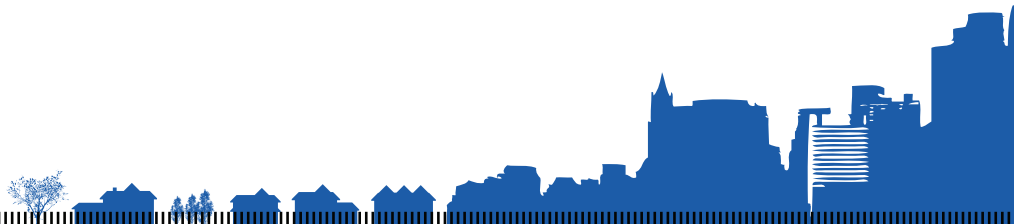# U.S. Department of Housing and Urban Development

Annual Evaluation Plan

Fiscal Year 2026

PD&R

Annual Evaluation Plan
Fiscal Year 2026

U.S. Department of Housing and Urban Development

May 30, 2025

Contents

Introduction

This document presents the Annual Evaluation Plan (AEP) for fiscal year (FY) 2026 for the U.S. Department of Housing and Urban Development (HUD or the "Department"). The FY 2026 AEP describes research and evaluation activities that will be completed in FY 2026 and that will produce actionable results to inform the Department's decision making. These activities reflect the HUD Secretary's priorities and align with the President's FY 2026 Budget and HUD's 2026 Annual Performance Plan.

The Foundations for Evidence-Based Policymaking Act of 2018 (Evidence Act)[1] requires federal agencies to develop a *Learning Agenda* that identifies the most policy-relevant and timely research questions for an agency to pursue during the 4-year Strategic Planning cycle; a *Capacity Assessment for Research, Evaluation, Statistics, and Analysis* assessing the coverage, quality, methods, effectiveness, and independence of an agency's evidence-building and analysis activities for supporting evidence-based policymaking; and *AEPs* that communicate significant planned research and evaluation activities for the coming fiscal year. The Office of Policy Development and Research (PD&R), HUD's primary research and evaluation office, leads HUD's compliance with the Evidence Act, including developing the Learning Agenda, Capacity Assessment, and AEP.

Unlike prior AEPs, which discussed new and significant evaluation activities, publications, dissemination efforts, and other milestones, the 2026 AEP is a streamlined document that narrowly focuses on three evaluation activities to produce actionable results and inform decisions within one year.

Evaluation Activities

Section 101(a) of the Evidence Act defines "evaluation" as the systematic data collection and analysis of one or more programs, policies, and organizations intended to assess their effectiveness and efficiency.

The evaluation activities presented in the 2026 AEP are limited to activities that reflect top agency priorities *and* produce actionable information in FY 2026. This AEP does not describe the many other research and evaluation activities that HUD pursues but have a longer timeframe for producing actionable results. In addition, the 2026 AEP does not describe research and monitoring activities that support HUD programs and operations, such as the development of program parameters, data analysis, non-evaluation research, and implementation support.

Administration Priorities

HUD's FY 2026 Annual Performance Plan identifies the following Secretarial priorities aligned with the Trump Administration's priorities to deregulate the housing market, increase housing supply, and lower housing costs:

1. Reduce homelessness.
2. Reduce barriers to affordable housing.
3. Protect taxpayer funds.
4. Streamline business processes.

PD&R can advance these priorities by conducting evaluations that fill knowledge gaps, build evidence to inform policy choices, and provide best practices to support effective policy implementation. For FY 2026, PD&R has identified three evaluation activities to inform decision making on Priority 2: Reduce

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[1] Public Law 115–435 (132 STAT. 5529).

barriers to affordable housing. The next section describes how these activities will be carried out within a year through a combination of in-house and grant-funded research.

Fiscal Year 2026 Evaluation Activities

Family Structure and Economic Mobility in Assisted Housing

Supports HUD Priority 2: Reduce Barriers to Affordable Housing

Eligibility for federal rental assistance has historically been primarily determined by family income. HUD set income limits by county and metropolitan area, and assistance was only available to low-income families making 80 percent or less of the area median income. Families generally paid 30 percent of their income in rent and the government paid the remaining share up to a set payment standard. As a family's income changes, their share of rent typically increases or decreases but they continue to pay 30 percent of their adjusted income.

Like other means-tested programs, housing assistance has the potential to disincentivize increases in a household's income as higher income results in a lower subsidy or program ineligibility. Means testing and income-based subsidies prioritize assistance to the lowest income households but may discourage marriage and two-parent households by penalizing a household with income from two adults. This disincentive is referred to as the "marriage penalty."

HUD will study how the marriage penalty potentially impacts HUD-assisted households and whether it influences decisions about marriage, household formation, employment, and labor force participation. Before HUD can develop and test possible policy changes to address marriage disincentives, the Department will examine trends in household composition and income for assisted households over time as compared to unassisted, low-income renters.

This project will use several data sources to examine long-term trends in household formation and income to help inform future policy changes, including but not limited to the HUD Public and Indian Housing Information Center (PIC) database, Tenant Rental Assistance Certification System (TRACS), and HUD administrative data linked with the nation's largest population health survey, the National Health Interview Survey (NHIS-HUD linked data). PIC and TRACS data contain information across HUD programs on all household members (e.g., age and sex) and data on income and wages. Because marital status is not a program requirement, HUD data contains limited information on the relationship status between adult household members. However, the NHIS-HUD linked data captures detailed information on assisted households, including self-reported marital status (e.g., married, never married, divorced/widowed). Although the sample size is much smaller than data from PIC and TRACS, the data can be used for analyses that cannot be done with HUD administrative information alone, such as comparing marriage rates between HUD-assisted and unassisted, low-income renters and examining changes in household composition over time.

Analyses of these datasets will be completed in FY 2026 and produce information that can help decision makers understand the extent of the marriage penalty and whether policy changes such as disregarding a portion of spousal income or setting different income limits for two-income households should be tested in future years as HUD transitions its rental assistance programs to state-based rental assistance grants.

Immigration and Housing Affordability

Supports HUD Priority 2: Reduce Barriers to Affordable Housing

In recent years, there have been record increases in immigration to the United States. According to the January 2025 Current Population Survey, the foreign-born population now stands at more than 53 million,

making up its highest share of the American population ever. At the same time, housing costs have continued to increase relative to income, resulting in record numbers of homeowners and renters with housing cost burdens and contributing to the worsening housing affordability issues in the nation.

The large influx of immigrants in certain geographic areas has the potential to affect housing prices, rent, and supply. Previous research has suggested that immigration may lead to higher housing prices, creating additional pressures in the housing market. For example, one study found that an inflow of 1 percent of the population would lead to an increase of 1 percent in rents and prices.[2]

This project aims to extend this body of research by conducting exploratory work on the association between immigration and housing prices over time and across geographies. The study will include a quantitative analysis that will provide insights into how the association between immigration and housing prices varies across geography. HUD will identify areas with a high influx of immigrants in recent years. The study will use descriptive statistics to provide a high-level overview of how housing prices have changed across geographies and time. If data allows, the study will delve deeper into specific geographic areas or markets. HUD has access to public (e.g., the American Community Survey) and proprietary (e.g., Cotality, CoStar Group, and Dodge Construction Network) data that can provide information on housing characteristics and amenities for a regression analysis.

Manufactured Housing Permanent Chassis Requirement

Supports HUD Priority 2: Reduce Barriers to Affordable Housing

Manufactured housing refers to homes that are fully built off site and then transported to their final location. Unlike modular homes—which are largely constructed off site but fully assembled at their final destinations and governed by local and state building codes—manufactured housing is constructed according to federal standards and must be built on a permanent chassis, a metal frame that can be attached to wheels. The Federal Manufactured Home Construction and Safety Standards regulate the design and construction of manufactured homes to ensure quality, durability, safety, and affordability and currently include a permanent chassis requirement, which remains attached to the home, although the wheels can be covered or removed.

Removing the permanent chassis requirement could reduce manufactured housing costs by (1) eliminating the direct cost of a permanent chassis on manufactured homes and (2) expanding the design options of manufactured homes to include multi-story homes. The modular housing industry may also be affected by allowing modular housing to be built to a single national HUD code rather than various local and state codes—which the industry could not previously adopt because of the chassis requirement—if it is more profitable. HUD will conduct an economic analysis of the different arguments and options for removing the chassis requirement. The analysis, which will be completed in FY 2026, will provide projections of the market impacts of deregulation on consumers and producers. The analysis will also complement additional work related to engineering analysis of chassis removal.

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[2] https://www.sciencedirect.com/science/article/pii/S009411900600074X

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