financing options and provide new avenues for technical assistance to program partners for the creation of innovative housing development to increase availability and affordability.

- **Advance sustainable homeownership and wealth generation by reducing appraisal bias and expanding access to homeownership:** HUD is dedicated to ensuring all people have access to affordable homeownership and the opportunity to build generational wealth. To better serve individuals and families, HUD has expanded the Family Self Sufficiency program for HUD-assisted residents to initiate a path to realizing their homeownership dreams. HUD will also support current homeowners by combatting the historic impacts of racial bias in the home appraisal process that erodes equity and robs Black, Brown, and Indigenous communities of the opportunity to maintain and grow generational wealth.
- **Reduce barriers and enhance support for protected classes by enforcing fair housing regulations, advancing housing justice, and improving rental assistance:** HUD's primary focus in advancing housing justice is to expand the Department's role in proactively supporting and protecting underserved communities through increased Fair Housing Law enforcement and compliance. As detailed within this Equity Action Plan, HUD will enact a dedicated training curriculum to national fair housing partners to ensure that knowledge of Fair Housing protections is widespread and actionable in local communities. Similarly, HUD will employ targeted efforts to engage with key populations, including those impacted by gender-based violence, LGBTQIA+ communities, and people impacted by the criminal justice system, to improve the administration and delivery of HUD-assisted programs and services.
- **Reduce racial and ethnic disparities in homeless systems through identifying and addressing barriers to engagement by underserved populations:** Promoting equity is a key component in reducing homelessness. People experiencing homelessness are among the most underserved and overlooked – most especially Black, Hispanic, and Native American or Alaska Native people, who experienced increases in homelessness and are significantly overrepresented among this population. Through specialized research and data gathering initiatives, the Agency will continue to improve its ability to better identify, engage, and re-house Black, Brown, Indigenous and other systematically disadvantaged people experiencing unsheltered homelessness. In addition, HUD will expand its work with program and community partners to incorporate the voice and leadership of people with lived experience to create tailored, equitable solutions for individuals' needs to accentuate a new approach to homelessness relief and further equal access to eviction protection resources.
- **Advance sustainable communities by strengthening climate resilience and energy efficiency, promoting environmental justice, and driving the creation of good-paying jobs:** Climate change is a worsening crisis that impacts communities across the United States and the world. Due to historic discrimination and disinvestment, systemically underserved communities often suffer climate change's consequences most acutely, deepening pre-existing societal inequities. The importance of addressing this crisis is reflected in HUD's efforts to create and expand programs that reduce assisted resident exposure to climate-related hazards. While doing so, HUD will improve energy efficiency in HUD-assisted housing and create pathways to good paying jobs. HUD will also improve the Agency's critical disaster recovery assistance through a strategic, data-

driven approach to avoid perpetuating disparities and reduce inequities as communities recover.

Although this Action Plan outlines the substantive and measurable actions we continue to take, as well as highly participative stakeholder outreach performed in support of equity goals, HUD recognizes that there is still work to be done in ensuring that there is equitable access to and equitable benefit from HUD's programs and services. The actions in this plan are empirically supported, and were devised in response to feedback received about HUD programs directly from impacted stakeholder groups. The strategies described herein are key to the Agency's support for the Administration's goals on equity. HUD intends to enact this plan to further its mission in communities across the Nation for their improved benefit from our programs and services.

Equity Progress Update and Accomplishments:

Since the inception of the Agency's first Equity Action Plan, HUD has performed several key initiatives to move the mission of the Agency forward and to improve program delivery and accessibility for all people. Specifically, HUD has made great strides since FY 2021 in improving equitable access to wealth building opportunities by supporting new pathways to government contracting and homeownership for historically disadvantaged groups. Similarly, HUD has made improvements in equitable access to the Agency's protections of historically discriminated populations through our housing justice programs. HUD will also continue to work to make homelessness rare, brief, and non-recurring, while strengthening Federal, State, Tribal, and community implementation of evidence-based practices, such as Housing First, to address homelessness.

As a leading Agency in furthering the Biden-Harris Administration's goals in support of equity, and in response to President Biden's Executive Order 13985, HUD continues to perform this work through four overarching components – 1. Ensuring equity in procurement; 2. Addressing barriers to equity in homelessness response; 3. Supporting equity in housing/wealth building; and 4. Enforcing equity through housing justice. Each component is described in greater detail below:

Ensuring Equity in Procurement

HUD is strongly committed to utilizing small and disadvantaged businesses for its procurement needs. Through the Office of Small and Disadvantaged Business Utilization (OSDBU), HUD performs regular outreach, education, and advocacy efforts to utilize small businesses in HUD contracting. In FY 2022, the Agency awarded \$456 million (39% of all HUD contract awards) in prime contracts to small business concerns, ensuring that small businesses had a maximum practicable opportunity to participate in government contracting. As a result of these efforts, [HUD received an "A+" for FY 2022 on its U.S. Small Business Administration Federal Procurement Scorecard.](#)

HUD's highlighted achievements are the result of outreach efforts to underrepresented business groups. In FY 2022 and FY 2023, HUD's OSDBU prioritized small business outreach to host events for historically underrepresented groups. OSDBU also diversified its outreach efforts,

recently revamping the annual Forecast of Contracting Opportunities to allow small and disadvantaged businesses the capability to easily identify contracting opportunities by program office, North American Industrial Classification System (NAICS) code, contract type, and dollar value.

Addressing Barriers to Equity in Homelessness Response

HUD's Office of Community Planning and Development (CPD) has undertaken targeted initiatives to improve data collection from homelessness service providers through its Homeless Management Information System (HMIS). Starting in FY 2022 and continuing through FY 2023, CPD has [updated data collection requirements](#) for race, ethnicity, sexual orientation and gender identity to include options for additional race and/or ethnicity detail, gender diversity, and cultural specific identity or different identity at discretion of the individual. As part of this process, HUD engaged in an improved data collection process and as a result, produced resources on the [Client-Centered Approach to Recognizing Race and Ethnicity Identifies in Data Collection](#) and [Client-Centered Approach to Recognizing Gender Identities in Data Collection](#) for additional guidance.

These efforts will allow the Agency to better identify and understand where equity concerns in homelessness services exist, and how local stakeholder partnerships can be leveraged to better address them. More importantly, the process of designing and implementing these updates to HMIS Data Standards is based on the collaboration with several partners, including people with lived homeless experience, to ensure that the real causes to equity concerns in homelessness services are appropriately captured.

Further supporting this data collection effort, CPD is currently working on resources to help communities have a more trauma-informed approach to collecting this important but sensitive data. A series of short videos that incorporate virtual reality capability is on track to be finalized and released December 2023. The videos are training tools for front-line staff workers who are collecting the data to do so in a trauma-informed way. This builds on CPD's [Coordinated Entry Equity Demonstration](#), which worked with communities in eight locations nationally to design more equitable coordinated entry processes, especially assessment and prioritization processes, to significantly improve customer experience and, ultimately, housing stability outcomes for all underserved communities, including Black and Brown people. Communities that participated in the demonstration use their data as criteria to assess the impact of their equity work on the housing stability outcomes for Black and Brown people.

Supporting Equity in Housing/Wealth-Building

The Department continues to support access to and achievement from the essential wealth building cornerstone, owning a home. HUD, through the Federal Housing Administration (FHA), supports access to homeownership and wealth generation at both the pre-home purchasing stage and through targeted initiatives for current homeowners at risk of defaulting on their mortgages.

In FY 2022, the FHA Office of Housing Counseling (OHC), which serves a critical role in supporting equity in housing and educational wealth generation activities, launched a marketing campaign designed to increase awareness of housing counseling services in underserved communities. Through urban radio, smart audio, and social media campaigns, HUD has reached

roughly 20 million people to encourage awareness of and greater education about the benefits of homeownership. In a separate effort, nearly one million people have also watched a [FY 2023 public service announcement](#) from the Secretary about the benefits of using HUD-approved housing counseling agencies to achieve sustainable homeownership.

FHA has taken additional steps through the Office of Single Family Housing (SFH) to support wealth generation activities for prospective and current homeowners. Specifically, SFH expanded access to credit by incorporating a borrower's positive rental payment history into the mortgage underwriting process. Using rental payment history promotes a more inclusive credit evaluation, which in turn can expand homeownership opportunities to first-time homebuyers. This guidance is expected to continue to expand homeownership opportunities for borrowers where a positive rental payment history can make a difference when combined with other assessment factors for determining eligibility for FHA-insured mortgage financing. HUD estimates this policy change will enable more than 5,500 borrowers in a typical year to qualify for an FHA-insured loan.

COVID-19 had a negative impact on many businesses resulting in the laying off or reduced work hours for many FHA-insured borrowers. As the reduced income directly impacted a borrower's ability to make their mortgage payments, many fell behind in their payments and needed a loan modification or some other type of loss mitigation action. As the economic impacts of COVID-19 affected Black and Brown people the most, [per a Forbes article referencing a survey](#), about one third of Latino households are facing serious problems paying their mortgage or rent, and nearly 30% of Black households and a quarter of Native American households reported the same difficulties. SFH lowered costs for borrowers by [reducing its Annual Mortgage Insurance Premium \(MIP\) Rates](#) and established a 40-Year Loan modification to better assist struggling homeowners from losing their assets to foreclosure, particularly Black and Brown households. This action supports the Biden-Harris Administration's goals of making homeownership more accessible and affordable for the nation's working families, particularly Black and Brown households for whom FHA-insured mortgages have been a cornerstone for access to homeownership. This action will [help address historic disparities](#) in homeownership, where Black and Brown homebuyers have been underrepresented. The nation's homebuyers will see immediate savings through FHA's mortgage insurance premium reductions, particularly Black and Brown borrowers who often rely on FHA-insured mortgages to attain homeownership.

To support those with limited English proficiency, in FY 2023, FHA published [new language access resources for non-English speaking borrowers](#) and announced the adoption of the [Supplemental Consumer Information Form](#), which ensures that lenders will now collect data on borrower language preference and housing counseling usage.

A proposed rule was [published in January 2023](#) which facilitates greater participation of Tribal entities in the housing counseling program in connection with the Indian Housing Block Grant (IHBG) and the Indian Community Development Block Grant (ICDBG) programs. Having counselors who understand the unique needs of those residing in Tribal communities will help increase access to homeownership for Tribes whose members have long been underserved by the mortgage market. This rule is the result of engagement between HUD's Office of Native American Programs with Tribal representatives during the consultation sessions. As a result,

HUD arrived at a set of proposals to integrate the unique needs of Tribal entities more fully into our housing counseling certification and approval processes.

In 2022, the Biden-Harris Administration's Interagency Task Force on [Property Appraisal and Valuation Equity \(PAVE\)](#), led by HUD and the White House, released the [PAVE Action Plan](#), the most wide-ranging set of actions ever announced to advance equity in the home appraisal process. HUD is making progress on these actions. In March 2023, [HUD awarded \\$54 million to 182 fair housing organizations](#) across the country under its Fair Housing Initiatives Program (FHIP), an increase of \$7 million from the prior year's funding cycle. The grants will provide \$28,200,000 to support the efforts national, state, and local fair housing entities working to address violations of the Fair Housing Act and helping to end discrimination in housing. In addition, HUD provided \$26,350,000 in funding to its second- and third-year Private Enforcement Initiative grantees to continue fair housing enforcement efforts nationwide. Eligible activities for the funding awarded include testing for appraisal bias and educating local communities on the issue. The grant funding will allow the grantees to provide fair housing enforcement by conducting investigations, testing to identify discrimination in the rental and sales markets, and filing fair housing complaints with HUD or substantially equivalent state and local agencies. Grantees will conduct education and outreach activities to inform the public, housing providers, and local governments about rights and responsibilities that exist under the Fair Housing Act.

The Office of Single Family Housing is working to empower consumers to take action against appraisal bias by creating a process to allow prospective borrowers applying for FHA-insured loans to request a Reconsideration of Value (ROV) on a property if the initial valuation is lower because of suspected illegal discrimination; increased transparency and leveraged federal data to inform policy and improve enforcement against appraisal bias and discrimination by providing the public with access to the data and trends found in appraisal reports;.

HUD has also [partnered with the National Association of Real Estate Brokers](#) (NAREB), an organization that aims to utilize economic, political, legal, and social leverage to remediate disparate and discriminatory housing and property ownership policies and practices prevailing in the United States, to tackle appraisal bias and discrimination in the housing market that will focus on increasing education, outreach, and efforts to combat racial appraisal bias in home property valuation. The partnership will be officially launched in October 2023 and will include online training for counselors, roundtable discussions on bias and discrimination, educational material distribution, and appraisal-related training. The aim is to promote fairness in the housing market.

Advancing Equity through Housing Justice

Per the [Environmental Justice Scorecard](#), HUD highlights how the Agency is furthering its efforts to advance environmental justice for communities across America. HUD made program modifications for Justice40 covered programs. Some of those efforts include HUD's Office of Lead Hazard Control and Healthy Homes updating a 2022 Lead Hazard Reduction Notice of Funding Opportunity, making \$403 million available in funding, to allow additional points for money flowing to historically disadvantaged communities, as defined by the Climate and Economic Justice Screening Tool. To advance equity goals, HUD updated the Notice of Funding

Opportunity (NOFO) template for all programs. Where applicable, HUD will require NOFO applicants to demonstrate experience and capacity to promote racial equity. HUD's programs also address energy equity within public housing communities and provide incentives to invest in energy and water efficiency infrastructure and renewable energy programs, including the Energy Performance Contract, Rate Reduction Incentive, Small Rural Frozen Rolling Base, and Utility Partnership Program.

Through HUD's Office of Fair Housing and Equal Opportunity (FHEO), HUD has delivered key initiatives in support of equitable access to housing resources and protections. Specifically, in FY 2022, FHEO issued a memorandum titled, "[Implementation of the Office of General Counsel's Guidance on Application of Fair Housing Act Standards to the Use of Criminal Records by Providers of Housing and Real Estate-Related Transactions.](#)" This memorandum supports the [Administration's commitment to protect tenant rights](#) and reviewed fair housing principles related to the use of criminal records, highlighted the need for FHEO investigators, Fair Housing Initiatives Program grantees (FHIPs), and Fair Housing Assistance Program agencies (FHAPs) to be aware of the ways in which criminal background screening policies and practices can violate the Fair Housing Act, provided tips for conducting investigations relating to criminal background screening, and set out best practices related to the use of criminal background screening information on applicants or tenants. The issuance of this memo has been followed by the signing of [Voluntary Compliance Agreements](#) that serve as an example for requiring more inclusive tenant screening policies by housing providers. In October 2023, [HUD published a Notice of Proposed Rulemaking](#) that would eliminate the agency's restrictions on the use of fair housing testers with prior felony convictions or certain other convictions by Fair Housing Initiatives Program (FHIP) grantees and Fair Housing Assistance Program (FHAP) agencies. Fair housing testers provide invaluable support to HUD and HUD's fair housing partners by taking part in housing transactions to screen for discrimination.

Across the housing market, landlords increasingly rely on tenant screening reports as part of their selection criteria, but research shows that these reports often include inaccurate information, including inaccuracies in criminal and eviction records and credit history. If prospective renters are not given the opportunity to review and correct the information in these reports, then they may be repeatedly denied housing as a result of inaccurate information in their tenant screening reports. In addition, housing providers may miss opportunities to consider qualified applicants as tenants. Therefore, [HUD's Office of Public Housing is ensuring that Public Housing Authorities meet legal requirements](#) around disclosing denials of admission to applicants and to share best practices around the use of tenant screening reports and the disclosure of the contents of those reports to tenants.

Effective October 1, 2022, FHEO and HUD's Office of General Counsel began enforcing the housing protections of the Violence Against Women Act (VAWA) using the same processes that are used to enforce the Fair Housing Act. HUD is currently preparing to issue a Notice of Proposed Rule Making (NPRM) to fully implement the compliance review mandate of VAWA 2022. HUD further supported this commitment with issuance of [FHEO Notice 2023-01](#) which announced that FHEO will implement and enforce the housing provisions of the Violence Against Women Act consistent with, and in a manner that provides, the same rights and remedies as those provided for in the Fair Housing Act.

In February 2023, HUD convened national and community-based organizations that advocate on behalf of survivors to collect feedback on the challenges, implications, and impact of the VAWA policy. Further, since the spring of 2022, HUD has engaged extensively with stakeholders in the trafficking, gender-based violence, housing, and direct services communities, including partners from the government, advocacy, policy, and research sectors. HUD is centering the knowledge, insight, and involvement of labor and sex trafficking survivors by engaging with survivors in listening sessions, roundtables, and ongoing collaboration throughout the analysis and report writing stages of a study on the Housing Needs of Survivors of Human Trafficking that will be delivered to Congress.

In its most recent effort in FY 2023, HUD also developed an [LGBTQIA+ Fair Housing Toolkit](#) to educate housing providers, tenants, applicants, and other housing consumers about LGBTQIA+ fair housing protections, with the goal of advancing housing equity for the LGBTQIA+ community. The toolkit, comprised of five online modules, provides an overview of key fair housing laws, regulations, and executive orders related to LGBTQIA+ protections, describes specific protected housing rights of LGBTQIA+ individuals. The toolkit has been shared through HUD's technical assistance outreach, resulting in stakeholder promotion of the resource. In addition, HUD FHEO has also shared the toolkit on social media, and at fair housing conferences, and at stakeholder meetings.

HUD Strategies to Advance Equity in FY 2024

STRATEGY #1 – Invest in the success of underserved communities by increasing the supply of affordable housing and promoting equitable economic development.

Whole-of-Government Equity Objective: Housing Justice and Community Investment: Invest in communities where Federal policies have historically impeded equal opportunity and choice in ways that mitigate economic displacement, expand access to capital, preserve housing and neighborhood affordability, root out discrimination in the housing market, and build community wealth.

Collaborating Agencies: U.S. Department of Transportation, Environmental Protection Agency, U.S. Department of Commerce, General Services Administration, U.S. Department of Agriculture, U.S. Department of Energy, U.S. Department of the Treasury

Barriers to Equity: For most communities across the country, the demand for affordable housing far exceeds the supply and the problem has been getting worse. HUD's most recent [Worst Case Housing Needs](#) report shows that in 2021, only 57 housing units were affordable and available for every 100 very low-income households, and more than 8.5 million households had worst case housing needs, meaning they have very low incomes, lack housing assistance, and have either severe rent burdens or severely inadequate housing (or both). Black, Brown, Indigenous and other systematically disadvantaged people experience worst case housing needs at a higher rate as they are more likely to rent rather than own, more likely to be very low income, and more likely to have severe rent burden. In 2021, 12 percent of all Hispanic households and 11 percent of all non-Hispanic Black households experienced worst case housing

needs, compared to just 4 percent of non-Hispanic White households. In the context of broadly insufficient nationwide supply, house prices and rents are exacerbated for Black and Brown households who face the additional barriers associated with segregation, discrimination, disinvestment, and legacies of redlining in Black and Brown communities. Unaffordable housing and lack of community investment cause families to struggle to afford housing and generate savings and have reduced access to homeownership and good jobs.

Historically, local land-use policies, and specifically exclusionary zoning, have prevented Black, Brown, Indigenous, and other systematically disadvantaged people's abilities to secure stable, affordable housing and leverage housing mobility options. Barriers to affordable housing can look different in every community, but they can be caused by zoning decisions, land use policies, or regulations; inefficient procedures; gaps in available resources for development; deteriorating or inadequate infrastructure; lack of neighborhood amenities; or challenges to preserving existing housing stock such as increasing threats from natural hazards, redevelopment that reduces the number of affordable units, or expiration of affordability requirements.

Evidence Base to Support Strategy:

- Between 2019 and 2021, the prevalence of [worst case housing needs](#) among very low-income renters increased by 3.2 percentage points for non-Hispanic Black households and by 2.3 points for Hispanic households, compared to an increase of 0.4 points for non-Hispanic White households.
- Research into the [cause of the affordable housing shortage](#) finds that the biggest impediment to building more affordable housing is the availability and cost of land; thus addressing the costs and constraints of developing land is a key step to improving equity.
- Restrictive land use and zoning laws are [major drivers](#) of the national housing shortage preventing development of moderately priced housing stock and driving up prices and rents. [Land use and zoning restrictions also have long been used to reinforce racial, ethnic, and class-based segregation.](#) As costs increase and housing options narrow, Black and Brown households experience longer commutes, less access to resources and opportunities, and greater housing instability. HUD recently summarized this research and identified promising practices for [pro-housing land use and zoning reforms.](#)

Actions to Achieve Equity:

To address identified barriers, HUD will:

Further the [President's commitments to increase housing supply](#), which include the following actions:

- Award \$85 million in grant funds in FY 2024 under [the Pathways to Removing Obstacles to Housing \(PRO\) Housing Notice of Funding Opportunity](#) to support state, local government, and metropolitan planning organization efforts to address barriers to producing and preserving affordable housing. Elevate and institutionalize local and state analysis and implementation of effective, equitable, and resilience approaches for affordable housing production and preservation with [PRO Housing](#) awards to approximately 20 grant recipients in Spring 2024.
- Allow larger loans to participate in HUD's Low Income Housing Tax Credit (LIHTC) Pilot Program, which increases the number of apartment sites eligible for a program that

streamlines financing. HUD also updated guidelines to allow public housing authorities (PHAs) to more easily use housing vouchers and mixed-finance transactions to create or preserve housing.

- The Office of Single Family Housing (SFH) has conducted an analysis on first-time homebuyers' profiles and is determined to take a multi-policy approach to address factors that prevent first time homebuyers from achieving homeownership. In September 2022, FHA issued the [Positive Rental History policy](#) that addresses the limited credit history profile some first-time homebuyers have.
- FHA also [issued policy](#) that allowed the use of rental income from properties with an Accessory Dwelling Unit (ADU) as qualifying income. This extra income is beneficial for first-time homebuyers that might otherwise not have the income means to acquire these properties. For the future, FHA [issued a request for information \(RFI\)](#) to obtain industry comments on the improvement of the 203(K) Rehabilitation Mortgage Program. This program allows first-time homebuyers to acquire and rehabilitate their first home using an FHA-insured loan.

Implement the [Thriving Communities Technical Assistance \(TCTA\) Program](#) through funding provided by the Bipartisan Infrastructure Law, and as part of the Thriving Communities Network, an interagency initiative between HUD and the Departments of Transportation, Energy, Commerce, and Agriculture, as well as the General Services Administration and the Environmental Protection Agency.

- HUD awarded \$5 million of Technical Assistance (TA) awards through competitive applications in March 2023 to support local governments and help ensure housing needs are considered as part of their larger infrastructure investment plans. The TA awards will also support equitable development in historically disadvantaged communities to include projects that focus on community engagement, coordination among agencies and funding sources, preservation of affordable housing and avoiding displacement, and using vacant or otherwise available land for affordable housing. Two technical assistance teams were selected because they have a demonstrated track record and strong expertise in supporting housing planning and development in ways that also advance equity. Through selection criteria, HUD and the technical assistance teams will ensure local governments selected for Thriving Communities TA are coordinating housing strategies with transportation projects that utilize competitive U.S. Department of Transportation (DOT) funds.

Expand financing to create and repair affordable housing by addressing gaps in access to financing, along with the complexity of mixing funding sources, that limit the production or preservation of affordable housing.

- HUD will make it easier to build and rehabilitate apartments by simplifying underwriting and reduce development costs for large multifamily properties financed with FHA-insured mortgages without presenting undue risk to FHA through increasing the dollar amount threshold at which a multifamily loan is considered a large loan, significantly expanding commitments for affordable housing financing.

- HUD published new guidance for public housing authorities and multifamily housing owners participating in the Rental Assistance Demonstration, providing them with additional tools to repair and build deeply affordable housing.

Proposed Metrics:

Near to Medium Term

- Grow the current cohort of TCTA communities from four to ten by engaging with DOT funded Areas of Persistent Poverty grantees, a program that awards grants to eligible applicants for planning, engineering, or development of technical or financing plans for projects that assist historically disadvantaged communities who may be interested in receiving TA through HUD’s Thriving Communities TA program.
- Increase the number of jurisdictions added to the [National Zoning Atlas](#), which aims to depict key aspects of zoning in an online, user-friendly map to enable comparisons and identify zoning trends, for the purpose of closing data gaps that limit our understanding of the relationship between zoning and segregation, affordability, and other outcomes of interest. HUD research funding will enable dozens more large cities to be added to the National Zoning Atlas.
- Make awards of up to \$4 million from a [research NOFO to study impacts of zoning and land use reforms](#), as well as the potential for off-site construction to address supply shortages.

Longer-Term

- Increase the dissemination of research products supporting housing production and expanded housing choice and opportunities, with the goal of building support for affordable housing development among investors and policymakers and providing tools to governments and organizations seeking to increase housing opportunities. Dissemination of HUD research products will be tracked by measuring downloads from [HUDUser.gov](#) and attendance at related HUD-sponsored events.
- Measure if each local government that receives Thriving Communities TA achieves at least two major objectives identified in their Technical Assistance plans, supporting the production and/or preservation of housing, by the conclusion of the TA, which will not exceed two years.
- Bolster capacity building of local governments, state agencies, developers, and property owners, particularly those serving underserved communities to produce and preserve housing through resources provided by PRO Housing grants and Thriving Communities TA, resulting in 20 percent of governments receiving these grants or TA revising their regulations to allow greater density and/or reduce development costs, resulting in the production of more affordable units within 5 – 10 years.

Public Participation and Community Engagement:

A [March 2023 report](#) analyzed available data on the ownership of real estate firms and estimated that only 0.4 percent of real estate developers in the U.S. are Black and only 0.2 percent are Hispanic. Structural inequities in our financial systems have had long-term impacts on where investments are made and who can access public and private capital. HUD has launched a series

of summits which aim to address this stark representational crisis within the real estate development industry. This work, which began in FY 2023, established the foundation for efforts that are growing in FY 2024, including summits in [Boston, MA](#); New York, NY; Chicago, IL; and Seattle, WA. These summits are intended to engage key local stakeholders to identify underrepresented developers and bring together a network of public and private partners to provide awareness, education, and resources to address these inequities.

STRATEGY #2 – Advance sustainable homeownership and wealth generation by reducing appraisal bias and expanding access to homeownership.

Whole-of-Government Equity Objective:

Housing Justice and Community Investment: Invest in communities where Federal policies have historically impeded equal opportunity and choice – both rural and urban – in ways that mitigate economic displacement, expand access to capital, preserve housing and neighborhood affordability, root out discrimination in the housing market, and build community wealth.

Collaborating Agencies: U.S. Department of Transportation, Environmental Protection Agency, U.S. Department of Commerce, General Services Administration, U.S. Department of Agriculture, U.S. Department of Energy, U.S. Department of Treasury.

Barriers to Equity: There are multiple barriers that prevent families from becoming homeowners. Those barriers include lack of capital for the down payment and closing costs; challenging credit history and lack of access to credit; lack of understanding and information about the homebuying process, especially for families for whom English is a second language; and regulatory burdens imposed on the production of housing. Additionally Black, Hispanic, and Indigenous communities, face continued housing discrimination in getting a mortgage. According to [Home Mortgage Disclosure Act data](#), Black and Hispanic home seekers have the highest denial rates for purchase, refinance, and home improvement loans. In 2020, 16.1 percent of all mortgage applications in 2020 were denied. Among Black borrowers the denial rate was found to be 27.1 percent, whereas the denial rate for white borrowers was 13.6 percent.

Per a [Review of the State of and Barriers to Minority Homeownership](#) before the Subcommittee on Housing, Community Development, and Insurance, Committee on Financial Services, U.S. House of Representatives, Black and Hispanic households have been disproportionately affected by overly tight mortgage lending standards—and they constitute a surprisingly large share of the 6.3 million loans that were not originated because of tight credit during the 2009 to 2015 period.

Evidence Base to Support Strategy:

- An important aspect of equitable economic development is increasing opportunities for homeownership, as homeownership is a major vehicle for household wealth generation. Research attests to the [racial gap in homeownership](#), particularly for [Black and Hispanic households](#) and [persistent undervaluation of properties in majority Black neighborhoods](#).
- A 2017 [study](#) of four Public Housing Authorities (PHAs), which receive HUD funding and implement HUD’s programs, found that over three quarters of its residents had no savings, while just four percent of residents had savings of \$500 or more. Additionally,

given that three out of four heads of households in HUD's programs are women and 79 percent of HUD-assisted individuals identify as Black or Hispanic, asset building for these renters can help close existing gender and racial wealth gaps.

- HUD's [Assessment of American Indian, Alaska Native, and Native Hawaiian Housing Needs](#), conducted between 2011 and 2016, documents the substantial housing affordability, housing quality, and economic development challenges facing tribal areas. These needs are exacerbated by remoteness, lack of infrastructure, and constraints related to land ownership in tribal areas.

Actions to Achieve Equity:

To address identified barriers, HUD will:

Award \$113 million for the Family Self-Sufficiency program as a deliverable to HUD's Economic Justice Agenda.

- In August 2022, [HUD released an economic justice agenda](#) outlining actions the Agency will take to help low-income renters develop credit, save resources for homeownership, access housing counseling, and build wealth. Secretary Fudge has noted that this economic justice agenda is part of HUD's efforts to address systemic racism and to better include and serve those who are historically underserved by government. The agenda aims to help HUD-assisted renters take critical steps toward financial well-being and potential homeownership through saving, credit building, and banking.
- In July 2023, HUD released a Notice of Funding Opportunity (NOFO) for \$126 million for the Family Self-Sufficiency (FSS) program to help HUD-assisted families increase earned income and improve their financial stability. The FSS Program advances equity in the rental assistance portfolio by utilizing HUD-assisted housing as a platform to improve the lives of residents. Black and Brown people are overrepresented in HUD-assisted housing, and the majority of FSS participants are Black, Latino, and Asian. FSS provides a critical link between HUD-assisted residents and community partners who enhance the quality of life of residents with childcare, transportation, basic adult education, job training, employment counseling, substance/alcohol abuse treatment, financial empowerment, asset building skills, and homeownership counseling. This funding opportunity allows for the Agency to seek new FSS programs for residents in public, voucher, and multifamily housing, by adding additional grant opportunities a greater number of HUD-assisted residents will have an opportunity to build assets, which may lead to homeownership. New FSS awards will be announced in early 2024.

Provide Targeted Homeownership-Focused Initiatives through improved access to HUD-approved housing counseling as well as new and expanded relationships with critical partners to tackle appraisal bias and discrimination in the housing market.

- HUD continues to bring awareness and attention to its actions under the Biden-Harris Administration to reduce key barriers in access to homeownership. First-time homebuyers continue to benefit from HUD's actions to change the way student loan debt is calculated in qualifying for an FHA mortgage and to incorporate positive rental payment history into underwriting. By adding a positive rental history indicator to the

Scorecard, FHA's credit evaluation is more comprehensive and equitable, with the goal of enabling additional first-time homebuyers to qualify for affordable FHA-insured mortgage financing.

- To facilitate FHA financing for borrowers in search of achieving homeownership for the first time, FHA has issued multiple policy changes. These policies include:
 - [Calculating Effective Income After a Reduction or Loss of Income for Borrowers Affected by Presidentially Declared COVID-19 National Emergency ML 2022-09](#)
 - [Consideration of Positive Rental Payment History for First Time Homebuyers in Forward Mortgage Purchase Transactions ML 2022-17](#)
 - [Revisions to Rental Income Policies, Property Eligibility, and Appraisal Protocols for Accessory Dwelling Units ML 2023-17](#)
- HUD awarded [\\$5.5 million in grants to Historically Black Colleges and Universities \(HBCUs\)](#) and [\\$10.5 million in grant awards to four Hispanic Serving Institutions \(HSIs\)](#) to establish research Centers of Excellence (COEs) to conduct housing and community development research. The awarded COEs will conduct innovative research addressing housing, economic development, and the built environment in underserved communities.
- HUD's Office of Housing Counseling has launched an initiative focused on building direct relationships with HBCUs and their surrounding communities to increase knowledge of housing counseling services and affordable housing programs. This effort is part of a larger ongoing initiative to grow partnerships with HBCUs and other Minority Serving Institutions (MSIs) to train the next generation of housing counselors and to empower the next generation of homeowners. The type of activities that will take place through this initiative include: education workshops to inform students on the potential impact of student loans on future housing choices and opportunities; counseling and education, including ways to build credit, to increase homeownership rates of students, faculty, parents, and residents of the greater community; Counseling and education to students, instilling an understanding of the responsibilities of tenancy in off-campus rental housing and internships and training for students to become housing counselors.
- HUD continues to break barriers as part of HUD's leadership of PAVE to address housing-related barriers to wealth generation. Specifically, the interagency initiative continues to combat bias in home appraisals. FHA is now contributing its appraisal data to FHFA's Federal Shared Appraisal Database, the nation's first publicly available datasets of aggregate statistics on appraisal records. FHA is also working to ensure that any borrower who suspects they have been a potential victim of appraisal bias be informed of their options, including the right to request a Reconsideration of a Value (ROV) on the appraisal.
- Through [HUD's new partnership with the National Association of Real Estate Brokers \(NAREB\)](#), the Agency will work to increase education and outreach, and take a bold step toward remedying appraisal discrimination, closing the wealth gap, and advancing racial equity.
- As a result of interactive consultation and multiple listening sessions which serve to strengthen the nation-to-nation relationship between HUD and Tribal communities, HUD's Office of Housing Counseling is working to expand access to homeownership by increasing the number of certified housing counselors serving Tribal communities. A Tribal member working with a HUD-certified Tribal housing counselors will benefit from working with an unbiased, trained professional that can provide counseling that into

consideration the unique context of creating a pathway for homeownership on trust land as well as urban areas. Counselors will provide culturally competent homebuyer education and counseling and help tribal members make informed housing decisions, develop financial assets, and create wealth through homeownership.

- HUD will evaluate the effectiveness of the Moving To Work (MTW) expansion’s asset-building cohort and application of lessons learned to future HUD program design. MTW is a demonstration program for PHAs that provides them the opportunity to design and test innovative, locally designed strategies that use Federal dollars more efficiently, help residents find employment and become self-sufficient, and increase housing choices for low-income families. This cohort of the MTW Expansion will evaluate policies that seek to encourage savings and improve credit for assisted households.
- HUD is continuing to refine the loss mitigation options available to help borrowers who fall behind on their mortgage payments to get back on track and preserve homeownership. HUD will maximize homeownership for creditworthy first-time homebuyers and preserve homeownership for existing homeowners.
- Historical data collected from the [FHA Annual Mutual Mortgage Insurance Fund report](#), has shown that FHA has consistently maintained an 80 percent or above single-family purchase endorsement for borrowers that are first-time homebuyers. This report has also shown that FHA has maintained a sub 30 percent re-default rate after a loss mitigation action. To continue this trend and improve these metrics, HUD will maximize homeownership for creditworthy first-time homebuyers and preserve homeownership for existing homeowners. By September 30, 2025, HUD will maintain a first-time homebuyer rate of at least 80% for newly endorsed FHA-insured purchase mortgages and a re-default rate for seriously delinquent homeowners who received a loss mitigation action that is below 30%.

Proposed Metrics:

Near to Medium Term

- Increase the number of clients counseled year over year through the HUD Housing Counseling program (FY 2024 target 1.2 million clients).

Longer-Term

- Increase participation of Tribal entities in the housing counseling program in connection with the Indian Housing Block Grant (IHBG) and the Indian Community Development Block Grant (ICDBG) programs.
- Train 30 counselors by the HUD-HBCU and MSI partnerships during FY 2024-2025.

Public Participation and Community Engagement:

On May 1, 2023, HUD hosted a summit dedicated to policies and strategies designed to close the racial wealth gap in today’s financial markets. Titled “[Bridging the Wealth Gap: Asset Building and Economic Justice](#),” the summit included participants from local, state, and federal organizations who ensure that residents of subsidized housing or historically underserved populations can access the tools and resources they need to establish and grow their assets and secure their long-term financial well-being. In addition to housing, asset building and financial empowerment are key components of HUD’s efforts. During this hybrid convening, panelists

highlighted Secretary Fudge’s focus on ensuring that those who have been historically underserved have opportunities for upward economic mobility, that low-income families have opportunities to build their credit, and noted President Biden’s charge to agencies to determine the barriers that prevent marginalized communities from accessing the programs for which they are eligible. attendees heard from HUD leadership and peers about the importance of leveraging housing as a platform to build assets and work toward economic justice. Participants engaged with community leaders, staff from across the federal government, policy experts, affordable housing practitioners, and other stakeholders in the field.

“House Parties” and Homeownership Month Community Engagement in Support of Homeownership Education and Access: Following the success of the Secretary’s virtual House Party in November 2022, and the in-person House Party 2.0 held on the National Mall in June 2023, HUD continues to perform localized events in partnership with elected officials, advocacy organizations, HUD-approved housing counseling agencies, HBCUs, and local financial institutions to increase access to resources and education on homeownership with targeted communities. In addition, HUD performed over 70 homeownership related events nationally via housing fairs, educational webinars, and roundtable discussions over the course of FY 2023.

Seeking Public Comment on *PAVE* and Appraisal Valuation Efforts: Building off of HUD’s [January 2023 draft mortgagee letter](#) discussing proposed processes for receipt and handling of borrower requests for review of appraisal results, HUD and FHFA have initiated a working group to increase coordination and develop more consistent standards for the ROV processes of HUD’s Federal Housing Administration (FHA), Fannie Mae, and Freddie Mac lenders. Collectively, FHA, Fannie Mae, and Freddie Mac represent approximately two-thirds of new originations in the mortgage market. HUD has also sought feedback on a proposed policy for Reconsideration of Value (ROV) Requests Initiated by the Borrower specifically to better understand the impact on historically disadvantaged communities in recognition that clear ROV policies are an important tool in addressing appraisal bias. HUD, in partnership with the Federal Housing Finance Agency, USDA, and the U.S. Department of Veterans Affairs, will contribute full appraisal reports covering all the data elements per the data that FHA is now contributing to FHFA’s Federal Shared Appraisal Database. This effort will provide the first publicly available datasets of aggregate statistics on appraisal records, giving the public new access to a broad set of data points and trends found in appraisal reports and could facilitate new research related to property valuation.

STRATEGY #3 – Reduce barriers and enhance support for protected classes of people by enforcing fair housing regulations, advancing housing justice, and improving rental assistance.

Whole-of Government Equity Objectives: Civil Rights: Protect the civil and constitutional rights of all persons including the right to vote, language access, and prohibitions on discrimination on the basis of race, sex, disability, etc.

Collaborating Agencies: U.S. Department of Justice, Consumer Financial Protection Bureau, U.S. Department of Health and Human Services

Barriers to Equity: Legacies of residential segregation and discrimination, which federal, state, and local laws, regulations and policies and have contributed to and exacerbated, persist in our society. Historic disinvestment in people and places have contributed to segregated neighborhoods, mortgage redlining, and lending discrimination, and inhibited wealth-building opportunities for Black and Brown people, immigrants, women, individuals with disabilities, and people who are Lesbian, Gay, Bisexual, Transgender, Queer, Intersex, Asexual or other (LGBTQIA+), survivors of domestic violence and sexual assault; survivors of human trafficking; and people involved in the criminal justice system.

LGBTQIA+ youth, especially transgender young people, Black, Brown, and Indigenous young people, experience homelessness at disproportionately high rates. Service providers and cities are not always aware of the housing barriers LGBTQIA+ youth face in accessing shelter and housing, and they do not always tailor their programs appropriately.

Evidence Base to Support Strategy:

- HUD's [FHEO Annual Reports on Fair Housing](#) document the number of complaints filed with HUD and Fair Housing Assistance Program (FHAP) agencies each year. HUD and FHAP agencies consistently receive more than 10,000 complaints per year (11,741 in [FY 2022](#)), with disability as the most common basis for alleged discrimination, followed by race and sex.
- For more than 40 years, HUD's Housing Discrimination studies have documented the persistence of housing discrimination among [protected classes](#). For example, HUD's 2017 study of [Rental Housing Discrimination on the Basis of Mental Disabilities](#) found that individuals with mental illness and intellectual or developmental disabilities experienced significant levels of adverse differential treatment in the rental market, including being less likely to receive a response to their inquiries and less likely to be told a unit was available. A 2021 study of [Housing Discrimination Against Same-Sex Couples and Transgender Individuals](#) found that housing providers treated lesbians comparably to heterosexual women seeking rental housing, told gay men about fewer available rental units than they told heterosexual men, and told transgender testers about fewer units than they told cisgender home seekers.
- The pervasive use of criminal [background checks during tenant screening can create a barrier to renting housing](#), even though that information may be incomplete or inaccurate and information about past criminal history is not necessarily a reliable predictor of housing success. Studies have also found that Black and Hispanic communities, are [disproportionately affected](#) by tenant screening practices that include a criminal background check. A growing body of [evidence](#) shows that the provision of housing assistance, particularly when accompanied with supportive services, can [help reduce recidivism and decrease involvement in the criminal justice system](#), thereby strengthening public safety.
- HUD's forthcoming study of the Housing Needs of Survivors of Human Trafficking finds that survivors of human trafficking and those at risk of trafficking, both highly vulnerable populations, face substantial hurdles in finding affordable housing related to landlord screening for criminal background, credit history, and rental history.

Actions to Achieve Equity:

To address identified barriers, HUD will:

Advance equity in housing by building relationships with service provider partners and educating homeowners and renters about and enforcing housing anti-discrimination policies.

- Collaborate with Federal, State, local, Tribal, and nonprofit partners (e.g., Fair Housing Initiatives Program (FHIP) organizations) to ensure nationwide efforts are implemented in accordance with communities' localized needs. Additionally, customer understanding, communication, and outreach efforts will inform HUD's tailored support to communities to fight discrimination.
- Embed stakeholder feedback in program and policy decision-making processes by evaluating satisfaction of discrimination complainants that have obtained resolution through conciliation.

Ensure Rights to Housing Assistance for LGBTQIA+ Communities and focus HUD's efforts to address specific discriminatory concerns.

- HUD will address the high rates of housing instability, homelessness and discrimination faced by LGBTQIA+ youth seeking housing and shelter. To do this, HUD will conduct listening sessions with directly impacted youth and advocates, educate grantees about their legal responsibilities, document best practices to address barriers to shelter and housing for LGBTQIA+ youth, and put forth guidance clarifying commonly asked questions related to addressing barriers experienced by LGBTQIA+ youth. Because of HUD's existing portfolio of programs that focus on the needs of youth experiencing housing instability, including the Youth Homelessness Demonstration Program and the Foster Youth to Independence pilot program, HUD is uniquely equipped to educate LGBTQIA+ youth about their rights and providers about their responsibilities under the Equal Access Rule and Fair Housing Act, in addition to promoting best practices for improving accessibility to housing and shelter for LGBTQIA+ youth.
- HUD will prioritize regional engagement, focusing on travel by senior leaders to areas that have demonstrated best practices and areas where LGBTQIA+ youth are experiencing discrimination and additional clarification of federal laws and best practices are needed. HUD's program leadership will prioritize incorporating education and discussion of barriers experienced by LGBTQIA+ people, including youth, into their already planned travel and will also identify specific sites to visit to listen to directly impacted youth experiencing housing instability and providers serving those communities.
- HUD will develop and promote a website focused on LGBTQIA+ equity and housing.

Address and reduce barriers to housing access that stem from past and current inequitable criminal justice policies and practices.

- HUD remains committed to ensuring the public safety of HUD-assisted housing, while recognizing that having a criminal history record alone does not indicate that a person should be denied admission to HUD-assisted housing. Rather, a holistic individualized assessment should be used to make applicant screening and housing decisions. In 2022, HUD Secretary Marcia L. Fudge charged the Department to conduct review of all its

regulations and guidance to identify ways to reduce barriers to HUD programs for people with criminal history records. This review identified opportunities for HUD to update its regulations and guidance to ensure that applicants with criminal history records are screened fairly, using holistic individualized assessments, and to avoid unnecessary denials. [HUD published a Notice of Proposed Rulemaking](#) in October 2023 that would eliminate restrictions on those with prior felony or certain other criminal convictions in FHIP- and FHAP-Funded Testing Programs. HUD will continue to utilize holistic approaches.

- Provide technical assistance to encourage grantees, Public Housing Authorities (PHAs), and housing owners to use HUD programs to provide housing and services that support people's successful reentry from prisons and jails to the community, which enhances public safety.

Implement and Enforce the Violence Against Women Act (VAWA) which provides housing protections for survivors of domestic violence, dating violence, sexual assault, and/or stalking. The 2022 reauthorization of VAWA includes new requirements that HUD safeguard survivors' housing rights and ensure that program participants comply with those requirements. VAWA's protections apply regardless of sex, sexual orientation, or gender identity.

- Ensure full enforcement of the Fair Housing Act and the Equal Access Rule to combat discrimination based on sexual orientation and gender identity.
- Provide updated Violence Against Women Act (VAWA) complaint forms to grantees and conduct training and guidance on using the forms by January 2024. Provide training and technical assistance to grantees and victim service providers about the housing rights of survivors under VAWA and related laws, including information on HUD's resources on credit-building, asset-building, homeownership, and financial literacy.
- Encourage PHAs and HUD-assisted housing owners to adopt marketing and admissions policies, practices, and services connections or partnerships that proactively reach underserved populations and communities.

Proposed Metrics:

Near to Medium Term

- Number of fair housing cases referred to HUD and Fair Housing Assistance Program (FHAP) agencies by Fair Housing Initiatives Program (FHIP) organizations.
- Increase in percentage of cases referred to HUD and Fair Housing Assistance Program (FHAP) agencies each year and the FHIP-referred cases in the inventory that result in a recommendation of a cause finding of discrimination or conciliation of the case.
- Conduct a review of policies relating to program admissions criteria and the exercise of discretion to ensure equity.
- Benchmark the feedback received from the national listening sessions with LGBTQIA+ youth experiencing housing instability and/or providers serving those communities, in addition to feedback collected during a hybrid virtual/in-person convening focused on LGBTQIA+ youth homelessness.

Longer-Term

- Benchmark and monitor trends in housing discrimination complaints by individuals protected by the Violence Against Women Act protections.

Public Participation and Community Engagement:

Advance Notice of Proposed Rule Making (ANPRM) Public Comments: In FY 2023, HUD published the Advance Notice of Proposed Rule Making (ANPRM): Nondiscrimination Based on Disability in Federally Assisted Programs and Activities of HUD updating regulations under Section 504 of the Rehabilitation Act (Section 504), seeking the public's input on changes that the Agency is considering to its implementing regulations federally assisted and HUD conducted programs and activities. HUD is reviewing over 300 comments received in response to the ANPRM. After full review, HUD anticipates publishing a NPRM under Section 504 by Spring 2024. Related to this rulemaking, HUD will also publish an NPRM: Adoption of Updated Accessibility Standard for the Architectural Barriers Act (ABA).

Listening Sessions on Barriers to Housing for on People with Criminal Justice System

Involvement: HUD engaged in a series of listening sessions held virtually to discuss the impact of existing federal, state, and local laws, policies, and practices in housing. These sessions invited national and local community organizations to better understand barriers to housing. The issues raised by attendees included challenges with incorrect information or heavy reliance by tenant screening companies of criminal background history, credit history, and eviction records. HUD plans on continuing these engagements and listening sessions with community-based organizations throughout the next fiscal year.

Gender-Based Violence Philanthropic Roundtable: In May 2023, HUD, for the first time, held a philanthropic roundtable focused on the intersection of gender-based violence prevention and housing. The event, organized with the Women's Funding Network and Blue Shield Foundation of California, featured speakers from national and community-based organizations focused on combatting gender-based violence and addressing the housing needs of survivors, as well as senior leaders of foundations seeding change through strategic investments at this intersection.

Gender-based Violence Prevention and Violence Against Women Act (VAWA) Listening

Sessions: In February 2023, HUD convened national and community-based organizations that advocate on behalf of survivors to collect feedback on the challenges, implications, and impact of HUD's policy change to the Federal Housing Administration's Single Family Housing Policy Handbook that helps to ensure that domestic violence survivors who own their homes can access loss mitigation programs to assist in retaining their homes and avoid foreclosure. In June 2023, HUD hosted listening sessions with survivor advocacy organizations and housing industry groups to collect feedback on HUD's implementation of VAWA. Further, since the spring of 2022, as required by the 2022 reauthorization of VAWA, HUD has led a study effort that will provide an assessment of trafficking survivors' housing needs. As part of this work, HUD has engaged extensively with stakeholders in the trafficking, gender-based violence, housing, and direct services communities, including partners from the government, advocacy, policy, and research sectors. Additionally, HUD is centering the knowledge, insight, and involvement of labor and sex trafficking survivors by engaging with survivors in listening sessions, roundtables, and ongoing collaboration throughout the analysis and report writing stages of a study titled Housing Needs of Survivors of Human Trafficking that will be delivered to Congress.

STRATEGY #4 – Reduce racial and ethnic disparities in homeless systems through identifying and addressing barriers to engagement by underserved populations.

Whole-of-Government Equity Objective: Housing Justice and Community Investment: Invest in communities where Federal policies have historically impeded equal opportunity - both rural and urban – in ways that mitigate economic displacement, expand access to capital, preserve housing and neighborhood affordability, root out discrimination in the housing market, and build community wealth.

Collaborating Agencies: U.S. Interagency Council on Homelessness; U.S. Department of Veterans Affairs; U.S. Department of Health and Human Services; U.S. Department of Education

Barriers to Equity: The main driver of homelessness is the inability to afford housing, the result of intersecting issues of poverty and rising housing costs in communities around the country. While the experience of homelessness is not limited to one group or geography, Black and Brown people experience homelessness at a disproportionate rate.

Evidence Base to Support Strategy:

- HUD’s [2021 Annual Homeless Assessment Report](#) finds that 10 percent of Black heads of households in poverty and 12 percent of Native American or Alaska Native households in poverty experienced sheltered homelessness at some point in 2021, compared to 3 percent of all households in poverty. That Black and Brown people experience homelessness at higher rates than white households is consistent with HUD’s research on [Worst Case Housing Needs](#), which finds that Black and Hispanic households are more likely to be very low-income, renters, and paying more than 50 percent of their income on rent than other groups. These statistics highly correlate with [higher probably that someone will experience homelessness](#).
- Research suggests that Black and Brown households, particularly low-income renter households headed by [Black women](#), experience evictions at disproportionately high rates. Evictions contribute to long-term [housing instability and homelessness](#). Other factors contributing to [disproportionate rates of homelessness among Black and Brown people](#), include criminal justice histories and discrimination from landlords and employers.
- In their report, [Coordinated Entry Systems: Racial Equity Analysis](#), C4 Innovations found that race is a predictor of the score that individuals experiencing homelessness receive on commonly used vulnerability assessment tools meant to help homeless services providers prioritize housing resources. For example, the study finds that non-White individuals were 32 percent less likely than White individuals to receive a high prioritization score, meaning that non-White individuals may be less likely to be prioritized for permanent supportive housing or Housing First.
- An eight-city study of [structural racism and homelessness conducted in 2016](#) found that race was a predictor of the likelihood of returning to a homeless situation after leaving a shelter or other program. They found that Black young adults were 69 percent more likely to exit back into homelessness than their white counterparts, and Native and Asian young

adults were 56 percent and 70 percent less likely to exit into a permanent housing situation than their white counterparts.

- The [Report and Recommendations of the Ad Hoc Committee on Black People Experiencing Homelessness](#), sponsored by the Los Angeles Homeless Services Authority, found that although the coordinated entry system – the community’s strategic access point to services – appears to place Black people experiencing homelessness into housing at proportional rates, Black people served through permanent housing interventions experienced a higher rate of returns to homelessness than all other race and ethnic groups.

Actions to Achieve Equity:

To address identified barriers, HUD will:

Assess equity in Office of Special Needs Assistance Programs (SNAPS) through Coordinated Entry Equity Demonstration. HUD will assist communities through technical assistance and by issuing guidance to implement and improve coordinated entry systems based on lessons learned that involve more race equity and client-focused approaches. Additionally, HUD will provide an [analysis of racial disparities among people experiencing homelessness](#) as it is a critical first step in identifying and changing racial and ethnic disparities in HUD systems and services.

- HUD works with Continuums of Care (CoC) nationally that prepare community plans to organize and deliver housing and services to meet the specific needs of people who are homeless as they move to stable housing and maximum self-sufficiency. As part of our equity focus, SNAPS conducted its second Coordinated Entry Equity Demonstration, deploying teams of technical assistance coaches to 15 Continuums of Care covering a broad range of communities. The goal of the demonstration was to design a more equitable assessment and prioritization process to improve conditions and outcomes for all Black and Brown people. The technical assistance coaching teams included providers with experience in racial equity and housing justice work, coordinated entry design, lived experience of homelessness, and navigating homeless systems and other related disciplines. In partnership with Black and Brown people as well as people with lived expertise of homelessness, CoCs identified system disparities through analyzing local data, agreed upon focus areas, and tested racially equitable coordinated entry system processes in service of significantly transforming the experience and housing stability of those disproportionately represented in local homeless responsive systems. HUD will publish guidance documents created from the learnings in the second demonstration on the [HUD Exchange Homelessness Assistance website](#), and SNAPS will share a synopsis of the findings from the prior two cohorts to scale future improvements and interventions nationally.

HUD will include equity scoring criteria in the CoC program competition to ensure homeless systems are responsive to those most disenfranchised in their communities. SNAPS will continue to evaluate the CoC’s progress through evaluation of the racial equity strategies and policies outlined in program applications and submitted system performance measures.

HUD will develop a technical assistance resource that outlines opportunities for alignment and coordination between U.S. Department of Health and Human Services’ Medicaid funded housing services and coordinated entry systems.

Update Homeless Management Information System (HMIS) to support data collection of equity-related identifiers. HUD is reviewing the HMIS data standards to ensure that there is a representative range of race/ethnicity options for people who are experiencing homelessness to self-identify. HUD has added response options in HMIS for “Middle Eastern or North African,” changed “Hispanic/Latin(a)(o)(x)” to “Hispanic/Latina/e/o,” and added a text box to add any additional race and/or ethnicity detail from client. HUD will also develop and disseminate resources to help communities incorporate a more trauma-informed approach in their data collections efforts of this important and sensitive data.

Further equal access to eviction protection resources through [Eviction Protection Grant Program \(EPGP\) funding.](#) Through a new contracted evaluation of the EPGP program, HUD will expand the evidence base around eviction diversion programming as local, state, and federal policymakers consider new ways to support tenants and landlords and build new eviction systems and processes. As of June 30, 2023, EPGP grantees have provided legal assistance to over 19,000 households through the program. The majority of tenants served are Black and Brown people and nearly half are from Black households. All households served by the program are low-income, living below the poverty line, and approximately 2 in 3 tenants served have extremely low incomes.

Proposed Metrics:

Near to Medium Term

- Expand CoC leadership teams to include people with lived experience of homelessness. As an example, increase number of people with lived experience hired into full time, part time and contractual positions to further the CoCs’ demonstration of applied equity learning.
- Benchmark the more expansive race/ethnicity options updates collected from HMIS data.
- Track the increase in people who are experiencing homelessness that receive housing vouchers.

Longer-Term

- Track CoC demonstration participants’ self-reported system performance measures to include exits to permanent housing, returns to homelessness and the number of first time homeless. The review will be conducted to establish technical assistance and training needs to help CoCs improve performance and to promote a community-wide commitment to the goal of ending homelessness for all.
- Using the learnings from the Coordinated Entry demonstration, HUD’s SNAPS office will publish guidance for use by all CoCs and communities on topics including but not limited to: Advancing Data Equity; Evaluating and Reimagining Coordinated Entry Assessment Process and Tools using a Racial Equity Lens; Coordinated Entry Process Management; and Knowledge Sharing Strategies on Cultural Humility and Moving Through Analysis Paralysis.
- Continue to track eviction prevention performance of the program as it continues to grow in impact as grantees expand their programs. The contracted evaluation currently underway will help HUD develop a baseline of effectiveness of current grantees and is

likely to inform HUD’s efforts to identify performance metrics related to eviction prevention that go beyond service delivery.

Public Participation and Community Engagement:

Targeted Technical Assistance to Assist Local Communities: HUD performed a Technical Assistance effort working with the local Continuum of Care (CoC), HUD’s primary partner for homelessness, for most of Los Angeles County and the two largest Public Housing Authorities in Los Angeles County. Together, the participants identified high-value target issues to improve overall system performance and utilization of existing homelessness resources in Los Angeles County. Within six months, this Technical Assistance effort has been able to establish a “master leasing” model, expedite processing of waiver requests, including “presumptive eligibility” waiver requests, and identify specific target issues to optimize utilization of CoC and Public Housing Authority resources.

HUD engages frequently and directly with people with lived experience and advocates, including organizations such as the National Coalition for the Homeless, who are seeking assistance to ensure that local homeless provider systems are responsive. We will continue to partner with constituent and advocacy groups to learn and lift best practices and strategies.

Philanthropic Roundtables in Los Angeles and San Francisco: On July 26, 2023, HUD hosted a roundtable with philanthropic leaders in San Francisco, California. HUD national and regional leadership along with California Department of Housing and Community Development Director, Gustavo Velasquez, were among the participants. The roundtable was an opportunity for leaders from HUD, state and local government, and the philanthropic sector to discuss strategies to increase affordable housing and create equitable communities in the San Francisco Bay Area and across the country. HUD will seek opportunities to convene similar roundtables in 2024.

STRATEGY #5 – Advance sustainable communities by strengthening climate resilience and energy efficiency, promoting environmental justice, and driving the creation of good-paying jobs.

Whole-of-Government Equity Objective: Environmental Justice: Secure environmental justice and spur economic opportunity by addressing disproportionate and adverse health and environmental impacts, including from climate change and cumulative impacts, on marginalized and overburdened communities. Implement the Justice40 Initiative to ensure 40% of the overall benefits of certain Federal investments, e.g., in clean energy, climate, pollution reduction, and critical infrastructure, flow to historically disadvantaged communities across rural, urban, and Tribal areas.

Collaborating Agencies: U.S. Department of Energy, Federal Emergency Management Agency, Environmental Protection Agency, U.S. Department of Labor

Barriers to Equity:

- The long-term effects from redlining, segregation and environmental racism continue to disproportionately impact Black and Brown communities. Further, a [disproportionate](#)

[burden of pollution and exposure to the impacts of climate change are found in Black and Brown communities , which may present civil rights issues.](#)

- Affordable housing (including but not limited to public and assisted housing) is increasingly at risk from both extreme weather events and sea-level rise.
- Low-income communities, Black and Brown communities and protected class groups experience disproportionately large impacts from climate change and environmental hazards due to a history of disinvestment and discrimination, which may present civil rights issues.
- Green investments create high-quality employment opportunities, but women, people with disabilities, youth, and people impacted by the criminal legal system face hiring discrimination and inequitable employment opportunities.

Evidence Base to Support Strategy:

- A large body of literature has investigated the relationship between environmental toxins, race, and poverty. Most notably, the 1987 landmark study by Robert Bullard “[Toxic Waste and Race in the United States](#)” that demonstrated a correlation between the placement of toxic waste facilities and low-income Black and Brown communities . Since then, several studies from interdisciplinary approaches continue to assess environmental injustices as demonstrated in [Environmental Justice: The Economics of Race, Place, and Pollution](#) or seen in the legacies from [redlining and pollution](#).
- Researcher Diana Hernandez demonstrates in two papers how weatherization can be a catalyst for reducing the energy burden affecting low-income individuals and ultimately improve health and social outcomes among African Americans. Through the publications [Climate Justice Starts at Home: Building Resilient Housing to Reduce Disparate Impacts From Climate Change in Residential Settings](#) and [Energy efficiency as energy justice: addressing racial inequities through investments in people and places](#) she finds that Black households, even when disaggregating income, are more likely to live in less-efficient homes, demonstrating the legacy of housing segregation, redlining, and lack of equitable access to financing. These additional energy costs affect utility costs. She poses not just utility assistance but weatherization and green energy improvements as mechanisms to reducing environmental and economic injustices.
- To complement the body of literature on this topic, the White House Council on Environmental Quality developed the [Climate and Economic Justice Screening Tool](#) (CEJST) using nationally consistent data and an approach that combines environmental and demographic indicators to identify historically disadvantaged communities through an interactive map. The tool measures burdens in eight categories: climate change, energy, health, housing, legacy pollution, transportation, water and wastewater, and workforce development.
- Individuals seeking careers in the green construction industry often face barriers in accessing training opportunities (including apprenticeships) to become certified and/or qualified for the employment opportunities. [The Center for Law and Social Policy asserts that “women, people with disabilities, youth, and people impacted by the criminal legal system face especially egregious hiring discrimination and inequitable employment opportunities”](#) and that green investments can create high quality employment opportunities.

Actions to Achieve Equity:

To address identified barriers, HUD will:

Award funding for the Green and Resilient Retrofit Program (GRRP) funded through the Inflation Reduction Act (IRA)

- Implement the [Green and Resilient Retrofit Program \(GRRP\)](#), which provides for \$800 million in grant and loan subsidy funding and \$4 billion in loan commitment authority provided by the Inflation Reduction Act, to reduce assisted resident exposure to climate-related hazards. GRRP is the first HUD program to simultaneously invest in energy efficiency, greenhouse gas emissions reductions, energy generation, green and healthy housing, and climate resilience strategies, specifically in HUD-assisted multifamily housing. All the investments under the GRRP will be made in affordable housing communities and other historically disadvantaged communities serving low-income families in alignment with the Administration's Justice40 initiative.
- Launch the development of tools, guidance documents, or case studies on energy and resilience retrofits that have resulted from GRRP funding or other investments in HUD-assisted properties that can support all affordable housing operators in devising strategies to improve the health, safety, and comfort of low-income families before, during, and after extreme weather.

Improve Community Development Block Grant – Disaster Recovery (CDBG-DR) Funding

- Determine what data are needed to identify and address potential access barriers that may cause disparate outcomes in the use of CDBG-DR funds.
- Formally institute data collection to identify and address potential access barriers that may cause disparate outcomes in the use of CDBG-DR funds.
- Produce training and guidance for CDBG-DR grantees on how to use new data collection requirements to identify and address potential access barriers that may cause disparate outcomes in the use of CDBG-DR funds.
- Host at least two stakeholder convenings to inform future HUD investments and assist communities in developing plans to mitigate climate and disaster risk, while supporting underserved communities.

Expand the HUD and U.S. Department of Energy (DOE) Weatherization Partnership to improve equitable job training and access to good paying jobs in support of climate construction initiatives. Given \$3.5 billion in Bipartisan Infrastructure Law funding DOE received, there is a direct benefit to target HUD-assisted residents to take advantage of climate jobs for which there are insufficient number of trained and certified workers to conduct the work.

- Coordinate and facilitate locally focused conversations with weatherization agencies to understand their hiring needs, ideal candidate profiles, how candidates can be prepared with the support of public housing authorities and career center partners, and upcoming job fair/hiring event related activities to tack on weatherization efforts.
- Develop a framework for partnership on workforce initiatives between HUD field offices, HUD communities, the U.S. Department of Energy, and the U.S. Department of Labor.

Proposed Metrics:

Near to Medium Term

- Percentage of GRRP funds allocated to historically disadvantaged communities as defined by the Climate and Environmental Justice Screening tool as compared to all funds disbursed. Analysis of year over year improvement of funding distribution.
- Percentage of entities receiving CDBG-DR funds submitting complete and accurate data to CDBG-DR funding trends that can identify access barriers to equity in HUD disaster recovery programs. Analysis of year over year improvement of data participation and quality statistics and resulting improvement of trend analysis. (Baseline in FY22: 8,794 homes rehabilitated, reconstructed, constructed, or elevated using CDBG-DR and CDBG-MIT funds.)
- Increase number of Weatherization pilot sites from 4 to 10 nationally, with a special focus on establishment of pilot sites in Tribal nations and in Puerto Rico. (Current sites include Chicago IL; Roanoke, VA; Warner Robins, GA; and South Middlesex, MA.)

Longer-Term

- Increase the amount of HUD funds serving historically disadvantaged communities as defined by the Climate and Environmental Justice Screening tool as reported on the annual Environmental Justice Scorecard.
- Analyze feedback from HUD's recent Requests for Information to further streamline CDBG-DR funded disaster recovery efforts, including how HUD should better integrate long-term resilience and hazard mitigation measures to protect members of protected classes, and underserved communities. HUD published two requests, one to solicit feedback on CDBG-DR's programmatic requirements and one to solicit feedback on the formula used by HUD to allocate appropriations of CDBG-DR funds.

Public Participation and Community Engagement:

HUD's Climate Communities Initiative: HUD will continue to host convenings to help communities at high risk of climate change threats create an ecosystem of partners, understand programs and resources, and align and leverage funding opportunities for climate resilience. Five convenings were completed by September 30, 2023, with engagements in Louisiana, Pennsylvania, and California already performed. Those events have engaged hundreds of participants and dozens of government agencies and partner organizations. The communities within HUD's Climate Communities Initiative are also receiving technical assistance to create inclusive climate resilience plans and applying to new federal programs to enhance their resilience to disasters and climate change-related threats.

Community Development Block Grant - Disaster Recovery (CDBG-DR) Requests for Information: In FY 2023, HUD published the two Requests for Information referenced above to gain public feedback about how HUD may streamline CDBG-DR funded disaster recovery efforts, including how HUD should better advance equity and prioritize historically disadvantaged communities. HUD is currently reviewing those public comments, including comments on how the agency may better define those terms.

Weatherization Assistance Program and HUD Workforce: Through engagement with U.S. Department of Energy in FY 2022 and FY 2023, HUD has established partnerships with the

National Association for State and Community Services Programs and National Community Action Partnerships responsible for overseeing and executing the Weatherization Assistance Program in local communities, respectively. HUD's partnership with these stakeholders supports the successful coordination and development of opportunities between local HUD communities and weatherization providers and contractors. HUD is also attending the Somos Inc. conference in San Juan, Puerto Rico in 2023 to promote this program which will focus on climate resiliency, good jobs, and economic opportunity in the aftermath of devastating hurricanes and failing infrastructure.