



U.S. Department of Housing and Urban Development
Office of Policy Development and Research

Fiscal Year 1988 Research and Technology Program





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Introduction

This brochure presents the 1988 research agenda of the Office of Policy Development and Research (PD&R). The primary responsibility of the PD&R agenda is to present a balanced program of research, evaluation, and demonstrations designed to meet the policy and program needs of the Department.

To facilitate this process while ensuring the best allocation of existing and future PD&R resources, we have taken steps to improve the internal management and coordination of PD&R activities and to achieve closer coordination with other HUD program offices.

The 1988 program will focus on the following:

- Increasing the affordability of housing through technological and regulatory improvements, with a new focus on rehabilitated as well as newly constructed housing;
- Improving the quality of life of public housing tenants and promoting cost-effective management of public housing;
- Designing appropriate programs to ensure a supply of affordable rental housing in a post tax-reform economy, including evaluating the new low-income rental housing tax credit and improvements to the voucher program;
- Developing cost-effective policies for management, operation, and maintenance of the insured and assisted multifamily housing inventory;
- Monitoring and evaluating tax policy and its impact on homeownership and rental housing;
- Maintaining the stability of the housing finance system through continued improvements to secondary market institutions and regulatory systems;
- Enhancing homeownership opportunities through the design of sound mortgage instruments and improvement in existing FHA programs;
- Increasing compliance and enforcement of fair housing laws and developing new strategies to promote fair and nondiscriminatory housing; and
- Developing an appropriate Federal role in support of community and economic development as fiscal responsibility and capacity shift among government levels.

Several major issues continue to be of critical concern to the Department: the continued financial and physical viability of the public-housing and insured-housing stock; the long-term stability of financial institutions which provide funds for housing; and the importance of redoubled efforts to prevent discrimination and promote fair housing.

The 1988 research program will continue to address these critical areas and will facilitate policy decisions that result in direct improvements to the lives of the people HUD serves.

A handwritten signature in cursive script, appearing to read "Kenneth J. Beirne".

Kenneth J. Beirne
Assistant Secretary for
Policy Development and Research

Public Housing

The research agenda for the public housing program will build on the major research effort conducted over the last three years, which is assessing the modernization needs of the public housing stock. Follow-on work in 1988 will develop formulas to allocate funds under the proposed Comprehensive Grant Program for public housing. Other research efforts will help improve public housing administration and tenant quality of life. Evaluation of the public housing homeownership demonstration and assessments of other ongoing Quality of Life demonstrations will lead to a better understanding of their role in future assisted-housing policy.

Projects designed to improve the management efficiency of PHAs will be started or continued. Work will continue on the development of tenant management corporations, as part of the Department's efforts to identify ways of helping public housing residents move toward self-sufficiency. PD&R will also continue to support the development and improvement of Performance Funding System (PFS) operating subsidy estimates.

Low-Income Housing

Low-income housing research will assess current and proposed programs to upgrade the existing housing stock and evaluate the effectiveness of various subsidy programs designed to increase the housing stock in urban areas. Evaluations of the voucher program currently underway in both large PHAs and small or rural PHAs will be used to refine and improve these programs in order that they may serve lower income families more effectively.

Multifamily Housing

Work on a comprehensive study of the physical and financial needs of the FHA-insured multifamily stock will begin. Areas to be covered include: identification of strategies that will minimize financial losses and adverse impacts on low-income tenants while preserving this stock at the least cost; development of a management data base; and analysis of the possible impact of changes in Federal policy or economic conditions on the inventory.

Housing Program Data

Work will continue on transforming inadequate program data bases into effective instruments for both program monitoring and policy analysis. Work will proceed on redesign of the Office of Public and Indian Housing's Field Office Reports Management System (FORMS) and the Office of Housing's Section 8 Management Information System, incorporating quality control and user feedback systems to make them reliable program management tools for policy analyses and program development.

Special Users

A congressionally mandated study, funded in 1987, will continue to develop a system whereby the housing initiatives for developmentally disabled persons can be better coordinated on a nationwide basis. This project will provide, among other data, information on funding sources from the public and private sectors to support such a system. There will also be a study of the provision of housing and services for the frail elderly.

A study will be undertaken of the HUD homeless programs created by the Stewart B. McKinney Homeless Assistance Act. This study will examine State and local responses to these programs and to the homeless problem in general in 20 cities and their metropolitan areas, and is to be completed by the spring of 1989. The data from this study will help to provide a foundation that will enable the Federal Government to evaluate policy directions on homelessness.

Residential Safety and Technology

A major component of this research agenda will be continued development and implementation of Project RECLAIM (Rehab Effectively through Comprehensive Local Action and Innovative Methods), which was begun in FY 1987. RECLAIM will identify successful approaches to property and neighborhood rehabilitation used around the country, and will utilize this information to assist owners, public housing officials, and other interested parties in determining when and how rehabilitation is financially feasible, technically effective, and operationally justified.

Other research in this area includes the development of a handbook on asbestos abatement methods for small rehabilitation contractors and support for a study by the National Institute of Building Sciences on the feasibility of a national, voluntary, preemptive code for modular housing. Also, preparatory work will be done in FY 1988 for a major new research and demonstration program addressing lead-based paint concerns which will begin in FY 1989.

Surveys

To meet the need for reliable and up-to-date housing information, PD&R has developed and now maintains several major data series on national, regional, and local economic and housing market conditions. These series include the congressionally mandated American Housing Survey, the Survey of Market Absorption of New Apartments, the Survey of New One-Family Houses Sold and for Sale, the Survey of Housing Completions, and the Survey of Mobile Home Placements. These data series are collected by the Bureau of the Census and issued jointly by Census and HUD in monthly, quarterly, or annual housing and construction reports. Additional surveys on the components of

housing inventory change and residential finance have been added at the request of Congress.

Data on the production and marketing of housing and on the status of the housing inventory are used by analysts in financial institutions and the construction industry, by the natural resource and materials manufacturing industries, and by related industries such as home furnishings and residential utilities.

The largest project is the American Housing Survey (AHS), begun in 1973 and now mandated by Section 512 of the Housing and Urban Development Act of 1970, as amended. It provides information on the deterioration and upgrading of units over time, on the present and former housing of families that have moved during the year, and on the quality and supply of vacant housing. The sample data are reported nationally, regionally, by Metropolitan Statistical Areas (MSAs), and for rural and urban areas.

Surveys of lenders are part of a public/private cooperative effort that provides reports on almost all mortgage lending activity in the United States. The resulting data are made available to government agencies and the public through HUD publications. Surveys of mortgage activity by State and local public retirement funds are prepared by HUD. There are also surveys of private, noninsured pension funds and mortgage lending and commitment activity by banks, thrift institutions, mortgage bankers, and other financial institutions. These uniquely comprehensive reports on mortgage lending and commitment activity are used by government agencies responsible for general credit policy, for supervision of financial institutions, and for housing credit policies. The data also are used by mortgage analysts employed by banks and savings and loan associations as a guide to their own lending policies.

Housing Markets

Work will continue on analysis of the impact of tax reform on the existing housing stock and on new construction, revitalization, and rehabilitation activities. The effects of structural changes in financial markets on the housing stock and housing markets will also be examined, to ensure that public policy promotes affordable owner and rental housing. Research and analyses will focus on ways to maintain and improve the stability and effectiveness of the housing finance system, including financial institutions and the secondary mortgage market.

Research on developments in the secondary mortgage market will include examination of the impact of tax reform on market activity,

particularly the creation of REMICs. Analysis will continue on the role of government-sponsored mortgage credit activities.

Fair Housing

Fair housing remains a major goal of the Department. Enforcement and compliance activities are undertaken to ensure that all Americans can live where they choose. PD&R's research activities focus on evaluating current enforcement and compliance activities and developing new strategies which promote fair housing and prevent discrimination.

The Housing Discrimination Study, the first conducted by HUD since the 1977 Housing Market Practices Study of housing discrimination, will be started. This work will provide estimates of the persistence and changes in the level of discrimination encountered by blacks and Hispanics.

Community and Urban Development

Based on findings from the congressionally mandated evaluation of the Local Property Urban Homesteading Demonstration, an evaluation of the main Urban Homesteading Program, which was last evaluated in 1981, will begin. An evaluation of the Multifamily Urban Homesteading Demonstration Program, initiated in FY 1986, will continue through FY 1988 and is expected to be completed early in FY 1989.

Local Government Management

Work on assessing urban economic development and the fiscal capacity of cities and States will continue, through the development and use of an urban data base which will bring together the best information from government and private sources on the local economic and fiscal condition of cities. This work will be used in preparation of the 1988 Urban Policy Report.

Program Planning and Management

Activities which provide administrative support to PD&R are covered under this category, including the conduct of short-term, high-priority policy analyses and research, and support for such projects as the US/USSR Agreement on Housing and Other Construction. In addition, this category provides funds for research management and analysis by PD&R staff and for remote computer support to assist their analyses.

Transferring Research Results

PD&R is responsible for dissemination of the results of research studies to government officials and the general public. Documents such as manuals and management guides are developed for local governments and organizations. Workshops and seminars are conducted for practitioners and key decision makers. Another means of disseminating research results is HUD USER, a depository of all HUD research studies and documents. This system processes all requests from the public for such documents, and a user fee for each publication helps defray production and handling costs.

