

Pursuant to Executive Order 14091 (February 16, 2023) on "Further Advancing Racial Equity and Support for Underserved Communities Through the Federal Government"

2023 Equity Action Plan Summary

U.S. Department of Housing and Urban Development

Delivering equity through HUD

The mission of the U.S. Department Housing and Urban Development (HUD) is to create strong, sustainable, inclusive communities and quality affordable homes for all. As HUD carries out its mission, it is committed to doing so in ways that advance racial equity, respect the great diversity in our nation, and begin to right historical wrongs. Through prior efforts the Agency has taken in support of equity-related goals, and with continued efforts moving forward, HUD's goal is to ensure the words "for all" within its mission and vision statement encompass and represent every person in the nation.

New strategies to advance equity

HUD identified five areas of focus for its 2023 Equity Action Plan through a collaborative internal process and external outreach with a diverse range of people and organizations, including state, local, Tribal, and nonprofit organizations; and small and disadvantaged businesses, including from underrepresented groups. HUD hosted a series of regional summits to engage key local stakeholders to identify opportunities to bring together the community, public and private partners, and others to provide awareness, education, and resources to address the inequities outlined in this plan.

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

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

- Award \$85 million in grant funds in FY 2024 under the [Pathways to Removing Obstacles to Housing \(PRO\) Housing Notice of Funding Opportunity](#) to support state, local government, and metropolitan planning organization efforts to address barriers to producing and preserving affordable housing.

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- Elevate and institutionalize state / local analysis and implementation of effective, equitable, and resilience approaches for affordable housing production and preservation with PRO Housing awards to approximately 20 grant recipients in Spring 2024.
- Allow larger loans to participate in HUD's Low Income Housing Tax Credit (LIHTC) Pilot Program, which increases the number of apartment sites eligible for a program that streamlines financing. Obtained industry comments through an early 2023 [Request for Information](#) (RFI) on the improvement of the 203(K) Rehabilitation Mortgage Program, which allows first-time homebuyers to acquire and rehabilitate their first home using an FHA-insured loan.
- Implement the [Thriving Communities Technical Assistance \(TCTA\) Program](#) through funding provided by the Bipartisan Infrastructure Law, and as part of the [Thriving Communities Network](#), an interagency initiative between HUD and the Departments of Transportation, Energy, Commerce, and Agriculture, as well as the General Services Administration and the Environmental Protection Agency.
- HUD will make it easier to build and rehabilitate apartments by simplifying underwriting and reduce development costs for large multifamily properties financed with FHA-insured mortgages without presenting undue risk to FHA through increasing the dollar amount threshold at which a multifamily loan is considered a large loan, significantly expanding commitments for affordable housing financing.

New strategies to advance equity

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

There are multiple barriers that prevent families from becoming homeowners. Those barriers include lack of capital for the down payment and closing costs; challenging credit history and lack of access to credit; lack of understanding and information about the homebuying process, especially for families for whom English is a second language; and regulatory burdens imposed on the production of housing. Additionally Black, Hispanic, and Indigenous communities, face continued housing discrimination in getting a mortgage. To address these barriers and others, HUD will:

- Award \$113 million for the [Family Self-Sufficiency](#) program as a deliverable to HUD's [Economic Justice Agenda](#).
- Continue bringing awareness and attention to its actions under the Biden-Harris Administration to reduce key barriers in access to homeownership. First-time homebuyers continue to benefit from HUD's actions to change the way student loan debt is calculated in qualifying for an FHA mortgage and to incorporate positive rental payment history into underwriting. By adding a positive rental history indicator to the Scorecard, FHA's credit evaluation is more comprehensive and equitable, with the goal of enabling additional first-time homebuyers to qualify for affordable FHA-insured mortgage financing.
- Evaluate the effectiveness of the [Moving To Work \(MTW\)](#) expansion's asset-building cohort and applying lessons learned to future HUD program design.
- Continue refining the loss mitigation options available to help borrowers who fall behind on their mortgage payments to get back on track and preserve homeownership.

New strategies to advance equity

- Maximize homeownership for creditworthy first-time homebuyers and preserve homeownership for existing homeowners.
- Work through [HUD's new partnership with the National Association of Real Estate Brokers \(NAREB\)](#) to increase education and outreach, and take a bold step toward remedying appraisal discrimination, closing the wealth gap, and advancing racial equity.

3. Reduce barriers and enhance support for protected classes by enforcing fair housing regulations, advancing housing justice, and improving rental assistance. *Historic disinvestment in people and places have contributed to segregated neighborhoods, mortgage redlining, and lending discrimination, and inhibited wealth-building opportunities for Black and Brown people; immigrants; women; individuals with disabilities; people who are Lesbian, Gay, Bisexual, Transgender, Queer, Intersex, Asexual, or other (LGBTQIA+); survivors of domestic violence and sexual assault; survivors of human trafficking; and people involved in the criminal justice system. Black and Brown people and LGBTQIA+ youth experience homelessness at disproportionately high rates. To address these barriers and others, HUD will:*

- Collaborate with federal, state, local, Tribal, and nonprofit partners (e.g., [Fair Housing Initiatives Program](#) (FHIP) organizations) to ensure nationwide efforts are implemented in accordance with communities' localized needs.
- Ensure rights to housing assistance for LGBTQIA+ communities and focus HUD's efforts to address specific discriminatory concerns.
- Provide technical assistance to encourage grantees, Public Housing Authorities (PHAs), and housing owners to use HUD programs to provide housing and services that support people's successful

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reentry from prisons and jails to the community, which enhances public safety.

4. Reduce racial and ethnic disparities in homeless systems through identifying and addressing barriers to engagement by underserved populations. *The main driver of homelessness is the inability to afford housing, the result of intersecting issues of poverty and rising housing costs in communities around the country. While the experience of homelessness is not limited to one group or geography, Black and Brown people experience homelessness at a disproportionate rate. To address these barriers and others, HUD will:*

- [Provide an analysis](#) of racial disparities among people experiencing homelessness as it is a critical first step in identifying and changing racial and ethnic disparities in HUD systems and services.
- Publish guidance documents created from the learnings in the second demonstration on the [HUD Exchange Homelessness Assistance website](#), and share a synopsis of the findings from the prior two cohorts to scale future improvements and interventions nationally.
- Include equity scoring criteria in the [Continuums of Care \(CoC\)](#) program competition to ensure homeless systems are responsive to those most disenfranchised in their communities. HUD's Office of Special Needs Assistance Programs (SNAPS) will continue to evaluate the CoC's progress through evaluation of the racial equity strategies and policies outlined in program applications and submitted system performance measures.
- Expand CoC leadership teams to include people with lived experience of homelessness. As an example, increase number of people with lived experience hired into full time, part time, and

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contractual positions to further the CoCs' demonstration of applied equity learning.

- Develop and disseminate resources to help communities incorporate a more trauma-informed approach in their data collection efforts of these important and sensitive data.
- Expand the evidence base around eviction diversion programming as local, state, and federal policymakers consider new ways to support tenants and landlords and build new eviction systems and processes.

5. Advance sustainable communities by strengthening climate resilience and energy efficiency, promoting environmental justice, and driving the creation of good-paying jobs. *Low-income communities, Black and Brown communities, and protected class groups experience disproportionately large impacts from climate change and environmental hazards due to a history of disinvestment and discrimination, which may present civil rights issues. Green investments create high-quality employment opportunities, but women, people with disabilities, youth, and people impacted by the criminal legal system face hiring discrimination and inequitable employment opportunities. To address these barriers and others, HUD will:*

- Implement the [Green and Resilient Retrofit Program](#) (GRRP), which provides for \$800 million in grant and loan subsidy funding and \$4 billion in loan commitment authority provided by the Inflation Reduction Act, to reduce assisted resident exposure to climate-related hazards in affordable housing communities and other disadvantaged communities serving low-income families.
- Improve Community Development Block Grant – Disaster Recovery (CDBG-DR) funding.

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- Determine what data are needed to identify and address potential access barriers that may cause disparate outcomes in the use of CDBG-DR funds.
- Formally institute data collection to identify and address potential access barriers that may cause disparate outcomes in the use of CDBG-DR funds.
- Produce training and guidance for CDBG-DR grantees on how to use new data collection requirements to identify and address potential access barriers that may cause disparate outcomes in the use of CDBG-DR funds.
- Develop tools, guidance documents, or case studies on energy and resilience retrofits to support all affordable housing operators in devising strategies to improve the health, safety, and comfort of low-income families before, during, and after extreme weather.
- Produce training and guidance for [Community Development Block Grant-Disaster Recovery](#) (CDBG-DR) grantees on how to use new data collection requirements to identify and address potential access barriers that may cause disparate outcomes in the use of CDBG-DR funds.
- Expand the HUD and U.S. Department of Energy (DOE) Weatherization Partnership to coordinate and facilitate locally focused conversations with weatherization agencies to understand their hiring needs, ideal candidate profiles, how candidates can be prepared with the support of public housing authorities and career center partners, and support outreach at upcoming job fair / hiring events related activities to tack on weatherization efforts.
- Develop a framework for partnership on workforce initiatives between HUD field offices, HUD communities, DOE, and the U.S. Department of Labor.

What HUD accomplished

Below is a sampling of HUD's progress delivering on equity and racial justice since its first Equity Action Plan in 2022.

- ***Awarded \$456 million (39% of all HUD contract awards) in prime contracts to small business concerns.***

[HUD received an "A+" for FY 2022 on its U.S. Small Business Administration Federal Procurement Scorecard](#), ensuring that small businesses had a maximum practicable opportunity to participate in government contracting, and prioritized small business outreach to host events for underrepresented groups.

- ***Updated data collection requirements in its Homeless Management Information System (HMIS).***

The updates improved race, ethnicity, sexual orientation and gender identity [data collection](#) from homelessness service providers and developed new resources for additional guidance: [Client-Centered Approach to Recognizing Race and Ethnicity Identities in Data Collection](#) and [Client-Centered Approach to Recognizing Gender Identities in Data Collection](#).

- ***Lowered costs for borrowers by reducing the Annual Mortgage Insurance Premium (MIP) Rates.***

In addition to [lowering costs for borrowers](#), which could mean an estimated savings of \$678 million for American families, HUD established a [40-Year Loan modification](#) to better assist struggling homeowners from losing their assets to foreclosure, particularly households of color.

What HUD accomplished

- ***Partnered with the National Association of Real Estate Brokers (NAREB) to Address Appraisal Bias and Discrimination.***

The [HUD-NAREB partnership](#) is tackling appraisal bias and discrimination and promoting fairness in the housing market through online training for counselors, roundtable discussions on bias and discrimination, educational material distribution, and appraisal-related training.

- ***Educated housing providers, tenants, applicants, and others about fair housing protections.***

HUD issued "[Implementation of the Office of General Counsel's Guidance on Application of Fair Housing Act Standards to the Use of Criminal Records by Providers of Housing and Real Estate-Related Transactions](#)" to [protect tenant rights](#) related to the use of criminal records, including to set out best practices related to the use of criminal background screening information on applicants or tenants, and developed an [LGBTQIA+ Fair Housing Toolkit](#) to advance housing equity for the LGBTQIA+ community. HUD also published new guidance for public housing authorities and multifamily housing owners participating in the [Rental Assistance Demonstration](#), providing them with additional tools to repair and build deeply affordable housing.