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## HUD Outlook: Carson's New Executive Mettle

Confident that HUD Secretary Ben Carson has gotten his political feet wet and is now self-assured enough to run HUD without White House interference, President Donald Trump has given Carson thumbs-up to shake up and streamline the department and policies.

Carson must decide how to pare HUD spending 5% for the FY 2020 administration budget proposal, but that could be the least of his worries, depending on how Congress shapes up in the November mid-term elections.

If Democrats retake the House, all spending cut proposals would become moot. If Republicans retain house control, that would mean conservatives picked up more seats and spending cuts would be their determined priority.

In the meantime, Carson has a smorgasbord of changes he wants to make and a somewhat clear path to carry them out. But first, sources say Carson continues to determine who is loyal to the new administration and those employees who remain loyal to Obama administration policies among HUD's more than 8,000 workers.

The political divide is particularly prevalent in HUD's 10 regional offices and even more so at its 55 field offices. Former HUD Secretary Shaun Donovan began a major restructuring of field offices in 2013 by closing 16 of the 80 offices over two years and paring hundreds of employees.

There are now 55 field offices largely managed by Obama administration hires -- HUD began a flurry of hirings and at one point in January 2015 advertised a 1,000-worker hiring spree.

Donovan's transformation of HUD's administrative mechanisms caused the exodus of hundreds of veteran department staffers. They were replaced by new hires loyal to the administration in a separate hiring drive.

It is still too early to tell if Carson fully understands the policy and personnel minefields left by Donovan and his successor, Julian Castro. Carson's early missteps and difficulty getting new executive appointees in place delayed his getting a full grip on HUD's administrative apparatus.

But while Carson's initial efforts at change were stymied -- his attempt to scuttle Castro's Fair Market Rent initiative was foiled by a federal judge, and its subsequent restoration has roiled the

Section 8 housing voucher program -- he has settled in to more gradual and subtle change.

Carson initially suggested scuttling the Affirmatively Furthering Fair Housing rule, a Fair Housing Act enforcement tool Donovan developed by reinterpreting the law to emphasize racial segregation. He called the rule social engineering.

But advisors convinced Carson to modify the rule to his advantage rather than scuttle it, a move guaranteed to trigger a political avalanche. Even then the proposal to modify the AFFH resulted in a massive outcry. Opposition from its backers far outweighs support in comments submitted during a public comment review period which ended Oct. 15.

Despite the opposition, Carson is expected to revamp the AFFH to reflect aggressive enforcement of landlord and real estate violations of the law rather than the reinterpretation emphasizing correction of racial segregation imbalances.

Carson effectively sunk AFFH's desegregation effort by eliminating the accompanying AFFH Data & Mapping Tool, the local government assessment tool used to compile information detailing racial and ethnic imbalances in each of the nation's zip codes.

Meanwhile, Carson is putting finishing touches on his initiative to spur affordable housing development by persuading local governments to relax zoning laws and to persuade rental landlords nationally to accept Section 8 voucher tenants.

Those moves are accompanied by a bit of political arm-twisting. Carson expects to use withholding of federal subsidies to municipalities as a political cudgel if they resist zoning changes, a concept borrowed from the Obama administration.

Landlords likely would expect HUD to push for a national source of income law if they continue to resist Section 8 tenants -- some state and several local governments have adopted such a law requiring recognition of government welfare and housing subsidies as legitimate income.

Of course, Carson can only gauge the success or failure of his endeavors by the political makeup of Congress and continued White House support.

10/19/18 2:11 PM