

FY 2010–2015 HUD Strategic Plan

Executive Summary

We deliver the *FY 2010–2015 HUD Strategic Plan* at a defining moment for our country and agency. The economic crisis, rooted in our housing market, exposed the dramatic gap between wages and housing prices, revealed a jarring mismatch between where people live and where jobs are located, and rolled back nearly two decades of gains in urban cores of our older industrial cities. The crisis made clear that when families choose a home, they do not just choose a home—they also choose transportation to work, schools for their children, and public safety. They choose a community—and the choices available in that community.

Crafted with the input of more than 1,500 HUD employees and partners, this Strategic Plan provides the direction and focus HUD needs to provide quality, affordable homes located in strong, sustainable, inclusive communities. It proposes to accomplish this through five core goals:

1. **Strengthen the Nation’s Housing Market To Bolster the Economy and Protect Consumers**
2. **Meet the Need for Quality Affordable Rental Homes**
3. **Utilize Housing as a Platform for Improving Quality of Life**
4. **Build Inclusive and Sustainable Communities Free From Discrimination**
5. **Transform the Way HUD Does Business**

Meeting these five goals requires HUD to embrace the new housing landscape that has emerged in the nearly half century since the agency was created in 1965.

As the federal government pulled back from the Great Society programs, we saw the emergence of **New Partners**—state and local governments became major drivers of the production and preservation of affordable housing; a third sector of nonprofit community development corporations became some of the most important civic institutions in many neighborhoods; and the private sector started using tools like Section 8 and the Low-Income Housing Tax Credit to become some of the most innovative housing developers. These new partners brought increased innovation and discipline to the housing industry, changing the way affordable housing is financed and how properties are managed. Our challenge now is to follow their lead and to restore the federal leadership that will take these innovations to scale.

A **New Geography** has emerged as well. Where at the time of HUD’s founding, America’s cities were in crisis, today they are recovering from an economic crisis. Cities are growing again and are increasingly seen as attractive places to live. In almost every respect, the distinctions between cities and suburbs—and the challenges they both face—are blurring. Challenges we once associated with cities have become suburbanized—not just foreclosures, but issues such as homelessness, joblessness, and traffic congestion. In many ways the most important frame for “place” today is the metropolitan area. Our metropolitan areas have become “laboratories for change”—hubs of consumption and production, radically altering development patterns in communities across the country.

In the last quarter century, a golden era of innovation was unlocked. This innovation, coupled with advances in technology and management and the use of data and evidence-based policy, has helped create a **New Business Model** in places that have adapted to these changes, bringing a new accountability to the public sector. We have seen the rapid evolution of the “technology” of combining housing plus services move the needle on chronic homelessness, and evidence-based policy has shown that housing can be a platform for driving other health and education outcomes. We believe a new business model can unlock a much broader scale of transformation—both within HUD and more broadly with the potential to fundamentally change the way federal government works.

The *FY 2010–2015 HUD Strategic Plan* leverages each of these developments to allow HUD to scale up local innovations, lead the charge, and set the pace for change leading up to HUD’s 50th anniversary in 2015. *Strengthening the Nation’s Housing Market* requires HUD to forge new relationships with federal, state, and local agencies across government silos—to assist different regions with vastly different housing needs. Likewise, *Meeting the Need for Quality*

Affordable Rental Homes requires us to provide people with the choices they need to seize opportunities for their families by streamlining the way HUD delivers rental assistance and by building partnerships that preserve housing affordability near transit and jobs. To *Utilize Housing as a Platform for Improving Quality of Life*, HUD must make federally subsidized housing a catalyst for investments in education, health, and job training, while also leveraging the private capital needed to expand housing for the growing number of seniors and homeless Americans. By bringing to bear mixed-use, mixed-income tools to transform all housing in a neighborhood and helping communities identify and address longstanding development challenges through targeted assistance, HUD will *Build Inclusive and Sustainable Communities Free From Discrimination*—creating neighborhoods of choice, affirmatively furthering fair housing laws, and fighting the scourge of concentrated poverty. To *Transform the Way HUD Does Business*, HUD will not only reform hiring practices and empower local decisionmaking but also provide our customers with the information and technical assistance they need to better target resources and build their own capacity—taking the holistic, cross-cutting view of community development required to make the biggest difference on the ground.

But the success of these initiatives will not be measured in just units built or dollars leveraged, but rather in whether HUD produces results that improve people’s lives and create lasting change in our communities. As such, this plan commits HUD to the following:

- **Promoting Sustainable Homeownership**
 - Assisting homeowners who are at risk of losing their homes due to foreclosure
 - Restoring the Federal Housing Administration’s excess capital reserves
- **Improving Outcomes for the Poorest Families**
 - Reducing the number of households with worst case housing needs
 - Increasing the proportion of HUD-assisted families in low-poverty and racially diverse communities
- **Ending Homelessness**
 - Reducing the number of chronically homeless families, individuals, and veterans
- **Catalyzing Energy- and Transportation-Efficient Homes**
 - Completing cost-effective energy and green retrofits of public, assisted, and other HUD-supported affordable homes
 - Reducing the share of household income spent on the combined costs of housing and transportation
- **Revitalizing the Gulf Coast**
 - Expanding the rate of occupied or repurposed Gulf Coast homes in Louisiana, Mississippi, and Texas severely impacted by Hurricanes Katrina and Rita from 2005.
- **Transforming HUD**
 - Making HUD the “Most Improved Large Agency” in the *Best Places to Work in the Federal Government* report
 - Increasing the percentage of customers that are “satisfied” or “very satisfied” with “Timeliness of Decision-Making” as measured in the survey of *Partner Satisfaction with HUD’s Performance*.

This Strategic Plan sets forth a roadmap to achieve these ambitions. It charts the actions needed to transform HUD—an agency uniquely situated to help families and communities alike—into an organization that reflects the progress and advances of the last half century. It capitalizes on HUD’s ability to nurture innovation and place-based solutions at the local level. And it provides the direction and focus necessary to seize this unique moment in our history and build the strong, sustainable communities America needs to succeed in the 21st century.