



HUD Rushes To Dump Public Housing

HUD officials are in a mad scramble to convert the public housing program to a public-private gambit and pay for the result through the Section 8 housing voucher program.

The Rental Assistance Demonstration Program is in high gear now that congressional Republicans are behind the effort. The Trump administration persuaded key GOP lawmakers to embrace the concept devised by the Obama administration.

But housing experts worry over the lack of safeguards that could threaten program longevity and leave the nation without a cohesive public housing portfolio. The nation now has more than 1.1 million units of public housing.

RAD program officials, largely Obama administration holdovers, issued a flurry of notices over the July 4 holiday period to implement the FY 2018 appropriations act that increased the number of conversions to subsidized private housing to nearly half of the nation's entire public housing portfolio.

At the same time, nearly 5 million families hold Section 8 vouchers, about 2.1 million with portable vouchers and 2.7 million in private housing under contract to HUD.

HUD under Secretary Shaun Donovan turned to RAD development when lawmakers rejected the agency's first approach to make Section 8 a national rental housing program as single-payer rental housing platform that could help lead the United States to a declaration of housing as a human right under the United Nations Charter.

The Trump administration embraced RAD as a vehicle to dump the public housing concept crafted in the Great Depression during Franklin Roosevelt's administration to help give families a housing safety net until they could get on their feet. The Johnson administration expanded public housing as a way to mollify the Civil Rights movement in the mid-1960s by granting indefinite public housing coupled with welfare benefits to help offset inner-city unrest that was becoming commonplace.

When the Trump administration took power in January 2017, among its first moves was to promote RAD, which was sold to incoming HUD officials as a remedy for what had largely become a bankrupt and crime-ridden burden. Indeed, the RAD program was already \$26 billion in arrears on maintenance spending, according to a Nov. 4, 2010 HUD-conducted study.

The study reinforced HUD's early Obama administration strategy of Transforming Rental Assistance, a universal rental assistance platform devised by Barbara Sard, who Donovan borrowed from the Center on Budget & Policy Priorities, a liberal think tank, to develop the strategy. Sard had been promoting a TRA

concept for more than a decade as a way of housing the nation's poor.

When by 2011 Republican lawmakers rejected the concept and even majority Democrats backed off, calling it too radical to be sold to Congress, HUD dropped the effort and Sard returned to the CBPP.

But the idea didn't disappear. It emerged later that year, not as legislation, but as a rider on the Consolidated & Further Continuing Appropriations Act of 2012. That gambit helped backers avoid public airing of the proposal and an opportunity for written public comment.

So far, RAD has never been through the normal legislative authorization process. It has been attached to every consolidated appropriations act since 2012.

RAD began quietly in 2013 with the conversion of 60,000 public housing units. But public housing authorities and the cities sponsoring them caught wind of the idea and suddenly HUD was deluged with applications to convert 184,000 units by the following year. Congress authorized the conversion of an additional 185,000 units in FY 2015. The cap is now 455,000 units.

HUD was racing against time. RAD was stealthily authorized as a demonstration program, and that authority was set to end Sept. 30, 2020 if it was not reauthorized or made permanent by then.

In order to get all traditional public housing off the government portfolio without opening the demonstration program to public scrutiny as the budget grows each year, Congress extended the demonstration until Sept. 30, 2024, again in a consolidated appropriations bill -- FY 2018. The extension allows the Trump administration to get rid of all public housing before the end of President Trump's second term, if he is re-elected.

That will leave a mammoth Section 8 subsidized alternate public housing program operated by private landlords under contract to HUD. The single stipulation is that the contracts must be renewed indefinitely after HUD pays for a large part of the rehabilitation while landlords leverage private investment.

With HUD's questionable record of oversight and its constant turnover of private landlords managing Section 8 subsidized apartments and homes, housing advocates worry that landlords will opt for quick profits and abandon their contracts, leaving the refurbished public housing to decay and fall under HUD control.

At the same time there is no guarantee a future Congress will support a Section 8 program that is growing rapidly and is rife with private contract mismanagement. The Trump administration is already mulling strategies to push much of the subsidized housing cost on to states and municipalities.

Info: See RAD FY 2018 at www.cdpublications.com/docs/9489 and RAD Supplemental Guidance Final Notice at www.cdpublications.com/docs/9490

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