



Patenaude Resignation Rattles HUD Operations

The abrupt resignation of HUD Deputy Secretary Pamela Patenaude after less than 15 months in the key day-to-day administrative post plunges HUD into more turmoil resulting in the naming of FHA Commissioner Brian Montgomery to temporarily substitute for her. The substitution follows in the wake of Patenaude's failure to ease fears that the department is in a directionless tailspin.

Patenaude, who waited almost five months before resistant Senate Democrats allowed her nomination to go to the Senate floor for a vote, was HUD Secretary Ben Carson's top choice to help tame what had become an unwieldy bureaucratic monolith.

HUD plunged into an administrative quagmire when former Secretary Shaun Donovan initiated his strategy to transform HUD's mission from public housing assistance and Fair Housing Act enforcement to a single-payer platform rental housing subsidy goliath and a vehicle to desegregate the nation's largely white suburbs under re-interpreted Fair Housing Act rules aimed at promoting social, educational and economic equity.

The strategy called for diversion of HUD money and other resources to achieve those goals. It was a strategy that led to neglect of the department's primary mission of keeping a close eye on how its private contractors spent public money and maintained the public's properties.

At the same time, veteran HUD employees rose in opposition to the new aims that promoted the neglect of those long-time missions of providing temporary housing for those in need and subsidized housing for the elderly and disabled.

Re-development of neglected city neighborhoods under HUD's urban development responsibility had long since been largely abandoned or paid lip service at best.

The altered approach angered veteran HUD workers who continued to embrace the original credo of providing a shelter safety net. Beginning in 2011, the Obama administration launched a gradual employee buyout program to help quell that dissention and raise morale. It was initially focused on the regional office network where offices were shuttered to concentrate authority in Washington.

Buyouts were expanded later and HUD lost more than 2,000 veteran workers, most of whom

where replaced with non-experienced employees, including a 2015 hiring spree that netted more than 1,000 new employees

HUD's transformation and the consequences thereof pitted Obama administration hires against Trump administration newcomers, resulting in a virulent atmosphere complicated by a lack of executive leadership resulting from the Senate's failure to confirm nominees. That nominee logjam continues with several appointees languishing for months (*see HAL Issue No. 18-45, Nov. 30, 2018*).

That was the HUD internal nightmare Patenaude inherited, one that she was never quite able to rein in while saddled with the responsibility of overseeing recovery from the massive hurricanes that ravaged Puerto Rico, the U.S. Virgin Islands, Texas, and Florida in 2017 and 2018.

Patenaude bore the brunt of criticism from activists who demanded a speedy recovery for Puerto Rico at a time when HUD was trying to cope equally with all of the devastated areas and still trying to live down the corruption disaster resulting from the recovery following Hurricane Sandy in 2012.

Patenaude has been HUD's point person on the Puerto Rico recovery while Carson busied himself as the Trump administration's point man with country's African-American communities, as well as arbiter of the fate of HUD's public housing portfolio and its estimated \$50 billion rehabilitation cost.

Sources say Carson's decision last month to get HUD out of the public housing business and into a national Section 8 subsidized public housing program was the final straw for Patenaude. She would face the ire of the incoming Democratic majority in the House, a large faction of which is angry over the plan to eliminate what has for decades been a political stronghold for Democrats.

The Section 8 plan under the umbrella of HUD's Rental Assistance Demonstration program is at the core of Democratic dissension over a plan that dilutes political power, a program that has never been legislatively authorized other than through a back door move in 2012 to initiate it in an appropriations bill.

Patenaude was caught between the proverbial rock and hard place with the prospect of bitter political rivalries damaging what otherwise has been a stellar 35-year career in the nation's housing sector. She decided instead to go home to New Hampshire.

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