

Pursuant to Executive Order 13985 (January 20, 2021) on "Advancing Racial Equity and Support for Underserved Communities Through the Federal Government"

## Equity Action Plan Summary

# U.S. Department of Housing and Urban Development

The U.S. Department of Housing and Urban Development's (HUD) mission is to create strong, sustainable, inclusive communities and quality affordable homes for all.

## Delivering equity through HUD

Meeting the aspiration of the agency mission requires that HUD prioritize serving underserved communities. HUD is working to strengthen the housing market to bolster the economy and protect consumers; meet the need for quality affordable rental homes; use housing as a platform for improving quality of life; build inclusive and sustainable communities free from discrimination; and transform the way HUD does business. While current HUD leadership recognizes the extraordinary legacy, mission, and potential the Department brings to building equitable communities across the nation, HUD also recognizes that federal housing policies were implemented and operated for decades in a manner that enabled discriminatory practices against people of color and members of underserved communities. The Biden-Harris Administration's HUD is eager to use the Department's authorities to reverse the harm caused by prior federal policies and prioritize equity in all HUD programs.

## New strategies to advance equity

- **Sustain, build, and retain individual and community wealth by widening the base of small and local businesses in HUD's procurements**

Historically, some socially disadvantaged businesses with the required capabilities and capacity have not successfully accessed the federal procurement system due to its complexity. As the interagency community works to address system-wide challenges, HUD is focusing on widening the base of small businesses based on the socio-economic groups that appear underrepresented in HUD's procurements by supporting greater data analytics and investing in technological improvements. HUD is also developing and implementing trainings on the federal procurement process, increasing outreach efforts, expanding the geographical diversity of the supplier base, and continuing to work with the interagency community to identify supports needed to ensure the sustainability of businesses as they transition from small to medium businesses.

- **Redress the nation's history of discriminatory housing practices and policies by enforcing civil rights and fair housing laws**

Reports of discrimination by members of the public to the Office of Fair Housing and Equal Opportunity, HUD's office focused on advancing civil rights, have trended upward in recent years. While discrimination has continued, staffing and funding resources have either not kept pace or decreased, creating barriers for HUD in resolving complaints in a timely manner for all parties involved. To address these barriers, HUD will invest in staff capacity, issue guidance and new rules to strengthen the prohibitions against discrimination in housing, and undertake comprehensive rulemaking to implement the Fair Housing Act's mandate to Affirmatively Further Fair Housing.

New strategies to advance equity

- **Eliminate the racial homeownership gap**

Homeownership opportunities influence where and how households live, which in turn affect access to community investments and amenities. Yet neither access to homeownership nor wealth accrual driven by homeownership is equitable. HUD is working to eliminate the racial homeownership gap through a range of actions and within many different programs, along with partnerships with federal and non-federal organizations. HUD will improve the efficiency of Federal Housing Administration (FHA) programs by leveraging technologies and removing perceived bias in the program, increasing engagement with non-traditional lenders, conducting continued analysis of mechanisms to increase availability of small-dollar mortgage loans, and expanding access to financing for affordable housing types. HUD will also continue to help lead the Interagency Task Force on Property Appraisal and Valuation Equity (PAVE), co-chaired by Secretary Marcia Fudge, to advance equitable property appraisal practices and ensure that homeowners of color do not face systemic undervaluation of their property.

- **Increase housing stability for underserved and economically insecure households**

The experience of homelessness is not limited to one group or geography. Homelessness is experienced in cities, suburbs, rural areas, and Tribal lands; across races and ethnicities; by individuals and families; young and old; and people of all gender identities and sexual orientations. However, underserved communities are less likely to have safe access to homeless shelters and some experience homelessness for longer periods. To address these barriers, HUD will build on existing efforts by improving the Homeless Response System experience, partner with U.S. Interagency Council on Homelessness and other agencies to reduce entry into homelessness from foster care, the criminal justice system, and other institutions, and to improve the collection of gender identity, race, and ethnicity data.

## Building on HUD's progress

**This equity action plan builds on HUD's progress delivering on equity and racial justice in the first year of the Biden-Harris Administration.**

- **Preventing housing discrimination against LGBTQI+ individuals**

HUD announced that it would administer and enforce the Fair Housing Act to prohibit sex discrimination on the basis of sexual orientation and gender identity, consistent with Title VII and the Supreme Court's decision in *Bostock v. Clayton County*.

- **Advancing language access**

HUD updated its Language Access Plan in October 2021 to ensure that individuals with limited English proficiency can access agency services and programs.

- **Advancing equity in home appraisal**

HUD initiated the Interagency Task Force on Property Appraisal and Valuation Equity (PAVE), co-chaired by Secretary Fudge, to address barriers to equitable home appraisals faced by families of color and other underserved communities. HUD also released Mortgagee Letter 2021-27, Appraisal Fair Housing Compliance and Updated General Appraiser Requirements, to address discrimination in the appraisal process. The letter does so by clarifying FHA's existing requirements for Appraisers and Mortgagees regarding compliance with Fair Housing laws related to the appraisal of properties that will serve as security for FHA-insured mortgages.

- **Enhancing fair housing enforcement**

HUD entered into a Memorandum of Understanding with the Federal Housing Finance Agency in August 2021, to enhance fair housing enforcement.

Building on HUD's progress

- **Expanding capital for development of affordable rental housing**

HUD launched the Federal Financing Bank (FFB)-Risk Sharing Initiative, which will bring much-needed capital to development of affordable rental housing that serves people and communities long disadvantaged by racial discrimination.

- **Expanding housing counseling services**

HUD launched an innovative housing counseling grant program in January 2022 to expand access to HUD-approved counseling services to Historically Black Colleges and Universities and other Minority Serving Institutions and their constituencies, and to facilitate educational and employment opportunities for the next generation of HUD Certified Housing Counselors.

- **Promoting equity in competitive grants**

HUD included equity in Notices of Funding Opportunities (NOFOs), for example: Fiscal Year 2020 Housing Opportunities for Persons With AIDS (HOPWA) Competitive Grant, and Fiscal Year 2021 Continuum of Care Program Competition NOFO.

- **Expanding resources for providers to advance equity**

HUD has provided grantees with resources supporting equity, for example updating a series of resources to reduce barriers to serving transgender individuals experiencing homelessness.

- **Improving housing outcomes for underserved individuals experiencing homelessness**

HUD initiated a Coordinated Entry Equity Initiative pilot to support nine communities in improving housing outcomes and homeless services for people experiencing homeless who face barriers to accessing housing, including people of color experiencing homelessness.

Building on HUD's progress

- **Supporting equitable and resilient communities**

HUD is developing a framework to partner between federal agencies and communities, with potential support from philanthropy, to help local communities increase equity in deployment of federal funding.

- **Appointing a Senior Advisor for Racial Equity**

In partial fulfillment of the Biden-Harris Administration's promise and subsequent plan to advance racial equity, HUD has appointed its first Senior Advisor for Racial Equity. The Senior Advisor will lead the intentional examination and evaluation of HUD's policies and practices, as well as the implementation of necessary measures to narrow racial disparities.