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HUD Shutdown Complicates Programs

On the day after the New Year holiday, the halls of the cavernous HUD headquarters 10-story building in Washington, DC remained largely silent 12 days into the operational shutdown prompted by a lack of FY 2019 spending authorization or stopgap spending approval.

HUD officials helping make up the skeleton staff of “essential” employees -- 350 according to the HUD count -- say that 7,150 HUD workers are “nonessential” and will sit out the balance of the shutdown which began Dec. 22. As of *HAL*’s publication deadline, there is no resolution in sight.

Public housing authorities have some operational breathing room. While the more than 3,200 PHAs are local agencies and not part of the federal government, they receive the bulk of their funding to manage the public housing and Section 8 housing voucher programs from HUD.

PHAs have at least two months of funding with their ability to draw down money from advance appropriations accounts. That funding, which finances public housing operations and maintenance, Section 8 tenant voucher and landlord contract payments, will run out at the end of February.

After that, public and assisted housing programs are at the mercy of lenders and local governments, many of which are financially strapped. PHAs can borrow money against expected appropriations, but banks would be reluctant to lend if there is no solid collateral to support the loan. An extended shutdown would affect almost 6 million subsidized tenants, many elderly or disabled.

HUD headquarters and all 10 regional offices are closed. They are manned by minimal staff, essentially political appointees, to address emergencies.

There have been 10 government shutdowns since 1976. Most of them have been brief. The longest shutdown -- 17 days in 2013 -- prompted HUD to develop a strategy for future shutdowns.

The 90-page contingency plan calls for the Office of Public & Indian Housing to address emergency situations where failure to perform those functions would result in an imminent threat to the safety of human life or the protection of property. Most of the essential workers on duty represent the PIH office.

HUD’s homeless assistance grants, including supportive housing for veterans and housing for AIDS victims, will continue to be funded.

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