



HUD Scuttling Obama Transformation

A program unveiled in 2009 by the Obama administration designed to transform HUD's operational role from a public housing oriented agency to a centralized national rental housing subsidy program is being neutralized by the Trump administration.

An internal shakeup by HUD's new deputy secretary has rattled the department's second and third tier executives who were installed by the Obama administration in top civil service positions and who were still operating under the previous administration's policy guides.

The main strategy to reverse transformation lay dormant for almost a year while the Trump administration waited for its nominees for HUD's patronage executive slots to be confirmed by the Senate -- a process stymied and set back by Senate Democrats jockeying for political bargaining advantage.

While key positions still wait permanent appointees -- including commissioner of the Federal Housing Administration -- HUD Deputy Secretary Pamela Patenaude has taken a firm grip of the department's operations and the intended shift back to its congressionally backed organizational blueprint.

Patenaude's main organizational thrust was to undo predecessor Nan Coloretti's strategy to create several semi-autonomous mini-bureaucracies from operational duties that gave her the time to devote to the final transformational touches before the end of the Obama administration.

Patenaude had to wait nearly nine months before the Senate finally gave her the nod to be sworn in. A HUD veteran from the Bush 43 administration, Patenaude returned familiar with how HUD works and with knowledge of its closet skeletons.

Her initial maneuver was to assert a firm hold on HUD's day-to-day operations and balance her take-charge persona with HUD Secretary Ben Carson's lackadaisical, hands-off approach.

The new small area fair market rent strategy of placing poor families in pricy neighborhoods using inflated Section 8 vouchers to allow rental of upscale housing had been put on temporary hold before Patenaude was sworn in.

While Patenaude's move to reinforce the ban was stymied by a federal court order to resume the

SAFMR program, she was able to review other Obama-era rules for possible suspension, among them the Affirmatively Furthering Fair Housing rule.

Immediately after the SAFMR restoration -- which HUD managed to neuter through a bare-bones Section 8 operation that doesn't have the money for enhanced vouchers -- Patenaude posted a two-year suspension of the AFFH rule, a move likely to result in a lawsuit. But the lull meanwhile allows Patenaude to initiate more restrictive controls on transformation.

In two Jan. 26 *Federal Register* notices (known colloquially as a Friday dump of sensitive policy changes with the intention of cloaking them from HUD watchers), Patenaude virtually eliminated the position of Chief Operations Officer, a post enhanced by Coloretti in May 2015 when she signed off on a delegation of COO authority over all public relations and new dissemination moves, all of HUD's hiring duties, all equipment purchasing contracts, and all of the department's administrative duties, each with separate offices and bureaucracies.

Patenaude was greeted with an unwieldy mishmash of sometimes overlapping bureaucracies and moved immediately to reject the Coloretti changes.

In one notice, Patenaude revokes Coloretti's delegation of authority; and in the second notice, she assumes all of the authority in her office, including supervision and oversight of:

- Executive scheduling;
- Security and emergency planning;
- Executive Secretariat;
- Freedom of Information processing;
- Budgeting and accounting;
- Hiring and training employees;
- Modernizing computer systems;
- Information security, Privacy protection;
- Procurement and contracting; and
- Disaster preparedness.

A call by *HAL* to obtain HUD's rationale for the changes was not returned by press time.

Info: See the *Federal Register* notices at www.cdpublications.com/docs/9389 and www.cdpublications.com/docs/9390

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