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JOINT COMMITTEE ON HOUSING RELEASES PUBLIC HOUSING AUTHORITY REFORM BILL

Bill provides greater accountability and transparency, establishes quality standards while empowering tenants

BOSTON – June 18, 2014 – The Joint Committee on Housing today released legislation that improves state-aided public housing programs through greater transparency and increases operational capacity at local housing authorities across the Commonwealth.

“This bill takes necessary steps to improve public housing in communities around the state while addressing transparency and accountability at the local level,” said the Senate Chair of the Joint Committee on Housing, Sen. Jamie Eldridge (D-Acton). “Over the past year and a half, the Joint Committee on Housing conducted a state-wide tour of housing authorities and held public hearings to hear from directors, tenants, advocates and stakeholders to reach a consensus on how to revitalize and improve public housing authorities. I am pleased that the bill we see today will provide greater transparency and accountability for all housing authorities, while encouraging regionalization and collaboration to improve the delivery of services and hopefully build more public housing across Massachusetts.”

“Our goal with this legislation is to improve the involvement and overall experience for residents, increase accountability and transparency, and to encourage the state to step up and do more for local housing authorities,” said House Chair of the Joint Committee of Housing Kevin Honan (D—Allston-Brighton). “This bill encompasses much of what we heard during our travels last summer to over ten different communities meeting with residents, board members, staff, executive directors, industry experts and other stakeholders.

“This bill lays the foundation for productive reform to capture efficiencies and innovations without compromising responsiveness and the local governance that is critical for each of our communities,” said Senator Bruce Tarr (R-Gloucester). “A critical theme of this bill is increasing transparency, accountability and efficiency without undermining the relationship that housing authorities need to have with the people that they serve and the taxpayers that support them.”

“MassNAHRO appreciates the hard work, site visits and public hearings conducted by Senate Chairman Eldridge, House Chairman Honan, and the staff of the Joint Committee on Housing,” said Tom Connelly, Executive Director at Massachusetts National Association of Housing & Redevelopment Officials (MassNAHRO). “They have crafted bold, innovative legislation that if enacted, will make local housing authorities better managed, more cost efficient and accountable, plus authorize new roles for tenants in the governance of their authority.”

An Act relative to local housing authority reform will enhance and revitalize local housing authorities through a series of governance reform measures. The bill will increase accountability and transparency through the establishment of performance benchmarks, board member and executive director training, and annual audits conducted by independent auditors. The bill requires local housing authorities to create annual plans and make them available for public review and comment.

The bill seeks to further increase tenant involvement and the overall experience for residents by reserving a seat for tenants on every local board, implementing an annual anonymous resident survey, and encouraging a greater focus on providing resident services. The bill also requires additional technical assistance be provided to the tenant board members, and that each local housing authority create a website with contact information for all board members and key staff members. The bill will also require DHCD to develop and administer a centralized application and waitlist within one year.

The bill provides for three Capital Assistance Teams to provide additional technical assistance for local housing authorities in areas such developing and managing capital programs, implementing special projects, and coordinating procurement and improvements and repairs among multiple local housing authorities. The Capital Assistance Team will also survey existing surplus housing authority land and work with DHCD to implement affordable housing development.

Finally, the bill sets forth a Regional Innovation Pilot Program to create up to three regional housing authorities. Program eligibility is restricted to regional housing authorities of no less than seven communities and a collective portfolio of 750 units. This voluntary program would reward newly created regional housing authorities with a 20% increase in annual operating funds and greater flexibility in spending between operating funds and capital funds.

This session the committee considered several proposals relative to public housing governance reform. The committee traveled across the Commonwealth visiting local housing authorities and meeting with residents, board members, executive directors, and staff members. The committee re-draft incorporates aspects of the bill filed by Governor Patrick and the bills supported by MassNAHRO, suggestions and concerns the committee learned during its travels, and concepts supported by housing advocates and industry professionals.

An Act Relative to Local Housing Authority Reform

Joint Committee on Housing

Accountability and Transparency

Performance Benchmarks

- Mandatory participation for all local housing authorities (hereinafter LHAs);
- Benchmarks developed jointly by DHCD and stakeholders to address capital and operating program criteria and governance activities, including:
 - Executive director and senior staff training; board member training; senior staff certification in public procurement procedures; minimum experience and education requirements to be used when hiring new executive directors;
 - Maintenance and repair of existing units; procedure for vacant unit turnover;
 - Budget management; capital project planning;
 - Resident services, including job training initiatives and family self-sufficiency programming; participation in the capital assistance team program.
- Directs DHCD to define standards for “chronically poor performing” LHAs
 - Permits DHCD to appoint a chief financial and administrative officer for no longer than 3 years to a chronically poor performing housing authority.
- Directs each LHA to create a website with contact information for all board members and key staff members.

Annual Plan

- Describes goals of LHA and plan to meet the performance standards;
- Must be made available for public review and comment through an annual public hearing;
- Public hearing will address:
 - Proposed capital plan; proposed operating budget; details on specific projects/initiatives.

Annual Audit

- Requires each LHA to have an annual audit performed by an independent auditor;
- An auditor may only complete 3 consecutive audits before the LHA must hire a new auditor;
- DHCD may grant a waiver of this requirement upon demonstration of unsuccessful bids for a new auditing company;
- The audit must be filed with DHCD and posted online.

Board Members

- DHCD will provide mandatory board member training developed in consultation with stakeholders, and the offices of the Attorney General and the Inspector General
 - New board members receive initial training and all board members receive training every 2 years;
 - Board member training shall include at a minimum:
 - Open meeting law; conflict of interest law; public records law; uniform procurement act; state budgetary process; fraud prevention; and fiduciary responsibility;
 - For tenant board members, a technical assistance resource shall be made available;

- Adds a tenant to town boards through tenant organization election procedures or appointment by the Board of Selectmen if no election is held (in cities, one of the mayor's 4 appointments is already required to be a tenant);
- States that board members are fiduciaries of the LHA;

Executive Director Contracts

- DHCD shall promulgate guidelines for contracts with the power to strike language outside the guidelines and the power to review and approve terms for payment and monetary compensation.

Resident Surveys

- DHCD to conduct annual anonymous resident surveys.

Centralized Application and Waitlist

- DHCD will develop and administer a centralized application and waitlist for state-aided public housing within one year.

Capital Assistance Teams

- Funds 3 regional capital planning and project management staffs and systems;
- Requires each LHA with fewer than 500 state-aided units to utilize services; DHCD may grant a waiver of this requirement;
- Each regional Capital Assistance Team (CAT) will serve approximately 70 LHAs;
- DHCD will select three host LHAs through an RFP process and will provide additional funding to cover the cost of hiring and paying the director, staff and overhead;
- An advisory board made up of board members of participating housing authorities to oversee CAT program performance and coordination;
- CATs will assist executive directors in developing and managing the capital program, including:
 - Preparing applications for special capital project funds;
 - Managing updates to the capital planning system;
 - Implementing capital improvement projects, including procurement and coordinating with maintenance staff from other housing authorities;
- CATs will complete a survey of all surplus land owned by participating LHAs and will work with DHCD and the LHAs to implement affordable housing development.

Regional Innovation Program

- Funds the creation of 3 regional housing authorities through a regional innovation program;
- Provides incentives for LHAs that agree to merge into a regional housing authority;
- Eligibility restricted to regional housing authorities of no less than 7 local communities with a collective portfolio of at least 750 state units;
- Each pilot will receive a 20% increase in annual operating funds for each community involved;
 - Enables flexibility in spending between operating funds (annual budget) and capital funds (bondable funds) – currently the two funding sources cannot be combined;
- Advisory committee of DHCD and stakeholders will develop program guidelines;
 - Annual plan must be submitted listing all proposed innovations, goals, and an annual report detailing program outcomes.