



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

Charles D. Baker, Governor ◆ Karyn E. Polito, Lieutenant Governor ◆ Janelle Chan, Undersecretary

**Addendum #1 to PHN 2019-22  
Clarification: 3% Administrative Salary Limit  
Not Applicable to LHA Re-Organization**

To: Local Housing Authority  
From: Amy Stitely, Associate Director, Division of Public Housing  
Subject: Clarification Regarding FY2020 Local Housing Authority Budget Guidelines  
Administrative Salaries Line Item (Account #4110)  
Date: September 24, 2019

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This Public Housing Notice (PHN) is to serve as clarification of the FY2020 Budget Guidelines issued on September 16, 2019, specifically, the Administrative Salaries line item (Account #4110).

The FY2020 Budget Guidelines provides for a 10% increase in the Allowable Non-Utility Expense Level (ANUEL). It also allows flexibility for Local Housing Authorities (LHAs) to propose salary changes for all administrative staff, not to exceed 3% of last year's (FY2019) approved #4110 account. (See PHN 2019-22, Pages 1 and 13.). However, this 3% cap is not intended to apply to LHA reorganizations, where positions are changed and/or added.

**LHA Reorganizations and the 3% Salary Cap**

Please be advised that LHAs have the ability to determine appropriate staffing levels and positions, and can undertake a re-organization of their administrative staff, including the increase in duties and responsibilities of existing staff and/or the addition of an administrative position(s); ***however, the LHA must be able to support any salary and benefit increases and/or the salary and benefits created for any additional positions within their ANUEL.***

DHCD is aware that a re-organization may result in an increase that exceeds 3% of last year's (FY2019) approved Administrative Salaries (#4110 account). In these situations, the LHA must include in their Budget submission a description of the re-organization for DHCD review to ensure reasonableness and that the re-organization can be supported within the LHA's ANUEL. Any questions, please contact your Housing Management Specialist (HMS).