

Will Ben Carson Put Julián Castro's HUD Legacy in Jeopardy?

By Bill Lambrecht, San Antonio Express-News, December 17, 2016

WASHINGTON — Housing and Urban Development Secretary Julián Castro returns to San Antonio next month out of government for the first time in more than seven years, leaving behind an agency whose missions could be threatened by Congress and the new administration.

President-elect Donald Trump's campaign vow to make "inner cities" a beneficiary of \$1 trillion in infrastructure work over a decade brings a measure of hope to advocates of affordable housing.

But Trump's selection of Ben Carson, the retired neurosurgeon and his primary campaign foe, as the new HUD secretary poses one of the mysteries in the series of new cabinet appointees who have expressed doubts about their agencies' missions.

As a physician, Carson may understand better than others who might have gotten the HUD job the connection between housing and health.

"Dr. Carson has an unprecedented opportunity to change health outcomes for the entire country. The relationship between housing and health is irrefutable," said Emily Benfer, a law professor and director of Loyola University's health justice project in Chicago.

But Carson, besides knowing little about housing and community development, has displayed little interest in the topics. In one of the few times he has weighed in, he wrote in an op-ed last year that Castro's drive to stem segregation in public housing with a new HUD rule smacked of a "failed social experiment" and could bring public housing to wealthy neighborhoods.

Carson could delay or roll back the fair housing rule, completed in July 2015, and scuttle other Castro-led advances at HUD, such as proposed regulations for lead-based paint.

Last week, the House Freedom Caucus, an alliance of several dozen of the most conservative U.S. House Republicans, recommended killing HUD's new anti-smoking rule for public housing, along with more than 200 other Obama administration regulations and directives.

Castro said the new administration ought to leave the smoke-free regulation alone. The rule, finished just two weeks ago, bans cigarettes, cigars and even hookahs in and around units and offices of more than 3,100 public housing authorities. San Antonio's and several hundred other housing agencies already had banned smoking on their own.

"It's a no-brainer," Castro said in an interview. "I have heard over and over from public housing authorities how popular their smoke-free policies have been, and that even smokers recognize the value."

The transition

Castro has not conveyed his thoughts to Carson because the two have not spoken. Castro says he told emissaries of Trump that he is available.

The Trump team stayed true to its early business-friendly approach when it named a Quicken Loans executive, Shawn Krause, to head the administration's four-person landing team that has been showing up at HUD.

As recently as last month, Krause was listed as a lobbyist on Quicken disclosure forms filed with Congress. Since last year, her company has aggressively defended itself against Justice Department charges of filing false claims on mortgages insured by the Federal Housing Administration, part of HUD.

The staff at HUD reports cordial dealings with her thus far.

In just over a month, Castro will return to San Antonio off the public payroll for the first time since 2009, the year he won election to the first of his two terms as mayor. He intends to make speeches for hire and to finish a book that he is precluded by HUD

from even talking about publicly by agency ethics rules - rules that he has worked as secretary to strengthen.

Castro received an advance from his publisher, Little, Brown and Co., but stopped writing the family biography after he was chosen by Barack Obama in mid-2014 as HUD secretary.

At 42, Castro, among those vetted as Hillary Clinton's potential running mate, is viewed as having a promising political future. Allies have said a run for the White House in 2020 is a possibility. Castro has taken pains to say nothing about his future after having endured a round of bad publicity at an inopportune time - days before Clinton picked a vice-presidential candidate - for answering political questions in an interview.

By most accounts, Castro has enjoyed successes at HUD while dealing with constrained spending and a shortage of willing partners on Capitol Hill.

"I think he's done well, despite all the obstacles," said Diane Yentel, president and CEO of the National Low Income Housing Coalition, a nonprofit born four decades ago after Richard Nixon's moratorium on federal housing.

Six months after he got to Washington, Castro took the initiative to lower mortgage insurance costs for Federal Housing Administration borrowers, a move that saved families an average of \$900 a year.

A GOP-led committee blistered him on Capitol Hill, warning that he was about to drain the Mutual Mortgage Insurance Fund's mandated reserve.

"Not only has it not gone down, it has gone up," Castro said in the interview.

The fair housing rule that troubled Carson was completed last year to comply with the 1968 Fair Housing Act, a pillar of civil rights legislation from the Great Society programs of President Lyndon Baines Johnson.

Castro shares credit for a recent drop in homelessness, particularly among veterans. And he counts among his achievements successes in persuading tech companies to provide internet access in many cities' public housing, including in San Antonio.

“Through all of these efforts, I’ve tried to layer the bricks and mortar with greater opportunity for people who live in HUD-assisted housing,” Castro said.

What’s ahead for HUD?

Like many interest groups that have been given conflicting signals, those around HUD look for signs of hope from Trump.

Trump’s statements while running for office suggested a snapshot of inner cities before gentrification arrived and young professionals returned. In the Oct. 9 debate, he spoke of African Americans in “inner cities” enduring a 45 percent poverty rate.

Studies of Census data show that most African Americans live outside urban areas and that 24 of them percent live below the poverty rate.

Federal budgets could pose the biggest threat to HUD, given a return of spending caps next year and Trump’s promise to divert non-defense spending to the Pentagon.

But Benson “Buzz” Roberts, who heads the National Association of Affordable Housing Lenders, said he is encouraged by Trump’s pronouncements about investing.

The goal of investment might best be reached through the new infrastructure spending Trump talks about, coupled with an investment tax credit to rehab homes in downtrodden areas, Roberts said.

“The president-elect has spoken about trying to attract investment in distressed neighborhoods and the importance of making those neighborhoods good places to live,” Roberts said. “He has said he is committed to helping these neighborhoods, so I take him at his word.”

Trump's choice of a physician to head HUD, even one unversed in housing bureaucracies, adds more hope.

"There are opportunities for him because maybe better than anyone," said the housing coalition's Yentel, "he will understand the clear link between health and housing."