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HUD Secretary Looks Forward from Where It All Began

By Amilda Dymi



Exactly one year after he got "the call," Shaun Donovan returned to the annual awards luncheon of the New York Housing Conference and the National Housing Conference as secretary of the Department of Housing and Urban Development and as the keynote speaker with an intriguing agenda for the future of HUD and affordable housing.

One year ago while sitting in a car on his way to the NYHC luncheon, Mr. Donovan received a call from then President-Elect Obama inviting him to join his administration as HUD secretary. He walked into the same room knowing it was going to be his farewell speech as commissioner of the New York City Department of Housing Preservation and Development even though he could not announce it.

It has been a year, he said, and one of two things he learned from the start is that despite its challenges, during a crisis HUD can mobilize a network of partners nationwide.

"Second, in crisis comes enormous opportunity for change."

It is time to renovate the role the federal government plays in generating affordable housing and the way HUD operates, he said, as sometimes the very structure and complexity of the HUD organization and its programs is part of the problem.

Going forward, HUD will engage in improving the quality of federal, state and local partnerships that provide resources and the type of flexible support needed at the local level.

"Growing up in New York and watching the South Bronx burn sparked my own passion for the work that we all do. Over the decades, from the South Bronx, Harlem to East New York, I have seen our city's remarkable capacity for change how neighborhoods that were once emblematic of America's problems are now symbols of our nation's most enduring aspirations," he said.

"I'm not suggesting to replicate what happened here in every city, even if we could, but for all their differences, one thing every community needs, every region, every city, every neighborhood, is a partner. ... In the weeks and months to come that's the kind of change that we're committed to provide at HUD."

While the country is "by no means" out of the economic and mortgage crisis, there are the beginnings of a recovery, he said. And if this crisis "has taught us anything," he added, is that the housing system should be built in a way that it does not allow anyone to "fall through the cracks" and lose their home.

One positive change, in his view, is the fact that the federal government is back into the business of developing affordable rental housing. The Federal Housing Administration has clearly been a crucial part of the recovery in home sales, he said.

Mr. Donovan encouraged his peers in the affordable housing marketplace to find inspiration in the saying, "A crisis is a terrible thing to waste."

The New York affordable housing veteran turned "Mr. Secretary" was welcomed with a standing ovation by his hometown friends and former colleagues.

"I love his passion, that's the most important thing to sustain the technical, scholarly and financial knowledge that he has," Carol Lambert, executive director of Settlement Housing Fund Inc. told National Mortgage News. That will help, she added, if HUD also has enough funds to go through with programs like the proposed Choice Neighborhoods program, which combines assisted housing and neighborhoods development.

"You need good financing and management to sustain the buildings for many years."

The government "can be smart, can be nimble and can accomplish a lot," especially in times of crisis, said Priscilla Almodovar, president and CEO of NYHomes, this year's recipient of the public service award, in her acceptance speech.