



U.S. Department of Housing and Urban Development

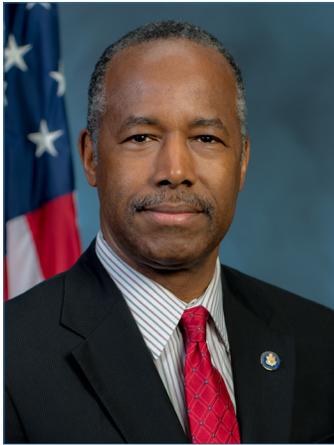
STRATEGIC PLAN

2018-2022

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MESSAGE FROM THE SECRETARY



I am proud to present the U.S. Department of Housing and Urban Development's (HUD's) *Strategic Plan Fiscal Years 2018-2022*. The goals and priorities in this plan will allow HUD to achieve its mission to provide safe, decent, affordable housing for the American people while being a good steward of taxpayer dollars.

While HUD has existed for more than 50 years, many Americans still struggle to find affordable housing. The housing market, largely recovered from the financial crisis, has stabilized and demand for housing continues to grow. HUD must move away from the policies and programs of the past and develop an innovative approach that anticipates the housing needs of the future, while addressing current needs. This approach will focus on creating strong public-private partnerships that leverage private capital and remove burdensome regulations from our citizens and businesses. We must work to develop a new way of delivering housing assistance to those in need that not only helps them today, but creates a path to self-sufficiency for them tomorrow.

To achieve this vision, HUD will pursue the policy and management objectives laid out in this plan. HUD's first goal is to Rethink American Communities. HUD must allow for more home-grown solutions and greater community participation in solving the complex housing problems America faces. That is why we are reassessing regulations across our programs and reducing burdens that stifle local innovations and make it harder for partners to work with HUD. We will also identify the local regulatory barriers that are stifling the development of affordable housing and work with our local partners to tear them down.

HUD will focus especially on streamlining the administration of the Department's rental assistance programs. HUD is looking at ways to give Public Housing Authorities (PHAs) and other state and local partners more control over their portfolios so they can find unique ways to address their own housing needs. A core part of this goal is promoting economic opportunity for those receiving rental assistance. An aim of any anti-poverty program should be to help work-able beneficiaries reach prosperity and self-sufficiency. That is why we are collaborating with philanthropy and faith-based organizations to align community-based supportive services, such as job training, that can put residents on a path to independence.

As we right-size the role of HUD's assistance, we must direct funds to cost-effective strategies that work. HUD plays an important role in enabling first-time homebuyers to access affordable mortgage credit. At the same time, HUD must also take a hard look at the roles of the Federal Housing Administration (FHA) and Ginnie Mae in the housing market and minimize risk to taxpayers. If these programs are not sustainable, they will not be able to serve the borrowers who need them.

It is imperative for HUD to continue to work with communities to prevent and, ultimately, end homelessness, encouraging the use of housing-focused strategies that reduce the length of homelessness for people who experience a housing crisis. The more quickly people experiencing homelessness are connected to permanent housing, the less costly it will be to taxpayers and to the overall health of these families and individuals.

As a doctor, I feel a personal connection to HUD's work to reduce lead-paint hazards and other health risks in homes. Home should be a source of stability for families, not harm. HUD must be committed to finding local partners willing to help us remedy unsafe housing by eliminating lead and other health hazards from dwellings.

HUD's important work cannot happen if the government does not well serve the American taxpayer. That is why I have asked us to reimagine the way HUD works. We are looking at HUD's current, outmoded service delivery

model and updating it to better meet customers' needs. I see the thousands of hard-working employees who run HUD's programs and want to do so more effectively. It is vital that they have the tools and training they need to fulfill HUD's mission. We will strengthen internal controls while improving mission support services such as hiring, grants management, and procurement.

HUD's *Strategic Plan Fiscal Years 2018-2022* presents a bold, innovative plan to facilitate cooperation with state and local partners to support sustainable homeownership, promote economic opportunity, and allow communities to prosper. History has shown us that spending more taxpayer dollars does not always create better outcomes. Instead, HUD will focus on strengthening public/private partnerships, positioning those who receive housing assistance to achieve self-sufficiency, and using taxpayer dollars more effectively by operating more efficiently. Through these efforts we will give the American people and their communities the opportunity to thrive.

HUD'S MISSION

CREATE STRONG, SUSTAINABLE, INCLUSIVE COMMUNITIES AND QUALITY AFFORDABLE HOMES FOR ALL.

INTRODUCTION

HUD's FY 2018-2022 Strategic Plan lays out this administration's strategy to refocus HUD on its core mission and modernize its approach by leveraging private-sector partnerships, strengthening the housing market, and encouraging affordable housing investment, while redesigning internal processes. A primary goal of HUD's four-year vision is to reimagine how the Department works, how it delivers services and how it might do so more efficiently and effectively. Reimagining how HUD works also means that, as stewards of the public trust, all of HUD's leadership and staff must take ownership of what the Department does and be accountable as public servants. The FY 2018-2022 Strategic Plan presents the core vision of what we hope to accomplish, the strategies to accomplish those objectives, and the indicators of success.

REFOCUSING ON HUD'S CORE MISSION AND MODERNIZING HUD'S APPROACH

To achieve its core mission while being a good steward of taxpayer dollars, HUD must rethink how it does business. HUD can encourage and better leverage private capital investment by right-sizing its role in the housing market. By partnering with state, local and private entities and providing more flexibilities, HUD can empower increased local decision-making. Most importantly, HUD must look within to identify ways to use its resources more effectively.

LEVERAGING PRIVATE-SECTOR PARTNERSHIPS

Local communities provide numerous examples of the success of private organizations—churches, fraternal organizations, and businesses, large and small—working with government support to positively impact communities. These partnerships are most effective when HUD and other branches of government facilitate cooperation, without hindering private initiative and economic growth. HUD will look at ways to restore local control and sponsor home-grown solutions. Many of the goals outlined in the plan, such as eliminating lead hazards, transforming public housing, and making progress towards ending homelessness, will rely on effectively leveraging private capital and forming community partnerships. To do this, HUD must reduce burdens on the recipients of HUD funding and provide greater flexibilities. These community organizations and businesses are the life-blood of the community. To achieve its goals, HUD must empower these organizations and businesses.

SUPPORTING SUSTAINABLE HOMEOWNERSHIP AND ENCOURAGING AFFORDABLE HOUSING INVESTMENTS

With the housing market strengthening, HUD must support responsible homeownership for credit-worthy borrowers who have been traditionally underserved, such as first-time and minority homebuyers, and increased private capital investment in affordable housing. HUD will also work with other Federal partners on comprehensive housing finance reform that expands the role of the private sector and reduces taxpayer exposure. HUD will also encourage Public Housing Agencies (PHAs) to seek private, state and local partnerships to leverage opportunities for additional investment and to transition Public Housing properties to more sustainable platforms. Expanding access to affordable housing on a national scale is a complex challenge that can only be achieved by maximizing private investment and empowering state and local governments to help find solutions. We must also pay attention to the opinions of the people we are trying to help.

REDESIGNING HUD'S INTERNAL PROCESSES

HUD cannot just change the way it runs its programs, it must also reimagine its internal processes. Finding and increasing efficiencies throughout the agency is key to doing more with less. Tremendous opportunity exists to improve HUD's processes, starting with modernizing the Department's information technology and then integrating technological improvements into changes in service delivery to maximize the benefits across the agency. Improving the efficiency of HUD operations will allow the best use of resources and even better implementation of Department priorities.

DEVELOPMENT OF THE STRATEGIC PLAN

STAKEHOLDER ENGAGEMENT

The Department is rethinking our business from the bottom up by engaging HUD's career professionals, the folks who know what works well and what changes we can make to be more responsive to the American people. The FY 2018-2022 Strategic Plan is informed by their views and other comments received in the development of the Government-wide Reform Plan. In particular, HUD has used such recommendations to inform the regulatory reform efforts to be undertaken over the next four years. HUD also received comments from external stakeholders via Switchboard, the Department's online idea generation platform. Prior to the final submission of this plan, the Department briefed Congressional appropriations staff. These engagements were integral to developing balanced and effective strategies for HUD.

ENTERPRISE RISK MANAGEMENT

New enterprise risk management and internal controls require annual reporting on Departmental risk at strategic, programmatic, and operational levels.¹ In FY 2017, HUD developed its first departmental risk profile and used it to inform the strategic planning process. HUD risk officers, stakeholders, and business owners continue to work together to integrate and align performance, budget, and risk management activities to better inform leadership decisions and the strategic planning process.

BUILDING THE EVIDENCE BASE

The Department is committed to evidence-based policymaking to implement cost-effective solutions that support the mission. To guide HUD policy in a changing environment, it is essential that the research function be strategic, systematic, and well-structured. Highlighted throughout the Strategic Plan FY 2018-2022 are the data and evaluations that are available to support the focus and strategies of each Strategic Objective, and the evaluations underway to fill in the gaps. The *HUD Research Roadmap FY 2014–FY 2018*² and *HUD Research Roadmap: 2017 Update*³ provide the long-term strategic framework for building the evidence base to support HUD policy development. This document identifies critical policy questions that remain unanswered and highlights relevant research investments that are still needed.

1 OMB Circular No. A-123, Management's Responsibility for Enterprise Risk Management and Internal Control (July 15, 2016).

2 See https://www.huduser.gov/portal/pdf/Research_Roadmap.pdf.

3 See <https://www.huduser.gov/portal/pdf/ResearchRoadmap-2017Update.pdf>.

HUD'S FY 2018-2022 STRATEGIC FRAMEWORK

RETHINK AMERICAN COMMUNITIES

PROMOTE ECONOMIC OPPORTUNITY

Promote economic opportunity by encouraging self-sufficiency and financial stability among HUD-assisted residents.

ENHANCE RENTAL ASSISTANCE

Enhance and reform our rental assistance programs by providing sustainable models to empower communities to address local affordable housing needs.

REDUCE THE AVERAGE LENGTH OF HOMELESSNESS

Prevent homelessness whenever possible and quickly help Americans who become homeless to ensure such experiences are brief and non-recurring.

SUPPORT SUSTAINABLE HOMEOWNERSHIP AND FINANCIAL VIABILITY

Responsibly balance our role to support homeownership while safeguarding the American taxpayer and modernizing our housing finance system.

REMOVE LEAD-BASED PAINT HAZARDS AND OTHER HEALTH RISKS FROM HOMES

Protect the health of residents by addressing lead-based paint and other health and safety hazards in housing.

REIMAGINE THE WAY HUD WORKS

ORGANIZE AND DELIVER SERVICES MORE EFFECTIVELY*

Rethink how we deliver services directly to our customers to increase consistency and accountability.

IMPROVE THE WAY WE WORK*

Improve the way we work, enhance working conditions, empower employees, and equip managers with tools and training to be successful.

STRENGTHEN FISCAL RESPONSIBILITY AND CONTROLS*

Streamline and improve financial and grants management to reduce material audit weaknesses, increase transparency, and ensure strong stewardship of Federal resources.

 These objectives include an FY 2018-2019 Agency Priority Goal.

* These objectives are HUD's FY 2018-2022 management objectives.

FY 2018-2019 AGENCY PRIORITY GOALS

Agency Priority Goals (APGs) reflect the Department's key priorities for the next two years. Through public goal setting, quarterly leadership discussions, and regular public updates, agencies have made significant progress to advance the selected mission outcomes of APGs. For FY 2018-2019, HUD will track progress on these APGs:

- ❖ **Promote economic opportunity for HUD-assisted residents** by encouraging self-sufficiency and financial stability, as measured by increasing the proportion of households who exit HUD-assisted housing for positive reasons.
- ❖ **Transform assisted housing** by transitioning 105,000 additional Public Housing units to a more sustainable platform by the end of FY 2019.
- ❖ **Reduce the average length of homelessness** in communities by an average of three days by the end of FY 2019.
- ❖ **Protect families from lead-based paint and other health hazards** by making an additional 23,500 at-risk housing units healthy and lead-safe by the end of FY 2019.

RETHINK AMERICAN COMMUNITIES



STRATEGIC GOAL: RETHINK AMERICAN COMMUNITIES

To support American communities, HUD recognizes that the solutions of the past are inadequate to meet today's challenges. Across HUD's portfolio, there are numerous opportunities to better support local innovation, give communities the flexibility needed to more quickly implement proven solutions, and invite new philanthropy, businesses, and faith-based partners to be part of those solutions. The policy objectives laid out in this plan aim to right-size HUD's role to better achieve our core mission to assist those in need and to support a path to self-sufficiency.

Every American citizen should have an equal opportunity to achieve success and prosperity through hard work, determination, and initiative. HUD is committed to giving credit-worthy borrowers — many of them prospective first-time homebuyers, including minorities and young families — an opportunity to acquire and build equity in a way that reduces risk to the American taxpayer and treats private capital like a business partner instead of an adversary. For families needing rental assistance, HUD is focused on enhancing our programs to reduce administrative burdens and improve the way we deliver assistance. This includes updating our Public Housing model so it is sustainable in the long-term. These updates will be in accordance with fair housing laws so that families and individuals can acquire housing free from discrimination. HUD will also continue helping the more than 500,000 persons experiencing homelessness⁴ rapidly move into housing. Our approach aims to use cost-effective means to make homelessness rare, brief, and a one-time experience for these individuals and families. We are also committed to working with our local partners to identify and tear down regulatory barriers that are stifling the development of affordable homes.

HUD is also doing more to connect Americans in need with resources that will allow them to live safe and financially secure lives. A new approach is required to ensure families are connected to services in their communities that put them on a path to self-sufficiency. By centralizing access to supportive services, HUD can leverage state, local, and non-profit programs to connect rental assistance recipients with the work, education, and health resources they may need. The Department will also continue to ensure homes are safe by mitigating lead-based paint hazards and other housing-related health risks.

To meet this goal, HUD will pursue these strategic objectives:

- ❖ Promote economic opportunity by encouraging self-sufficiency and financial stability among HUD-assisted residents.
- ❖ Enhance and reform our rental assistance programs by providing sustainable models to empower communities to address local affordable housing needs.
- ❖ End homelessness by preventing it whenever possible and quickly helping Americans who experience a housing crisis to ensure such experiences are brief and non-recurring.
- ❖ Balance our role to support homeownership while safeguarding the American taxpayer and modernizing our housing finance system
- ❖ Protect the health of residents by addressing lead-based paint and other health and safety hazards in housing.

⁴ Each year, more than 3,000 cities and counties conduct a "Point-in-Time" (PIT) count to estimate the scope of homelessness on a single night in January. Data from January 2017 show 553,742 people were experiencing homelessness.

PROMOTE ECONOMIC OPPORTUNITY

Promote economic opportunity by encouraging self-sufficiency and financial stability among HUD-assisted residents.

- ★ **Agency Priority Goal for FY 2018-19:** Promote economic opportunity for HUD-assisted residents by encouraging self-sufficiency and financial stability, as measured by increasing the proportion of households who exit HUD-assisted housing for positive reasons. ★

Objective

Although HUD has long understood that the core work of the agency is centered on housing American families, we must endeavor to connect program participants with supportive services to close education and employment gaps that prevent them from achieving self-sufficiency. HUD will leverage partnerships with other Federal agencies, states, localities, businesses and non-profits to help HUD-assisted residents find a path to financial stability.

The goal is to create a clear path to self-sufficiency and reduce the need for HUD assistance. HUD must focus on the educational and work preparedness outcomes of participants by expanding and aligning existing economic self-sufficiency programs. HUD has achieved results through coordinated efforts with local partners, particularly through cross-program and interagency collaboration that focuses on place-based outcomes. The agency will seek to expand this coordination by creating community-based EnVision Center networks and improving access to supportive services at the local level. HUD will create low-cost, sustainable models for short- and long-term educational and work outcomes that lead to self-sufficiency, as well as connecting participants to financial and credit literacy programs via private and public partners. We are committed to measuring success based on how many graduate from our programs in a financially stable position, rather than determining success based on how many people we are enrolling in them.

Strategies

- ❖ **Create EnVision Center network** to improve access and delivery of supportive services to American families through public and private partners.
- ❖ **Assess and promote economic self-sufficiency programs** including Jobs Plus, Family Self Sufficiency, and Section 3 to serve more PHAs. HUD will explore options to expand these services to residents of Multifamily properties. HUD will strengthen the effectiveness and monitoring of Section 3 requirements to encourage employment of assisted and low-income individuals in HUD-funded housing and community development construction projects.
- ❖ **Provide targeted outreach on supportive services for education.** Using HUD and Federal Student Aid (FSA) matched data, HUD will provide targeted outreach to raise awareness about higher education, financial aid, and education navigation services. HUD will continue to promote the use of local data-sharing agreements between school systems and HUD-assisted housing to target services.
- ❖ **Leverage partnerships** with other Federal and local agencies, non-profits, and private businesses to increase participation by HUD-assisted households in work and job training programs.

LEADING THE OBJECTIVE

Objective Lead

David Byrd
Senior Advisor
Office of the Secretary

Contributing Programs

Family Self-Sufficiency (FSS); Jobs Plus;
Connect Home

External Partners

Department of Labor, Department of Education, Department of Agriculture, Small Business Administration, Department of Commerce

Metrics

To track our progress toward this objective, HUD will use these performance indicators:

- ❖ **Proportion of households exiting assisted housing for positive reasons**
This measure will track the percentage of households who exit HUD-assisted housing for positive reasons as a proportion of all exits. This data will come from new tracking in Public Housing, Housing Choice Vouchers, and Multifamily Housing programs. Positive reasons will be defined in the new data collection process, but will include increases to household income.
- ❖ **Percentage of work-able households exiting assisted housing with low subsidy needs**
This measure will track the percentage of households who leave Section 8 assistance with their income-based subsidies at or near zero. Such low subsidies imply that household incomes have increased to the extent that market-based housing is within reach.
- ❖ **Median percentage change of income of individuals who complete an economic development program**
This measure will track income growth among households who participate in HUD economic development programs such as FSS, Jobs Plus, and EnVision Centers.

Evidence

HUD is currently conducting rigorous evaluations of the two primary programs to remove work disincentives and improve self-sufficiency among assisted tenants: Family Self-Sufficiency (FSS) and Jobs Plus. A forthcoming 2018 evaluation will provide further evidence about the effectiveness of many FSS programs in a diverse set of cities and local contexts. HUD is assessing the effectiveness of Jobs Plus in the 24 replication sites funded since 2014, to examine the implications of the program's Earned Income Disregard on work and income-reporting behavior and to assess the long-term impacts of the original model.

Today, HUD does not consistently track data on why residents leave housing assistance, which limits the Department's ability to assess existing administrative data on the impact of housing as a platform to self-sufficiency. HUD must conduct further evaluation on the reasons for housing assistance exits and outcomes after exit. The proposed FY18 research projects, *Community Service and Self-Sufficiency Requirement and Reasons for Housing Assistance Exits and Outcomes After Exit*, would shed further light on the outcomes of assisted households and what PHAs are doing to connect them to supportive services.

ENHANCE RENTAL ASSISTANCE

Enhance and reform our rental assistance programs by providing sustainable models to empower communities to address local affordable housing needs.

★ **Agency Priority Goal for FY 2018-19:** Transform assisted housing by transitioning 105,000 additional Public Housing units to a more sustainable platform by the end of FY 2019. ★

Objective

HUD provides rental assistance to more than 5.6 million low-income households through 21 programs, including programs for elderly residents and individuals with disabilities. Rental housing reforms are necessary to provide sustainable and reliable assistance. HUD will 1) develop and implement a comprehensive strategy for addressing the current and future needs of the public housing program that is more responsive to local communities, 2) create a rental reform package to simplify tenant rent calculations and restructure related incentives, and 3) align and streamline administration of rental assistance programs to better serve HUD residents and stakeholders.

The Public Housing program provides affordable housing to nearly one million families nationwide. The current structure and fiscal constraints of the program limit the flexibility of Public Housing Agencies (PHA) to efficiently operate housing, minimize costs, and provide access to critical resources to recapitalize the portfolio. Through a comprehensive strategy for addressing the current and future needs of the Public Housing program, HUD will propose reforms to maximize rental assistance cost-effectiveness and PHA regulatory flexibility. It will also create opportunities to leverage private capital to rehab these properties and move units to a more sustainable platform. We are also committed to working with our local partners to identify and tear down regulatory barriers that are stifling the development of affordable homes.

The current, burdensome system of determining tenant rents based on complicated income calculations often results in inaccurate income reporting, discourages increased earning, and may discourage stable family formation. Further critical updates are needed to streamline program administration. HUD will propose new methods of calculating and managing tenant rents that address these issues and promote resident economic self-sufficiency. Reducing this burden will help multifamily property owners and PHAs shift their focus to helping families get on a path to economic independence. In addition, the rent reform proposals will promote self-sufficiency and lead to increased economic opportunity as described under the objective to Promote Economic Opportunity.

Strategies

- ❖ **Engage with residents, PHA management, and industry thought leaders** on different rental housing program structures and rent calculations. This engagement will occur through public comment, listening sessions, and other meetings across the country.
- ❖ **Improve long-term affordable housing options** by encouraging Public Housing Authorities to transition Public Housing units with unmet capital needs to a more sustainable platform.
- ❖ **Develop a legislative proposal** that modifies the rental calculation system to encourage work and stable family formation, simplifies administration, improves fiscal sustainability, and increases local control and choice.

LEADING THE OBJECTIVE

Objective Lead

Dominique Blom
*General Deputy Assistant Secretary for
Public and Indian Housing*

Contributing Programs

Housing Choice Vouchers, Project-Based
Rental Assistance, Public Housing, Rental
Assistance Demonstration

Metric

To track our progress toward this objective, HUD will use this performance indicator:

❖ **Number of Public Housing units transitioned to a sustainable funding platform**

The measure will track the number of Public Housing units transitioned through the Rental Assistance Demonstration (RAD), Section 18 Demolitions and Dispositions, Voluntary Conversions, and Declaration of Trust releases.

Evidence

Every two years, HUD releases a focused report on American renter households experiencing Worst Case Housing Needs, which presents data on the number of unassisted renter households making less than 50% of area median income and paying more than half of their income on rent or having severely inadequate housing. Worst case housing needs increased during 2013–2015 to affect 8.3 million very low-income renter households. Only 62.0 rental units are affordable and available for every 100 very low-income renters, and only 37.7 units are affordable and available for every 100 extremely low-income renters.⁵

PD&R is currently producing outcomes analyses for two landmark studies: The Rent Reform Demonstration and the Rental Assistance Demonstration. HUD's Rent Reform Demonstration is designed to test an alternative to the current HUD-assisted rent structure using a randomized controlled trial to assess its effect on the employment, earnings, and hardship of the residents who rely on housing vouchers. The Rental Assistance Demonstration is designed to provide PHAs with new options for preserving public housing units, by converting them to the more financially sustainable project-based Section 8 assisted housing platform. These are important studies for the development of the rent reform proposals and determining the most cost-effective ways to achieve rental assistance program objectives.

The Rent Reform Demonstration is designed to test an alternative to the current rent-setting system for families using housing choice vouchers (HCV). The goals of the alternative rent-setting model are to incentivize employment and reduce the complexity and burden (and thus the cost) of administering the rent policy, while not causing unnecessary hardship for HCV households. The study team, public housing agencies (PHAs), and HUD collaboratively designed the alternative rent model that is being tested at four local Moving to Work (MTW) PHAs with 6,600 participating HCV assisted households using a rigorous random assignment design. The four participating PHAs are the District of Columbia Housing Authority, Lexington Housing Authority, Louisville Metropolitan Housing Authority, and San Antonio Housing Authority. In October 2017, HUD published *Reducing Work Disincentives in the Housing Choice Voucher Program: Rent Reform Demonstration Baseline Report*, which provides a detailed explanation of the alternative rent model, a description of the demonstration implementation, and an outline of the preliminary baseline information and survey data that has already been gathered from the assisted families participating in the study.

The Moving to Work (MTW) Demonstration, which gives a select group of PHAs administrative flexibility to achieve goals of cost efficiency, client self-sufficiency, and increasing housing choice, provides the opportunity to test innovative rental assistance strategies. Previous analysis of whether tenants



⁵ Very low-incomes are those incomes of no more than 50 percent of Area Median Income (AMI) and extremely low-incomes are those incomes of no more than 30 percent AMI—typically below the poverty line. HUD-PD&R 2017. “Worst Case Housing Needs: 2017 Report to Congress.” <https://www.huduser.gov/portal/sites/default/files/pdf/Worst-Case-Housing-Needs.pdf>

benefit from this program have shown mixed results. HUD commissioned a retrospective evaluation to increase understanding of the effectiveness of MTW's initiatives on achieving the statutory goals of the program; that evaluation is expected to be completed in late 2018. Additional research is currently being planned in conjunction with the MTW expansion authorized by the FY 2016 Appropriations Act. These evaluations will study specific policy changes introduced in separate cohorts of the 100 new MTW PHAs, with an emphasis on understanding impacts on small- and moderately-sized PHAs.

REDUCE THE AVERAGE LENGTH OF HOMELESSNESS

Prevent homelessness whenever possible and quickly help Americans who become homeless to ensure such experiences are brief and non-recurring.

- ★ **Agency Priority Goal for FY 2018-19:** Reduce the average length of homelessness in communities by an average 3 days by the end of FY 2019. ★

Objective

Today's housing affordability crisis creates additional headwinds for families experiencing homelessness who are trying to get back on their feet. This is especially true in rural communities and some West Coast communities that are losing ground.⁶ To meet the goal of making progress towards ending homelessness, our solutions must become more tailored to the geographic, economic, and service needs of families and individuals.

The proof exists that we can end homelessness. To date, more than 60 communities and three states have declared an effective end to veteran homelessness; three communities have ended chronic homelessness. HUD will continue targeting homeless resources and other mainstream housing resources, and coordinating with local governments, businesses, and philanthropies. Using lessons from the work on veteran homelessness, these strategies will also be applied to all people experiencing homelessness. We will continue to learn from local communities that are rolling out innovative, cost-effective solutions and highlight these best practices. HUD will apply these lessons while enforcing federal fair housing and nondiscrimination laws and requirements to ensure all individuals and families experiencing homelessness, including vulnerable subpopulations, have equal access to HUD resources and other housing opportunities.

LEADING THE OBJECTIVE

Objective Lead

Neal Rackleff
Assistant Secretary for
Community Planning and Development

Contributing Programs

Continuum of Care Program; Emergency Solutions Grants; HUD-VA Supportive Housing; Public Housing; Housing Choice Vouchers; Multifamily Housing Programs

External Partners

US Interagency Council on Homelessness, Department of Veteran Affairs, Department of Labor

Strategies

- ❖ **Create an unsheltered homelessness strategy** that targets technical assistance and other resources to communities that have had large increases in unsheltered homelessness.
- ❖ **Implement cost-effective strategies** across Continuum of Care (CoC) and other HUD-assisted housing resources that target resources to those with the highest need.
- ❖ **Build capacity in rural communities** to coordinate services and increase access for persons experiencing homelessness.
- ❖ **Target HUD-VA Supportive Housing (HUD-VASH)** to the most vulnerable veterans experiencing homelessness.

Metrics

To track our progress toward this objective, HUD will use these performance indicators.

- ❖ **Length of homelessness**

This measure will track the national average length of homelessness in Continuums of Care.

⁶ Among the 50 CoCs with the highest one-year increases in count in the 2017 PIT count, 10 of those represented Balance of State CoCs, which are areas not covered by other continuums in large states and typically very rural. Another 20 of those CoCs were located in California, Oregon, or Washington state; Los Angeles alone saw a one-year increase of 11,334 people experiencing homelessness in the 2017 PIT count.

❖ **Number of people experiencing homelessness**

This measure will track the number of people experiencing homelessness in the Point-in-Time (PIT) count, a count taken on a single night in January each year.

❖ **Number of people experiencing unsheltered homelessness**

This measure will track the number of people experiencing unsheltered homelessness in the Point-in-Time (PIT) count.

Evidence

HUD recently published a report on three-year follow up outcomes from the Family Options Study, a rigorous national evaluation of programs for families experiencing homelessness that demonstrated the power of priority access to deep housing subsidies to significantly reduce subsequent homelessness for families and improve their overall well-being.⁷ These findings support the approach of HUD-VASH to help the most vulnerable veterans. The recently completed HUD-VASH Exit study and the Veterans Homelessness Prevention Demonstration further support the critical interagency partnerships and show that HUD, VA, and DOL can serve veterans at-risk of and experiencing homelessness by working together to combine housing, case management, and employment services.⁸

HUD's current research portfolio is designed around enhancing the capacity to meet a diverse set of needs and maximize use of available resources. PD&R is currently launching a study of technical assistance (TA) efforts to better understand how we can maximize the use of valuable TA resources in the future. HUD's national study of the implementation and outcomes of the Rapid Re-Housing program also will be used to inform communities who deploy these housing resources.

HUD is currently evaluating a range of innovative program models designed to meet the needs of key populations of interest. In partnership with the Department of Justice, HUD launched a Pay-for-Success demonstration designed to leverage external resources in providing permanent supportive housing to high-need, high-cost users of both the homeless assistance and justice systems. Additionally, in recognition of the growing need for services tailored to young adults and unaccompanied minors HUD is evaluating the Youth Homelessness Demonstration program, a unique partnership with leading community-based service providers across the country. We will use evidence to determine which programs and models to support.

7 Family Options Study 3-Year Impacts of Housing and Services Interventions for Homeless Families, https://www.huduser.gov/portal/family_options_study.html.

8 Veterans Homelessness Prevention Demonstration, <https://www.huduser.gov/portal/sites/default/files/pdf/veterans-homelessness-prevention-report.pdf>.

SUPPORT SUSTAINABLE HOMEOWNERSHIP AND FINANCIAL VIABILITY

Balance our role to support homeownership while safeguarding the American taxpayer and modernizing our housing finance system.

Objective

The Federal Housing Administration (FHA) has long been a valuable source of affordable mortgage credit for first-time homebuyers. HUD continues to work with other Federal agencies, Congress, experts, and industry leaders to build a housing finance system that generates opportunity for Americans. HUD aims to help households acquire and build equity in homes they can afford, while strengthening FHA in order to safeguard taxpayers and ensure that it remains a sustainable source of affordable mortgage credit for first-time homebuyers. HUD must balance this important mission with the need to remain financially and structurally viable in the future as part of a modern housing finance system, by bolstering the quality and sustainability of FHA mortgage insurance and lending in partnership with the Government National Mortgage Association (Ginnie Mae), whose guaranty provides access to global capital and makes mortgages more affordable for millions of Americans.

HUD will modernize and reform its approach to serving the nation’s housing market through FHA by ensuring that our programs make sustainable homeownership possible for borrowers, work effectively for lenders, and are fiscally responsible. It will build a strong capital framework to enable FHA to withstand adverse economic conditions without relying on support from U.S. taxpayers. It will also launch a comprehensive review of lending and loan servicing standards and protocols, implement systems modernization, and undertake other reforms to ease needless, redundant or burdensome regulations. Providing clarity, certainty, and transparency in FHA’s business processes will benefit borrowers, lenders, and taxpayers.

HUD will support the Administration’s efforts to enact broader housing finance reform. Reforms will help build a modern housing finance system that reduces taxpayer risk while providing responsible borrowers, prepared for homeownership, access to affordable mortgage financing. Ginnie Mae’s expertise and capabilities as the administrator of a federal backstop for \$2 trillion in mortgage-backed securities can help inform the housing finance policy discussion.

Strategies

- ❖ Work with stakeholders and Congress to **pursue housing finance reform** that reduces the risk to taxpayers and expands the role of private capital and markets.
- ❖ **Modernize FHA underwriting guidelines, lending standards, and servicing protocols** to serve the needs of borrowers seeking sustainable homeownership, protect taxpayers, and ensure the stability of the program. This will include improvements to the Home Equity Conversion Mortgage (HECM) and Ginnie Mae guaranteed mortgage-backed securities (HMBS) programs.
- ❖ **Expand collaboration between FHA and Ginnie Mae** to develop a “One HUD” approach to maximize the benefits of both programs and enhance risk management. This will happen alongside the Ginnie Mae 2020 Plan to maintain the Ginnie Mae program as the premier federal mortgage-backed security backstop to provide low-cost financing for borrowers.

LEADING THE OBJECTIVE

Objective Lead

Dana Wade
*General Deputy Assistant Secretary for the
 Office of Housing*

Contributing Program(s)

Federal Housing Administration, Office of
 Housing, Government National Mortgage
 Association

Metrics

To track our progress toward this objective, HUD will use these performance indicators:

- ❖ **Capital Reserve Ratio**
This measure compares the “economic net worth” of the Mutual Mortgage Insurance (MMI) Fund to the dollar balance of active, insured loans at a point in time.
- ❖ **Early Payment Default Rate**
HUD will make sustainable loans that borrowers can afford. Early Payment Defaults (EPDs) occur when borrowers become 90 days or more delinquent on their FHA-insured mortgages within the first six payments. This measure is reflective of the credit quality of new endorsements and serves as an important early indicator of mortgage performance.
- ❖ **Percentage of new FHA-insured single-family mortgages that are first-time homebuyers**
This measure computes the percentage of FHA single-family originations for which the borrower is a first-time homebuyer.
- ❖ **FHA market-share of single-family mortgage originations (purchase, refinance, and total)**
This measure tracks the share of the mortgage market for FHA in order to monitor FHA’s role in the housing market and potential crowding out of private capital.
- ❖ **Higher Risk Loans**
This measure will monitor the percentage of loans with higher risk features. Metrics include the share of FHA purchase loans with debt to income (DTI) ratios of >50% or with down payment assistance (DPA) and the share of FHA refinances that include cashouts.
- ❖ **Housing Counseling**
HUD will determine appropriate metrics for measuring the effectiveness of its housing counseling program, and will begin a new data collection to establish a baseline.

Evidence

HUD’s office of Policy Development and Research (PD&R) produces quarterly reports on U.S. Housing Market Conditions and the monthly National Housing Scorecard to document the status of housing markets.⁹ Each year, the Department also prepares the *Annual Report to Congress Regarding the Financial Status of the Mutual Mortgage Insurance Fund*, which provides an important window for Congress and the American taxpayer into the financial performance of FHA. HUD recently published *First-time Homebuyer Education and Counseling Demonstration: Early Insights*, which documents the successful implementation of the first national experiment of homebuyer education and counseling. Reports on short-term impacts are being developed, and it will be possible to measure longer term impacts based on the rigorous design of the evaluation.

⁹ <https://www.huduser.gov/portal/ushmc/home.html>.

REMOVE LEAD-BASED PAINT HAZARDS AND OTHER HEALTH RISKS FROM HOMES

Protect the health of occupants by addressing lead-based paint and other health and safety hazards in housing.

★ **Agency Priority Goal for FY 2018–19:** Protect families from lead-based paint and other health hazards by making an additional 23,500 at-risk housing units lead-safe by the end of FY 2019. ★

Objective

HUD’s goal is to address lead-based paint and other health and safety hazards in housing for families and children. Through its programs, HUD has made nearly 400,000 homes lead-safe, contributing to a significant decline in blood-lead levels among US children in the past decade. Young children are especially at risk for the harmful effects of lead, to which even low-level exposure can increase the likelihood of behavioral problems, learning disabilities, seizures and in extreme cases, death. Today, our work must continue its focus on eliminating significant lead-based paint hazards that are present in an estimated 23 million American homes, including 1.1 million that house low-income families with one or more children under age 6.¹⁰

HUD’s programs will also address additional health hazards and safety risks, such as asthma triggers, mold and moisture, and residential soil contamination.¹¹ Medical expenses associated with asthma are estimated to be \$50 billion annually.¹² Older Americans are also vulnerable to fall-related injuries, with most falls occurring in the home.¹³ In fact, each year, 2.4 million seniors have an initial emergency department visit for injuries resulting from a fall.¹⁴ The cost associated with injuries from falls by seniors is projected to rise by nearly \$60 billion by 2020. Communities are struggling to meet the health and safety-related housing needs of at-risk households. HUD will leverage its public-private partnerships and relationships in the health community to maximize the impact of its lead-safe and health housing investments. HUD studies have identified eight healthy housing principles: housing should be dry, clean, pest-free, safe, contaminant-free, well ventilated, well maintained, and thermally controlled. To meet these objectives, HUD will work assiduously to overcome any challenges to ensure that American homes are safe and healthy.

Strategies

- ❖ **Increase community awareness of lead and other health and safety hazards in homes** to increase participation in HUD and stakeholder programs and services.
- ❖ **Align and enforce HUD-assisted housing inspections and mitigation measures** to consistently address housing-related health and safety hazards across HUD-assisted housing programs.

LEADING THE OBJECTIVE

Objective Lead

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

Contributing Programs

Lead-Based Paint Hazard Control; Lead Hazard Reduction Demonstration; Healthy Homes

External Partners

Department of Health and Human Services, Environmental Protection Agency, Department of Agriculture

10 Dewalt G, Cox D, O’Haver R, et al. Prevalence of Lead Hazards and Soil Arsenic in U.S. Housing. *Journal of Environmental Health*. 78(5):22-29, December 2015. www.neha.org/node/6429.

11 HUD-EPA Memorandum of Understanding Regarding Improving Communication About Certain Public and HUD-Assisted Multifamily Housing Near Superfund Sites. January 11, 2017. www.hudexchange.info/news/hud-entered-into-mou-with-epa-regarding-improving-communication-about-certain-public-and-hud-assisted-multifamily-housing-near-superfund-sites/.

12 Barnett SB and Nurmagambetov TA. Costs of Asthma in the United States: 2002–2007. *Journal of Allergy and Clinical Immunology*. 127(1):145–152, January 2011. www.ncbi.nlm.nih.gov/pubmed/21211649.

13 Bergen G, Chen LH, Warner M, and Fingerhut LA. Injury in the United States: 2007 Chartbook. Centers for Disease Control and Prevention (CDC) National Center for Health Statistics. 2008. www.cdc.gov/nchs/data/misc/injury2007.pdf.

14 CDC National Center for Injury Prevention and Control. Web-based Injury Statistics Query and Reporting System (WISQARS). Accessed August 15, 2013. www.cdc.gov/injury/wisqars/.

- ❖ **Design and deliver targeted lead and healthy homes programs** through improvements in data quality and access.
- ❖ **Leverage HUD's relationships with stakeholders across public and private sectors** to maximize the impact of every dollar invested in lead, health, and safety activities.
- ❖ **Advance the research agenda on the effects, evaluations and control of lead** and other health and safety hazards in housing and the impacts on tenant health.

Metrics

To track our progress toward this objective, HUD will use these performance indicators.

- ❖ **Number of at-risk housing units made healthy and lead-safe**
This measure will track the number of targeted housing units made safe through Lead-Based Paint Hazard Control, Lead Hazard Reduction Demonstration, Healthy Homes grants, and enforcement activities.
- ❖ **Prevalence of children with elevated blood levels in communities with Lead Hazard Control grants**
This measure will track the prevalence (number or percentage TBD) of children from birth to age 5 exposed to lead in targeted, high-risk communities (i.e., communities where lead hazard control grant work is being conducted), and the overall reduction over time.

Evidence

Analysis by HUD and the Centers for Disease Control and Prevention (CDC) of HUD tenant data linked with health survey data shows that children ages 1–5 who lived in HUD-assisted housing in 2005–2012 had lower lead blood levels than expected given their demographic, socioeconomic, and family characteristics,¹⁵ suggesting that HUD implementation of its lead hazard control regulations is effective in reducing exposure among children. A current PD&R in-house research effort using HUD's American Housing Survey and Census's American Community Survey data shows it is possible to identify neighborhoods with elevated risk for lead exposure, especially among children from birth to age 5. Such analysis has potential to improve targeting of HUD's lead hazards grants and funded mitigation activities.

The cost from asthma triggered by residential dampness and mold is approximately \$3.5 billion annually.¹⁶ Reducing household allergens, which contribute to or trigger asthma and allergies, results in a return of \$5.30-16.50 for every \$1 invested in mitigation and prevention.¹⁷

Extensive studies have been conducted on the growing problem of senior falls (e.g., highlighting that falls are the leading cause of non-fatal injuries for those 65 years of age or older, with 2.4 million seniors having an initial emergency department visit for injuries from a fall annually¹⁸). The 2017 OLHCHH report, *Overcoming Obstacles to Policies for Preventing Falls by the Elderly Final Report*, recommends a range of ways for HUD and other government and philanthropic entities to help communities implement coordinated care policies and programs.

HUD also supports numerous research activities through contracts, partnerships, and OLHCHH Technical Studies grant programs. These grants and partnerships fund research to improve the efficacy and cost-effectiveness

15 See Ahrens KA, Haley BA, Rossen LM, Lloyd PC, and Aoki Y. (2016). Housing assistance and blood lead levels in children in the United States, 2005–2012. *American Journal of Public Health*, 106 (11):2049–2056. <http://ajph.aphapublications.org/doi/10.2105/AJPH.2016.303432>.

16 Mudarri D and Fisk WJ. Public health and economic impact of dampness and mold. *Indoor Air*. 17(3):226-35. 2007. <http://onlinelibrary.wiley.com/doi/10.1111/j.1600-0668.2007.00474.x/full>.

17 Nurmagambetov TA et al. Economic Value of Home-Based, Multi-Trigger, Multicomponent Interventions with an Environmental Focus for Reducing Asthma Morbidity: A Community Guide Systematic Review. *American Journal of Preventive Medicine*. 41(2S1):S33– S47. 2011. www.thecommunityguide.org/asthma/supportingmaterials/Asthma%20Econ.pdf or [www.ajpmonline.org/article/S0749-3797\(11\)00314-X/fulltext](http://www.ajpmonline.org/article/S0749-3797(11)00314-X/fulltext).

18 CDC National Center for Injury Prevention and Control. Web-based Injury Statistics Query and Reporting System (WISQARS). Accessed August 15, 2013. www.cdc.gov/injury/wisqars/.

of methods for evaluation and control of residential lead-based paint and other housing-related health and safety hazards and site contamination hazards. HUD will use the findings from these studies to help improve and refine its approach towards achieving these goals.

REIMAGINE THE WAY HUD WORKS



STRATEGIC GOAL: REIMAGINE THE WAY HUD WORKS

HUD provides many crucial services to our nation and employs highly motivated people who want their work to have the greatest impact possible. Yet due to outdated technology, business processes, and structures, an employee's work is sometimes harder to accomplish than it should be. Both customers and employees have expressed a desire for HUD to be more efficient, agile, and responsive.

To meet this need, HUD will develop an enterprise-wide approach to employee empowerment and customer service that allows for fast and long-lasting change to its processes. A focus will be on enhancing fiscal controls to reduce waste without reducing service. Empowered employees, clear communication, and enhanced controls are all crucial to mission delivery. To better serve the American public, HUD must reimagine the way it does business.

To meet this goal, HUD will pursue these strategic objectives:

- ❖ Rethink how we deliver services directly to our customers to increase consistency and accountability.
- ❖ Improve the way we work, enhance working conditions, empower employees, and equip managers with tools and training to be successful.
- ❖ Streamline and improve financial and grants management to reduce material audit weaknesses and increase transparency, to ensure strong stewardship of Federal resources.

These strategies, focused on human capital, financial management, information technology, internal controls and other services, will serve as HUD's management objectives.¹⁹

¹⁹ The Office of Management and Budget (OMB) encourages agencies to "establish management-focused objectives that reflect key priorities of the agency, such as a significant effort to improve performance across the organization," (OMB Circular No. A-11, Section 230-7). More information about these requirements can be found at: https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/assets/a11_current_year/s230.pdf

ORGANIZE AND DELIVER SERVICES MORE EFFECTIVELY

Rethink how we deliver services directly to our customers to increase consistency and accountability.

Objective

HUD will examine interdependencies among HUD programs, customer needs, and employee expertise to determine the optimal geographic distribution of staff. Alignment of program management will prevent gaps and overlaps in responsibility while streamlining coordination. HUD will also examine and better align delegations of authority to improve program effectiveness. HUD will explore ways to strengthen communication among program offices in headquarters and the field, as the field is key to HUD's success. The Department will implement human capital improvements to ensure HUD attracts, trains, and retains an efficient workforce with an accountability structure that accomplishes its mission. Additionally, the Department will improve technologies to allow staff to use their time and skills to achieve HUD's mission. HUD will adopt a future grants management strategy that combines related programs and automates activities, freeing resources to enforce strong program oversight.

The Department plans to use data-driven decision-making to streamline service delivery and how we are organized. This will include establishing clearly defined program goals, roles, and individual responsibilities for outcomes. These operational improvements will encourage innovation, increase collaboration, bolster internal controls, and better enable HUD to deliver services to its customers.

LEADING THE OBJECTIVE

Objective Lead

Pat Hoban-Moore
Field Office Director, Birmingham, AL

Strategies

- ❖ Implement recommendations that emerge from a current state assessment to **determine the optimal service delivery structure** required to meet customer needs in the field, while closing key gaps in HUD's current structure and empowering frontline program execution.
- ❖ **Develop talent management strategies** to support workforce reshaping initiatives, and knowledge transfer through succession planning and training and leverage human capital analytics.
- ❖ **Improve the hiring and human capital functions** to reduce average time-to-hire and improve the quality of hires, to ensure HUD attracts, trains, and retains an efficient workforce with an accountability structure that accomplishes our mission.
- ❖ **Improve utilization of data** by streamlining HUD's data collection processes, creating common data definitions, and ensuring only necessary data are collected and reported.
- ❖ **Promote innovative IT service delivery**, including modernizing IT infrastructure to enable on-the-ground staff to enhance program execution.
- ❖ **Consolidate and streamline application processes** for programs that experience little change in their pools of grantees from year-to-year. This will reduce staff time spent on processing Notices of Funding Availability by supporting biennial grantee re-certifications.²⁰

²⁰ Grantees are currently required to reapply annually for competitive and non-competitive formula grants.

Metrics

To track our progress toward this objective, HUD will use these performance indicators:

- ❖ **Number of HUD mainframe systems decommissioned**

This measure will track the number of HUD mainframe systems that are decommissioned; after necessary data are transferred and standardized into HUD's new cloud-based Enterprise Data Warehouse.

- ❖ **Average of Employee IT Survey Satisfaction Score**

This measure will track employee satisfaction and feedback through an IT customer survey.

- ❖ **Number of Enterprise IT Solutions Implemented**

This measure will track the number of enterprise-wide IT solutions that are implemented to streamline manual or cumbersome processes.

- ❖ **Human Capital Dashboard and Customer Satisfaction Surveys**

This measure will track the average time it takes to hire employees and provide analyses of current and historical data for the Department to inform Talent Management strategies and decisions regarding the workforce.

Evidence

HUD has a history of utilizing partner satisfaction surveys to measure service delivery outcomes for eight partner groups such as housing providers, cities, lenders, and grantees.²¹ HUD will explore new mechanisms to obtain timely customer feedback while meeting Paperwork Reduction Act requirements and limiting burden on partners.

21 See "Partner Satisfaction With HUD's Performance: 2010 Survey Results and Trends Since 2005," https://www.huduser.gov/portal/publications/polleg/partnersatis_2011.html; "Partner Satisfaction with HUD's Performance" (2006), <https://www.huduser.gov/portal/publications/polleg/partnersatis.html>; "How's HUD Doing: Agency Performance as Judged by Its Partners" (2001), https://www.huduser.gov/portal/publications/polleg/how_hud.html; and indicator E.16 in HUD FY 2008 Performance and Accountability Report.

IMPROVE THE WAY WE WORK

Improve the way we work, enhance working conditions, empower employees, and equip managers with tools and training to be successful.

Objective

Employee morale and ability to communicate with one another is crucial to mission delivery and enhanced work products. HUD will continue to increase transparency through communication and collaboration, clarifying roles and processes, enhancing employee engagement, and building trust. These efforts will lead to improved customer service and, eventually, better outcomes in American communities.

LEADING THE OBJECTIVE
<p>Objective Lead</p> <p>Suzanne Tufts</p> <p><i>Assistant Secretary for Administration</i></p>

HUD plans to develop a diverse, skilled, and accountable workforce that supports the Department’s current and future business needs. Managers will be held accountable for providing employee feedback, timely addressing performance and conduct deficiencies, fulfilling their EEO responsibilities as managers and employees of HUD, and ensuring meaningful differentiation in employee ratings based on relative performance. By providing employees with continuous learning and developmental opportunities, clear performance expectations, and opportunities for collaboration, HUD will foster an enhanced culture of accountability and performance to better serve the American public.

HUD also plans to modernize work environments within HUD offices to enhance employee morale and productivity.

Strategies

- ❖ **Model a culture of accountability** through enhanced employee performance management and assistance for managers in handling conduct and performance challenges.
- ❖ **Expand leadership development opportunities** across all levels through rotations, key project assignments, and development programs. Expand employee development opportunities to strengthen core and mission-critical occupational competencies.
- ❖ **Identify and close existing and emerging competency gaps** with effective human capital interventions designed to facilitate fulfilling agency vital mission imperatives and performance objectives.
- ❖ **Increase trust, engagement, and transparency** in the department through clear communications of strategic efforts and departmental decisions, as well as supportive collaboration to accomplish our mission.
- ❖ **Modernize the space within HUD buildings** to enhance employee productivity. Such improvements will focus on improving the employees’ physical environment and enhancing collaboration.
- ❖ **Equip employees with the tools they need to succeed**, including laptops and dual monitors.

Metrics

To track our progress toward this objective, HUD will use these performance indicators:

- ❖ **Number of competency gaps reduced across the Department**
This measure will monitor and track the competency gaps closed, the effectiveness of the human capital interventions employed to close competency gaps, and the relationship between competency gap closure and improved organizational performance.
- ❖ **Number of useable square feet (USF) reduced**
This measure will track the reduction in the amount of space occupied by HUD nationwide.

❖ **InCompass performance management data**

This measure will track the number of managers who provide timely performance evaluations and successfully entered that information into our management tool, InCompass.

❖ **Engagement and performance metrics**

This measure will track metrics, as detailed in the Human Capital Operating Plan (HCOP), on leadership and employee development and learning opportunities, performance-related training for managers/supervisors, and performance-based actions.

❖ **Number of pre-complaint resolutions occurring through traditional counseling, withdrawals, and the Alternate Dispute Resolution process**

This measure will seek to increase the number of pre-complaint resolutions occurring through the Alternate Dispute Resolution process.

Evidence

Employee satisfaction surveys are the primary tool for tracking employee outcomes. HUD's employee survey efforts²² have been conducted by the Office of Personnel Management, migrating from Organizational Assessment Surveys to the government-wide annual FEVS.²³ The FEVS measures the degree to which employees' morale, productivity, and satisfaction with training and career development opportunities improve. OCHCO conducts cyclical analyses of competencies essential for leadership positions, cross-cutting core skills requirements, and mission critical occupations (MCO), to identify and measure progress in closing gaps and to inform development needs at all levels.

²² See for example indicator 5.1.1 in HUD FY 2001 Performance and Accountability Report.

²³ For the EVS, see <https://www.opm.gov/policy-data-oversight/data-analysis-documentation/employee-surveys/>

STRENGTHEN FISCAL RESPONSIBILITY AND CONTROLS

Streamline and improve our financial and grants management to reduce material audit weaknesses and increase transparency, to ensure strong stewardship of Federal resources.

Objective

HUD plans to ensure strong stewardship of federal resources by streamlining and improving its financial and grants management. The Department will enhance financial resource management by re-engineering business processes and improving internal controls that impact financial reporting. Expanded efforts will address the challenges associated with dated IT infrastructure through increased use of shared service providers across business-line owners.

Strategies

- ❖ **Coordinate with the Office of the Inspector General (OIG)** to help determine the overarching issues driving audit findings and material weaknesses. Coordination will clearly define HUD’s baseline for addressing overarching issues and develop solutions for their remediation. HUD will focus remediation activities on the issues that have the greatest impact on the ability to obtain a clean audit opinion, and will develop, implement, and monitor the execution of detailed corrective action plans.
- ❖ **Move towards a standardized grants management process** and a single grants management system with an interface that is integrated with the financial system.

Metrics

To track our progress toward this objective, HUD will use these performance indicators:

- ❖ **Reduce significantly overdue audit recommendations**
HUD will seek to reduce the amount of outstanding significantly overdue audit recommendations (i.e., findings for which corrective actions have been delayed by a year or more). The goal for FY18 is a 20 percent reduction of significantly overdue action items from FY17.
- ❖ **Percentage of timely management decisions**
HUD will maintain the percentage of timely management decisions (i.e., agreed-upon plans to resolve audit findings) that are established by the prescribed Office of the Inspector General timeline.
- ❖ **Number of grants systems in the Department**
HUD will track progress towards reducing the number of grants systems in an effort to consolidate all of the Department’s grant programs into an enterprise solution that will interface with HUD’s financial system.
- ❖ **Number of grants reported under the Grants Oversight and New Efficiency (GONE) Act**
HUD will track progress towards reducing the number of grants that have been expired for two or more years and have not been closed out.

Evidence

Closing open audit recommendations timely will have the effect of reducing material weaknesses going forward. Material weaknesses are measured annually by the OIG and included in HUD’s Agency Financial Report.²⁴

LEADING THE OBJECTIVE

Objective Leads
Irving Dennis
Chief Financial Officer

External Partners
Shared Service Providers (e.g., Department of the Treasury, Department of Agriculture, Department of Health and Human Services)

²⁴ HUD’s Agency Financial Reports are available at https://portal.hud.gov/hudportal/HUD?src=/program_offices/cfo/reports/cforept.

CROSS-AGENCY PRIORITY GOALS

Established by the GPRA Modernization Act of 2010, Cross-Agency Priority (CAP) Goals are a tool used by the Administration to accelerate progress on a limited number of Presidential priority areas where implementation requires active collaboration between multiple agencies, overcoming organizational barriers to achieve better performance than one agency can achieve on its own.

Set or revised at least every four years, CAP Goals include outcome-oriented goals that cover a limited number of crosscutting policy areas as well as management goals focused on management improvements across the Federal Government in areas of financial management, strategic human capital management, information technology management, procurement and acquisition management, and real property management.

A series of Administration-wide CAP Goals will be determined during FY 2018. Each goal will feature: clearly-named accountable officials; data-driven reviews that incorporated a broad range of quantitative and qualitative inputs; and reporting to the public through a common website as a framework to drive performance improvements on cross-government collaboration and tackle government-wide management challenges affecting most agencies.

Please refer to <https://www.performance.gov/> for the Department's contributions and progress towards the CAP Goals, where applicable.





www.hud.gov