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## Budget Bandages Savage HUD Programs

There is no positive outlook for HUD operational funding in the near term, and that may be the case for the remainder of the current spending cycle ending Sept. 30. The political chasm in Congress remains impassable.

Regardless of a fourth stopgap spending law or threat of a government shutdown, the inability of Republicans to govern even with a governing majority signals HUD operations will plunge deeper into financial turmoil from which it will take years to recover.

The only saving grace at the moment is a new continuing resolution keeping spending at FY 2017 levels and allowing spending to exceed caps and avoid sequestration which was set to resume this month. While the fourth stopgap spending law for FY 2018 -- marking more than a third of the way into the current fiscal year without full appropriations -- extends to Feb. 16, there is no assurance of full appropriations through the remainder of the spending year to Sept. 30.

With political divisions calcifying rapidly, the threat of a government shutdown likely will continue. But a shutdown is the last solution sought by lawmakers on both sides of the political aisle in an election year where Democrats are desperately trying to regain power in at least the House and possibly the Senate, and Republicans are equally as desperate to retain the majorities they now hold in both chambers.

That means government operations will be held hostage to politics indefinitely. For HUD, it means public housing authorities will have to hang on to every dollar for operations while major maintenance suffers. HUD's program directors will continue to forsake planning and stick to the patch-up strategy applied to operations in recent years of funding cutbacks.

While the situation remains bleak, the strategy of continuing resolutions favors Democrats. At least funding is predictable even if, because of inflation, it fails to meet actual operational costs. The alternative would be dramatic cuts in domestic spending sought by the Trump administration and congressional conservatives.

Some state and local governments are looking at strategies to financially bolster their federally

subsidized programs that likely will help in the short-term. But state, county, and municipal governments for the most part are operating largely day-to-day on margin and won't be able to prop up their federally supported programs for very long.

HUD's phantom operational ability, ravaged by the recession and neglect during the latter years of the Bush administration and through the Obama administration, means HUD programs at the local level are left to shift for themselves while facing cost inflation and ever increasing reductions in appropriations. The result is many HUD programs will continue remaining susceptible to neglect and corruption, an increasing operational prospect in recent years.

The political brinkmanship in Congress and the White House isn't likely to ease any time soon, and HUD will be forced to operate on what are actually near FY 2010 levels.

For example:

- Public housing authorities have been required to operate at anywhere from 83% to 90% of their actual needs since 2010, forcing personnel cutbacks, delayed maintenance, use of maintenance and rehab money for basic operations, and inability to set aside any rainy day savings.
- Section 8 vouchers are unable to keep pace with an exploding need which in turn is creating soaring homelessness regardless of HUD's efforts to minimize the problem.
- Adding to the woes is the ability of PHAs to administer and monitor vouchers with HUD requiring the agencies to operate the program at 30% below the actual amount of money necessary for basic supervision.

Unless Congress and the Trump administration come to terms between now and the expiration of the latest continuing resolution Feb. 16, expect the same and possibly deeper political impasse as lawmakers jockey for position in the Nov. 6 elections.

1/19/18 10:54 AM