


Commonwealth of Massachusetts
**DEPARTMENT OF HOUSING &
COMMUNITY DEVELOPMENT**

Deval L. Patrick, Governor ♦ Timothy P. Murray, Lt. Governor ♦ Aaron Gomstein, Undersecretary

PUBLIC HOUSING NOTICE 2012-02

To: All Local Housing Authority Executive Directors

From: Lizbeth Heyer, Associate Director, Division of Public Housing & Rental Assistance 

Subject: Interim Rule to the Executive Director Salary and Qualification Schedule

Date: February 15, 2012

In the FY 2013 budget, the Patrick-Murray Administration proposed a number of reforms to improve the management and increase efficiency and transparency of local housing authorities to ensure that we are meeting the goal of housing for low-income families. In part, these reforms focus on increasing transparency and setting standards in line with those of other independent authorities.

Effective February 16, 2012, via administrative action, the Department of Housing and Community Development (DHCD) requires that all local housing authorities implement the attached interim amendments (Interim Rule) to the "Executive Director Salary and Qualifications Schedule" most recently issued by Public Housing Notice 2007-06 and effective July 1, 2007 (the Policy). In summary, the Interim Rule establishes maximum compensation for local housing authority Executive Directors.

Please review the attached Interim Rule.

If you have any questions, please contact Laura Taylor, Director, Bureau of Housing Management at (617) 573-1289 or Laura.Taylor@state.ma.us.

Department of Housing and Community Development

Interim Rule

The Department of Housing and Community Development is in the process of a complete review and revision of its "Executive Director Salary and Qualifications Schedule" most recently issued by Public Housing Notice 2007-06 and effective July 1, 2007 (the Policy). In the meantime, the following interim amendments (Interim Rule) are effective as of February 16, 2012 (the Effective Date).

1. "Compensation" means salary, bonuses, stipends and any other form of remuneration for services provided as an employee of a Housing Authority, from any source available to the Housing Authority that are not Benefits
2. "Benefits" means items charged as "Employee Benefits" pursuant to the Accounting Manual for State-Aided Housing Programs.
3. The Interim Rule applies to all contracts, including contract renewals and amendments to existing contracts that address compensation.
4. Notwithstanding anything to the contrary in the Policy, Compensation for an Executive Director shall not exceed \$160,000 per year, except as provided for in #6, below.
5. In any instance in which an Executive Director's Compensation prior to the Effective Date exceeded \$160,000, the Compensation for that individual shall be capped at the Compensation amount received as of the Effective Date for the term of the existing contract subject to #3, above.
6. An Executive Director's Compensation may exceed \$160,000 per year only upon submission to DHCD for review and approval, the results of a comparability study. Further, the comparability study must have been performed by a third party vendor procured by the Local Housing Authority (LHA) pursuant to a Request for Proposals (RFR). DHCD approval of the RFR and the selection of the vendor shall be reviewed and approved by DHCD.
7. No full-time Executive Director, e.g., any individual employed as an Executive Director by a Housing Authority having more than 199 units, including rental assistance units, shall be employed, in any capacity, by more than one Housing Authority.
8. Part-time employment as an Executive Director by more than one LHA raises complicated issues related to Compensation and Benefits. In any case in which an LHA Board of Commissioners is considering a contract for a part-time Executive Director, it shall consult with DHCD on the terms of Compensation and Benefits. In addressing these situations, it is the intent of DHCD that the combined Compensation and Benefits of individuals employed as the Executive Director of more than one LHA not exceed the pro rata share of an equivalent full-time Executive Director's Compensation and Benefits. In any event, Compensation shall conform to #3, above.