

**POLICY DEVELOPMENT AND RESEARCH  
RESEARCH AND TECHNOLOGY  
2017 Summary Statement and Initiatives  
(Dollars in Thousands)**

RESEARCH AND TECHNOLOGY	<u>Enacted/ Request</u>	<u>Carryover</u>	<u>Supplemental/ Rescission</u>	<u>Total Resources</u>	<u>Obligations</u>	<u>Outlays</u>
2015 Appropriation .....	\$72,000	\$2,744	...	\$74,744	\$44,632	\$35,818
2016 Appropriation .....	85,000	30,123	...	115,123	115,123	67,000
2017 Request .....	<u>185,000<sup>a/</sup></u>	<u>...</u>	<u>...</u>	<u>185,000</u>	<u>185,000</u>	<u>107,000</u>
Program Improvements/Offsets .....	+100,000	-30,123	...	+69,877	+69,877	+40,000

a/ The 2017 request includes \$120 million in programs transfers.

**1. What is this request?**

The 2017 Budget requests \$185 million for the Department’s Research and Technology (R&T) account through a combination of direct appropriation and transfer authority. This request will support a range of research, data infrastructure, technical assistance, and capacity building all under one account:

- \$65 million in direct appropriations for the category of core research support, surveys, data infrastructure, and knowledge management (research dissemination.) “Core research support” is proposed as a new component of the core data and research infrastructure request, which supports: 1) the long-term commitment to evaluate Moving-to-Work policy initiatives and expansion, and 2) research on new innovation that facilitates behavior changes among builders, property owners and tenants that results in lower consumption of carbon based energy.
- Authority to transfer up to \$120 million from program accounts to the R&T account for the categories of research, evaluations, and demonstrations (\$33 million); technical assistance (\$52 million); and capacity building (\$35 million).

Program transfers for these purposes reflect the Department's enterprise-wide commitment to integrate evidence and cross-disciplinary intelligence throughout program policy, management, and operations. The transfer funding provides a devoted source of funds for research, evaluations and technical assistance as previously made available under the TI account during fiscal years 2010 to 2014.

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A summary of R&T funding for fiscal years 2015, 2016 and 2017 follows: Research & Technology	FY 2015 Enacted	FY 2016 Enacted	FY 2017 Request
Housing Market Surveys	\$37.7	\$41.5	\$41.5
*Knowledge Management	5.7	5.7	5.7
**Non-Survey Data Acquisition	0.6	0.6	0.6
Housing Finance Studies	1.0	1.0	1.0
Research Partnerships	1.0	1.0	1.0
Housing Technology	0.2	0.2	0.2
Core Research Support – Moving To Work	-	-	10.0
Core Research Support – Energy and Housing Innovation	-	-	5.0
Subtotal PD&R Research and Technology	<b>\$46.2</b>	<b>\$50.0</b>	<b>\$65.0</b>
Research and Demonstration a/	3.8	10.0	[33.0]
Technical Assistance a/	22.0	25.0	[52.0]
Section 4 – Capacity Building a/ b/	-	-	[35.0]
<b>Total PD&amp;R</b>	<b>\$72.0</b>	<b>\$85.0</b>	<b>\$185.0</b>

\* Formerly referred to as "Research Dissemination."

\*\* Formerly referred to as "Program Metrics/Urban Data."

a/ The 2017 request reflects transfers from programs.

b/ The Section 4 Capacity Building program was funded at \$35 million within the Self-Help Homeownership Opportunity Program account in 2015 and 2016, equal to the 2017 request.

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The table below provides the estimated program transfers:<sup>1</sup>

<b>Research and Technology Account - Program Transfers</b>	<b>Treasury Account</b>	<b>FY 2017 Budget Request</b>	<b>FY 2017 Estimated Transfers</b>
Choice Neighborhoods Initiative.....	86-0349	\$ 200,000,000	\$ 1,000,000
Community Development Fund.....	86-0162	2,880,000,000	14,400,000
Fair Housing Activities.....	86-0144	70,000,000	350,000
Family Self-Sufficiency.....	86-0350	75,000,000	375,000
HOME Investment Partnerships Program.....	86-0205	950,000,000	4,750,000
Homeless Assistance Grants.....	86-0192	2,664,000,000	-
Housing Counseling Assistance.....	86-0156	47,000,000	235,000
Housing for Persons with Disabilities (Section 811).....	86-0237	154,000,000	770,000
Housing for the Elderly (Section 202).....	86-0320	505,000,000	2,525,000
Housing Opportunities for Persons with AIDS.....	86-0308	335,000,000	1,675,000
Lead Hazard Reduction.....	86-0174	110,000,000	550,000
Mortgage Mutual Insurance Program Account.....	86-0183	160,000,000	800,000
Native American Housing Block Grants.....	86-0313	700,000,000	3,500,000
Native Hawaiian Housing Block Grant.....	86-0235	500,000	-
Project-Based Rental Assistance.....	86-0303	10,816,000,000	28,325,500
Public Housing Capital Fund.....	86-0304	1,865,000,000	9,325,000
Public Housing Operating Fund.....	86-0163	4,569,000,000	22,844,000
Rental Assistance Demonstration.....	86-0406	50,000,000	250,000
Tenant-Based Rental Assistance.....	86-0302	20,854,000,000	28,325,500
<b>Total.....</b>		<b>47,024,500,000</b>	<b>120,000,000</b>

<sup>1</sup> Represents estimated R&T transfers based on the 2017 Budget priorities, program requirements, and application of \$28.3 million cap per account.

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### **2. What is this program?**

The Office of Policy Development and Research (PD&R) provides fundamental support for the mission of the Department and the policy agenda of the Secretary. PD&R performs policy analysis, research, surveys, studies, and evaluations, both short- and long-term, to assist Congress, the Secretary, and other HUD principal staff to make informed decisions on HUD policies, programs, budget, and legislative proposals. In addition, PD&R provides data and information to support program operations and serves as a key resource to stakeholders for data, research, and best practices through knowledge management (research dissemination) activities.

Strategic investments in research and evaluation build knowledge, provide public accountability, and inform policy to increase efficiency and effectiveness of the Department's existing programs. The major program demonstrations funded through R&T are used to explore fundamental questions about housing market dynamics and their impact on economic, social and environmental objectives. The demonstrations will improve programs, help state and local governments, non-profits, and for-profit organizations develop more effective strategies for housing and community and economic development, and improve the delivery and reduce the cost of public services.

The technical assistance and capacity building funds are used for the benefit of all of HUD's programs. PD&R's role is to ensure an efficient allocation of these funds – identifying where the funds can be used cross-program, program specific, or grantee specific – and allocating the funds in a way to increase the probability that HUD's grantees and other partners succeed at achieving program goals efficiently. After allocation of the resources, the actual management of technical assistance and capacity building resources are done by program office staff – in PIH, CPD, Housing, and FHEO - with the knowledge and expertise to effectively manage the funds.

### **3. Why is this program necessary and what will we get for the funds?**

#### **Research, Evaluations, and Demonstrations - \$33.0 million (Transfers)**

High quality research, evaluations and program demonstrations are essential for building knowledge, providing public accountability, and informing policy in the manner that increases the efficiency and effectiveness of the Department's programs.

The table below outlines the prioritized list of research, evaluation, and demonstration projects PD&R proposes to fund in fiscal year 2017. In establishing fiscal year 2017 priorities, PD&R first seeks to complete previously initiated research efforts and leverage opportunities generated through such investments. Newly proposed projects address emerging research needs identified through

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early research findings, stakeholder input through the Research Roadmap process, which PD&R is updating during fiscal year 2016, and other means.

Estimated budgetary costs for projects are shown, but the final project selections will be made after funding enactment on the basis of updated cost estimates and agency and Congressional priorities. HUD will notify Congress of significant deviations from these priorities through HUD’s annual operating plan.

**Summary of PD&R FY 2017 Research, Evaluation, and Demonstration Projects Under Consideration**

<b>Project Title</b>	<b>Summary Description</b>	<b>FY17 Budget Request</b>	<b>Funding Request Type</b>
<b>Moving to Work Demonstration, Phase 2: Impacts of Promising Self-Sufficiency Interventions in the Current 39 MTW Locations</b>	Building off of current work in progress documenting the scope of interventions being tested under MTW, this study will focus on a few promising MTW initiatives designed to promote self-sufficiency, housing choice, and cost-effectiveness such as time-limited and/or short-term assistance, work incentives, and mobility programs. This research would include costs and benefits of different approaches to the housing and other social service systems and investigation of impacts or outcomes relevant for households, PHAs, and the community.	\$2,400,000	Continuing
<b>Multidisciplinary Research Team (MDRT): Rapid Policy Research</b>	Initiated in FY2014, MDRT provides funding for a team of qualified researchers to provide high-quality, quick-turnaround research that leverages HUD and external data to help support answers for priority policy questions. Five task orders were awarded with the first round of the program. This funding request will allow HUD to continue to fund the MDRT contract.	\$800,000	Continuing
<b>Pre-Purchase Counseling Demonstration, Phase 3: Administrative Data Follow-Up</b>	Supports continued demonstration on impacts of in-person vs. remote education and counseling for first-time homebuyers. The funding request for Phase 3 supports the collection and analysis of administrative data (loan servicing and origination and credit report data) to assess the impacts of the pre-purchase counseling interventions over a 36-month period on the sample of over 5,500 study participants.	\$1,350,000	Continuing

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<b>Project Title</b>	<b>Summary Description</b>	<b>FY17 Budget Request</b>	<b>Funding Request Type</b>
<b>Pre-Purchase Counseling Demonstration, Phase 4: 36-month Follow-Up Survey</b>	Supports continued demonstration on impacts of in-person vs. remote education and counseling for first-time homebuyers. Requested funding for Phase 4 supports a survey of approximately 5,500 study participants at 36 months. It would provide context for the administrative data analysis and final report on impacts at 36 months.	\$2,840,000	Continuing
<b>Choice Neighborhoods: Exploring the Impact of Investment on Family and Neighborhood Outcomes</b>	In fiscal year 2014, HUD completed an implementation study of five Choice Neighborhood sites in Boston, Chicago, New Orleans, San Francisco, and Seattle. Resident households have been tracked for the past three years. This study will assess the outcomes of the completed Choice Neighborhood investments in the same five sites for two years (2017-2019) after conclusion of the grant period (2016). A follow-up survey and collection and analysis of administrative data will help to measure the effects of the completed Choice Investments in these first five implementation sites.	\$2,400,000	Continuing
<b>Rent Reform</b>	This investment will support continued work on a critically important study of MTW interventions, scientifically testing a combination of rent reforms common among many MTW agencies, specifically: (1) 28 percent of Gross Income instead of 30 percent of Adjusted Income; (2) A higher minimum rent (\$50-\$150 depending on site); (3) triennial recertification, with interim recerts not increased for increased earned income; (4) simplified utility allowance; and (5) streamlined hardship policies. The funds will be used to survey approximately 7,000 households enrolled in the Demonstration.	\$6,000,000	Continuing

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<b>Project Title</b>	<b>Summary Description</b>	<b>FY17 Budget Request</b>	<b>Funding Request Type</b>
<b>Family Options Study--Extending the Analysis</b>	This project would allow HUD to fully leverage the investment made in the Family Options Study by extending the analysis of the existing study data and ensuring access to this unique data source for future researchers. Specifically, this request has two separate components: 1) a data storage component, which would support the cost of contracting with an outside entity to store and manage access to the restricted access data file, as well as store the personally identifiable information of study participants for future administrative data matching efforts, and 2) an analysis component that would support researchers to use the existing Family Options Study data to explore policy and research questions that HUD deems important.	\$600,000	Continuing
<b>Evaluation of PBRA Transfer Authority</b>	The 2012 Consolidated Appropriations Act provided HUD with the authority to transfer PBRA subsidies from currently assisted properties to different properties. Building on the results of in-house research, this phase of the evaluation will examine the impact of these transfers on the cost-effectiveness of the subsidy as well as the physical and financial condition of the subsidized stock, as well as its location.	\$1,100,000	Continuing
<b>Housing Choice Voucher Regional Mobility Demonstration-- Impact Evaluation</b>	This project will evaluate the impacts of the HCV Regional Mobility Demonstration by randomizing 300-500 eligible families from public housing or assisted multifamily developments at each of 10 sites (total sample of 3,000 to 5,000). Families would be assigned to receive either no mobility services or one of three models of mobility services: using turnover vouchers to develop new project-based vouchers, relocating existing voucher holders, or using turnover vouchers to relocate existing households. Treatment will vary in design and implementation across the sites (e.g., mobility counseling only or incentives only). Data collection for an outcome study will include case studies, focus groups, tracking moves to opportunity neighborhoods and housing costs in administrative data. Impact evaluation will add baseline and follow-up surveys, and interim reporting, to assess the intermediate and long-term effects of mobility services and neighborhood opportunity.	\$5,000,000	New

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<b>Project Title</b>	<b>Summary Description</b>	<b>FY17 Budget Request</b>	<b>Funding Request Type</b>
<b>Evaluation of the FUP/FSS Demonstration Program</b>	The 2015 Consolidated Appropriations Act provided authority for HUD to implement a demonstration program to allow PHAs administering both the Family Unification Program (FUP) and the Family Self-Sufficiency (FSS) program to overlay these two programs for youth being served through FUP. Youth accessing a FUP voucher in a demonstration site will be eligible to maintain their housing assistance for the full-term of their FSS contract, and bypass the required 18-month time limit applied to a standard FUP youth voucher. HUD plans to conduct in-house evaluation of this demonstration program beginning in fiscal year 2016, and these additional funds will enable HUD to extend and enhance this in-house effort.	\$150,000	New
<b>Competitive Evaluation Grants: Assessing the Impacts of CDBG and HOME Eligible Activities</b>	42 USC 5305 enumerates 25 eligible activities under the CDBG program. 42 USC 212 enumerates a narrower but still substantial range of purely housing activities under HOME. This project would fund grants to researchers who would investigate the extent to which one or more enumerated activities, as actually implemented, cost-effectively accomplish the goals set forth in the respective statutes. The project would harness the dispersed local knowledge of practitioners and academics to inform Congress and HUD about policy efficacy and efficiency.	\$2,500,000	New
<b>Multifamily Pilot to Reduce Energy Consumption</b>	This will evaluate the Office of Multifamily Housing clean energy PFS pilot authorized in 2016 by the FAST Act (P.L. 114-94). The pilot is intended to incentivize multifamily owners and tenants to reduce energy consumption. The evaluation will have two components: (i) process evaluation to examine feasibility, deal structuring, and outcome payments; and (ii) quick turn-around Randomized Control Trial behavior evaluations of how various messaging and other business process changes impact the energy choices made by property owners and tenants. This investment complements the broader investment in "Energy and Housing Innovation" requested under the Core Research Supports.	\$5,000,000	New



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<b>Project Title</b>	<b>Summary Description</b>	<b>FY17 Budget Request</b>	<b>Funding Request Type</b>
<b>Comparing Subsidy Costs of Federal Rental Housing Assistance Programs</b>	This study will analyze the comparative costs of providing a unit of housing with various housing subsidy programs. About \$2.0 million of the requested \$2.4 million would be devoted to the cleaning and reconciliation of subsidized unit data to support the comparison. Research will also examine subsidy layering, characteristics, and benefits of cost-effective housing subsidy programs.	\$2,400,000	New
<b>Understanding Child Development Trajectories in Public and Assisted Housing</b>	This project will support a contractor of the National Center for Education Statistics will link HUD tenant data with the National Child Longitudinal Survey (NCLS) and analyze the merged data to shed light on questions that are critical for reducing intergenerational poverty.	\$200,000	New
<b>Innovative Approaches to Healthcare Service Delivery to Aging Populations in Rural Communities</b>	This request will inform efforts to support innovative service delivery strategies to seniors residing in federally assisted housing in rural areas. These efforts will include: characterizing the housing, health, and supportive service needs of residents in elderly restricted properties in rural areas; and second, providing a framework for future investments that build on the findings from an expert convening PD&R hosted on this topic in September 2015, especially strategies focusing on: tele-medicine, transportation services, university healthcare collaborations, enhanced service delivery within wellness centers, family care providers, and adaptive approaches in response to high-utilizers of emergency healthcare services. HUD expects that any effort to explore rural housing and supportive services needs and strategies will be developed jointly with USDA to ensure the inclusion of Section 515 properties, and HHS partners, such as HRSA and CMS, who have overlapping interest in this issue area.	\$250,000	New

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<b>Project Title</b>	<b>Summary Description</b>	<b>FY17 Budget Request</b>	<b>Funding Request Type</b>
<b>Estimating Cross-System Cost Impacts of Homeless Interventions with Administrative Data</b>	This project would expand on an existing technical assistance contract that estimates the savings in Medicaid costs of clients experiencing chronic homelessness who obtain permanent supportive housing by linking Medicaid and HMIS data. The analysis would add more sites and more systems (statewide HMIS systems and administrative systems in addition to Medicaid, such as child welfare and public benefits). The purpose is to gain a more complete picture of the cost savings associated with providing homelessness assistance to any individuals and families, but specifically those experiencing chronic homelessness.	\$500,000	New
<b>Estimating Vulnerability of Gulf Coast Public Housing to Climate Risk</b>	Recent developments in climate science and meteorology suggest that climate-driven risks to the built environment could escalate rapidly in coming decades. This study will assess such risks for public housing in the Gulf Coast region, in partnership with federal agencies such as NOAA, USGS, and FEMA. This study will support the goals of the HUD Climate Council and HUD's Adaptation Plan by advancing interagency coordination, risk modeling, and enhanced data collection methods that could be applied to understand and reduce the risk to federal assets across the nation.	\$500,000	New
<b>Impact of the Coordinated Entry Model for Homelessness</b>	This project would measure the impacts of which coordinated entry models work better for whom and the associated effects on ending homelessness for all populations. This project would be a process evaluation on the development of these systems to provide examples of how communities made decisions about coordinated entry (e.g. use HMIS or not/centralized or decentralized/phone based or not), and then how each of these decisions affected how well their coordinated entry process worked.	\$1,200,000	New
<b>Evaluating Choice Planning Grants</b>	This study would look at a sample of planning grants, and collect, through interviews with key stakeholders and local administrative data, descriptive information about the effect of planning grants on placed based development.	\$675,000	New

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### **Technical Assistance and Capacity Building - \$87 million (Transfers)**

Most HUD-supported work in America's communities is carried out by state and local partners. Technical assistance and capacity building has a direct impact on the ability of HUD's partners and grantees to carry out affordable housing and community development programs. Continued investment in this work in fiscal year 2017 will ensure that HUD can sustain the progress made toward cross-programmatic, better-targeted technical assistance and capacity building.

#### Technical Assistance (TA) - \$52.0 million

Complex federal requirements, staff turnover at city, county, and state agencies and Public Housing Agencies (PHAs), changing housing market conditions, and the knowledge required to understand financing for housing and community development projects necessitate ongoing technical assistance, training, and support for HUD grantees and PHAs. Technical assistance protects the billions of dollars that the federal government invests in communities by ensuring that grantees and intermediaries have the knowledge, skills, and ability to use funds effectively.

In fiscal year 2017, HUD will use program transfers into the R&T account to fund TA for:

- Targeted TA for addressing troubled PHAs and local implementation of HUD programs, including CDBG, Public Housing Capital Fund, the Rental Assistance Demonstration, and Native American Programs;
- Technical assistance and training, including on-line training, that cross program areas, such as a single web-site for TA resources, rental housing management and occupancy, housing development, energy efficiency and fair housing; as well as targeted training to develop the skills of PHAs; and
- Innovative approaches to support communities, such as place-based efforts that focus on communities of persistent poverty and distress as well as those facing challenges recovering from disaster. Place-based technical assistance can provide TA support for effective implementation of neighborhood initiatives such as Choice Neighborhoods – as well as TA that provides focused attention on city or state agencies that show inadequate capacity to administer HUD's programs – including communities implementing CDBG Disaster Recovery programs and agencies consistently found through monitoring and IG findings to have implementation challenges.

HUD expects to allocate TA funding as follows:

- \$27 million for targeted or program-specific TA, including \$5 million for Native American TA
- \$15 million for cross-cutting TA

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- \$10 million for innovative, place-based TA

Eligible uses of funds include: needs assessments and direct TA; tools and products; self-directed and group learning (training); data analysis; knowledge management; and NAHASDA formula development, allocation, and negotiation.

Full funding at the requested \$52.0 million would allow HUD to provide basic, programmatic technical assistance, primarily through online tools, curricula, and resources, as well as ensuring the most deeply troubled and at-risk grantees and PHAs are able to continue providing housing and services in their communities.

The TA funding provided through program transfers allows HUD a flexible mechanism for delivering assistance that spans multiple HUD program areas and results in more efficient management and use of TA resources. Funds are awarded and managed through HUD's Community Compass program.

### Capacity Building - \$35.0 million

In addition, the fiscal year 2017 request for R&T includes the capacity building tools previously funded through the SHOP account. The Capacity Building for Affordable Housing and Community Development Program, also known as the Section 4 program, was originally authorized under Section 4 of the HUD Demonstration Act of 1993 (Pub. L. 103-120, 107 Stat. 1148, 42 U.S.C. 9816 note), as amended. The program enhances the capacity and ability of community development corporations (CDCs) and community housing development organizations (CHDOs) to carry out community development and affordable housing activities that benefit low-income persons. By integrating new tools, such as loans and grants to CDCs and CHDOS, concurrently with an expansion of more aggressive place-based TA, we anticipate getting both improved outcomes across HUD's programs and better efficiencies from the TA investments.

For both Technical Assistance and Capacity Building, PD&R will coordinate the allocation of resources as well as facilitate collaboration across program offices. The program offices will be the allotment holders of the funds and administer the resources.

### **Core Research Support, Surveys, Data Infrastructure, and Knowledge Management- \$65 million (Direct Appropriation)**

#### Core Research Support - \$15.0 million

The fiscal year 2017 request of \$15.0 million would provide funding for two core data and research infrastructure support activities:

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- Moving-to-Work Research. In the fiscal year 2016 Consolidated Appropriations Act, Congress directed HUD to expand the MTW program to 100 agencies over 7 years. As part of the MTW expansion, Congress directed HUD to establish an MTW advisory committee to develop specific policy proposals and methods to rigorously evaluate those proposals. This creates a long-term obligation for HUD and thus it becomes a core cost to PD&R operations. Specifically, HUD is proposing a new component to its core research funding that would support: (i) the continuing costs of an MTW advisory committee; (ii) some of the costs incurred by PHAs for participating in the research in order to ensure the research is done rigorously; and (iii) costs to rigorously evaluate the policy changes. (\$10 million)
- Energy and Housing Innovation. On December 11, 2015, the U.S. committed with 195 nations to reducing greenhouse gas emissions. As part of that landmark commitment, 20 countries, including the U.S., committed to doubling their governmental clean energy research and development investment over five years. To support this effort, HUD proposes to invest in research on innovations that facilitate behavior changes among builders, property owners, and tenants that will reduce consumption of carbon based energy. Like the MTW core research, this proposal would include the creation of an advisory group of researchers, builders, tenants, and homeowners to propose simple, testable approaches to facilitate long-term behavior change in the housing sector. There have been substantial advances in cost-effective technologies that reduce individual carbon emissions, such as the advances in residential building technologies resulting from the Department of Energy's major investments in the Building America program. There also is growing understanding of how behavioral biases, cognitive shortcuts, and habits impede adoption of beneficial technologies and impact energy consumption. This research center would leverage building technology advances by using social science insights to span the last mile--informing and incentivizing technology adoption and behavioral changes to reduce energy waste and reduce carbon emissions. The program will work with the Department of Energy's Decision Science program to collaborate and coordinate clean energy behavioral R&D efforts. (\$5 million)

### Housing Market Surveys - \$41.5 million

The fiscal year 2017 funding target of \$41.5 million would provide funding for five housing market surveys:

- The American Housing Survey (AHS), which provides national, regional, and metropolitan area estimates of the characteristics of the nation's housing stock. The AHS gathers data every 2 years; for the survey that is conducted in fiscal year 2017, funding from both fiscal year 2016 and fiscal year 2017 will be used. The total estimated cost for this survey (both fiscal year 2016 and fiscal year 2017 funding) is approximately \$70 million. The fiscal year 2016 funds (\$33.75 million), combined with the fiscal year 2017 funding target (\$33.35 million), will fund the national sample of the AHS and 35 metropolitan area oversamples.

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- The Survey of Construction (SOC), which provides two principal economic indicators (new homes sales and new residential construction) on a monthly basis (\$3.6 million).
- The Survey of Market Absorption of Apartments (SOMA), which provides absorption rates and other key estimates for multifamily housing uptake (\$1.1 million).
- The Manufactured Homes Survey (MHS), which is statutorily mandated to produce estimates of manufactured homes production, shipments, and placements for the nation and each of four Census regions, and at least annual estimates for each State (\$450 thousand).
- The Rental Housing Finance Survey (RHFS), which provides national estimates of mortgage and other characteristics for rental properties. The RHFS gathers data every two years; for the survey that is conducted in fiscal year 2017, funding from both fiscal years 2016 and 2017 will be used. The total estimated cost for this survey (both fiscal years 2016 and 2017 funding) is approximately \$6 million. The fiscal year 2016 funds (\$3 million), combined with the fiscal year 2017 funding target (\$3 million), will be sufficient to fully fund the fiscal year 2017 RHFS based on current survey cost estimates.

### Housing Finance, and Non-Survey Data Acquisition - \$1.8 million

- The request includes \$1.2 million for housing finance-related studies needed to help advance the understanding of housing finance markets and inform decision making on Federal Housing Administration (FHA) and Government National Mortgage Association (GNMA) policy. The specific study proposals were developed through the Research Roadmap process.
- Non-Survey Data Acquisition- PD&R requires purchases of private sector data not otherwise collected by HUD or other federal statistical agencies to monitor housing finance and local housing market conditions (\$600 thousand).

### Knowledge Management (Research Dissemination) - \$5.7 million

Knowledge management is accomplished primarily through HUD User— the essential tool for HUD's dissemination of research and data. In addition to providing free on-line access to hundreds of useful housing and community development research publications dating back to the 1970s, these funds would continue to support the research periodicals *Cityscape*, *Evidence Matters*, and *The Edge*; easily digestible housing market data from the US Housing Market Conditions application; case studies of award-winning projects; the Secretary's award programs; and a student design competition. Extensive data resources needed for program operations (of both HUD and sister agencies) and research are also shared and managed through this site. These include income limits, fair market rents, qualified census tracts, and difficult development areas. HUD User also supports the new Enterprise Geographic Information System (eGIS) storefront, with tools including the Single Family Home Locator for real estate owned (REO) properties and Neighborhood Stabilization Program (NSP) target areas; the Choice Neighborhoods mapping tool; and CPD maps, which show CDBG, HOME and other HUD investments.

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### Research Partnerships - \$1.0 million

The Budget includes \$1.0 million for the Research Partnerships initiative, which allows PD&R to engage in the design and execution of externally-led housing and community development research. Since proposers must provide at least 50 percent cost share, this investment will leverage an additional \$1.0 million (minimum) from philanthropic entities, federal, state, and local governmental agencies to conduct research on HUD policy relevant issues. These projects are aligned with PD&R's research priorities and help the Department and PD&R answer key policy and programmatic questions in ways that can inform new policy and program development efforts.

#### **4. How do we know this program works?**

##### **Research, Evaluations, and Demonstrations**

Research, evaluations and demonstrations have contributed to critical policy guidance in the housing and urban development domain. As early as the 1970s, the Housing Allowance demonstrations tested the tenant-based model of providing housing assistance at modest cost that has evolved to today's Housing Choice Voucher program. More recent examples include two studies released during fiscal year 2015: the *Family Options Study*, a multi-site random assignment experiment designed to study the impact of various housing and services interventions for families experiencing homelessness, and the *Housing Choice Voucher (HCV) Program Administrative Fee Study*, which measured the costs of operating a high-performing and efficient HCV program to help develop a new administrative fee formula. Both of these studies answered fundamental questions about policy effectiveness and impact, and the findings of each study are currently supporting active policy dialogues and programmatic changes.

Importantly, investments in research, evaluations, and demonstrations can continue to generate ground-breaking results years after "final reports" are completed. For example, the Moving-To-Opportunity (MTO) demonstration measured long-term impacts of MTO on families and children over more than 16 years, and showed that promoting housing mobility and poverty deconcentration has powerful impacts on resident health. In May 2015, new work leveraging the MTO data was released by Raj Chetty, Nathan Hendren, and Larry Katz. The study expands the body of evidence on MTO and while it was not funded directly by HUD, it does rely upon data from the original demonstration provided by HUD as well as the Internal Revenue Service. "The Effects of Exposure to Better Neighborhoods on Children," a new contribution to a large body of work looking at MTO, specifically examines how moving as a child from high poverty to low poverty between 1994 and 1998 has shaped the adult economic outcomes of those children. The release of the Chetty, Hendren, and Katz work launched a new national dialogue about mobility—a dialogue made possible by the Department's original investment in MTO as well as our ongoing practice of making data available to other researchers.

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### **Technical Assistance and Capacity Building**

#### Technical Assistance

Over the last few years of managing TA funds through a coordinated funding source, HUD has developed more efficient ways to deploy and manage cross-Departmental TA funds. As a result, the Department can obligate and deploy TA funding faster and more effectively, and grantees receive assistance sooner.

Examples of Technical Assistance benefits in 2015 include:

- Lead the Way: 793 PHA staff and boards commissioners from 513 different PHAs enrolled in this free, online training to help PHA boards and staff fulfill their responsibilities in providing effective governance and oversight.
- Rental Assistance Demonstration TA: 284 PHAs have received technical assistance this year, for a total of 48,899 converting units.
- At-Risk/Troubled PHA TA: Provided TA to 28 PHAs (10 PHA received or receiving ongoing TA into fiscal year 2015 from prior year and 18 PHAs started TA in fiscal year 2015).
- Highlights of Other TA:
  - Development and Capital Improvements TA led 1,840 new and rehabbed units at Puerto Rico Public Housing Administration, Virgin Islands Housing Authority, St. John the Baptist Housing Authority, and Detroit Housing Commission.
  - Guided the New York City Housing Authority's (NYCHA) solicitation and contract to perform an investment-grade energy audit for their planned large scale energy performance contract (EPC). Presumably, this contract leads to negotiation of an Energy Services Agreement to implement the EPC project, which could cover up to 90,000 units and include improvements in water consumption, light fixtures, boilers and water heaters, new systems controls, and leverage the rate reduction incentive.

#### Capacity Building

- A 2013 policy brief from Local Initiatives Support Corporation (LISC)<sup>2</sup> found that from 2002 to 2011, Section 4 has created or preserved over 83,000 homes and attracted over \$13.2 billion in investment for lower-income neighborhoods and

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<sup>2</sup> Local Initiatives Support Corporation. "2013 LISC Policy Briefs: Section 4—Capacity Building for Community Development and Affordable Housing." 2013. [http://www.lisc.org/docs/resources/policy/Policy\\_Brief\\_Section\\_4.pdf](http://www.lisc.org/docs/resources/policy/Policy_Brief_Section_4.pdf)



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communities across the country. The same brief also found that median business operating budgets grew by over 157 percent for Section 4 CDC recipients from 2001 to 2011. This has resulted in increased potential for growth and revitalization, inspiring further investment in areas in which traditional investors have seen little value.

- The Section 4 Capacity Building program was also the subject of a 2011 independent evaluation by Social Compact and Weinheimer and Associates<sup>3</sup>. Relying primarily on an online survey of 235 CDCs receiving Section 4 grants between 2001 and 2009, the study supported the conclusion that CDCs that received Section 4 assistance had greater capacity to carry out their programs, and that CDCs and CHDOs receiving Section 4 assistance showed a dramatic increase in their ability to carry out HUD and other federal programs.
- The CDCs surveyed and interviewed for the Social Compact reported Section 4 assistance helped them boost their capacity. Section 4 assistance was rated as having a "moderate positive" or "significant positive" impact by a majority of CDC respondents in each of 12 organizational capacity dimensions. Investments in targeted areas produced observable overall organizational capacity growth and enabled recipients to boost their production of affordable housing and other community assets.

## **Core Research Support, Surveys, Data Infrastructure, and Knowledge Management**

### Core Research Support

- Moving to Work Research. The fiscal year 2016 expansion of MTW requires the creation of an advisory group to assist the Department with identifying promising innovations to be tested to meet the MTW statutory objectives of:
  - Reduce cost and achieve greater costs effectiveness in federal expenditures;
  - Give incentives to families with children where the head of household is working, is seeking work, or is preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient; and
  - Increase housing choices for low-income families.By involving an advisory group to identify promising innovations and requiring agencies wishing to gain MTW authority to rigorous testing the effectiveness of the innovations, it represents an opportunity to understand the impacts of the innovations.

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<sup>3</sup> Social Compact and Weinheimer & Associates. "Assessing Section 4: Helping CDCs to Grow and Serve." 2011. <http://www.lisc.org/content/publications/detail/19970/>

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- Energy and Housing Innovation. In recent years, there has been a significant expansion of research on how small changes in business processes can result in behavior changes. One component of reducing greenhouse gas emissions is human behavior – adoption of new lower carbon emitting technologies in housing; changing individual use of energy in housing. As with MTW, by involving an advisory group to identify promising business process change innovations and quickly testing those innovations to see their impact on behavior could assist with more quickly reducing carbon emission from housing.

## Housing Market Surveys

The housing survey data collections provide the primary source of information for assessing the state of housing in the United States, problems to be addressed, and progress by HUD towards solving these problems. These surveys are relevant and necessary data sources, as evidenced by the many major housing research efforts to which they contribute, and as confirmed by stakeholders through PD&R's *Research Roadmap* consultation. Examples include:

- The American Housing Survey (AHS) data assists in identifying the characteristics of owners with underwater mortgages and other housing finance problems, and informs the national understanding of the growing rental affordability gap.
- The Survey of Market Absorption of Apartments is used by the National Association of Home Builders, the National Multi Housing Council, the Congressional Budget Office, the Council of Economic Advisors, and the Office of Thrift Supervision as well as many other public and private entities for such purposes as analysis of the rental housing market and forecasting future trends.

## Housing Finance and Non-Survey Data Acquisition

The studies of pressing housing finance topics and proprietary data sources acquired through this request provide critical intelligence about housing finance markets and implications for FHA and Ginnie Mae program policy. Such investments contributed to the successful emergence of FHA's Mutual Mortgage Insurance Fund during fiscal year 2015 to a positive position relative to the statutory capital reserve requirement following FHA's crucial countercyclical role during the housing finance crisis.

One of the major purchases of non-survey data PD&R makes every year is private sector data on the apartment construction pipeline. This helps PD&R's Field Economists to more accurately assess rental housing demand and supply conditions in local markets when they are determining demand for potential market-rate multifamily developments applying for FHA-insured mortgages. Purchases of private sector mortgage data allow HUD to keep abreast of developments in the wider mortgage market and understand how FHA is fitting into it.

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PD&R also is generating high-impact data evidence at minimal cost by leveraging the Department's administrative data through collaborations with a number of federal agencies and other partners. These partnerships provide for securely linking administrative records for assisted renters with a variety of survey and administrative data sources and analyzing the linked data to address crosscutting policy issues and outcomes affecting HUD tenants. Such recent and ongoing efforts include, with the Department of Health and Human Services: the National Health Interview Survey, the National Health and Nutrition Examination Survey, Medicare and Medicaid health utilization records, and a Disaster Data Enclave (which includes the Federal Emergency Management Agency); and with the Department of Education, Federal Student Aid application records and the Early Childhood Longitudinal Survey.

### Knowledge Management (Research Dissemination)

PD&R is responsible for assuring broad-based awareness of and timely access to current Departmental research and policy through its Knowledge Management (Research Dissemination) services.

At the core of Knowledge Management is HUD's research information clearinghouse, HUDuser.gov. HUDuser.gov provides a broad range of stakeholders access to downloadable housing reports and publications; datasets and databases; an e-magazine (*PD&R's Edge*); e-lists and e-books; a newly launched portal to access geospatial datasets and mapping tools; current information on housing needs, market conditions, and existing housing programs; and other housing and community development information that PD&R develops such as case studies. HUDuser.gov houses over 1,000 publications and datasets as well as a Bibliographic Database dedicated to housing related issues with more than 10,000 full abstracts of research reports, articles, books and data sources. Finally, HUDuser.gov serves as the platform for complying with GAO recommendations for documenting how PD&R calculates Fair Market Rents (FMRs) for the Housing Choice Voucher Program. PD&R projects that 18 million files will be downloaded in fiscal year 2016 as compared to 17.7 million in fiscal year 2015 and 16.9 million in fiscal year 2014.

Knowledge Management also includes the following activities:

- *Evidence Matters*, PD&R's quarterly data-driven publication designed to support evidence-based policy-making at all levels of government. In the last year, *Evidence Matters* has added nearly 700 new subscribers for a total subscribership of approximately 24,000.
- Information and order fulfillment services are provided through an information center operated by staff knowledgeable in housing and community development matters. The call center fields 4,000 inquiries per year on average.
- The Innovation in Affordable Housing Student Design and Planning Competition, which is now in its third year, is a competition for multidisciplinary teams of graduate students designed to encourage research and innovation in affordable housing, to raise practitioner and future practitioner capacity, and to foster cross-cutting team-work within the design and

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community development process. In 2014, seven teams from seven universities participated and that grew to 34 teams from 25 universities in 2015.

- *The Edge*, an online magazine that translates research, shares partner reports, frames policy issues; and highlights housing data. The Edge generated 56,622 unique page views in fiscal year 2015.

## Research Partnerships

Through cooperative agreements, Research Partnerships allow PD&R to partner with outside researchers who are addressing questions of high priority to HUD, and where 50 percent or more of the costs are borne externally. This strategy has proven to be a highly productive way to move forward on a larger set of projects, leveraging both the ideas and financial resources of a broader set of stakeholders. To date, we have entered into 25 research partnerships by awarding nearly \$6.0 million. Those funds have leveraged any addition \$25.0 million in matching funds secured by each of the lead partners. Recently completed efforts include the examination of a promising family self-sufficiency demonstration program and a study leveraging MTO data to answer the question of what happens to residents who leave housing assistance programs.

## **5. Proposals in the Budget**

- Eliminate Units Under Lease Report. The Department proposes to repeal Section 314 of the fiscal year 2006 Appropriations Act, which required the Department to submit a report in 2006, and annually thereafter, on the number of federally assisted units under lease and per unit cost. It is a significant administrative burden to produce this report and the data it contains is available in other sources including the Department's Annual Performance Report and on the website. The Department can provide this data to the Committees on Appropriations upon request and the repeal of this requirement would reduce the administrative burden of preparing an annual report. (Sec. 223)
- Improve the Process for Establishing Fair Market Rents. Fair Market Rents (FMRs), which are based on rent survey data, are currently used for rent-setting in both the voucher and project-based Section 8 programs. This proposal removes the statutory requirement that FMRs be printed in the in the Federal Register to become official. While HUD would continue to announce proposed FMRs with a Federal Register notice seeking public comment on the proposed FMRs and any proposed methodology changes, the FMRs themselves would be published on a HUD web site rather than printed in the Federal Register. Final FMRs would be announced and made available similarly. A similar version of this language appeared in the Department's fiscal year 2015 and 2016 budget requests. This provision will save printing expenses of \$90,000 to \$100,000 per annum and reduce administrative burden. (Sec. 227)

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- Evaluation Funding Flexibility Pilot. Allows funding for research, evaluation and statistical purposes that is unexpended at the completion of a contract, grant or cooperative agreement to be deobligated and reobligated for additional research, evaluation or statistical purposes. (Sec. 218)

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**POLICY DEVELOPMENT AND RESEARCH  
RESEARCH AND TECHNOLOGY  
Summary of Resources by Program  
(Dollars in Thousands)**

<u>Budget Activity</u>	<u>2015 Budget Authority</u>	<u>2014 Carryover Into 2015</u>	<u>2015 Total Resources</u>	<u>2015 Obligations</u>	<u>2016 Budget Authority</u>	<u>2015 Carryover Into 2016</u>	<u>2016 Total Resources</u>	<u>2017 Request</u>
Core R&T .....	\$50,000	\$2,744	\$52,744	\$44,632 <sup>a</sup>	\$50,000	\$8,123	\$58,123	\$65,000
Technical Assistance ..	22,000	...	22,000	...	25,000	22,000	47,000	52,000
Research, Evaluations, and Demonstrations ...	...	...	...	...	10,000	...	10,000	33,000
Capacity Building .....	...	...	...	...	...	...	...	35,000
Total .....	72,000	2,744	74,744	44,632	85,000	30,123	115,123	185,000

NOTE: The fiscal year 2017 request includes \$120 million in program transfers for Research, Evaluations, and Demonstrations; Technical Assistance; and Capacity Building.

**POLICY DEVELOPMENT AND RESEARCH  
RESEARCH AND TECHNOLOGY  
Appropriations Language**

The fiscal year 2017 President's Budget includes proposed changes in the appropriation language listed and explained below. New language is italicized and underlined, and language proposed for deletion is bracketed.

For contracts, grants, and necessary expenses of programs of research and studies relating to housing and urban problems, not otherwise provided for, as authorized by title V of the Housing and Urban Development Act of 1970 (12 U.S.C. 1701z-1 et seq.), including carrying out the functions of the Secretary of Housing and Urban Development under section 1(a)(1)(i) of Reorganization Plan No. 2 of 1968, [and for technical assistance, \$85,000,000,] \$65,000,000, to remain available until September 30, [2017]2018: Provided, That with respect to amounts made available under this heading, notwithstanding section 204 of this title, the Secretary may enter into cooperative agreements funded with philanthropic entities, other Federal agencies, or State or local governments and their agencies for research projects: Provided further, That with respect to the previous proviso, such partners to the cooperative agreements must contribute at least a 50 percent match toward the cost of the project: [Provided further, That for non-competitive agreements entered into in accordance with the previous two provisos, the Secretary of Housing and Urban Development shall comply with section 2(b) of the Federal Funding Accountability and Transparency Act of 2006 (Public Law 109-282, 31 U.S.C. note) in lieu of compliance with section 102(a)(4)(C) with respect to documentation of award decisions:] *Provided further, That of the amounts made available in this Act under each of the headings under this title, the Secretary may transfer to and merge with this account up to \$120,000,000, and such transferred amounts shall be available until September 30, 2019, for (1) research and evaluation; (2) program demonstrations; and (3) technical assistance and capacity building, including forms of assistance described under Sections 4(b)(1) and 4(b)(2) of the HUD Demonstration Act of 1993, as amended: "Choice Neighborhoods Initiative", "Community Development Fund", "Fair Housing Activities", "Family Self-Sufficiency", "HOME Investment Partnerships Program", "Homeless Assistance Grants", "Housing Counseling Assistance", "Housing for Persons with Disabilities", "Housing for the Elderly", "Housing Opportunities for Persons with AIDS", "Lead Hazard Reduction", "Mutual Mortgage Insurance Program Account", "Native American Housing Block Grants", "Native Hawaiian Housing Block Grant", "Project-Based Rental Assistance", "Public Housing Capital Fund", "Public Housing Operating Fund", "Rental Assistance Demonstration", and "Tenant-Based Rental Assistance": Provided, That any such amounts, or portion thereof, transferred to this account from any account, may be transferred back to and merged with the original account and be available for the same purpose and same time period as provided under this Act.* [Provided further, That prior to obligation of technical assistance funding, the Secretary shall submit a plan, for approval, to the House and Senate Committees on Appropriations on how it will allocate funding for this activity.] (Department of Housing and Urban Development Appropriations Act, 2016.)