

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
STRATEGIC PLAN 2014-2018



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APRIL 2014



MESSAGE FROM THE SECRETARY

I am proud to present the U.S. Department of Housing and Urban Development's (HUD's) *Strategic Plan 2014-2018*. The goals outlined in this document are designed to achieve a central goal: expanding opportunity for all Americans.

This work has arguably never been more important. When President Obama took office in 2009, the Great Recession had already devastated communities across the country. Millions of Americans had their lives turned upside down, losing jobs, savings, and homes. Optimism for the future had dimmed and dreams had been deferred.

Over the past 5 years, the Obama Administration has worked tirelessly to address these challenges by building ladders of opportunity that give families a fair chance to lift themselves up, rebuild after the crisis, and better their lives. HUD has been committed to doing its part, whether it is assisting homeowners in fighting off foreclosure, enhancing access to affordable housing, or revitalizing distressed communities. In total, these and other measures have worked, helping to turn around the housing market and fuel the overall U.S. economic recovery.

To build on this progress, HUD's *Strategic Plan 2014-2018* lays out priorities and goals to accelerate the gains already made and ensure a crisis of this magnitude never occurs again. The first component is strengthening the nation's housing market to

spur economic growth and protect consumers. We will continue to bolster the Federal Housing Administration's mission of ensuring that qualified homebuyers have access to credit and push for a housing finance system that maintains the careful balance between responsibility and opportunity.

Another priority is meeting the great need for quality, affordable rental housing. According to the latest HUD "Worst Case Housing Needs" study, nearly 8.5 million families with very low incomes pay more than half their monthly income for rent, live in substandard housing, or both. The demand for action is growing, which is why we will continue to look for innovative ways, working with partners, to both preserve and produce affordable rental housing for families. In addition, we will continue to help the most vulnerable communities, including those experiencing homelessness and trapped in poverty. Stable housing is an important tool in helping households achieve other life outcomes, and we are working every day to give families access to these opportunities.

Finally, through efforts like Choice Neighborhoods and Promise Zones, working with partners at the federal and local levels, we strive to build strong and inclusive communities that connect

housing with other important community assets: good jobs, quality schools, and safe streets. With this comprehensive approach, we will turn neighborhoods with problems into neighborhoods with promise, giving more families a chance to thrive and succeed.

In total, HUD's *Strategic Plan 2014-2018* represents an opportunity agenda. By giving more families a fair shot at fulfilling their promise, we strengthen communities and our nation as a whole. HUD looks forward to working with a wide variety of partners to achieve the goals outlined in this document. Working together, we can help secure opportunities for all Americans.



Shaun Donovan

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SECTION 1

AGENCY AND MISSION



INTRODUCTION

This document presents the U.S. Department of Housing and Urban Development's (HUD's) Strategic Plan for fiscal years (FY) 2014 through 2018. HUD was created as a cabinet-level agency in 1965. Its mission is to create strong, sustainable, inclusive communities and quality, affordable homes for all. To provide a framework for the delivery of HUD's mission and vision, the Strategic Plan outlines a set of strategic goals, objectives, and performance measures. Simply put, this plan serves as a guide for what the Department will achieve, how we will achieve it, and how we will measure our success.

Over the past 4 years, HUD has aimed to engage new local and federal partners, adjust our policies and programs to better serve the American people, address common problems across a broader metropolitan geography, and transform the way we do business. HUD has been committed to doing its part in preventing foreclosures, enhancing access to affordable housing, and revitalizing distressed communities. To build on this progress, this *Strategic Plan 2014-2018* lays out priorities and goals to accelerate the gains already made.

From strengthening the nation's housing market to using housing as a platform for improving quality of life, this Strategic Plan is designed to achieve the central goal of expanding opportunity for all Americans. Each of these strategic goals requires HUD to scale up local innovations, lead the charge, and set the pace for change. The *Strategic Plan 2014-2018* will guide the agency in meeting the urgent housing and development needs of communities for the years to come.



- [Learn more about HUD's major organizational units and program offices.](#)
- [Learn more about HUD's regions and field offices.](#)

In carrying out its work on each of its strategic goals, HUD is committed to the following **core values**:

- **Accountability:** We individually and collectively take responsibility for our performance and conduct.
- **Efficiency and Effectiveness:** We will maximize our resources and efforts to continually improve the efficiency and effectiveness of our individual and collective performance. We strive for simplicity in our lines of authority and clarity in our lines of communication and strive to eliminate the red tape of bureaucracy. We support a productive work environment that balances high performance with the need for healthy personal and community life.
- **Fairness and Respect:** We value each other, demonstrate compassion for those we serve, and treat others the way we would like to be treated. In respecting others, we conduct our work and administer our programs with fairness and justice and with a commitment to civil rights, inclusion, and diversity.
- **Integrity:** We approach each other, our stakeholders, and our work with honesty and the highest ethical standards.
- **Teamwork:** We work together in a spirit of camaraderie, trust, and collaboration. We believe that by contributing our individual strengths we can accomplish more together than separately. We are open minded, ready to adapt, and willing to embrace innovation and creativity when confronting challenges in our workplace.

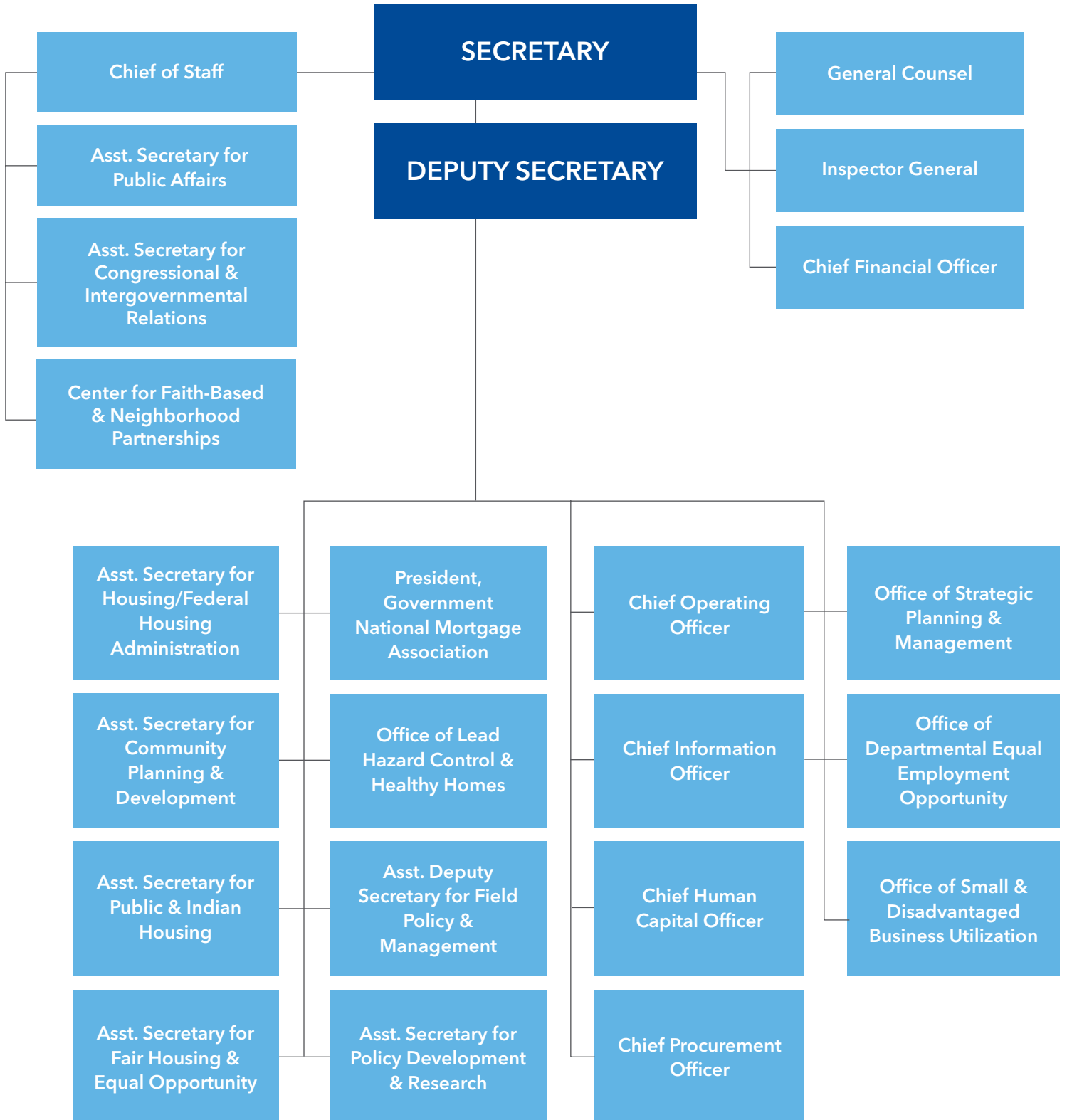


HUD'S MISSION IS TO CREATE STRONG, SUSTAINABLE, INCLUSIVE COMMUNITIES AND QUALITY, AFFORDABLE HOMES FOR ALL.

Our vision is to improve lives and strengthen communities to deliver on America's dreams. Therefore, we pledge—

- **For our residents:** We will improve lives by creating affordable homes in safe, healthy communities of opportunity and by protecting the rights and affirming the values of a diverse society.
- **For our partners:** We will be a flexible, reliable problem solver and source of innovation.
- **For our employees:** We will be a great place to work, where employees are valued, mission driven, results oriented, innovative, and collaborative.
- **For the public:** We will be a good neighbor, building inclusive and sustainable communities that create value and investing public money responsibly to deliver results that matter.

HUD ORGANIZATION AND REPORTING STRUCTURE





SECTION **2** STRATEGIC GOALS AND STRATEGIC OBJECTIVES



HUD'S FY 2014-2018 STRATEGIC FRAMEWORK

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

<p>Strategic Goal 1 Strengthen the Nation's Housing Market To Bolster the Economy and Protect Consumers</p>	<p>Strategic Goal 2 Meet the Need for Quality, Affordable Rental Homes</p>	<p>Strategic Goal 3 Use Housing As a Platform To Improve Quality of Life</p>	<p>Strategic Goal 4 Build Strong, Resilient, and Inclusive Communities</p>
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STRATEGIC OBJECTIVES

<p>Strategic Objective 1A Establish a sustainable housing finance system that provides support during market disruptions, with a properly defined role for the U.S. government.</p>	<p>Strategic Objective 2A Ensure sustainable investments in affordable rental housing.</p>	<p>Strategic Objective 3A End homelessness for veterans, people experiencing chronic homelessness, families, youth, and children.</p>	<p>Strategic Objective 4A Reduce housing discrimination, affirmatively further fair housing through HUD programs, and promote diverse, inclusive communities.</p>
<p>Strategic Objective 1B Ensure equal access to sustainable housing financing and achieve a more balanced housing market, particularly in underserved communities.</p>	<p>Strategic Objective 2B Preserve quality, affordable rental housing where it is needed most by simplifying and aligning the delivery of rental housing programs.</p>	<p>Strategic Objective 3B Promote advancements in economic prosperity for residents of HUD-assisted housing.</p>	<p>Strategic Objective 4B Increase the health and safety of homes and embed comprehensive energy efficiency and healthy housing criteria across HUD programs.</p>
<p>Strategic Objective 1C Restore the Federal Housing Administration's financial health, while supporting the housing market recovery and access to mortgage financing.</p>		<p>Strategic Objective 3C Promote the health and housing stability of vulnerable populations.</p>	<p>Strategic Objective 4C Support the recovery of communities from disasters by promoting community resilience, developing state and local capacity, and ensuring a coordinated federal response that reduces risk and produces a more resilient built environment.</p>
			<p>Strategic Objective 4D Strengthen communities' economic health, resilience, and access to opportunity.</p>

MANAGEMENT OBJECTIVES

1. Improve HUD's acquisitions performance through early collaborative planning and enhanced utilization of acquisition tools.
 2. Reduce the time and complexity of the clearance process by establishing and enforcing clear protocols for drafting and reviewing documents placed in departmental clearance.
 3. Promote a diverse and inclusive work environment that is free of discrimination and harassment by educating the workforce on the overall Equal Employment Opportunity (EEO) process and their EEO responsibilities as managers and employees of HUD.
 4. Increase accuracy, speed, transparency, and accountability in financial management and budgeting for the agency.
 5. Make the grants management process more efficient and effective by automating and streamlining processes, improving timeliness, and tracking performance.
 6. Employ, develop, and foster a collaborative, high-performing workforce that is capable of continuing to deliver HUD's mission in a changing and uncertain future.
 7. Make high-quality data available to those who need it, when they need it, where they need it, to support decisionmaking in furtherance of HUD's mission.
 8. Reduce the cost of leased space, utilities, travel, and other related costs by adapting our business processes.
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STRATEGIC GOAL 1: STRENGTHEN THE NATION'S HOUSING MARKET TO BOLSTER THE ECONOMY AND PROTECT CONSUMERS

The state of the housing market plays a large role in stabilizing our neighborhoods and strengthening our national economy. That is why the downturn of the housing market—with high rates of foreclosure, increases in vacant properties, and plummeting home values—was so devastating for families and communities alike. Although the largest factors contributing to this crisis were market driven—including a slowdown in the growth of home prices, increased high-risk subprime and predatory lending, and lax underwriting standards—the American people turned to Congress and the Administration for leadership and action in righting our nation's housing market. Since the crisis, HUD has played a critical role in this federal recovery strategy—helping American families keep their homes and stabilizing neighborhoods hard hit by foreclosure. HUD seeks to continue to build upon this federal leadership and take a comprehensive approach to tackle the housing crisis by supporting mortgage finance reform legislation. As the housing market continues to recover, HUD will focus on ensuring underserved communities have access to credit while managing risk to the Federal Housing Administration (FHA) portfolio and doing so in a way that encourages more private investment in the housing market. This work will put HUD in a strong position to minimize the negative impact of any future market disruptions.



- **Strategic Objective 1A:** Establish a sustainable housing finance system that provides support during market disruptions, with a properly defined role for the U.S. government.
- **Strategic Objective 1B:** Ensure equal access to sustainable housing financing and achieve a more balanced housing market, particularly in underserved communities.
- **Strategic Objective 1C:** Restore the Federal Housing Administration's financial health, while supporting the housing market recovery and access to mortgage financing.



STRATEGIC OBJECTIVE 1A: HOUSING MARKET

Establish a sustainable housing finance system that provides support during market disruptions, with a properly defined role for the U.S. government.

OVERVIEW

HUD will work with other agencies, Congress, and stakeholder groups to create a sustainable housing system. In doing so, HUD aims to minimize taxpayer risk by fostering private capital as a primary source of liquidity and to focus governmental participation to a more targeted market of underserved borrowers while still allowing it to maintain its countercyclical role. The right solution will ensure continued access to homeownership and multifamily investment opportunities for creditworthy borrowers while avoiding the problem of private gains and public losses.

STRATEGIES

- **Create a legislative framework to wind down the government-sponsored enterprises (GSE)** in a measured and careful manner. Through this strategy, HUD intends to foster the increased participation of private capital and to insulate taxpayers from losses. At the same time, access to credit must be maintained. In order to accomplish this, HUD will work with Administration partners to lend its expertise in shaping legislative reform.
- **Develop the necessary reforms to focus the FHA on maintaining access to capital** for homeowners and multifamily project owners through all economic cycles. HUD will work to update regulations to allow for access to financing for creditworthy borrowers even during economic downturns.
- **Shape the regulatory landscape through rulemakings.** New rules will enhance access

to financing for creditworthy borrowers and promote the revival of the private-label mortgage sector. This new landscape will also include enhanced safety mechanisms for both consumers and investors.

LEADING THIS OBJECTIVE

Edward Golding
Senior Advisor on Housing Finance
Office of the Secretary

MEASURING OUR PROGRESS

To track our progress toward this objective, HUD will track the following performance indicator.

- **Overall market share of private capital, GSEs, and FHA**
This measure will track the share of the mortgage market for private lenders, GSEs (Fannie Mae and Freddie Mac), and FHA in order to observe FHA's role in the housing market and the balance of the housing market.

STRATEGIC OBJECTIVE 1B: CREDIT ACCESS

Ensure equal access to sustainable housing financing and achieve a more balanced housing market, particularly in underserved communities.

OVERVIEW

As we recover from the recent downturn in the housing market, equal access to housing financing for creditworthy borrowers in underserved communities continues to be difficult to obtain. For existing homeowners, seriously delinquent loans and underwater loans make it difficult to sell or refinance their home.

For homebuyers, tighter underwriting standards related to additional lender requirements for FHA loans and increased downpayment requirements make it harder to obtain a loan. These challenges have disproportionately affected first-time, minority, and low-to-moderate income homebuyers and homeowners. HUD will work to ensure that these underserved groups have the ability to get financing.

STRATEGIES

- **Clarify underwriting standards in order to minimize uncertainty in marketplace.** Increased clarity will encourage access to credit and inhibit risky lender activity. HUD will improve current policies and communicate transparent enforcement and performance standards to industry and stakeholders.
- **Evaluate and align program policies with risk tolerance and mission** to ensure we can help fulfill HUD's mission of providing quality, affordable housing. This will be achieved by balancing access/affordability, market factors, and the Mutual Mortgage Insurance (MMI) Fund in setting price and credit policy.
- **Ensure HUD's Housing Counseling Program reaches as many households as possible,**

particularly in underserved areas, so that more households receive information regarding fair housing and fair lending. HUD will do this by making housing counseling grants available to housing counseling agencies as soon after appropriation as possible and tracking how many housing counseling clients gain access to resources to help them improve their housing situation due to counseling services.

- **Finalize prospective quality assurance framework and retrospective lender quality assurance enforcement actions** to reduce market uncertainty and improve access to credit.

LEADING THIS OBJECTIVE

Kathleen Zadareky
Acting Deputy Assistant Secretary for Single Family Housing
Office of Housing

Sarah Gerecke
Deputy Assistant Secretary for Housing Counseling
Office of Housing

MEASURING OUR PROGRESS

To track our progress toward this objective, HUD will monitor completion of the following performance indicators.

- **FHA share of originations**
This measure will show the percentage of mortgage originations in the housing market that were made by FHA.
- **Percentage of loans endorsed with credit score < 680**
This measure will track the percentage of FHA loans endorsed that have borrowers with a credit score under 680.
- **Percentage of loans endorsed with credit score < 680 that evidence successful homeownership over the first 5 years**



- **HUD's Housing Counseling Program clients served**
This measure will track the number of clients counseled through the HUD Housing Counseling Program.
- **Percentage of housing counseling clients who gain access to resources to improve their housing situation**
This measure will track the percentage of housing counseling clients who gain access to resources to help them improve their housing situation (for example, downpayment assistance, rental assistance) as a direct result of receiving housing counseling services.

STRATEGIC OBJECTIVE 1C: FHA'S FINANCIAL HEALTH

Restore the Federal Housing Administration's financial health, while supporting the housing market recovery and access to mortgage financing.

OVERVIEW

A strong FHA is critical to the recovery of the housing market and our economy at large. The mortgage insurance provided by FHA has made financing available to individuals and families not adequately served by the conventional private mortgage market. The MMI Fund is the largest fund covering activities of FHA. The recession put substantial strain on the MMI Fund as private capital retreated and FHA played a countercyclical role to support the broader housing market. Over time, FHA has experienced significant swings in its market share as it has stepped in to provide capital for qualified borrowers who would otherwise be shut out of the mortgage market.

In addition, the severe decline in house prices, the sluggish performance of the economy, and the behavior of some lending partners resulted in increased FHA losses that drove its excess capital reserve ratio¹ below the congressionally mandated 2-percent level.

STRATEGIES

- **Restore FHA's excess capital reserve ratio** to the congressionally mandated 2-percent level by 2016. Strengthen FHA's book of business through policy reforms and minimize losses on existing books.
- **Continue loss mitigation efforts in order to prevent foreclosures.** Focus on effective and

¹ The capital ratio compares the "economic net worth" of the MMI Fund to the dollar balance of active, insured loans, at a point in time. Economic net worth is defined as a net asset position, where the present value of expected future revenues and net claim expenses is added to current balance sheet positions. The capital ratio computation is part of an annual valuation of the outstanding portfolio of insured loans at the end of each fiscal year.

proactive loss mitigation. HUD will track the effectiveness of these efforts by measuring the number of homeowners who redefault after receiving assistance.

- **Maximize Real Estate Owned (REO) recovery rate** by enhancing contractor performance through use of a scorecard and implementing a best execution model across all asset disposition options.
- **Increase the number of FHA-insured mortgages for which the borrower received either prepurchase or postpurchase housing counseling** in order to improve outcomes for FHA-insured borrowers and strengthen the health of the MMI Fund.

LEADING THIS OBJECTIVE

Kathleen Zadareky
Acting Deputy Assistant Secretary for Single Family Housing
Office of Housing

Sarah Gerecke
Deputy Assistant Secretary for Housing Counseling
Office of Housing

MEASURING OUR PROGRESS

To track our progress toward this objective, HUD will monitor the following performance indicators.

- **Asset disposition recovery rate**
This is the net recovery rate that FHA realizes on the sale of assets as a percentage of claim payment.
- **Percentage of modifications resulting in redefaults within 6 months of closing**
This measure will track the percentage of borrowers that become 90 days or more delinquent on their loans within 6 months of receiving a loan modification/FHA Home Affordable Modification Program (HAMP) modification.



- **Loss mitigation uptake**

This is the percentage of loss mitigation actions taken as a percentage of serious delinquencies.

- **Number of FHA-insured mortgages benefiting from housing counseling**

This is the number of FHA borrowers that receive prepurchase or postpurchase counseling.

- **Capital Reserve Ratio**

The capital reserve ratio compares the “economic net worth” of the MMI Fund to the dollar balance of active, insured loans, at a point in time. Economic net worth is defined as a net asset position, where the present value of expected future revenues and net claim expenses is added to current balance sheet positions. The capital reserve ratio computation is part of an annual valuation of the outstanding portfolio of insured loans at the end of each fiscal year.



STRATEGIC GOAL 2: MEET THE NEED FOR QUALITY, AFFORDABLE RENTAL HOMES

Renters in America face serious difficulty finding affordable housing in a broad range of communities because of the dual problems of a shortage of units in some areas and a lack of income to afford units in the existing market. Despite the units of housing provided through HUD's programs, the supply of affordable and available rental housing in America is insufficient. Moreover, the number of families struggling to make ends meet in the face of severe rent burdens continues to increase. HUD remains committed to providing rental assistance to poor households within this challenging environment.

- **Strategic Objective 2A:** Ensure sustainable investments in affordable rental housing.
- **Strategic Objective 2B:** Preserve quality, affordable rental housing where it is needed most by simplifying and aligning the delivery of rental housing programs.



STRATEGIC OBJECTIVE 2A: RENTAL INVESTMENT

Ensure sustainable investments in affordable rental housing.

OVERVIEW

According to the latest American Community Survey (ACS), the number of households earning under \$15,000 a year and paying more than one-half their incomes for housing increased by 1.5 million from 2007 to 2010, nearly doubling the increase from 2001 to 2007. The scale of this problem, and others presented in the *Worst Case Housing Needs 2011*² study, requires major strategic decisions. As worst case housing needs continue to increase and the level of housing assistance remains relatively flat, the gap between the number of assisted units and the number of households with severe housing needs has never been wider and will continue to grow unless the level of private investment into affordable housing grows. Currently, for every very low-income household that receives rental assistance, there are nearly two very low-income households with worst case housing needs. Individuals and families are considered to have “worst case housing needs” when they have incomes below 50 percent of the Area Median Income (AMI), do not receive government assistance, and pay more than one-half their income on rent, live in severely inadequate conditions, or face both of these challenges.

STRATEGIES

- **Pursue housing finance reform legislation.** HUD will continue working with Administration partners and Congress to support housing finance reform legislation that provides liquidity and capital to support affordable rental financing and that creates a dedicated, budget-neutral financing mechanism to support affordable rental housing and access to homeownership for low-income families.
- **Implement the Housing Trust Fund and support the Capital Magnet Fund.** The Housing and

Economic Recovery Act of 2008 (HERA) required the establishment and management of a Capital Magnet Fund and a Housing Trust Fund, the latter to be directed by the Secretary of Housing and Urban Development. The Housing Trust Fund is to be supported by amounts that may be appropriated, transferred, or credited to such fund under any other provision of law. HERA specified that the funds would come from Fannie Mae and the Freddie Mac. That plan, however, was delayed as a result of the financial challenges of those agencies. As these entities restore their fiscal health and as the Administration works with Congress on enacting comprehensive housing finance reform legislation, or capitalizing the Housing Trust Fund with direct appropriations, this strategic objective will assist in moving both initiatives forward.

LEADING THIS OBJECTIVE

Benjamin Metcalf
Deputy Assistant Secretary for Multifamily Housing
Office of Housing

Yolanda Chavez
Deputy Assistant Secretary for Grant Programs
Office of Community Planning and Development

MEASURING OUR PROGRESS

HUD will track performance on the following performance indicators.

- **Number of households experiencing “worst case housing needs,”** prepared using [American Housing Survey](#) (AHS) data and defined by a long-term series of reports designed to measure the scale of critical housing problems facing very low-income, unassisted renters. **(key measure)**
- **Proportion of very low-income renters facing severe rent burdens,** prepared using [ACS](#) data. **(contextual indicator)**
- **Percentage of rental units built in the preceding 4 years that had rents below \$800,** which are affordable for the median renter, prepared using [AHS](#) data. **(contextual indicator)**

² U.S. Department of Housing and Urban Development, 2013 (August); *Worst Case Housing Needs 2011: Report to Congress*.

STRATEGIC OBJECTIVE 2B: RENTAL ALIGNMENT

Preserve quality, affordable rental housing where it is needed most by simplifying and aligning the delivery of rental housing programs.

OVERVIEW

During the past 75 years, the federal government has invested billions of dollars in the development and maintenance of affordable public and multifamily housing. Despite the sizable investment and the great demand for affordable rental housing, units continue to be lost. While some units have been lost because of their deteriorated physical condition, others, both publically and privately owned, have been removed from the affordable inventory because of owners' decisions or because periods of affordability have expired. Some multifamily housing programs either have no option for owners to renew their subsidy contracts with HUD or cannot renew on terms that attract sufficient capital to preserve long-term affordability. Moreover, the public housing stock faces an estimated \$26 billion capital needs backlog that will be difficult to meet given federal fiscal constraints.

HUD's Rental Assistance Demonstration (RAD) makes it possible for public housing agencies (PHAs) to address the immediate and longer term capital repair and replacement needs of their properties, preserving these deeply affordable rental homes. RAD allows access to private funding sources by allowing PHAs and owners of moderate rehabilitation, rent supplement, and rental assistance payment developments to convert to long-term Section 8 rental assistance contracts.

The preservation of an even broader range of HUD-assisted properties will be facilitated by the establishment of a Recapitalization Office that will handle a variety of complicated preservation transactions, providing a "one stop shop" for owners in order to minimize program complexity,

from their perspective. Moreover, HUD's participation in the White House Rental Policy Working Group has spurred improvements in rental housing across agencies, particularly in the area of unit physical inspections and HUD's Real Estate Assessment Center's role.

STRATEGIES

- **Establish the Recapitalization Office** to reposition HUD-assisted multifamily and public housing assets to revitalize neighborhoods and preserve affordable housing to improve opportunities for residents. The office will bring staff and programs used by common partners together to support affordable housing and improve neighborhoods, including RAD, Choice Neighborhoods, HOPE VI, mixed-finance public housing, demolition/disposition, Promise Zones, Mark-to-Market, Section 202 and 236 transactions, and other recapitalization activities. This office will better integrate place-based initiatives and provide more useful interactions with our external partners who are using programs throughout HUD to develop and reposition their assets.
- **Develop and adopt a uniform asset management model across program platforms and divisions**, considering existing legislative and regulatory requirements. By using both property-level oversight and counterparty entity oversight, a uniform asset risk assessment management model will help to ensure consistent timely interventions and minimize risk.
- **Revise the Real Estate Assessment Center's** scoring system, timeframes, and operation of physical and financial assessments of HUD-assisted properties.
- **Support the development and preservation of affordable housing through FHA Multifamily Mortgage Insurance**, in conjunction with other funding or financial resources, such as through the FHA Low-Income Housing Tax Credit (LIHTC) pilot.



- **Ensure that the households currently being served by HUD rental assistance programs are able to remain housed.**
 - Create a proactive asset management approach to work with owners prior to contract expiration/mortgage maturity to develop a preservation strategy for the property.
 - Preserve units, maintain high occupancy and utilization rates, and reduce the number of units converted to market-rate housing.
- **Implement and expand RAD** to preserve and transition existing affordable HUD-assisted rental units to the Section 8 platform.
- **Housing choice voucher utilization rate (supporting indicator)**

Other Measures:

- **Number of units managed under the uniform asset management mode**
- **Number of inspections saved through inspection sharing**
- **Public Housing occupancy rate**
- **Project-Based Rental Assistance (PBRA) occupancy rate**

LEADING THIS OBJECTIVE

Benjamin Metcalf
Deputy Assistant Secretary
Office of Multifamily Housing

Ophelia Basgal
Region IX Administrator
(California/Pacific/Hawaii)

Lindsey Reames
Acting Deputy Assistant Secretary for Field Operations
Office of Public and Indian Housing

MEASURING OUR PROGRESS

HUD will monitor performance of the following performance indicators.

- **Fiscal Year 2014-2015 Agency Priority Goal: Between October 1, 2013, and September 30, 2015, HUD aims to preserve and expand affordable rental housing through its rental housing programs.**
- **Number of families served through HUD rental assistance (key indicator)**
 - **Number of units converted using RAD (supporting indicator)**



STRATEGIC GOAL 3: USE HOUSING AS A PLATFORM TO IMPROVE QUALITY OF LIFE

Stable housing, made possible with HUD support, provides an ideal platform for delivering a wide variety of health and social services. Through interagency partnerships at the federal, state, and local levels, HUD will use housing as a platform for coordinating access to a wide variety of services to lower healthcare costs, end homelessness, and support community living. In addition to the moral imperative to end human suffering caused by homelessness, there are compelling economic reasons for investing in efforts to eradicate this complex social problem. To achieve this goal, HUD will continue to partner with local, state, and federal organizations, including the U.S. Interagency Council on Homelessness (USICH), to deploy evidence-based interventions, such as supportive housing, housing first, and rapid rehousing, to more effectively and efficiently use the nation's limited resources to bring an end to homelessness.

- **Strategic Objective 3A:** End homelessness for veterans, people experiencing chronic homelessness, families, youth, and children.
- **Strategic Objective 3B:** Promote advancements in economic prosperity for residents of HUD-assisted housing.
- **Strategic Objective 3C:** Promote the health and housing stability of vulnerable populations.



STRATEGIC OBJECTIVE 3A: END HOMELESSNESS

End homelessness for veterans, people experiencing chronic homelessness, families, youth, and children.

OVERVIEW

HUD's annual "Point-in-Time" estimates measure the scope of homelessness on a single night in January of each year. Based on data reported by more than 3,000 cities and counties, the January 2013 one-night estimate reveals a 24-percent drop in homelessness among veterans and a 16-percent reduction among individuals experiencing long-term or chronic homelessness since 2010. HUD's estimate also found the largest decline in the number of persons in families experiencing homelessness since the Department began measuring homelessness in a standard manner in 2005. Overall, a total of 610,042 people experienced homelessness in the United States on a single night in January 2013.

Homelessness among unaccompanied youth is a hidden problem, which HUD and its partners are taking steps to solve. Some subpopulations of youth are at particularly high risk for homelessness, including youth aging out of foster care and lesbian, gay, bisexual, transgender, queer, and questioning youth.

In 2010, the Obama Administration released *Opening Doors*,³ the first ever comprehensive federal strategic plan to prevent and end homelessness. The goals of the plan are to prevent and end veterans' and chronic homelessness by 2015, to prevent and end homelessness for families, youth, and children by 2020, and to set a path to ending all types of homelessness. HUD remains committed to the goals of *Opening Doors*, but to reach them the pace of current efforts must accelerate. Over the next 5 years, HUD will work with its partners to

³ United States Interagency Council on Homelessness, *Opening Doors: Federal Strategic Plan to Prevent and End Homelessness* (June 2010).

deploy the solutions that we know are effective for the right persons, such as rapid rehousing and permanent supportive housing. These tools must be informed by a Housing First approach, whereby preconditions and barriers to housing entry are removed and people move into housing as quickly as possible.

STRATEGIES

- **Implement the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act** with a focus on technical assistance for prioritized access to housing and use of community data to manage performance. This includes reallocation of transitional housing to permanent supportive housing, prioritizing people experiencing chronic homelessness for permanent supportive housing units made vacant through turnover, and increasing the number of rapid rehousing opportunities for families.
- **Fully engage and leverage mainstream housing assistance**, including housing choice vouchers, public housing, HOME Investment Partnerships and Community Development Block Grants (CDBG), and multifamily housing. We will build capacity among PHAs and multifamily owners to admit homeless households into their units and provide them with vouchers.
- **Improve data and performance management** through strategies to share data across systems, adoption of a common data standard for housing stability, and use of Homeless Management Information Systems (HMIS) by homeless programs funded by the U.S. Department of Veterans Affairs (VA) and the U.S. Department of Health and Human Services (HHS).
- **Continue to strengthen collaborations** at all levels of government and with the private sector, including within HUD and with USICH, the VA, HHS, the U.S. Department of Labor, the U.S. Department of Education, the U.S. Department of Agriculture (USDA), and others.

- **Implement USICH Framework to End Youth Homelessness**, including integrating HMIS and Runaway and Homeless Youth Management Information systems, leveraging HUD's **Point-in-Time count** to improve strategies for counting youth, and developing a national study that builds on program data and the HUD count that includes household surveys to get to a confident national estimate of youth homelessness.
- **Promote implementation of coordinated assessment systems for Continuums of Care** through training, technical assistance, and guidance by the Office of Special Needs Assistance Programs to better target resources.

LEADING THIS OBJECTIVE

Jennifer Ho
 Senior Advisor on Housing and Services
 Office of the Secretary

MEASURING OUR PROGRESS

To track our progress toward this objective, HUD will monitor completion of the following performance indicators.

➤ **Fiscal Year 2014-2015 Agency Priority Goal:** In partnership, the U.S. Department of Housing and Urban Development and the Department of Veterans Affairs aim to reduce the number of veterans living on the streets, experiencing homelessness to zero (as measured by the 2016 Point-in-Time count).

- **Total homeless veterans temporarily living in shelters or transitional housing (key measure)**
 This metric will be measured by the annual **Point-in-Time count**, a count of homeless persons on a single night in January each year.
- **Total veterans living on the streets, experiencing homelessness (key measure)**
 This metric will be measured by the annual

Point-in-Time count, a count of homeless persons on a single night in January each year.

- **Veterans placed in permanent housing (supporting measure shared by VA and HUD)**
 This includes moves into the HUD-Veterans Affairs Supportive Housing (HUD-VASH) Program, rapid rehousing placements through the Supportive Services for Veteran Families (SSVF) program, and moves from VA residential treatment programs into permanent housing.
- **Homeless veterans served with transitional housing through Continuum of Care resources (supporting measure; HUD only)**
- **Homeless veterans served with permanent supportive housing through Continuum of Care resources (supporting measure; HUD only)**

Other Measures:

- Individuals experiencing chronic homelessness
- Number and percentage of permanent supportive housing units targeted to individuals experiencing chronic homelessness
- Families experiencing homelessness
- Admissions of new homeless families into HUD-assisted housing
- Percentage of Emergency Solutions Grant dollars dedicated to rapid rehousing for homeless families



STRATEGIC OBJECTIVE 3B: ECONOMIC PROSPERITY

Promote advancements in economic prosperity for residents of HUD-assisted housing.

OVERVIEW

Residents of HUD-assisted housing often face challenges such as lack of employable skills and low educational attainment levels that limit their ability to become economically self-sufficient and rise out of poverty. The Department recognizes that, while some families and individuals will need assistance for longer periods, others are capable, with assistance, of rising out of poverty. A majority of adults receiving rental assistance who are able to work have some income from wages; however, they are most often in the lowest paying jobs. Further, increasing workplace demands for technical expertise require attention to education and training for both adults and youth, including digital literacy. HUD will utilize its housing platform to expand access to employment and educational services. HUD seeks to significantly increase the economic opportunities available to low-income residents in neighborhoods where it invests, particularly through the Family Self-Sufficiency (FSS) program and Section 3.⁴

STRATEGIES

- **Build evidence on effectiveness of programs that promote economic self-sufficiency** by evaluating the FSS program through a randomized controlled trial by 2018.
- **Implement an evidence-based evaluation to improve reentry outcomes for formerly incarcerated individuals and their communities.** HUD will assess models that deliver permanent supportive housing linked with employment, behavioral health services, and family unification. HUD is considering

⁴ The [Section 3 program](#) requires that recipients of certain HUD financial assistance, to the greatest extent possible, provide job training, employment, and contract opportunities for low- or very low-income residents in connection with projects and activities in their neighborhoods.

options ranging from an evaluation of existing PHA reentry programs to an interagency effort that would involve leveraging private/philanthropic investments to support permanent supportive housing plus services within a pay-for-success framework.

- **Expand the Section 3 Business Registry system nationwide.** A five-city pilot, started in FY 2012 in Detroit, Miami, New Orleans, Los Angeles, and Washington, D.C., provides HUD funding recipients with access to a registry of self-certified local Section 3 businesses and has demonstrated promising results in increasing contracts awarded to Section 3 businesses. Expanding the registry nationwide will be supported with training, HUD guidance, and marketing to increase awareness of this resource.
- **Strengthen collaboration between HUD programs to ensure recipients have adequate guidance and technical assistance and that HUD has a coordinated approach to compliance.** Section 3 compliance is overseen by HUD’s Office of Fair Housing and Equal Opportunity (FHEO), but funding is distributed to recipients through other program offices, including the Office of Public and Indian Housing (PIH), the Office of Community Planning and Development (CPD), and the Office of Lead Hazard Control and Healthy Homes. Increased coordination, with both providing technical assistance and resolving compliance issues, will increase the impact that Section 3 has on communities and be responsive to the Office of Inspector General (OIG) audit findings.

LEADING THIS OBJECTIVE

Janet Hostetler
Senior Advisor
Office of Fair Housing and Equal Opportunity

Dominique Blom
Deputy Assistant Secretary for Public Housing Investments
Office of Public and Indian Housing

MEASURING OUR PROGRESS

To track our progress toward this objective, HUD will monitor the following performance indicators.

- **Percentage of participants enrolled in the FSS program who have increased wages.**

The [Section 3 program](#) requires that recipients of certain HUD financial assistance, to the greatest extent possible, provide job training, employment, and contract opportunities for low- or very-low income residents in connection with projects and activities in their neighborhoods. The following metrics are related to Section 3.

- **Percentage of Section 3 residents hired, of total hiring that occurs as a result of Section 3-covered HUD funding**
- **Percentage of total dollar amount of (construction and nonconstruction) contracts awarded to Section 3 businesses by covered HUD funding**
- **Percentage of Section 3-covered funding recipients who timely meet reporting, hiring, and contracting requirements**
- **Number of self-certified Section 3 businesses in HUD's registry nationwide**



STRATEGIC OBJECTIVE 3C: HEALTH AND HOUSING STABILITY

Promote the health and housing stability of vulnerable populations.

OVERVIEW

Many residents of HUD-assisted housing face health-related challenges, especially elderly people, people with disabilities, homeless people, and those individuals and families at risk of becoming homeless. New studies of the health status of HUD residents show that they have higher rates of chronic health conditions and higher utilization of hospitals and emergency rooms than peer comparison groups. Some may have a criminal record, a history of homelessness, be making the transition out of military service back into civilian life, or be transitioning out of healthcare treatment settings.

In 2013, one out of every six Americans did not have health insurance. Hardworking families in HUD housing may not get insurance from their employers, and they may not make enough money to afford a plan for their family. Without health insurance, families risk forgoing necessary preventive care or facing economic catastrophe from a major illness.

In January 2014, many more affordable insurance options became available through the new health insurance marketplaces, including, in those states that have opted in, an expansion of Medicaid. When residents of HUD-assisted housing also have health insurance, they gain an additional stepping stone to better health and financial security. This makes for healthier, stronger households and communities.

The Affordable Care Act can help as many as 40 million currently uninsured Americans find greater peace of mind and financial stability that will help them work toward their own goals and dreams. Access to health insurance is important, but so too is access to health care. As the healthcare system develops new tools to provide better care

at a lower cost, new partnerships are needed between housing and the healthcare system.

Additionally, work led by the United States Department of Justice (DOJ) and HHS related to enforcement of and compliance with the Supreme Court's *Olmstead* decision⁵ reinforces the rights of individuals with disabilities to live, work, and receive services in the greater community in the most integrated setting appropriate to their needs. As a result of *Olmstead*, there is a significant need for affordable, integrated housing opportunities where individuals with disabilities are able to live and interact with individuals without disabilities. Achieving this goal requires an increase in the supply of integrated housing options so that individuals have meaningful choice in where they live, including housing without services and supportive housing with access to voluntary services.

HUD also helps protect the health of residents of assisted multifamily and public housing from both direct and environmental (that is, second- and third-hand) tobacco smoke exposure by encouraging owners of assisted housing and PHAs to issue and implement smoke-free policies and by providing outreach and technical support. The Department will enhance those efforts to help reduce the extent of this public health problem among residents of its housing portfolio.

STRATEGIES

- **Promote health and financial stability of vulnerable populations by identifying opportunities to determine eligibility for Medicaid automatically or routinely.** HUD will use income information collected in HUD-funded programs and partner with state Medicaid programs and health insurance navigators.
- **Build evidence on effective models for coupling services with housing** and modify existing and future programs to reflect best practices.
- **Improve performance management by enhancing HUD's collection and analysis of**

⁵ *Olmstead v. L.C.*, 57 U.S. 581 (1999)

data pertaining to health-related outcomes across HUD-assisted housing programs. Also improve HUD's ability to integrate and/or conduct administrative data matches with other partner federal programs.

- **Assist with enforcement and implementation of the Supreme Court's Olmstead decision**, in collaboration with HHS, DOJ, and state agencies, through facilitating expansion of integrated housing opportunities for people with disabilities transitioning out of institutions/ at risk of institutionalization, including people experiencing homelessness.
- **Increase the number of PHAs that have issued smoke-free policies.** In accordance with recommendations by the Surgeon General,^{6,7} and the systematic review by the HHS-chartered Task Force on Community Preventive Services on the effectiveness of smoke-free policies,⁸ the public health of residents of public housing, both smokers and nonsmokers, is improved when the management issues and implements a smoke-free policy. Research by the Centers for Disease Control and Prevention indicates that such policies in assisted housing are associated with cost savings.⁹ HUD will expand its encouragement of such policies

through notices, guidance, outreach, and technical support and will track the issuance and implementation of smoke-free policies by PHAs.

⁶ The Health Consequences of Smoking—50 Years of Progress: A Report of the Surgeon General, 2014; www.surgeongeneral.gov/library/reports/50-years-of-progress/index.html

⁷ Reducing Tobacco Use. A Report of the Surgeon General, 2000; www.cdc.gov/tobacco/data_statistics/sgr/2000/index.htm

⁸ Task Force on Community Preventive Services. The Guide to Community Preventive Services: What Works to Promote Health?, 2005; www.thecommunityguide.org/tobacco/Tobacco.pdf

⁹ King BA, Peck RM, Babb SD. Cost Savings Associated with Prohibiting Smoking in U.S. Subsidized Housing. *Am J Prev Med.* 2013 Jun;44(6):631-4; www.ncbi.nlm.nih.gov/pubmed/23683981

LEADING THIS OBJECTIVE

Jennifer Ho
Senior Advisor on Housing and Services
Office of the Secretary

MEASURING OUR PROGRESS

To track our progress toward this objective, HUD will monitor the following performance indicators.

- **Number of successful transitions from institutions through Section 811 Project Rental Assistance Program**
- **Percentage of HUD-assisted residents with public or private health coverage** (source: [National Health Interview Survey](#))
- **Number of PHAs with smoke-free housing policies**



STRATEGIC GOAL 4: BUILD STRONG, RESILIENT, AND INCLUSIVE COMMUNITIES

Housing and community development efforts must address a complex network of individual, social, economic, and environmental factors in order to promote more diverse, inclusive communities and improve the sustainability of neighborhoods, communities, and regions. Many of the neighborhoods hit hardest by the housing and economic crisis—those with the highest rates of foreclosure and job loss—have been racially isolated and among the least sustainable, with limited access to economic opportunity, the longest commuting times to jobs, the most homes that pose health risks, and the poorest quality schools.

It is crucial that the federal government and its local partners effectively coordinate policies related to community development, climate change, energy efficiency, transportation, and disaster preparedness. Today we know that “place” influences outcomes—the place where a person lives is a reliable predictor of his or her long-term health, education, and employment outcomes. Families and individuals living in concentrated poverty experience greater inequity and often, as a result, more dismal outcomes.

Residents of these neighborhoods have limited access to transportation, face health hazards in their homes and communities, suffer from the poorest schools, and have the fewest economic opportunities. In many areas, the spatial mismatch between housing and transportation investments limits access to decent employment and education opportunities for entire neighborhoods. This not only



impacts the lives of residents in those communities, but the resulting need to travel greater distances to connect to these resources has a clear impact on the environment as well—from wetland and open space lost to sprawling development patterns to ever increasing greenhouse gas emissions.

To address these problems, Goal 4 focuses explicitly on “place;” on preparing communities for the future of their economy, environment, and community development, through enhanced planning, enforcement, and capacity building—so that all communities are livable for residents and viable in the long term.

The following strategic objectives provide a roadmap for accomplishing this goal:

- **Strategic Objective 4A:** Reduce housing discrimination, affirmatively further fair housing through HUD programs, and promote diverse, inclusive communities.
- **Strategic Objective 4B:** Increase the health and safety of homes and embed comprehensive energy efficiency and healthy housing criteria across HUD programs.
- **Strategic Objective 4C:** Support the recovery of communities from disasters by promoting community resilience, developing state and local capacity, and ensuring a coordinated federal response that reduces risk and produces a more resilient built environment.
- **Strategic Objective 4D:** Strengthen communities’ economic health, resilience, and access to opportunity.



STRATEGIC OBJECTIVE 4A: FAIR HOUSING

Reduce housing discrimination, affirmatively further fair housing through HUD programs, and promote diverse, inclusive communities.

OVERVIEW

HUD seeks to significantly increase the number of housing providers, lenders, members of the real estate community, and others that fully comply with the Fair Housing Act and other applicable fair housing and civil rights laws and do not discriminate on any basis prohibited by those laws and regulations. While housing discrimination still takes on blatant forms in some instances, it has become more subtle and sophisticated through the years, resulting in underreporting and complicating effective enforcement.

In addition to enforcement, HUD works proactively to make access to important neighborhood assets measurably fairer, to significantly increase the economic opportunities available to low-income residents in neighborhoods where HUD invests, and to ensure that policies and practices are in place to provide equal access to persons with disabilities.

STRATEGIES

- **Ensure compliance with civil rights and economic opportunity requirements by providing high-quality technical assistance and training to stakeholders.** Over the coming 4 years, HUD will provide technical assistance on fair housing and civil rights laws and program requirements, such as the obligation to affirmatively further fair housing, Section 3, Title VI, Section 504, and other areas of civil rights compliance so that HUD grantees have enough information and guidance to comply with civil rights requirements. This will include increasing technical assistance on fair housing issues and more effectively embedding civil

rights requirements into other technical assistance offered by HUD.

- **Reduce discrimination by educating housing providers and by publicizing the consequences of violating the law.** In the coming 4 years, HUD will target housing providers, lenders, real estate agents, apartment managers, and others who work in the housing industry for training and outreach to educate them on their responsibilities under the Fair Housing Act and other applicable fair housing and civil rights laws, in order to improve compliance with those laws. HUD will expand availability of fair housing educational material for industry representatives and consumers through website offerings. HUD will also strategically use press, public engagement, and other education and outreach techniques to deter discrimination.
- **Stop discrimination through strong enforcement of the law against violators,** with a particular focus on systemic cases (those matters involving widespread discrimination affecting multiple people), more meaningful case outcomes, and enforcement strategies that identify and change widespread policies and practices.

LEADING THIS OBJECTIVE

Bryan Greene
Acting Assistant Secretary
Office of Fair Housing and Equal Opportunity

MEASURING OUR PROGRESS

To track our progress toward this objective, HUD will monitor progress on the following performance indicators.

- **Number of people receiving remedies through Fair Housing Act enforcement work and number of people per case**
- **Monetary relief per case received through Fair Housing Act enforcement work** (for cases with relief less than \$100,000)

STRATEGIC OBJECTIVE 4B: GREEN AND HEALTHY HOMES

Increase the health and safety of homes and embed comprehensive energy efficiency and healthy housing criteria across HUD programs.

OVERVIEW

HUD has committed to creating energy-efficient, green, and healthy housing as part of a broader effort to foster the development of inclusive, sustainable communities. The residential sector is responsible for fully 21 percent of the nation's greenhouse gas emissions. HUD itself spends an estimated \$6.4 billion annually on utilities (both water and energy) in the form of allowances for tenant-paid utilities, direct operating grants for public housing, and housing assistance payments for privately owned assisted housing. Utility costs account for around 22 percent of public housing operating budgets and a similar share in the assisted housing sector.

Reducing these rising costs—generating savings for residents and owners, as well as for taxpayers—is a key HUD priority. Housing is also an important determinant of health, and poor housing conditions are associated with a wide range of health conditions, including respiratory infections, asthma, lead poisoning, injuries, and other housing-related health hazards. Significant progress has been made over the past 4 years with completed energy retrofits, healthy housing interventions, or new energy projects in more than 360,000 housing units.

From 2014–2018, HUD aims to continue to focus on energy and health investments in HUD-assisted housing, as well as in market-rate housing, to support the goals of President Obama's Climate Action Plan to cut energy waste in half by 2030 and accelerate clean energy leadership. We will reduce barriers to financing energy efficiency as well as onsite renewable energy, help unlock innovative and traditional

sources of capital, and raise the bar on codes and standards that promote energy efficiency and healthy housing.

STRATEGIES

HUD's strategies to address this goal fall into three distinct related areas: strengthening energy efficiency and renewable energy, enhancing safe and healthy housing, and strengthening environmental reviews.

Boost Energy Efficiency and Renewable Energy

- **Strengthen HUD's programs and policies to meet the President's goal of cutting energy waste in half by 2030 in new and existing HUD-assisted housing.** This includes continuing to update energy codes and standards; implementing a green Physical Needs Assessment (PNA) in public housing and an analogous Capital Needs Assessment e-tool in multifamily housing; and supporting the adoption of comprehensive utility benchmarking protocols across HUD's portfolio. This strategy will help HUD stakeholders reduce energy consumption and improve building performance. This will be accomplished through voluntary efforts such as the Better Buildings Challenge, partnerships with the U.S. Department of Energy, the Environmental Protection Agency, USDA, and other federal agencies, and leveraging HUD's technical assistance resources.
- **Implement national partnerships to triple the amount of onsite renewable energy across the federally assisted housing stock by 2020.** This joint effort of HUD, USDA, and the Department of the Treasury will for the first time focus on solar and renewable energy in federally assisted housing, by implementing a key goal of the President's Climate Action Plan, to reach 100 megawatts—equivalent to the energy used by over 30,000 homes¹⁰—of on-site renewable energy in federally assisted housing.

¹⁰ <http://www.eia.gov/consumption/residential/reports/2009/consumption-down.cfm?src=%20Consumption-f3>



- **Overcome barriers to leveraging private sector and other innovative sources of capital for energy efficiency and renewable energy investments.** HUD, in concert with federal and state partners, will help expand the pool of private and public capital investment for energy efficiency and renewable energy programs across the residential spectrum.

Enhance Safe and Healthy Housing

- **Expand housing management practices that protect the health of residents.**
- **Investigate HUD’s existing methods to assess the physical condition of assisted housing for potential improvements in identifying defects shown to adversely impact health.** HUD’s existing physical condition assessment methods focus on traditional physical safety hazards, which may miss certain recognized conditions that can result in health hazards. Consistent with the *Surgeon General’s Call to Action to Promote Healthy Homes*,¹¹ HUD’s *Leading Our Nation to Healthier Homes: The Healthy Homes Strategic Plan*,¹² and the federal *Advancing Healthy Housing: A Strategy for Action*,¹³ HUD will conduct a review of existing physical condition assessment methods for potential improvements in identifying health hazards. This review will include HUD’s physical condition assessment protocols, such as the Uniform Physical Condition Standards for Voucher Programs (UPCS-V).

Strengthen Environmental Reviews

- **Strengthen the environmental review process.** HUD will strengthen the environmental review process to require resilient projects by pursuing rulemaking to require flood mitigation in special flood hazard areas. Furthermore, HUD will ensure that building

occupants are safe from hazards, such as radon, through clarification and enforcement of HUD’s regulatory requirement that all projects are free of contaminants and hazards that could affect the health and safety of occupants. Finally, through continued support of and emphasis on a thorough and complete environmental review, HUD will be supporting safe, sustainable projects that have a minimal negative impact on the environment.

LEADING THIS OBJECTIVE

Trisha Miller
Senior Advisor, Office of Economic Resilience
 Office of Community Planning and Development

Matthew Ammon
Acting Director
 Office of Healthy Homes and Lead Hazard Control

MEASURING OUR PROGRESS

To track our progress toward this objective, HUD will monitor the following performance indicator.

➤ **Fiscal Year 2014-2015 Agency Priority Goal:**

- **Number of HUD-assisted or HUD-associated units completing energy-efficient and healthy retrofits or new construction**
 To assess our progress toward increasing the energy efficiency and health of the nation’s housing stock, HUD tracks the number of new or retrofitted housing units that are healthy, are energy efficient, or meet green building standards. This measure tracks the number of retrofits and units of new construction meeting energy efficiency and/or healthy home standards.

¹¹ <http://www.surgeongeneral.gov/library/calls/healthyhomes/index.html>

¹² http://www.hud.gov/offices/lead/library/hhi/hh_strategic_plan.pdf

¹³ http://portal.hud.gov/hudportal/HUD?src=/program_offices/healthy_homes/advhh

STRATEGIC OBJECTIVE 4C: DISASTER RESILIENCE

Support the recovery of communities from disasters by promoting community resilience, developing state and local capacity, and ensuring a coordinated federal response that reduces risk and produces a more resilient built environment.

OVERVIEW

Helping to increase communities' resilience is integral to national preparedness and the mission of HUD. This effort is consistent with the goals and objectives of Presidential Policy Directive PPD-8 (National Preparedness) and Executive Order 13653 (Preparing the United States for the Impacts of Climate Change). Over the next 5 years, HUD will continue to support and expand programs and initiatives designed to increase and enhance preplanning, research, infrastructure investment, partnerships, and crosscutting coordination related to disaster response, recovery, and resilience. This work will involve the combined efforts of HUD's program offices and federal, state, local, and private-sector partners and will incorporate HUD's civil rights, energy, environment, and diversity goals and responsibilities.

STRATEGIES

- **Build resilience strategies into HUD programs,** promoting the use of resilient housing, community development, land use planning, and infrastructure investment patterns, and foster innovations in resilient rebuilding based on the latest data on current and future risk to ensure the most effective use of federal resources and reduce risks to all communities.
- **Increase capacity of state and local governments to plan for and implement long-term recovery and rebuilding** and encourage increased private and community investment and research in disaster recovery capabilities.
- **Facilitate the effective use of postdisaster housing resources, while ensuring full compliance with applicable fair housing and civil rights laws,** to restore and strengthen homes and provide families with safe, affordable housing options and to reduce the impacts of future disasters.
- **Promote regional coordination to ensure that community infrastructure investments are resilient, environmentally and fiscally sustainable, and delivered without delay.**
- **Improve data collection and information sharing across and by federal, state, and local entities** to bolster disaster preparedness and response and recovery efforts.
- **In partnership with other federal agencies, lead and advance the National Disaster Recovery Framework** to ensure that interagency federal disaster recovery efforts are effectively coordinated and that the recommendations in the Hurricane Sandy Rebuilding Task Force's Rebuilding Strategy are fully implemented for the Sandy recovery and, where applicable, for national programs and efforts.

LEADING THIS OBJECTIVE

Harriet Tregoning
Director, Office of Economic Resilience
Office of Community Planning and Development

Yolanda Chavez
Deputy Assistant Secretary for Grant Programs
Office of Community Planning and Development

MEASURING OUR PROGRESS

To track our progress toward this objective, HUD will track the following performance indicator. Further metrics are under development.

- **Percentage of Hurricane Sandy Rebuilding Task Force recommendations related to disaster recovery and resilience that have been implemented**



STRATEGIC OBJECTIVE 4D: COMMUNITY DEVELOPMENT

Strengthen communities' economic health, resilience, and access to opportunity.

OVERVIEW

If hard-working people who play by the rules are to get ahead, they need to be able to access quality education and decent jobs, from a foundation of security in basic needs like personal safety, housing, and food. Creating such environments requires collaboration among organizations with different roles and specialties at the local level, and federal agencies that are able to provide cross-sector support. Neighborhood, municipal, and regional environments that can attract investment and also support children and families are the backbone of inclusive and resilient economic growth. Building on the community's institutional, financial, human, and physical capital is vital to economic growth and bolsters resiliency in times of disaster or downturn.

Local networks among the private sector, government, and community leaders can be particularly effective at creating lasting solutions. The federal role is to support and complement the private sector, civic institutions, states, and localities, not to supplant their efforts. An effective federal role is to catalyze private investment and market discipline by addressing market failures, frictions, and gaps. HOME and Community Development Block Grants, the two major formula grant programs that support housing, community, and economic development, provide a strong foundation for these place-based federal efforts.

HUD participates in several interagency place-based initiatives that focus existing funding more effectively and create incentives for collaboration across organizational, jurisdictional, and sectoral lines. Such initiatives support communities in improving their growth potential and the quality of life and opportunities for their residents.

STRATEGIES

- **Promise Zones** build on the Administration's neighborhood revitalization work by accelerating the progress of high-poverty communities whose stakeholders have joined in a collaborative strategy with a shared commitment to results. These communities will create jobs, increase economic activity, reduce serious and violent crime, and improve educational opportunities to develop communities that serve as launching pads for their residents, as opposed to traps where poor conditions and isolation undermine the potential for success.
- **Choice Neighborhoods** grants support locally driven strategies to address struggling neighborhoods with distressed public or HUD-assisted housing through a comprehensive approach to neighborhood transformation. Local leaders, residents, and stakeholders, such as PHAs, cities, schools, police, business owners, nonprofits, and private developers, come together to create and implement a plan that transforms distressed HUD housing and addresses the challenges in the surrounding neighborhood. The program is designed to catalyze critical improvements in neighborhood assets, including vacant property, housing, services, and schools.
- **Strong Cities, Strong Communities (SC2)** addresses the issue of reduced municipal capacity, which makes it more difficult for community leaders to use existing federal funds to their maximum potential in economic revitalization strategies. The capacity of cities and counties represents a crucial opportunity for federal intervention, because local governments receive direct allocations of formula grant funding and their elected leadership often exerts substantial influence on the governance of other local bodies receiving important grant allocations. Poor municipal capacity affects the quality and function of federally funded services in multiple activities

that contribute to—or harm—a community’s ability to attract investment and create access to opportunity for its residents. SC2 supports local leaders in creating a solid foundation for growth.

- **The Partnership for Sustainable Communities**

administers planning grants, technical assistance, and support for implementation projects to regional organizations and municipalities to plan infrastructure and housing investments in such a way that they channel growth, reduce transportation inefficiencies, and promote environmental quality. When implemented effectively, such plans make neighborhoods more prosperous, enhance economic competitiveness, and save households and businesses time and money on transportation, substantially improving the bottom line of business and the quality of life.

LEADING THIS OBJECTIVE

Valerie Piper
Deputy Assistant Secretary for Economic Development
Office of Community Planning and Development

Harriet Tregoning
Director, Office of Economic Resilience
Office of Community Planning and Development

Mark Linton
Executive Director
Strong Cities, Strong Communities

MEASURING OUR PROGRESS

HUD is developing metrics and milestones to track progress on this objective, and will publish these metrics and milestones in its annual amendment to this Strategic Plan.



ACHIEVING OPERATIONAL EXCELLENCE: MANAGEMENT CHALLENGES AND OBJECTIVES

In order for HUD to achieve its program goals, HUD's operations must be efficient, be effective, and serve customer needs. Therefore, HUD plans to achieve operational excellence by improving planning, processes, accountability, and transparency and also by developing and using customer feedback mechanisms.

In addition to the management objectives that follow, HUD is committed to contributing to achievement of performance goals that are major priorities for the federal government as a whole. Per the Government Performance and Results Act (GPRA) Modernization Act requirement to address Cross-Agency Priority (CAP) goals in the agency strategic plan, the annual performance plan, and the annual performance report, please refer to www.performance.gov for the agency's contributions to these goals and progress, where applicable.

Acquisitions: Improve HUD's acquisitions performance through early collaborative planning and enhanced utilization of acquisition tools.

Departmental Clearance: Reduce the time and complexity of the clearance process by establishing and enforcing clear protocols for drafting and reviewing documents placed in departmental clearance.

Equal Employment Opportunity: Promote a diverse and inclusive work environment that is free of discrimination and harassment by educating the workforce on the overall Equal Employment Opportunity (EEO) process and their EEO responsibilities as managers and employees of HUD.



Financial Management: Increase accuracy, speed, transparency, and accountability in financial management and budgeting for the agency.

Grants Management: Make the grants management process more efficient and effective by automating and streamlining processes, improving timeliness, and tracking performance.

Human Capital: Employ, develop, and foster a collaborative, high-performing workforce that is capable of continuing to deliver HUD's mission in a changing and uncertain future.

Information Management: Make high-quality data available to those who need it, when they need it, where they need it, to support decisionmaking in furtherance of HUD's mission.

Organizational Structure: Reduce the cost of leased space, utilities, travel, and other related costs by adapting our business processes.



ACQUISITIONS

Improve HUD's acquisitions performance through early collaborative planning and enhanced utilization of acquisition tools.

OVERVIEW

The Office of the Chief Procurement Officer (OCPO) is responsible for all HUD procurement and procurement-related activities. The acquisition process can be lengthy, partially due to necessary compliance with statutes, policies, and procedures. OCPO sees an opportunity to streamline the acquisition process and increase customer satisfaction by mapping out the process and identifying and removing non-value added steps.

In this challenging economic environment, OCPO also seeks to maximize the value of every taxpayer dollar and ensure opportunities for small businesses. To accomplish this, OCPO is committed to using internal and external acquisition vehicles specifically established to leverage HUD's and the government's buying power, maximize opportunities for small business, and increase the successful outcomes of acquisitions.

STRATEGIES

- **Streamline the acquisition process.** OCPO will work to reengineer HUD's Government Technical Representative program to comply with the Federal Acquisition Institute's Federal Acquisition Certification-Contracting Officer Representative (FAC-COR) model, professionalize the COR job series, and streamline preaward and postaward acquisition processes. As part of this effort, OCPO will lead a cross-functional team to map detailed acquisition processes, identify and eliminate non-value added steps, assess the risks associated with their removal, and increase customer satisfaction in the process. The cross-functional acquisition team will include representation from HUD program offices and

support offices. OCPO will ensure compliance with the Federal Acquisition Regulation and the HUD Acquisition Regulations, Section 508 of the Rehabilitation Act of 1973, Office of Management and Budget (OMB) and Small Business Administration policies, and Government Accountability Office findings during the analysis process.

- **Increase opportunities for small business.** Improve HUD's small business opportunities through enhanced market research and early collaborative planning. OCPO and the Office of Small and Disadvantaged Business Utilization (OSDBU) will develop acquisition tools and procedures to enhance market research, fostering identification of a broader base of small businesses with core disciplines consistent with HUD's mission. These tools will be launched through a multieducational approach to the acquisition workforce, including instruction, simulation, case studies, and experiential sharing.
- **Optimize the use of acquisition strategies.** Utilize internal and external acquisition vehicles that leverage HUD's and the government's buying power in order to optimize successful contractual outcomes and reduce costs. These strategies include Lowest Price Technically Acceptable and Best Value evaluation methods, strategic sourcing, nonmonetary performance incentives, increased competition, shared savings, and the tactical use of fixed-price and performance-based strategies.

LEADING THIS OBJECTIVE

Keith Surber
Acting Chief Procurement Officer
Office of the Chief Procurement Officer

MEASURING OUR PROGRESS

Standardized monthly reports and data from HUD's Integrated Acquisition Management System (HIAMS) will support calculation of performance metrics to determine progress. HUD

will track the following performance indicators.

- **Percentage of requisitions released by the target requisition release date (by Program Office)**

Improve customers' timely submission of acquisition requirements by the agreed-upon planned target requisition release date.

- **Percentage of awards meeting target award date (by OCPO)**

This indicator will track the percentage of awards that are made by the agreed-upon target award date, for actions released by the target requisition release date.

- **Total number of days to contract award, by acquisition strategy**

This indicator will track the total number of days to award a contract, categorized by each of the main acquisition strategies used to make the award.



DEPARTMENTAL CLEARANCE

Reduce the time and complexity of the clearance process by establishing and enforcing clear protocols for drafting and reviewing documents placed in departmental clearance.

OVERVIEW

For some significant policy documents, submission of the document for departmental clearance is the first time that key HUD policy and support offices and HUD's Office of General Counsel (OGC) review such documents. The absence of involvement of key HUD offices can result in a lengthy clearance process if major disagreements exist. There are also less significant policy documents that need only abbreviated review that go through the full clearance process unnecessarily.

To address these challenges, HUD will establish guidelines for development of significant policy documents that include a preclearance process and protocols for clearance of these documents. HUD will also establish guidelines that will institute a significant reduction of or no clearance of routine or less significant policy documents.

STRATEGIES

- **Establish guidelines for development of preclearance process.** Protocols will be issued to clarify that the preclearance process is for significant policy documents, such as documents that implement new law (for example, the Violence Against Women Reauthorization, 2013; defining Qualified Mortgages [QMs] for HUD; or new notices of funding availability) or changes to longstanding HUD policies and practices (for example, Affirmatively Furthering Fair Housing [AFFH]). With respect to the clearance process itself, the review time will be tailored dependent upon whether the clearance item presents new significant policy or legal mandates. Such items

will go through full clearance, with a goal of completing review in 2 weeks. Clearance items not falling into this category will go through an abbreviated and limited review process.

- **Ensure transparency by utilizing a Departmentwide clearance calendar.** The clearance calendar allows everyone within HUD to see the current version of a document in clearance; all clearance comments and resolutions; and the context, major issues, and priorities for each document. By increasing use of the clearance calendar, the clearance process will be much more transparent. This will also provide an electronic record of the time it took a document to go through clearance.

LEADING THIS OBJECTIVE

Damon Smith
Acting General Counsel
Office of General Counsel

MEASURING OUR PROGRESS

To track our progress toward this objective, HUD will monitor the following key performance indicator.

- **Percentage of documents that complete the clearance process by the deadline**
HUD will monitor percentage of documents that complete the clearance process on time (that is, no nonconcurrences are submitted or remain unresolved).

EQUAL EMPLOYMENT OPPORTUNITY

Promote a diverse and inclusive work environment that is free of discrimination and harassment by educating the workforce on the overall Equal Employment Opportunity (EEO) process and their EEO responsibilities as managers and employees of HUD.

OVERVIEW

The Office of Departmental Equal Employment Opportunity (ODEEO) is responsible for ensuring the enforcement of federal laws relating to the elimination of all forms of discrimination in the Department's employment practices and to ensure EEO, promote inclusiveness, and foster a culture that values diversity and empowers the HUD workforce. Additionally, ODEEO is responsible for leading the Department's efforts to proactively prevent unlawful discrimination. ODEEO also seeks to foster an agency culture in which disputes are resolved at the lowest possible level and before a formal complaint is filed.

Currently, not all managers and employees have been trained on the overall EEO process and their EEO responsibilities. ODEEO seeks to offer training to the HUD workforce on the EEO process and the responsibilities of the workforce regarding EEO, as well as serving as a resource to the program office leadership by providing direction, guidance, and monitoring of key activities to ensure the successful implementation of the principles of EEO throughout the Department.

STRATEGIES

- **Maximize EEO training opportunities for all HUD employees.** Make quarterly training programs, workshops, and online training courses on the EEO process available to the entire HUD workforce and provide an overview of the EEO process to new employees during their orientation sessions. Incorporate

mandatory EEO training for all employees, supervisors, managers, and executives on the fundamental competencies of effective leadership through our core values.

- **Establish HUD as a model EEO program.** Integrate EEO principles into all nonsupervisory employee performance standards and establish an EEO performance standard for all supervisory employees to demonstrate commitment from agency leadership. Promote the use of Alternative Dispute Resolution throughout the Department.
- **Proactively track EEO data in order to identify and address EEO issues.** Provide direction, guidance, and monitoring of key activities on a quarterly basis to ensure the successful implementation of the principles of EEO in the program areas. Conduct trend analysis to identify potential areas of concern throughout the Department and develop plans to address any identified concerns.

LEADING THIS OBJECTIVE

John Benison

Director

Office of Departmental Equal Employment Opportunity

MEASURING OUR PROGRESS

To track our progress toward this objective, HUD will monitor the following performance indicators.

- **Number of precomplaint resolutions occurring through the Alternative Dispute Resolution process**
HUD will seek to increase the number of precomplaint resolutions occurring through the Alternative Dispute Resolution process.
- **Number of complaint filings per fiscal year** HUD will seek to reduce the number of complaint filings per fiscal year on the basis of reprisal resulting in a hostile working environment.



FINANCIAL MANAGEMENT

Increase accuracy, speed, transparency, and accountability in financial management and budgeting for the agency.

OVERVIEW

HUD's current core accounting systems have been a source of audit findings for many years. The systems have limited functionality and are difficult to maintain properly, which increases the risk of failure. Moreover, the current budget process has limited transparency, and not all staff are trained on the appropriate budget formulation procedures. Further, HUD's internal control processes need to be improved by addressing these significant deficiencies and material weaknesses.

The Office of the Chief Financial Officer (OCFO) plans to improve internal controls on financial management by reducing significant deficiencies and eliminating material weaknesses across the Department. HUD will also improve the reliability of the financial accounting systems. HUD will also modify the budget formulation processes and procedures in order to increase transparency.

STRATEGIES

- **Improve internal controls.** Improve internal controls on financial management by leading cross-agency initiatives to resolve material weaknesses and significant deficiencies, and work with the Office of the Inspector General to agree on appropriate solutions. A strategic review of financial management and budget within the Department will be performed to tighten the connection between programs and OCFO to optimize its structure.
- **Improve the reliability of the financial accounting systems.** Replace the current financial accounting systems with a new shared services system to improve viability, reliability, and reporting. The new financial accounting system will:

- Improve functionality by providing on-demand financial information and greater flexibility in creating customized reports for end users.
- Provide financial information and analytical capability to complete analysis to measure the effectiveness and efficiency of program outputs and outcomes.
- **Improve the budget formulation process.** OCFO will improve this process by implementing necessary system improvements and establishing an annual budget calendar with timeliness targets to circulate to program offices, create a platform to initiate and respond to customer feedback, prepare clearer budget policies and procedures with program offices, and develop and provide budget formulation training to program office staff. This will allow leadership to make more informed budgetary decisions.

LEADING THIS OBJECTIVE

David Sidari
Acting Chief Financial Officer
Office of the Chief Financial Officer

MEASURING OUR PROGRESS

To track our progress toward this objective, HUD will monitor completion of specific milestones set forth in the Department's Annual Performance Plan.

GRANTS MANAGEMENT

Make the grants management process more efficient and effective by automating and streamlining processes, improving timeliness, and tracking performance.

OVERVIEW

HUD's management and oversight of grants can be more effective and efficient at a number of points over the grant life cycle. This is the result of a number of conditions: decentralized responsibilities and unclear authorities, a lack of policy and process standardization across program offices, the existence of a multitude of grant-related information technology (IT) systems for identical or similar tasks, the lack of a centralized performance reporting system, and minimal centralized oversight of program operations.

To address these challenges, HUD will: develop a centralized, one-stop performance-reporting capability for agency grants; standardize and strengthen oversight of grant-related policies and processes; improve programmatic oversight of grant programs for compliance and performance; and align and optimize grant-related IT systems agency wide.

STRATEGIES

- **Streamline the grants management process.** Strengthen and align enterprisewide grants management responsibilities, policies, processes, and IT systems.
- **Reduce the amount of time it takes to get funds to grantees.** Assure the alignment of HUD's policies and processes and the optimization of IT systems results in decreasing the time it takes to get funds to grantees.
- **Develop comprehensive, standardized, and centralized performance reporting capability.** Evaluate, align, improve, and consolidate grantee performance information to inform agency decisionmaking and improve outcomes.

LEADING THIS OBJECTIVE

Anne Morillon
Director, Division of Grants Management and Oversight
Office of Strategic Planning and Management

Cliff Taffet
General Deputy Assistant Secretary
Office of Community Planning and Development

MEASURING OUR PROGRESS

To track our progress toward this objective, HUD will monitor completion of specific milestones set forth in the Department's Annual Performance Plan.



HUMAN CAPITAL

Employ, develop, and foster a collaborative, high-performing workforce that is capable of continuing to deliver HUD's mission in a changing and uncertain future.

OVERVIEW

We will employ, develop, and foster a collaborative, values-driven, and capable workforce by focusing our efforts on (1) promoting greater leadership effectiveness, (2) enhancing employee engagement, and (3) addressing performance results.

The Department will face a number of challenges and changes in the years ahead, as we continue to address the housing recovery during a period of fiscal constraints. Changes in housing markets and communities around the nation are speeding up, just as natural disasters and the need for rebuilding communities across America is also increasing. Meanwhile, it is estimated that 57 percent of HUD's workforce will be eligible to retire by 2015. To accomplish our mission in the years ahead, we must capture the wisdom and knowledge of our current and departing technical experts and leaders and transmit it to their successors. In that regard, we must value and utilize more effectively the contributions of all our employees as vital members of our workforce and help them fulfill their professional development and career needs.

By improving leadership effectiveness, investing in employee engagement, and addressing performance challenges, we will build a more collaborative workforce, demonstrate our core values, and grow our capabilities. By fulfilling our roles as a trusted strategic partner, a human capital compliance expert, and a transactions facilitator for HUD's employees, we can ensure that HUD's workforce is ready to achieve its mission of creating sustainable, inclusive communities and quality, affordable homes for all.

STRATEGIES

- **Strengthening talent management.** HUD is vulnerable to losing a wealth of institutional knowledge, based on the anticipated rate of retirements and attrition in key positions over the next few years. HUD faces challenges integrating a new generation of employees into the workforce, while maximizing the talents of our existing workforce. To address these challenges, the Office of the Chief Human Capital Officer (OCHCO) will partner with our customers to deliver consultative and comprehensive talent management programs and services that put the right people in the right place doing the right things to achieve HUD's mission. We will continue to develop and deploy programs that focus on improving the performance, development, and fit of our leadership; fully engaging our employees; and addressing performance results.
- **Achieving performance results.** OCHCO will continue promoting our core values and performance feedback at every level of the Department and equip HUD's executives, managers, and employees with the tools they need to improve leader effectiveness, engage employees, identify and address performance deficiencies, and build upon existing strengths in their programs.

LEADING THIS OBJECTIVE

Michael Anderson
Chief Human Capital Officer
Office of the Chief Human Capital Officer

MEASURING OUR PROGRESS

To track our progress toward this objective, HUD will monitor the following key indicators:

- **Talent management: HUD's score on the Employee Viewpoint Survey (EVS) Engagement Index**
In order to measure the impact of activities to improve employee engagement and

capability, HUD will track progress on the EVS Engagement Index.

- **Talent management: percentage of succession program positions filled from a pool of well-qualified candidates**

In order to improve leadership effectiveness, HUD will implement a robust succession plan. To ensure the quality of that plan and the associated development initiatives, HUD will track the number of succession plan vacancies filled from a pool of well-qualified candidates.

- **Human capital customer satisfaction scores**

In order to measure and improve our own performance in serving HUD's program offices, OCHCO will track internal customer satisfaction.



INFORMATION MANAGEMENT

Make high-quality data available to those who need it, when they need it, where they need it, to support decisionmaking in furtherance of HUD's mission.

OVERVIEW

HUD data can be unreliable, inaccessible, and redundant, with new systems or datasets created to address faulty data rather than fixing the original data source. Moreover, HUD has historically had a fragmented approach to technology adoption, which leads to multiple platforms and multiple services competing for resources. Finally and similarly, HUD has not achieved the right balance of contracting support and in-house expertise to manage the agency's data and systems effectively and affordably.

Over the next 4 years, HUD aims to leverage these opportunities by enhancing the quality, availability, and delivery of HUD information to citizens, employees, business partners, and the government, while striving for excellence in IT management practices and governance to consolidate and streamline HUD's systems. In pairing enhanced technology and improved processes with a developing and strengthening workforce, the Department expects to vastly broaden its ability to achieve current and future departmental goals.

STRATEGIES

- **Manage and develop HUD's IT workforce.** HUD will develop an IT human capital plan to guide the recruitment, retention, and skill development of staff. We will identify the skills desired within our IT workforce and measure current gaps, then create development programs targeting those competencies.

- **Deploy new technologies, supported by a robust data governance structure.** We will use new technologies to more quickly and reliably gather and disseminate data and to provide better IT services to our staff and clients, including full compliance with Section 508 of the Rehabilitation Act of 1973 and the additional provision of reasonable accommodations as necessary. We will develop a data governance structure and data protocols that will ensure our data are accurate and authoritative and remove processes or data that are redundant or unnecessary.
- **Consolidate IT infrastructure.** HUD will establish a consolidated IT infrastructure in order to achieve interoperability, increase collaboration among operating divisions, improve customer service, and provide a secure and trusted IT environment ensuring confidentiality, integrity, and availability of IT resources.

LEADING THIS OBJECTIVE

Kevin Cooke
Acting Chief Information Officer
Office of the Chief Information Officer

MEASURING OUR PROGRESS

To track our progress toward this objective, HUD will monitor the following key performance indicators:

- **Number of IT systems**
Total number of HUD IT systems.
- **Cost of IT systems (in millions)**
Total cost of operating and maintaining HUD IT systems.
- **IT customer service satisfaction scores**
Conduct an annual survey of HUD staff on satisfaction with IT services provided.

ORGANIZATIONAL STRUCTURE

Reduce the cost of leased space, utilities, travel, and other related costs by adapting our business processes.

OVERVIEW

Despite recent advances in programs such as telework and alternative work schedules, HUD has historically operated with a traditional definition of the workplace. This objective intends to help HUD redefine the workplace as more than just an office, but rather as the combination of people and information brought together by technology that allows work to be done at any appropriate location.

In order to measure our success in this endeavor, HUD intends to reduce the amount of space per employee and contractor. Ultimately, this will reduce the total dollars that we spend on leased space, building maintenance, utilities, travel, and other related costs. In order to achieve these efficiencies, HUD will work with the General Services Administration (GSA) to identify opportunities to reduce space through better use of technology and expanded use of external resources and partnerships.

Additionally, HUD could better meet our customers' needs by more appropriately distributing our workload and personnel by organizational unit. HUD will assess its current staff allocation, workload distribution, and community needs in order to align resources to better serve our customers. In this effort, our goal is not to save money at the expense of our customers, but rather to replace outdated business practices with new business models, ultimately producing greater efficiencies, saving money, establishing sustainable business models, and most importantly better serving our customers.

STRATEGIES

- **Identify opportunities to reduce space through better use of technology.** GSA will lead an initiative to understand our work processes, ultimately resulting in a set of options to utilize technology and change our work processes to reduce space.
- **Get our work in the right organizational unit.** With the ultimate goal of producing greater efficiencies and better serving our customers, HUD will take advantage of new business models (for example, consolidating offices and leveraging external resources and partnerships).

LEADING THIS OBJECTIVE

Michael Anderson
Chief Human Capital Officer
 Office the Chief Human Capital Officer

MEASURING OUR PROGRESS

To track our progress toward this objective, HUD will monitor the following performance indicators.

- **Amount of money spent on space and travel (in millions)**
 Total dollars spent on leased space, building maintenance, utilities, travel, and other related costs.
- **Space utilization (in square feet)**
 Average square footage of usable workspace per employee and contractor.



SECTION 3
3
ADDITIONAL
INFORMATION



EVALUATING OUR STRATEGIES AND MEASURING OUR PROGRESS

The Government Performance and Results Act Modernization Act of 2010 calls upon agencies to use evaluation and research evidence to identify evidence-based strategies for reaching intended objectives. HUD continuously conducts research and evaluation to develop HUD's strategies for achieving its strategic goals and to inform budgetary allocations based on information about the cost-effectiveness of HUD's efforts. Ongoing and planned evaluations that are particularly informative for each of HUD's strategic goals are summarized below. The initiation and scope of these evaluations depends on sufficient funding. A number of these research efforts are proposed for funding in [HUD's FY 2015 budget request for the Transformation Initiative Fund](#), and subsequent budget requests will identify new priorities. Additionally, readers may consult the continually updated research and evaluation resources available at <http://huduser.org>.

Additionally, HUD conducts regular data-driven performance reviews—"HUDStat" meetings—that focus on quarterly progress toward achieving each of HUD's priority goals. The Secretary and senior leadership from throughout the agency, and sometimes from partner agencies, attend these meetings to address challenges, review metrics, improve internal and external collaboration, and increase performance. For each objective in this Strategic Plan, the Department will link specific contributing programs through its participation in the [Federal Program Inventory](#). The metrics outlined in this Strategic Plan will, where



appropriate and available, have associated annual targets and milestones in each of the Department's Annual Performance Plans over the next 4 years. Progress on achieving each of the strategic objectives will be assessed during data-driven review meetings, published in HUD's Annual Performance Report each year, and shared on <http://performance.gov>.



THE RESEARCH ROADMAP

HUD's *Research Roadmap FY 2014-FY 2018* identifies critical policy questions and will guide HUD's research investments over the next 4 years. The Research Roadmap, published in July 2013, is available at http://www.huduser.org/portal/pdf/Research_Roadmap.pdf. Formulated by HUD's Office of Policy Development and Research (PD&R), the Roadmap has been a highly collaborative, forward-looking effort to identify critical policy questions that should guide PD&R research investments over the next 5 years. The Roadmap team met with members of Congress and with officials from the Office of Management and Budget, the Government Accountability Office, federal sister agencies, and numerous research, practitioner, and advocacy organizations to gather relevant feedback, and over 950 comments were received from stakeholders during development.

To complement the Roadmap's structured evaluation agenda, HUD seeks to expand successful use of competitive research grants and noncompetitive research partnerships to better utilize external expertise in evaluating local innovations and program effectiveness. HUD's Research Partnerships program is already supporting a number of high-value research projects that align with HUD's mission but were proposed by outside researchers and are supported by a 50-percent match of funds from an external source.

RESEARCH AND EVALUATIONS INFORMING GOAL 1: STRENGTHEN THE NATION'S HOUSING MARKET TO BOLSTER THE ECONOMY AND PROTECT CONSUMERS

Currently Funded

Prepurchase Homeownership Counseling Demonstration. HUD is working with three national lenders to conduct a random-assignment experiment to test the impacts of prepurchase housing counseling for first-time homebuyers. HUD seeks supplemental

funding for the 42-month followup survey (36 months after random assignment plus 6 months after counseling completion) and long-term impact analysis. An interim report on baseline characteristics is expected in 2016.

Not Currently Funded

Assessing the Effectiveness of Mortgage Modification Protocols. Three interrelated studies will evaluate the success of alternative policies used to preserve homeownership and support the national recovery from the foreclosure crisis, including an examination of the Department of Treasury's Home Affordable Modification Program (HAMP), FHA-HAMP, USDA-HAMP, the principal reduction alternative, the second lien modification, and proprietary protocols followed by servicers.

Impact of Real Estate Owned Properties on Neighborhoods. This project will integrate emerging research and collect outcome data about REO portfolios and their impacts, with special focus on the FHA portfolio. Results will be integrated into the Neighborhood Stabilization Program evaluation framework for tracking both past and future impacts.

Impact of the Foreclosure Crisis on HUD Programs and the Rental Market. This analysis of administrative and market data before and after the housing market crash will systematically map the long-term implications for HUD's affordable rental housing programs. A forecasting and scenario-planning component will enhance HUD's capacity to anticipate and mitigate the impact of future booms and busts on its programs.

Nonretention Alternatives to Foreclosure. This research will survey the practice of short sales of homes with delinquent loans and assess the net costs and benefits for borrowers, lenders, insurers, and neighborhoods.

Impact of Qualified Mortgage Rules. This study will assess the impact of QM rules on FHA, the government-sponsored enterprises, the housing finance market, and borrowers.

Reverse Mortgage Study. Substantial changes in the reverse mortgage sector, combined with house price declines, have resulted in increased Home Equity Conversion Mortgage (HECM) losses to FHA. Interrelated components of this effort include an evaluation of FHA's HECM program, a new integrated dataset, a survey and analysis of local property taxes and hazard insurance rates that affect HECM defaults, and a study of incentives for HECM loan originators.

What Do We Know About Vacancy? Review of Housing Inventory and Vacancy Statistics. This project will review literature and data methods to determine how vacancy data, both public and private, are obtained, reported, and interpreted. It also will analyze how existing data on the housing stock, and on vacant units in particular, could have improved understanding of the housing bubble.

Demonstration of Section 203(k) Rehabilitation Financing for Investors. This demonstration will test whether program enhancements and safeguards for FHA's Section 203(k) mortgage insurance program can make more financing available for rehabilitation, or purchase and rehabilitation, of single-family rental properties (one to four units).

Small Multifamily Mortgage Insurance Demonstration. HUD seeks to evaluate the FY 2014 initiative to use FHA's Risk-Sharing Program to facilitate the financing of small multifamily properties (5 to 49 units) by housing finance agencies, community-development financial institutions, and other mission-driven lenders.

RESEARCH AND EVALUATIONS INFORMING GOAL 2: MEET THE NEED FOR QUALITY, AFFORDABLE RENTAL HOMES

Currently Funded

Assessment of Native American, Alaska Native, and Native Hawaiian Housing Needs. At the request of Congress, HUD is assessing housing quality and affordability for Native Americans, Alaska Natives, and Native Hawaiians

and evaluating how the Native American Housing Assistance and Self Determination Act (NAHASDA) has addressed those needs. An interim report is available and a report on housing needs based on in-depth surveys of properties in Indian Country and interviews with housing providers is expected to be available in 2015.

Housing Choice Voucher Program

Administrative Fee Study. HUD is currently evaluating how much it costs for a public housing agency to run an efficient HCV program, with the objective of supporting development of a funding formula for allocating administrative fees.

Rent Reform Demonstration. In 2012, HUD initiated a randomized controlled trial to rigorously test alternatives to the current HUD assisted rent structure among PHAs designated as Moving To Work agencies. HUD will report on the impact of the demonstration on earnings, employment, hardship, and administrative cost.

Evaluation of Jobs Plus: Baseline Phase. This evaluation will include data collection, analysis, and a baseline survey at the public housing sites that are selected for participation in the first year of the Jobs Plus Initiative grant awards. The goal will be to provide evidence-based findings and lessons learned and to identify operational obstacles that a larger scale implementation of the Initiative would need to address.

Moving to Work Demonstration: Baseline Phase. Congress has funded one or more studies of the extent to which the demonstration meets its statutory goals of enhancing self-sufficiency, expanding choice, and reducing administrative cost.

Project-Based Rental Assistance Transfer

Authority Evaluation. At various times, Congress has authorized the transfer of PBRA subsidies from one assisted multifamily property to another. The proposed evaluation would include a study of the impact on the cost-effectiveness of the subsidies provided and any improvements in the physical and financial condition of the subsidized housing stock.



Rental Assistance Demonstration Evaluation.

This evaluation will examine RAD's success in the goal to convert public housing and other HUD-assisted properties to long-term project-based Section 8 rental assistance. Impact on families and on the physical and financial viability of the projects will be evaluated through a comparison group of projects that don't go through the conversion process.

Small Area Fair Market Rent (SAFMR) Demonstration.

Preliminary evidence from the 2011 implementation of SAFMRs in the Dallas, Texas metropolitan area reveals slight increases in unit quality and neighborhood quality for tenants at no additional cost to the government. This demonstration is investigating the ramifications for the HCV program of implementing SAFMRs on a national scale.

Worst Case Housing Needs. PD&R uses inhouse staff resources and the American Housing Survey to report to Congress biennially on the causes and trends of worst case needs for affordable rental housing.¹⁴ Worst case needs data are widely used in the Department's budget, policy, and strategic-planning decisions. The next report using the forthcoming 2013 AHS data is expected in early 2015.

Not Currently Funded

Assessing Housing Quality in the Housing Choice Voucher Program: Design Phase. This project will fund design and testing of an updated and revised survey instrument for a survey of a representative sample of Section 8 vouchers at all PHAs. The results of a fully implemented survey can be used by PHAs directly to improve their communication, oversight, training, and enforcement of their inspectors and by HUD to identify program improvements and to target technical assistance and oversight resources in a cost-effective manner.

Assessment of Landlord Behavior in the Housing Choice Voucher Program.

This study will explore how landlord behavior affects the effectiveness of the HCV program across a range of measures including voucher success rates and tenant mobility. The study will help inform decisions on possible streamlining and improvement of the Section 8 program.

Comparing Subsidy Costs of Federal Housing Assistance Programs.

This project, which will be conducted only in house during FY 2014, will examine the cost-effectiveness of existing federal housing programs as they operate across different regions and metropolitan areas of the country, and across cities, suburbs, and rural areas.

Examining Small PHA Performance. This study will survey a sample of small PHAs to assess their performance levels and reasons for their performance, administrative costs, and challenges. This research is particularly relevant and timely because of the new proposed Small Housing Authority Reform Proposal (SHARP) legislation.

Improving HUD Measures of Housing Cost Inflation.

This study will take advantage of improved data and recent program evaluations to analyze the comparative costs of providing a unit of housing with various housing subsidy programs. The evaluation also will examine the role of subsidy layering, the characteristics of cost-effective housing subsidy programs, and the benefits of various program approaches.

Leased Housing Tenant Payment Insurance Demonstration.

HUD is seeking to design a demonstration of a new, shallow-subsidy leased housing insurance program that would cover a portion of a low-income household's rent in the event of acute income shocks resulting from unemployment or health problems. Such a shallow subsidy would complement existing deep rental assistance programs by providing a safety net to support tenants who move into market-rate housing.

¹⁴ The most recent report is available at http://www.huduser.org/portal/publications/affhsg/wc_HsgNeeds11_report.html.

Utility Cost Data System. This project will collect representative tenant utility expenditures and compare them with the allowances the same tenants actually received and those they would have received if the PHA or project owner had used the HUD Utility Schedule Model (HUSM).

RESEARCH AND EVALUATIONS INFORMING GOAL 3: USE HOUSING AS A PLATFORM FOR IMPROVING QUALITY OF LIFE

Currently Funded

Characteristics of HUD-Assisted Households.

This project will expand and leverage the capabilities of matched data sources to provide detailed information about characteristics of typical HUD-assisted renter households, such as employment, work search, health, educational pursuits, seeking permanent residences, and decisions to move.

Impact of Housing and Services Interventions on Homeless Families (Family Options Study).

This random-assignment trial was initiated at the request of Congress to assess the effectiveness of four interventions for helping homeless families with children: (1) project-based transitional housing, (2) community-based rapid rehousing; (3) housing choice voucher/public housing; or (4) usual care. An interim report about initial lease up is available, and a report on 18-month outcomes is due early in 2015.

Family Self-Sufficiency Demonstration. This random-assignment demonstration at a large number of PHAs will measure the extent to which the FSS program contributes to increases in tenant incomes and wealth.

Choice Neighborhoods Demonstration. HUD is assessing what happens to residents, assisted developments, and surrounding neighborhoods as result of the Choice Neighborhoods Demonstration. An interim report documenting baseline conditions at the five implementation sites is available, and a second interim report about the implementation of revitalization strategies in the funded neighborhoods is due in 2014.

Evaluation of Support and Services at Home (SASH). HUD is supporting this study through an interagency agreement with the U.S. Department of Health and Human Services. The research will link HUD administrative data with Medicare and Medicaid claims data to evaluate the impact of affordable housing with services on the well-being and healthcare utilization of low-income seniors.

Evaluation of the Section 202 Supportive Housing Program for Elderly Households. This experimental design evaluation will assess the extent to which supportive housing allows elderly persons to live independently and age in place, improves their general well-being and health, and creates costs savings in the healthcare system.

Evaluation of the Section 811 Project Rental Assistance Demonstration. As mandated by the Melville Act, this evaluation will analyze the implementation and results of the Section 811 Project Rental Assistance Demonstration, which focuses on integrating persons with disabilities into multifamily developments, and will analyze its effectiveness compared to the traditional Section 811 program and to alternative housing and institutional care options for people with disabilities.

Seniors and Services Demonstration: Launch Phase. This demonstration will build on the research design and evaluation work currently under way to launch a demonstration and evaluation of seniors aging in place with services.

Understanding Rapid Rehousing: Models and Outcomes for Homeless Households. This study will seek to identify the most common program models being implemented under the rubric of a rapid rehousing intervention and track the outcomes of households served through the various program models.

Not Currently Funded

Effect of Housing Assistance Over Time. This project will review and summarize existing evidence about the effect of housing assistance over time. It will attempt to estimate the cost structure and cost effectiveness of different HUD programs using results from these analyses.



Homelessness Prevention Demonstration.

This project would make a timely investment to extend the knowledge gained from HUD’s recent investments in homelessness research and local innovation.

State Olmstead Plans and Assessment of Demand, Available Resources, and Needs.

This project will help the Department better align its programs and resources to meet the affordable housing needs for people with disabilities in integrated settings as required under the Supreme Court’s Olmstead decision. It will include an estimate of housing needs for people with disabilities and a review of state enforcement and implementation of Olmstead.

Successful Exits From Targeted Housing Assistance Programs for Vulnerable Populations.

This study would develop a series of case studies that explore successful local strategies to enable people residing in supportive housing or other housing designed for vulnerable populations to move on into “mainstream” housing. Such policies and programs that support “moving up” or graduation to mainstream housing programs help ensure that permanent supportive housing is available for the households most in need of such intensive assistance.

Evaluation of Supportive Housing for Prisoner Reentry.

This evaluation will help build an evidence-based approach for improving reentry outcomes for formerly incarcerated individuals and their communities through permanent supportive housing linked with employment, behavioral health services, and family unification. HUD is considering options ranging from an evaluation of existing PHA reentry programs to an interagency effort that would involve leveraging private/philanthropic investments to support permanent supportive housing plus services within a pay-for-success framework.

RESEARCH AND EVALUATIONS INFORMING STRATEGIC GOAL 4: BUILD STRONG, RESILIENT, AND INCLUSIVE COMMUNITIES

Currently Funded

Housing Discrimination Studies (HDS). Over several decades, rigorous testing methods have proven to be the most reliable way to assess and measure the extent and limitations of compliance with the Fair Housing Act. Several ongoing or planned HDS focus on discrimination against groups that pose methodological challenges for established testing methods, including groups that are not covered by the Fair Housing Act but may be covered under state and local fair housing laws.

- **HDS–Families With Children.** This pilot study will test methods to measure the forms and prevalence of discrimination against families with children in rental housing, taking into account potentially interacting factors, such as age, gender, number of children, and race and ethnicity.
- **HDS–Source of Income.** This study will develop methods for measuring discrimination against voucher holders in U.S. rental housing markets.
- **HDS–Lesbian, Gay, Bisexual, and Transgender People.** This study pilots techniques to obtain a baseline in-person measure of housing discrimination faced by same-sex couples in at least two metropolitan rental markets. The study will also include a pilot test of discrimination against transgender people in a single metropolitan market.
- **HDS–on the Basis of Mental Disabilities.** The study will test methods to measure the degree to which people with mental disabilities experience discrimination in the search for rental housing, conduct pilot testing, analyze HUD’s discrimination complaints and compliance tracking system, and produce papers to expand the field’s understanding of housing discrimination against persons with mental disabilities.

- **HDS—Persons Who Are Deaf or Who Use a Wheelchair.** This study will obtain statistically valid national estimates of the incidence of housing discrimination in the rental market against two categories of people with disabilities: persons who are deaf and hard of hearing and persons with physical disabilities who use a wheelchair.

Housing Search for Racial and Ethnic Minorities.

This study is examining the processes by which racial and ethnic minorities search for rental housing.

Not Currently Funded

Affirmatively Furthering Fair Housing Study.

Contingent upon the publication of a Final Rule, this evaluation of HUD's AFFH policy will examine the implementation of the new AFFH rule, the extent and quality of compliance, and the extent to which it is working to reduce segregation and increase affordable-housing supply. This research addresses questions posed by Research Roadmap stakeholders.

Interaction of Anchor Institutions With

Neighborhoods. This study would examine the incentives leading anchor institutions use to engage with their communities; the impact of anchor institutions (especially universities and hospitals) on neighborhood income mixing, transformation, and stabilization; and variation of neighborhood outcomes with respect to type of neighborhood interaction. This research addresses questions posed by Research Roadmap stakeholders.

Accelerating Postdisaster Community Recovery.

In response to Hurricane Sandy, a number of new approaches toward long-term recovery are being tested, including more regional and holistic federal coordination, an emphasis on better planning, and increased access to and use of federal data for local program operations. This research will document those efforts and inform development of mechanisms that enable local governments to launch long-term recovery programs more quickly.

Community Development Block Grant-Funded Disaster Recovery: Retrospective Evaluation.

In recent years, Congress has increasingly relied on special appropriations to HUD's CDBG program to provide flexible disaster recovery funds to stricken communities. This retrospective evaluation will review the characteristics and extent of disasters over the past decade, the federal response to those disasters using the CDBG-Disaster vehicle, the program's implementation, and the uses and effectiveness of those resources relative to needs.



DEVELOPING THE HUD STRATEGIC PLAN 2014-2018

In early 2013, HUD embarked on a strategic planning process, coordinated by the Office of Strategic Planning and Management, to set the course of the Department over the next 5 years. The Department employed a broad engagement strategy to collect input from many knowledgeable employees and partners—voices critical to HUD's transformation. As in the development of its last Strategic Plan, HUD once again welcomed suggestions and feedback from its staff, stakeholders, and the public through a variety of channels. Switchboard (<http://hud.gov/switchboard>), HUD's online ideation and engagement platform, allowed anyone interested in shaping the plan to post, vote, and comment on ideas, generating suggestions used to strengthen our goals and management objectives.

Meanwhile, HUD held live and virtual feedback sessions to foster collective discussion around the plan's framework, connecting employees at headquarters and in the field, and in certain cities inviting local partners to join the live conversation. Each strategic objective in the plan has one or more assigned leaders who helped to spearhead the conversation around that objective with both internal agency staff and external partners and thought leaders. HUD also held a managers' summit at headquarters to review the evolving framework. As each management objective was strengthened by this input over time, it was presented to HUD's Deputy Secretary for review, with invited input from union leadership as well. Additionally, HUD sought feedback on its draft plan from Congress to ensure that the goals and objectives articulated by the Department were reviewed by congressional partners as the plan evolved. The plan overall was enhanced by all of these inputs, together with feedback from OMB and White House advisors.

The strategic planning process generated valuable ideas, increased dialogue among parties invested in HUD's success, and laid the foundation for all stakeholders to support the accomplishment of HUD's goals.



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