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## HUD Operations Down Indefinitely

Senate Democrats refused to accept a House compromise over funding wall construction on the U.S.-Mexico border, sending a major part of the federal government, including HUD, into an operational shutdown at midnight Dec. 21.

Unless both sides can come to terms, and President Donald Trump accepts a compromise, the shutdown will be indefinite. When Congress re-convenes Jan. 3, Democrats will control the House and the impasse will become even more difficult to overcome.

Only essential HUD workers will be kept on duty. Public housing authorities, while locally chartered, are primarily funded through HUD and only temporary local government assistance could keep them operating.

The shutdown, if it is lengthy, will have a serious effect on HUD's Section 8 voucher program, now its primary mission. With funding disrupted, it will take the generosity of landlords to allow tenants to remain until voucher subsidies are restored. Likewise Section 8 contract landlord payments will be disrupted.

Complicating the difficulty will be the inability of PHAs and HUD program managers to borrow money. Without the assurance of government funding as collateral, banks will be reluctant to lend.

Regardless of the impasse, HUD and the six other agencies without FY 2019 funding assurance likely will have to operate on a continuing resolution through Sept. 30. New House Speaker Nancy Pelosi (D-CA) likely will focus on a FY 2020 spending blueprint rather than allow the FY 2019 spending impasse to consume time.

A yearlong stopgap spending law would put the squeeze on several programs, particularly housing assistance activities. Spending at current levels without additions to account for inflation would jeopardize thousands of families and individuals who would have to pay more out-of-pocket to meet increased costs not covered by federal subsidies or face eviction.

HUD had been seeking about \$1.3 billion more just to maintain current program levels. The Agriculture Department's Rural Housing programs need at least \$10 million more to do the same.

In particular jeopardy are thousands of new housing vouchers in the Section 8 program that would provide housing for veterans and youth aging out of the foster care system.

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