## United States House of Representatives Committee on Financial Services 2129 Rayburn House Office Building Washington, D.C. 20515

April 3, 2025

The Honorable Eugene Dodaro Comptroller General of the United States Government Accountability Office 441 G St., NW Washington, DC 20548

The Honorable Stephen M. Begg Acting Inspector General U.S. Department of Housing and Urban Development 451 7<sup>th</sup> Street Southwest Washington, DC 20410

Dear Comptroller Dodaro and Acting Inspector General Begg:

I write to request that the Government Accountability Office (GAO) and the Office of the Inspector General (OIG) investigate whether the Department of Housing and Urban Development (HUD) has complied with statutory requirements to maintain HUD field office capacity as required under the Housing and Community Development Act of 1987 and the Department of Housing and Urban Development Act of 1965. Under these statutes, the agency is required to maintain at least one field office in every state and to publish a cost-benefit analysis in the Federal Register prior to any reorganization. However, there are no public records indicating that the agency has fulfilled these obligations before proceeding with reorganization plans, including capacity reductions or closures. Any failure to adhere to these statutory requirements raises significant transparency and accountability concerns and calls into question whether HUD has fully assessed the consequences of its decisions on its statutory obligations, including program efficacy.

It has been reported that Secretary Scott Turner has taken unilateral action to significantly downsize HUD's field operations, with plans to close nearly two-thirds of field offices across the country. I am concerned about what effects this will have on families and communities across the country who rely on HUD for housing assistance, community and economic development projects, as well as enforcement of federal fair housing and civil rights laws. This comes at a time when the U.S. is grappling with one of the worst affordable housing and homelessness crises we have seen, which is expected to be made worse by recently imposed tariffs on Mexico, Canada, and China. The housing supply and affordability crisis has also led to increased housing instability and worsening homelessness across rural and urban communities, further underscoring the need for adequate capacity within HUD field offices.

As you know, HUD field offices, which report to regional administrators, are a critical extension of HUD's capacity at the local level. Employees across approximately 54 field offices have localized expertise and work in communities to carry out face-to-face technical assistance, provide timely guidance to local grantees and officials to help speed up project timelines, and manage oversight and enforcement of federal statutes in each region. For example, field offices coordinate inspections and reviews of public housing agencies to ensure they comply with HUD regulations and physical standards. Field offices also help process civil rights, fair housing, and tenant-landlord

<sup>&</sup>lt;sup>1</sup> 42 U.S.C. §1735f–12(a); See also 42 U.S. Code §3535(p).

 $<sup>^{2}</sup>$  Id.

<sup>&</sup>lt;sup>3</sup> Bloomberg, Trump Administration Plans to Eliminate Dozens of Housing Offices (Accessed Mar. 19, 2025).

<sup>&</sup>lt;sup>4</sup> ABC News, A timeline of Trump's tariffs on Canada Mexico and China (Mar. 6, 2025).

<sup>&</sup>lt;sup>5</sup> Pew, <u>How Housing Costs Drive Levels of Homelessness</u> (Aug. 22, 2023); *See also* Center on Budget and Policy Priorities, <u>Addressing the Affordable Housing Crisis Requires Expanding Rental Assistance and Adding Housing Units</u> (Oct, 27, 2022).

<sup>&</sup>lt;sup>6</sup> HUD, PIH Offices, Divisions and Centers (Accessed Mar. 24, 2025).

<sup>&</sup>lt;sup>7</sup> HUD, <u>HUD Review Process- PHA Plans</u> (Accessed Mar. 24, 2025).

complaints. Additionally, HUD field offices coordinate with elected officials, grantees, and local stakeholders to build relationships and help implement federally-funded community and economic development projects. This is especially true in rural areas that may not only lack capacity but may also need technical assistance to connect with willing developers and other industry actors. The Trump Administration's proposal to close 34 field offices would severely disrupt federal housing programs, stall local development projects, and threaten the jobs of approximately 360 full-time employees. In

Given HUD's statutory requirements to maintain operational field offices, and the critical role these offices play in ensuring housing stability and equitable access to federal housing resources, we request that your offices investigate the following:

- 1. Whether HUD conducted any form of analysis prior to taking actions to reduce, consolidate, close, or otherwise reorganize field offices, and if they followed statutory requirements in doing so, including conducting and publishing a cost-benefit analysis in the Federal Register.
- 2. What factors has HUD used to determine whether to reduce, consolidate, close, or otherwise reorganize field offices; which offices would be affected and whether each state will continue to have at least one field office; and what expected impact such decisions will have on HUD operations, assisted residents, and grantees?
- 3. What are the anticipated impacts of these closures on HUD's ability to adhere to statutory obligations, including effective administration of federal housing programs and oversight of housing condition standards, particularly in regions where HUD may no longer have a local presence?
- 4. If HUD were to proceed with reported plans to close approximately two-thirds of field offices, would HUD have adequate capacity to ensure continued service delivery and required oversight in affected localities?

If HUD has failed to comply with these statutory obligations, these closures would not only constitute a violation of federal law but also a failure to uphold HUD's core mission to ensure safe, fair, and affordable housing for all Americans. I thank you for your immediate attention to this important issue and I look forward to reviewing the findings of your investigation.

Sincerely,

Representative Maxine Waters
Ranking Member
Committee on Financial Services

CC: The Honorable French Hill, Chair, House Committee on Financial Services

<sup>&</sup>lt;sup>8</sup> HUD, Fair Housing and Equal Opportunity (Accessed Mar. 24, 2025).

<sup>&</sup>lt;sup>9</sup> HUD, *Field Policy and Management* (Accessed Mar. 24, 2025).

<sup>&</sup>lt;sup>10</sup> HUD, Rural Gateway (Accessed Mar. 24, 2025).

<sup>&</sup>lt;sup>11</sup> Supra note 5; See also HUD, <u>FY25 Congressional Justifications: Office of Field Policy and Management</u> (Accessed Mar. 24, 2025).