

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Fair Housing and Equal Opportunity

Fair Housing Activities

SUMMARY OF RESOURCES

(Dollars in Thousands)

	Enacted/ Requested	Carry over	Supplemental/ Rescission	Total Resources	Obligations	Net Outlays
2022 Appropriation	85,000	72,897	-	157,897	92,567	64,857
2023 Appropriation	86,355	65,549	-	151,904	143,542	78,664
2024 President's Budget	90,000	8,305	-	98,305	89,804	83,035
Change from 2023	3,645	(57,244)	-	(53,599)	(53,738)	4,371

a/ 2022 Carryover includes \$3.385 million in FHIP 2021-2023 ARP funding and FHAP recaptures of prior year unpaid obligations.

b/ Outlays include mandatory funding from the American Rescue Plan.

PROGRAM PURPOSE

The mission of HUD's Office of Fair Housing and Equal Opportunity (FHEO) is to eliminate housing discrimination, promote economic opportunity, and achieve diverse, inclusive communities by leading the Nation in the enforcement, administration, development, and public understanding of Federal fair housing policies and laws. FHEO carries out its work under several civil rights authorities such as the Fair Housing Act (FHA), including enforcement of FHA's duty to affirmatively further fair housing, Title VI of the Civil Rights Act of 1964, Section 109 of the Housing and Community Development Act of 1974, Section 504 of the Rehabilitation Act, and several others. FHEO funds four Fair Housing Programs: (1) the Fair Housing Initiatives Program (FHIP); (2) the Fair Housing Assistance Program (FHAP), (3) the Limited English Proficiency Initiative (LEPI); and (4) the National Fair Housing Training Academy (NFHTA). These programs aim to redress injuries to victims, prevent housing discrimination, and eliminate segregation. The 2024 Budget supports FHEO's statutory duties, the Administration's priorities, and the Secretary's commitment to fair housing and the provision of resources to implement fair housing activities.

BUDGET OVERVIEW

The 2024 President's Budget is a central component to addressing the Administration's equity priorities, supporting Departmental goals, and mitigating risk.

The 2024 President's Budget requests \$90 million, which is \$3.645 million more than the 2023 enacted level. This includes:

- **Fair Housing Initiatives Program (FHIP):** \$58.5 million will support grants to private fair housing organizations for enforcement, and education and outreach on fair housing rights and responsibilities. This is \$2.5 million more than the 2023 enacted level.
- **Fair Housing Assistance Program (FHAP):** \$27.5 million will support State and local civil rights enforcement agencies with grants, training, and technical assistance. This is \$1.5 million more than the 2023 enacted level.
- **Limited English Proficiency Initiative (LEPI):** \$1 million will support language assistance services and outreach efforts to increase awareness of fair housing, including HUD program

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participants’ duty to affirmatively further fair housing, and other HUD programs and services to underserved communities. This is \$355 thousand less than the 2023 enacted level.

- National Fair Housing Training Academy (NFHTA): \$3 million will support national training on fair housing investigation and conciliation techniques. This is level with 2023 enacted.

This program aligns with HUD 2022-2026 Strategic Objectives 1A: *Advance Housing Justice*, 1C: *Invest in the Success of Communities*, 2A: *Increase the Supply of Housing*, and 4B: *Strengthen Environmental Justice*.

FUNDING SUMMARY

(Dollars in Thousands)

Fair Housing Programs	2022 Enacted	2023 Enacted	2024 President's Budget	2023 vs. 2024
Fair Housing Initiatives Program (FHIP)	56,000	56,000	58,500	2,500
Fair Housing Assistance Program (FHAP)	25,000	26,000	27,500	1,500
Limited English Proficiency	1,000	1,355	1,000	(355)
National Fair Housing Training Academy (NFHTA)	3,000	3,000	3,000	-
Program Total	\$85,000	\$86,355	\$90,000	\$3,645

JUSTIFICATION

The 2024 FHEO Budget reflects Departmental goals that support the efforts of public and private organizations to provide fair housing enforcement and education and outreach services in addressing currently unmet needs. FHEO has four programs: Fair Housing Initiatives Program (FHIP), Fair Housing Assistance Program (FHAP), Limited English Proficiency Initiative (LEPI), and the National Fair Housing Training Academy (NFHTA). This Budget makes an investment toward eradicating discrimination based on race, national origin, and other protected characteristics from the housing market and ensuring that the Fair Housing Act’s duty to affirmatively further fair housing is fulfilled. Despite decades of prohibitions against housing discrimination, audits of race and national origin discrimination in the rental and sales market continue to show high occurrence nationwide. Mortgage lenders still reject people of color and other protected class applicants almost twice as often as white Americans.¹ The Interagency Task Force on Property Appraisal and Valuation Equity is engaged in efforts to identify, and provide recommendations for, biased appraisals in mortgage transactions. Architects, engineers, and builders continue to design and construct housing that is inaccessible for individuals with disabilities, and housing providers and

¹Bhutta, Neil, Aurel Hizmo, and Daniel Ringo (2022). “How Much Does Racial Bias Affect Mortgage Lending? Evidence from Human and Algorithmic Credit Decisions,” Finance and Economics Discussion Series 2022-067. Washington: Board of Governors of the Federal Reserve System, <https://doi.org/10.17016/FEDS.2022.067>.

lenders continue to deny reasonable accommodations and modifications that may be necessary for individuals with disabilities to have an equal opportunity to enjoy and use housing. Studies have found that same-sex couples and transgender persons in communities across the country experience less favorable treatment than their heterosexual and cisgender counterparts when seeking housing.² In the rental market, many protected class members face source of income discrimination.

Fair Housing Initiatives Program (FHIP)

The Budget requests \$58.5 million to expand support for fair housing enforcement activities to underserved areas and increase education and outreach activities to connect with communities where FHIP activities do not traditionally reach. The increase of \$2.5 million over the 2023 enacted level is spread to three major initiatives: for the Private Enforcement Initiative (PEI), a \$1 million increase in funding is needed for multi-year projects to carry out complaint intake, testing, investigative activities, and legal fees for systemic investigations, as well as to expand these activities to currently underserved and unserved areas; for the Fair Housing Organization Initiative, the increase of \$300,000 will accommodate one new fair housing enforcement organization located outside a FHIP-served area to build their capacity to enforce the rights granted under the Fair Housing Act; and for the Education and Outreach Initiative, the increase of \$1.2 million will expand geographic coverage and fund more eligible applications.

Funding for the Fair Housing Accessibility FIRST contract is equal to the 2023 enacted level. FIRST provides a comprehensive training curriculum, toll-free information line, and a resource website designed to promote compliance with the Fair Housing Act's design and construction requirements for people with disabilities.

Many cities with large populations and many rural areas have no FHIP fair housing organizations. The Department's efforts to reduce homeownership gaps based on race, color, national origin, and other protected characteristics are frustrated by persistent systemic discrimination. To address these major issues, the Department will continue to carry out a targeted, coordinated strategy for enforcement, education, and outreach. FHIP supports critical fair housing enforcement work throughout the United States, as well as education and outreach to the public about the rights of individuals and families and the responsibilities of housing providers, lenders, and State and local governments under the Fair Housing Act (the Act). The Budget level of \$58.5 million will provide support for fair housing activities conducted by more than 128 fair housing organizations and State and local agencies and represents a four percent increase above the 2023 appropriated level. It will allow the program to increase enforcement, education, and outreach activities nationwide and provide additional funding for activities to combat discrimination in the housing market.

There are three major initiatives under FHIP.

Private Enforcement Initiative (PEI): Under the Private Enforcement Initiative, continued funding is needed for multi-year projects to carry out complaint intake, testing, investigative activities, and legal fees for systemic investigations. The Department will also increase funding under this

² Friedman, Samantha, Angela Reynolds, Susan Scovill, Florence R. Brassier, Ron Campbell, and McKenzie Ballou. (2013). *An Estimate of Housing Discrimination Against Same-Sex Couples*. U.S. Department of Housing and Urban Development, Office of Policy Development and Research.

Levy, Diane, Doug Wissoker, Claudia L. Aranda, Brent Howell, Rob Pittingolo, Sarale Sewell, and Rob Santos. (2017). *A Paired Testing Pilot of Housing Discrimination Against Same-Sex Couples and Transgender Individuals*. The Urban Institute.

initiative to ensure full enforcement for all claims under the Act's purview. This includes funding to support testing and investigations by FHIP grantees designed to expose discrimination under the Act, including source of income testing intended to reveal discriminatory effects. The funding will also support the increased demand for FHIP services after clarification by HUD in February 2021 that the Act bars discrimination based on sexual orientation and gender identity. This expansion in the protections and the scope of covered persons can be expected to increase the demand on FHIP education, outreach, and enforcement services. Further, this increase will help organizations cover the rising labor, administrative and other costs associated with effectively carrying out all enforcement related activities, as well as the geographical expansion of enforcement services in unserved and underserved areas.

Fair Housing Organization Initiative (FHOI) : The Budget requests funding for the Fair Housing Organization Initiative to support the creation of at least one new fair housing enforcement organization located in an unserved or underserved area. These are typically communities that lack the presence of a private fair housing enforcement group and have a growing population that is vulnerable to housing discrimination. HUD's efforts to create fair housing groups in unserved and underserved areas commenced in 1994, and the groups created through this initiative make a notable difference in resolving fair housing complaints and increasing the knowledge of the fair housing rights of individuals and families and the responsibilities of housing providers and lenders. The Budget will also continue to provide funding to build the enforcement capacity of existing organizations to enforce the rights granted under the Act.

Education and Outreach Initiative (EOI): Fair housing discrimination based on race or national origin continues to be a persistent problem. To address these problems, the Budget supports five specific components in the Education and Outreach Initiative.

- **EOI National - National Media Component.** Earlier studies of segregation found that Black Americans and other members of protected classes who reported being subject to discrimination in the housing market did not file complaints or take legal action. One of the key reasons for the lack of action had to do with the belief that such actions would not yield results or remedy the discrimination. The studies showed that lack of knowledge about where or how to file a complaint was a factor in not filing a complaint. For the Department to have a more enduring impact on reducing housing discrimination, HUD plans to fund a national fair housing media campaign to educate the American public regarding the forms of discrimination that can occur in the rental, sales, mortgage, insurance, and appraisal markets and how to file a housing discrimination complaint through HUD.
- **EOI General – Regional, Local, and Community-based Component Striving for Housing Equity.** This component addresses the issues that may arise when people protected under the Act exercise their rights to expand housing choice. These issues include but are not limited to opposition to affordable housing for low-income persons, harassment against families of color and religious minorities who move into predominantly white residential neighborhoods, and obstacles for people with disabilities seeking their fair housing rights. HUD will fund local and community-based projects to address these issues and promote equity and justice in housing, consistent with the Act.
- **EOI Targeted Fair Housing Component.** The Budget also requests funds for an initiative to allocate EOI awards for targeted fair housing education and outreach projects, including to: (1) develop law school curricula related to fair housing; (2) improve access to homeownership for underserved populations that have historically been denied such opportunities; and (3) advance fair housing choice in communities.

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- **EOI Sexual Orientation and Gender Identity Component.** The Budget includes funding for fair housing organizations to update existing materials to reflect the recognition that the Act bars discrimination based on sexual orientation and gender identity.
- **Fair Housing Accessibility FIRST.** This component reflects FHEO's continued dedication to Fair Housing Accessibility Instruction, Resources, Support and Technical Guidance (FIRST), which has been in operation for over 20 years. This contract provides training and technical guidance through interactive classroom and virtual training, a web-based resource clearinghouse, and on-demand technical assistance for architects, builders, code officials, advocates, and others on compliance with the design and construction requirements of the Act. Fair Housing Accessibility FIRST is part of a broad effort to increase compliance with fair housing design and construction requirements across the U.S., especially in disaster-impacted areas. Fair Housing Accessibility FIRST conveys the importance of front-end planning for compliance with the accessibility requirements prior to work on engineering, design, and construction. FHEO proposes to fund the contract at \$1 million, equal to the 2023 enacted level. FHEO will expand the scope of training to develop a comprehensive curriculum covering all Federal accessibility standards for architecture schools to increase industry compliance, technical training, and services to disaster-impacted areas.

(Dollars in Thousands)

Fair Housing Initiatives Program (FHIP)	2022 Enacted	2023 Enacted	2024 Request	2023 vs. 2024
Private Enforcement Initiatives (PEI)	41,300	41,300	42,300	1,000
Education Outreach Initiatives (EOI)	10,000	10,000	11,200	1,200
Fair Housing Organization Initiatives (FHOI)	3,700	3,700	4,000	300
FIRST	1,000	1,000	1,000	-
FHIP Total	\$56,000	\$56,000	\$58,500	\$2,500

Performance Indicators: FHEO measures success by monitoring: (1) grantee financial management techniques; (2) quality and timeliness of grantee deliverables; (3) number of enforcement actions initiated; and (4) number of people reached through education and outreach efforts. FHEO requires grantees to report quarterly and annual outcomes to gauge grantee performance against target goals. For example, in 2022 HUD-processed cases involving a FHIP agency were less likely to be dismissed than other cases. FHIP-assisted complaints resulted in higher conciliation rates (45.5 percent) than non-FHIP complaints (30 percent).

Fair Housing Assistance Program (FHAP)

The Budget requests \$27.5 million for FHAP, which is \$1.5 million above the 2023 enacted level. This level will allow the program to continue supporting inflationary increases in case processing reimbursement rates and administrative funds. This funding enables State and local FHAP agencies to cover costs associated with increased salaries and expenses and competitive employee recruitment and retention. FHAP agencies continue to report high staff turnover due to retirements, retention challenges, and inflationary strains. The increase proposed for FHAP will also support increases in

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Special Enforcement Efforts and Capacity Building funds to admit 2 to 4 agencies, pending review and certification.

FHAP agencies investigate approximately three-quarters of the administrative complaints filed under the Fair Housing Act. Currently, there are 77 FHAP agencies in the program, including 35 States (including the District of Columbia) and 42 localities. FHAP agencies investigate fair housing complaints to ensure compliance with fair housing laws and, where necessary, litigate complaints to address violations. FHAP agencies plan and conduct investigations, interview parties and witnesses, gather and analyze evidence, facilitate resolution, and render determinations. Further, these agencies ensure compliance with settlement agreements and, where necessary, litigate complaints to address violations. FHAP agencies also conduct education on fair housing and fair lending at events throughout their jurisdictions. In 2022, FHAP agencies processed over 5,700 fair housing complaints and obtained monetary relief totaling more than \$3.1 million, in addition to public interest relief such as adoption/revision of nondiscrimination policies, education and outreach efforts, and fair housing training.

(Dollars in Thousands)

Fair Housing Assistance Program (FHAP)	2022 Enacted	2023 Enacted	2024 President's Request	2023 vs. 2024
Complaint Processing	16,700	17,750	18,630	880
Administrative Costs	4,740	5,090	5,250	160
Training	1,700	1,200	1,500	300
SEE	100	100	200	100
Partnership Activities	800	1,500	1,500	-
Capacity Building	360	360	420	60
FHAP Total	24,400	\$26,000	\$27,500	\$1,500

Performance Indicators: FHEO measures success by monitoring: (1) FHAP agency financial management techniques; (2) FHAP agencies' ability to meet the nine performance standards and program requirements at 24 CFR §§ 115.206 and 115.307; and (3) number of cases processed by FHAP agencies each year and number of cases FHAP agencies resolved through recommendation of a legal charge of discrimination or a conciliation. FHEO monitors agency performance and conformity with regulatory requirements at least once every 24 months, and in connection with recertification every five years.

Limited English Proficiency Initiative (LEPI)

The Budget requests \$1 million for the Limited English Proficiency Initiative (LEPI). LEPI is a direct initiative to ensure HUD's compliance with Executive Order 13166. This Order requires Federal Agencies to assess and address the needs of otherwise eligible persons seeking access to federally funded programs and activities who, due to limited English proficiency (LEP), cannot fully and equally participate in or benefit from those programs and activities. FHEO manages the HUD-wide Language Assistance Services program. This program provides translation and interpretation services for HUD materials, services, activities, and programs at no cost to the public. The funding will allow the Department to continue providing language assistance services to the public while improving awareness of fair housing and HUD services to underserved LEP communities.

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Limited English Proficiency Initiative (LEPI)	2022 Enacted	2023 Enacted	2024 President's Request	2023 vs. 2024
LEPI	\$1,000	\$1,355	\$1,000	(\$355)

Performance Indicators: FHEO measures success by: (1) the number of instances of multi-lingual document translations; and (2) the number of instances of multi-lingual interpretation. FHEO uses data from the contracted vendor's monthly and ad hoc reports to assess the quantity and quality of the services rendered in the program.

National Fair Housing Training Academy (NFHTA)

The Budget requests \$3 million for NFHTA. This level will allow NFHTA to increase on-the-ground training opportunities, develop curricula, and deliver regionalized in-person classroom courses on executive leadership and governance, fair lending, appraisal biases, accessibility, architectural design, cultural competency courses on systemic racism and LGBTQI+, and the relevance and use of data. Investment in NFHTA means increased investment in fair housing practitioners' capacity to educate and enforce the FHA in a thorough, timely, and comprehensive process.

In 2024, NFHTA will continue work to support and build competencies grounded in the President's Executive Orders on Advancing Racial Equity and Support for Underserved Communities and Preventing and Combating Discrimination based on Gender Identity or Sexual Orientation. NFHTA will move to the delivery of regionalized in-person classroom training opportunities should HUD's protocols and public health conditions allow for in person activities. NFHTA will continue its partnership with subject matter experts and will endeavor to create additional partnerships with industry professionals, such as appraisers, mortgage bankers, Geographic Information System (GIS) mapping and data experts, developers, and architects, to assist fair housing professionals in specializing in emerging novel and complex fair housing issues. Additionally, NFHTA will work with other FHEO offices to engage Historically Black Colleges and Universities (HBCUs), Hispanic-Serving and other Minority-Serving Institutions of higher education, and the students of these institutions. This may include collaboration to develop and deliver curricula and other content. NFHTA will also evaluate training needs that stem from HUD's stakeholder listening sessions related to equity. NFHTA imbeds Diversity, Equity, Inclusion, and Accessibility-focused elements in all these forums, courses, and other offerings.

(Dollars in Thousands)

National Fair Housing Training Academy (NFHTA)	2022 Enacted	2023 Enacted	2024 President's Request	2023 vs. 2024
NFHTA	\$3,000	\$3,000	\$3,000	-

Performance Indicators: FHEO will evaluate the effectiveness of NFHTA's offerings through a variety of short and long-term measures. FHEO has determined the core competencies needed to conduct quality, timely, and comprehensive investigations that include knowledge of fair housing law and policies, data analysis, knowledge and application of investigative techniques, and conciliation and mediation techniques and application. In the short term, FHEO will evaluate the

quality of the training. Over the long term, based on the core competencies, FHEO will evaluate the gaps between current and needed proficiency levels to effectively support quality investigations.

Stakeholders: NFHTA's primary audience is FHIP- and FHAP-funded fair housing organizations. However, a secondary benefit of NFHTA efforts includes reaching the following stakeholders: housing counseling agencies; housing providers; state and local governments; the public; academics, industry, philanthropy, and others.

Information Technology (IT)

Within the IT Fund, the Budget requests \$4.5 million to support Affirmatively Furthering Fair Housing Compliance Improvements, Fair Housing Initiative Program Performance Tracking Database and HUD Enforcement Management System.

Affirmatively Furthering Fair Housing Compliance Improvements - \$2 million: The Fair Housing Act requires HUD and recipients of Federal funds from HUD to affirmatively further the policies and purposes of the Fair Housing Act. To facilitate the development of Fair Housing Planning documents required of the AFFH process, it is necessary to provide funding for two legacy systems that were created for the implementation of the 2015 Affirmatively Furthering Fair Housing Rule.

The Data and Mapping Tool (AFFH-T) and the AFFH User Interface (AFFH-UI) are the capabilities that must be fully operationalized within HUD. The AFFH-T is online and has been maintained but was never fully actualized; it provides information at the local level but not at the PHA or State level. However, to provide more updated maps, better usability, and more information, HUD is requesting additional funding to make improvements to the tool.

FHIP - Fair Housing Initiative Program Performance Tracking Database - \$1 million: The Office of Fair Housing and Equal Opportunity (FHEO) has been monitoring the Fair Housing Initiatives Program (FHIP), a multi-million-dollar grants program, for almost 20 years without a grants management system. In 2022, grant funds will be awarded to over 122 organizations. FHEO anticipates an increase in eligible organizations in future years. This will make it very difficult to effectively manage the program with multiple, overlapping grants using ad hoc manual systems. HUD requires a cloud-based grants management system that will provide a centralized tracking and monitoring system for its open grants.

HEMS - HUD Enforcement Management System - \$1.5 million: Currently, HEMS is designed and equipped to handle only Fair Housing Act cases. Under Title VIII, however, there is still a need to support other types of investigations and reviews, including, but not limited to, Title VI of the Civil Rights Act of 1964 and Section 504 of the Rehabilitation Act of 1973. FHEO currently has no automated system to hold investigations and reviews done under these authorities; there are only paper records. While there are differences in what fields would be needed in a system for these authorities, much of the basic functionality is similar to what is currently in HEMS.

For additional information regarding HUD's Information Technology investments, please see the Information Technology Fund justification.

SUMMARY OF RESOURCES BY PROGRAM

(Dollars in Thousands)

Budget Activity	2022 Budget Authority	2021 Carryover Into 2022	2022 Total Resources	2022 Obligations	2023 Appropriation	2022 Carryover Into 2023	2023 Total Resources	2024 President's Budget
Fair Housing Initiatives Program (FHIP)	56,000	46,199	102,199	46,999	56,000	55,150	111,150	58,500
Fair Housing Assistance Program (FHAP)	25,000	5,561	30,560	27,224	26,000	3,542	29,542	27,500
Limited English Proficiency Initiative (LEPI)	1,000	237	1,237	829	1,355	472	1,827	1,000
National Fair Housing Training Academy (NFHTA)	3,000	1,500	4,500	1,500	3,000	3,000	6,000	3,000
FHIP American Rescue Plan (ARP)	-	19,400	19,400	16,015	-	3,385	3,385	-
Total	\$85,000	\$72,897	\$158,058	\$92,567	\$86,355	\$65,549	\$151,904	\$90,000

LEGISLATIVE PROPOSALS AND GENERAL PROVISIONS

General Provisions

The 2024 President’s Budget proposes to continue the following General Provision included in the 2023 appropriations bill:

Fair Housing Act Investigations and Prosecutions: This section makes clear that the Department will not use its authority under the Fair Housing Act to investigate or prosecute legal activity. (Sec. 202)

APPROPRIATIONS LANGUAGE

The 2024 President’s Budget includes proposed changes in the appropriations language listed below. New language is italicized, and language proposed for deletion is bracketed.

For contracts, grants, and other assistance, not otherwise provided for, as authorized by title VIII of the Civil Rights Act of 1968 (42 U.S.C. 3601 et seq.), and section 561 of the Housing and Community Development Act of 1987 (42 U.S.C. 3616a), [~~\$86,355,000~~] *\$90,000,000*, to remain available until September 30, [2024] *2025*: Provided, That notwithstanding section 3302 of title 31, United States Code, the Secretary may assess and collect fees to cover the costs of the Fair Housing Training Academy, and may use such funds to develop on-line courses and provide such training: Provided further, That none of the funds made available under this heading may be used to lobby the executive or legislative branches of the Federal Government in connection with a specific contract,

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grant, or loan: Provided further, That of the funds made available under this heading, [\$1,355,000] \$1,000,000 shall be available to the Secretary for the creation and promotion of translated materials and other programs that support the assistance of persons with limited English proficiency in utilizing the services provided by the Department of Housing and Urban Development. (*Department of Housing and Urban Development Appropriations Act, 2023.*)