



HUD Operations In Shambles

Lack of leadership, fear of job stability among rank and file HUD staffers, concern over budget cuts, all have contributed to a breakdown in HUD operations. The dilemma is magnified by the distance HUD Secretary Ben Carson has placed between himself and the department under the cloak of a national listening tour that has lasted for the two months since he was sworn in more than a month into the new Trump administration and is scheduled to last several more weeks.

Official HUD sources say Carson is simply adjusting to his new role, but department insiders tell *HAL* the problem is much deeper, magnified by Carson's lack of administrative experience and cluelessness over what is demanded from his leadership other than standard administration talking points.

HUD's problems reached a crisis point this week when its principal inspection program, the Real Estate Assessment Center, shut down its operations until further notice.

REAC, which is responsible for determining faults within the entire HUD portfolio of properties including its nearly 4,000 public housing authorities, has been in disarray for several years. The problem became serious enough in the past three years for lawmakers to step in and begin raising questions. Section 8 property management problems have spiraled out of control in several regions and HUD has yet to resolve any of them.

With such egregious examples of deteriorating housing stock as the mammoth Eureka Gardens Section 8 complex in Jacksonville, FL, the continuing fight with Memphis-based Global Ministries Foundation which manages Eureka and two projects which deteriorated to the point HUD had to seize them and fire Global (the foundation still manages several other HUD Section 8 properties), and the Cairo, IL ongoing debacle where HUD suddenly evicted the entire 185-families at two decaying public housing projects, HUD has entered a crisis mode.

That dilemma is illustrated by the complete breakdown of inspections this week with a terse notice from REAC.

"New Notice From HUD/REAC: Due to additional technical difficulties, HUD REAC has expended the cancellation of REAC inspections for the week of April 24-28, 2017," the REAC notice says. "Message from HUD/REAC: 'We apologize for the technical difficulties that many

inspectors and contractors have been experiencing over the last few days. We anticipate that the issues will continue into this new week. As a result, NO inspections will be conducted this week (April 24-28). All inspections for the entire week are canceled and will need to be rescheduled at a later date.”

Meanwhile, the atmosphere within the department is heavy with paranoia, according to sources. That paranoia is fed by a comment from Office of Management & Budget Director Mick Mulvaney.

“We’ve spent a lot of money on Housing and Urban Development over the last decade without a lot to show for it,” Mulvaney says. “Certainly, there are some successes, but there are a lot of programs that simply cannot justify their existence -- and that’s where we zeroed in.”

Carson is also hamstrung by the administration’s cursory approach to nominations of political executives. While the HUD secretary normally has some say in such appointments, sources say the White House is making all such decisions.

Carson has yet to fill all but one of the key HUD positions. All eight assistant secretary positions are vacant, although the White House has nominated a candidate for the Community Planning & Development slot (*see related story elsewhere in this issue*). All 10 regional administrator posts remain vacant.

Carson is still without a deputy secretary to handle day-to day operations and act as his principal gatekeeper. He is missing several deputy assistant secretaries, but Carson kept several Obama administration appointees on board until permanent replacements are chosen.

Sources say the lag in nominees could be a signal the administration will leave some posts vacant in anticipation of scrapping or reducing the programs involved.

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