



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

Charles D. Baker, Governor ♦ Karyn E. Polito, Lt. Governor ♦ Janelle Chan, Undersecretary

**ADDENDUM #2 to Public Housing Notice 2019-07**

To: All Local Housing Authority Executive Directors

From: Amy Stitely, Associate Director, Division of Public Housing

Subject: **ADDENDUM #2 - Request for Information: Creation of Regional Housing Authority Entities**

Date: May 16, 2019

---

**Request for Information:  
Creation of Regional Housing Authority Entities**

**ADDENDUM #2 - NEW EXTENDED DEADLINE FOR RESPONSE TO RFI AND  
NOTES TO APRIL 30 Q&A SESSION**

- 1. THE ORIGINAL RFI DEADLINE OF MAY 31 HAS BEEN EXTENDED TO JULY 31, 2019 AT 5:00 PM.** Based on the significant expression of interest from many LHAs, DHCD is extending the response time by two months to allow executive directors to engage with their commissioners and one another to explore possible responses to the regionalization RFI.
- 2. WRITTEN QUESTIONS MAY BE SUBMITTED UNTIL WEDNESDAY, JULY 10 AT 5:00 P.M.**
- 3. Notes from the Q & A session held on April 30, 2019 are attached, as well as comments submitted by the Chelmsford Housing Authority on behalf of a group of 17 LHAs that met with the CHA to discuss the RFI.**

Please see Public Housing Notice #2019-07 for the full Request for Information and all addenda:  
<https://www.mass.gov/service-details/public-housing-admin-notices>

# Notes from the Q & A session held on April 30, 2019

LHAs represented in person in Boston:

Arlington  
Chelmsford  
Ipswich, Hamilton & Salisbury  
Newburyport & West Newbury

LHAs calling in on phone conference line:

Amesbury  
Attleboro  
Belmont  
Dartmouth  
Dedham  
Foxborough  
Framingham  
Franklin  
Franklin County RHRA  
Leominster  
Middleborough  
New Bedford  
Newton  
North Attleborough  
North Reading  
Northborough  
Norwood  
Sandwich  
Saugus  
Stoneham  
Sudbury  
Taunton & Stoughton  
Walpole  
Westfield  
Weymouth  
Wilmington

*(Note: the following notes summarize the questions and responses from the Q&A session. They are not intended to be a word-for-word transcript (though many portions are) but rather to accurately express the questions and concerns raised by the attending LHAs and the responses provided by DHCD staff.)*

Amy Stitely (DHCD Associate Director): Thank you all for participating today. As an overview, please understand that the Request for Information (RFI) is exploratory in nature and a response by an LHA does not obligate them to do anything, nor does it obligate DHCD to take any action. This is an open-ended conversation. LHAs can also send in written questions and DHCD will respond in writing and share the results with interested LHAs. DHCD will send out a written summary of the questions and answers. It is possible that, upon reflection, DHCD may revise answers given in this meeting. The written answers should be considered the authoritative answers.

Chelmsford HA – The CHA invited members of the North Shore Executive Director’s Association to meet and discuss the RFI and representatives of 17 LHAs attended. The CHA described the results of the meeting, which is not repeated here in detail but set forth in a memo provided by the CHA which is attached to these notes. It was noted that almost all attendees had an interest in at least one of the five regionalization goals of the 2014 Housing Reform bill (c. 235 of the Acts of 2014), but none supported the mechanism required by that bill to achieve those goals – namely, the complete merger of 7-10 LHAs. They identified eight areas (listed in the attachment) in which some form of regional cooperation might be beneficial without necessarily impacting local LHA governance.

Newburyport – My main question is – what was the reason the 2014 bill required the complete merger of 7 or more LHAs with at least 750 state-aided units, or 10 or more LHAs with 250 to 700 state-aided units, in order to benefit from the bill’s regionalization program?

Stitely – DHCD had no role in devising that legislative plan. It is possible that whoever drafted that requirement was concerned about the other provision of the bill that would provide a 20% bump in the operating budget of such a regional entity, and that they didn’t want to set the threshold for this benefit too easy, because it would be very costly to fund if many LHAs participated. They possibly based the size on some assessment of how big a private regional management entity would need to be to effectively manage a broad region. But when the law came out, I was as surprised to see it as many LHAs were.

Ipswich – Is there any flexibility in the technical assistance funding, or is it just for the 750-unit models in the Reform Bill?

Stitely – We don’t know yet. We don’t know what technical assistance we want to offer and for what purposes. We left it open for LHAs to say they were doing the 750-unit approach or they were doing something else – it was not limited. The legislated option was just one option.

Paul McPartland (DHCD Asset Management Coordinator) – We are really looking for people’s ideas about what they think might work in their communities. We have seen little interest in the 750-unit option, but if there are other opportunities, we think this would be a good time to explore them with appropriate technical assistance.

Ipswich – In the Chelmsford meeting, I think the model that got the most support was for something like the RCAT: to have something that had a degree of flexibility and gave LHAs the opportunity to opt in or opt out. I don’t know exactly how that would work with regionalization but it got the most support, but it might not qualify for technical assistance.

Stitely – There is no qualifying for technical assistance at this point – we are just collecting ideas. It sounds like you are talking about regional contracting amongst LHAs or service contracting or regional management agreements.

Chelmsford – Would you consider RCAT to be a regional contract?

Stitely – No, that is a legislatively mandated program funded by DHCD which LHAs are required to participate in, or seek a waiver. You don’t enter into a contract with an LHA to provide those services. LHAs are required by statute to participate, and DHCD, along with the RCATs, determine what those services are. It’s a little different because it is a mandated program.

McPartland – But if you had some particular idea for LHAs to create some kind of outside entity amongst themselves, to address some of the areas your group discussed, that might be a possibility.

Stitely – I just want to reinforce that there is no definition of what proposals might be eligible for technical assistance.

Rubin – We are brainstorming for ideas about achieving economies of scale to achieve the program goals that are articulated in the regionalization statute.

Newburyport – But the statute could be changed, particularly if has been dead in the water because of the 750 number. And the 20% operating bump could also be changed.

McPartland – it is perfectly fair to say that any solution someone wants to propose could require legislation.

Stitely – Or it could not. You can do it either way.

***(At this time LHAs on the conference call were individually offered the opportunity to comment. Those that commented are noted below.)***

Belmont – More money for additional administrative and maintenance staff would be very helpful for us.

Franklin County Regional – It has been difficult to hear over the phone, but did I hear that there has been little interest expressed in the actual consolidation of LHAs, for example combining two or three entities into one, to achieve economy of scale and economy of governance?

Stitely – DHCD would be very interested in that.

Laura Taylor (DHCD Director of Bureau of Housing Management) – I think it is the number of LHAs and units required in the legislation that people are questioning.

Ben Stone (DHCD Director of Bureau of Housing Development and Construction) – And to be clear, LHAs can merge under c.121B without legislation. We would be interested in hearing what incentives people would want to pursue other models of regionalization.

Rubin: Housing authorities right now have the ability to combine without seeking special legislation. DHCD would be interested in seeing actual consolidation. It is an open question for DHCD as to what kind of bump-up we could provide for a more limited consolidation. It would depend on how widespread it would be, because if we have the same amount of operating subsidy from the legislature we can't give everyone 20% more – we don't have 20% more. However, a question we would like you to respond to is: "Are there incentives that DHCD could provide other than a bump-up in the budget?"

Ipswich – there are some administrative things that would help, such as reducing the number of boards, the reporting, the PMRs – there's a lot you could do to lessen that burden.

Arlington HA – Communities think of their LHAs as community property, and getting rid of a board is like taking their property away from them. I don't think any board I've dealt with thought it was a good idea to give up ownership or management of their property to another group outside of their control.

Taylor – And we've heard that before. But we also know it is tough reporting to multiple boards, like Ipswich and Newburyport, who spoke earlier, do. But I think there have been some discussions about combining boards to maintain a level of local control. We are looking to you folks to help us understand whether that is something worth pursuing.

FCRHA – It would be helpful, at least in our county, to work with DHCD to identify potential ways forward and potential incentives towards a consolidation that would not require 7 to 10 LHAs and a 20% increase. There could be other important mission-related incentives, such as increases in efficiency, savings, ability to put funding into other important functions such as resident services and maintenance. Some LHAs might benefit from a one-time infusion of funds to upgrade their units and meet capital needs. I would hate to give up on this before we really explore it.

Leominster – Have you brainstormed what would happen to the administrative staff of the smaller LHAs who are there 16-18 hours a week, if they get absorbed by a larger entity?

Stitely – We have not.

McPartland – Nothing beyond what was done five-six years ago under the Patrick Administration’s plan to do forced regionalization, when there was some research done about size and staffing levels, and how people could be absorbed into a larger entity, but I think we are looking at something entirely different right now. But it may be that some small LHAs would like to see if there is a way to combine themselves. Particularly with all the new public housing reform requirements it really is a lot of work to be a part-time executive director, so we’re looking for ideas.

North Attleborough – More service collaboratives would be helpful – LHAs getting together on joint procurements.

New Bedford – I have no questions other than to note that the “Board issue” is the elephant in the room.

Norwood – I served on the Governor’s Commission on regionalization in 2013-2014. The reform law seems to define what a regional housing authority can be, and how there can only be four in the program, so I’m not sure why I’m hearing about all these other options. Am I wrong?

McPartland – the 2014 reform law was one approach that was legislated five years ago for reasons that we don’t have all the rationales behind. There is also the pre-existing law from 80 years ago that allows LHAs to regionalize without any special legislation (MGL c. 121B sec. 3A). And then there are all these other ideas that people are talking about, such as service collaboratives, or perhaps other proposed legislative changes. This is ‘let a thousand flowers bloom’ time – if you think the reform bill’s regionalization language is bad, and you have ideas for what a good approach for encouraging regional relationships is, we’re asking people to share those, and talk about them, to see if they are a potential solutions.

Norwood – I’m concerned that this flower is blooming every five years. It was a lengthy process last time (under the Patrick Administration), the law was written mainly by the legislature, it was completely different than what the governor had proposed. DHCD is part of the executive branch and we have a new governor but it is the same branch, so I’m really concerned. I don’t understand where the process is coming from. I understand that LHAs can work together, and we have multiple examples of that going on, but that’s not the regional thing that’s defined in c. 235.

Rubin – That’s right, it’s not the thing that’s defined in c. 235. We are looking for ideas that can be carried out within the framework of c.121B as is currently exists, short of the regional model that is outlined in the statute which 4-5 years later doesn’t have any legs. So what else is there that folks are doing, that they would like to do, that DHCD with its administrative authority, within the law, can do right now, that would be helpful to LHAs? Or, if we really say that the statute needs changing, what direction do people think it would make sense to take? As you’ve noted, there is no guarantee that the legislature would listen to us, but perhaps, five years later, with no LHAs having shown any interest in the existing model, maybe there would be some openness to re-thinking it.

McPartland – I can absolutely promise you that there is no hidden agenda here at DHCD. We are not trying to re-live the Patrick years and force regionalization on anybody. We've been down that route before, and we're done. But if there is something that we can work with you guys on, which works for you, we'd like to hear about it and see if we can help figure it out.

Norwood – I understand that, but the law says that the Department "shall" create a regional public housing innovation program. It also says it "shall" hire someone to help with that.

McPartland – The regional public housing innovation program does exist – we created regulations for it, and to date we've gotten no interest in the program. The statute says how you apply for the program – it says you have to regionalize first, and then you can apply for the program. But no one has done that, and we are not going to force anyone to regionalize and apply for the program. It's just a dead program. We implemented our part of it, and that's all we could do. We can't force anyone to apply to it.

Stitley – That said, if there's any sleepers out there that want to do that, this RFI is your opportunity to ask for assistance. But we don't actually expect that is the situation.

Sandwich – My interest in the regional approach relates to some of the initiatives that come out of DHCD that don't seem to be available to some of the smaller LHAs that are farther out from the metropolitan areas, such as the notice that went out a couple years ago for A Better Life. I would like to encourage opportunities where smaller LHAs could respond to some of these NOFAs and be competitive applicants.

Taunton – Technical question on the RFI – you are looking for the letter of interest to be signed by the E.D. and the board chair of the agencies that are involved. Is that true if you are going to do any type of collaboration with multiple LHAs – does only one agency need to submit and sign the letter?

Stitley – only the ED and Chair from the submitting LHA need to sign. The others who are interested in working with you should be listed but don't need to sign.

Taunton – I very much remember the Governor's Commission, and that was a hard time. But I do also agree that there could be some incentives out there that don't necessarily require more money, but might involve less constraints. Things like bottom line budgeting; the ability of LHAs to share funding that maybe doesn't completely combine budgets - and that is stuff I would love to concentrate on and see happen. I also like the idea of regional collaboratives mentioned earlier. But I think that some incentives are important to see. I do understand the budget issue, but I think it is worth putting some money up front to get the efficiencies later. And there are other things DHCD has in its toolbox that could really help out, especially with the amount of reporting now. And bottom-line budgeting would be huge. We only manage one other LHA, but there are times when I would love to be able to combine some of the funding of those two agencies to create better programs.

McPartland – By bottom-line budgeting, do you mean among multiple LHAs, or just within one LHA's budget?

Taunton – I mean more than one LHA, such as combining certain line items from two agencies. Or, sometimes it would be helpful if one LHA could borrow from the other LHA to get a program off the ground. For example, to get a social service program off the ground, perhaps with a loan of reserves.

Sudbury – I would like to echo the concern raised by Sandwich re: opportunities for small LHAs to participate in more programs aimed at larger LHAs. I'm also interested in looking for efficiencies within a single LHA's staffing structure that doesn't involve combining with another LHA.

Westfield – I had the same concern as Norwood about what was intended by this discussion of regionalization, based on the Patrick effort five years ago, and wanted to get clarification of goals here. I now have that.

Franklin – A lot of smaller LHAs don't have a plumber or electrician on staff. It would be helpful to evaluate hiring full time plumber, electrician or painter and sharing the cost and responsibilities of that person.

FCRHA – If there are LHAs interested in exploring this, how would we proceed with DHCD?

McPartland – Just look at the RFI, respond in as much detail as you can, and particularly, if you have some thoughts about where you'd like to go, and what help you would need to get there, try to spell that out as much as you can. We're going to gather all this information and try to figure out what kind of an RFP we can put out for technical assistance, and it will be driven heavily by what people tell us they need.

FCHRA – If members of the board want to come in to meet with DHCD, is that something you'd be open to?

McPartland – After the responses are in, yes.

(LHA name not known) – Is this going to be a topic of conversation at the NAHRO Seacrest Conference?

Stitely – We don't have a planned session, but if you would like questions discussed at the Monday Town Hall forum, please submit them through NAHRO and we will address them.

Dartmouth – I am the chair of the PD Committee and I would love to hear this be discussed at the Town Hall.

Stitely – Great – we'll discuss it.

Stitely – It sounds like there is one, or maybe two LHAs on this call that are actually interested in regionalization, and the rest are interested in something other than actual regionalization. If you are interested in something other than actual regionalization, you should still reply and answer the other questions, so that we know your interest. So the one or two that actually want to regionalize will go down one path and the others that are interested in bulk procurement or service contracts or administrative efficiencies for management agreements – put all those interests down together too so we have that information in writing, because we want those ideas as well. For example, Question 1B on the RFI says "What type of regional governance structures has your LHA considered, if any, and why?", and we only listed the three true statutory regionalization options. If you would like to say "None of those, but we would like to do this \_\_\_\_\_", and then answer the rest of the questions, I think it would be helpful for us to see. And those of you that really want to regionalize – just fill out the RFI.

McPartland – So to repeat, whatever you want to do, whether it is straight-up full regionalization with combining boards, etc., or just something else that would have some regional aspect to it and would make your life a little easier or make your operations a bit more efficient, please fill out the RFI as best you can to let us know what direction you want to go. If we find that a large number of LHAs want to go in a certain direction, it would be really helpful to know that, because we don't have a specific path right now that we are targeting.

Stitely – But we'd love to help people who really want to do full regionalization. If anyone wants to follow the statute, or combine your regional management agreements into a real regional LHA, we would like to know what assistance you need.

Ipswich – So when you refer to "real regionals" are you referring to what is in the reform legislation?

Stitely – No – I mean any method of actually combining two or more LHA boards into one new entity with one board.

Taylor – And then naturally the budgets combine, less reporting, all that stuff happens through the organic process of your regionalization.

Stitely – So, if you are not fully combining LHAs into a regional LHA, what are the other things you would like to see?

Ipswich – Has DHCD considered a third party non-profit to come in and help us with the regionalization?

Rubin – Help in what way?

Ipswich – To take on the management role or technical assistance role.

Rubin – But then you would have the same board structure for each LHA?

Ipswich – It would keep the LHAs as they currently are, and the non-profit would exist as an additional layer between the LHA and DHCD.

Stitely – You can tell us more what you are thinking in your RFI response. Something like that was considered in 2013, but we aren't trying to revisit that proposal now.

Ipswich – So you are looking for something more LHA-led, as opposed to getting a third party in.

Stitely – Yes. We have the legislation for full regionalization, and people can pursue it through the RFI, but we are not mandating it. If you want to do something different – tell us what you want.

Rubin – And that can be either something we can do administratively or something legislative. If you think that combining seven small 20-unit LHAs would create efficiencies but the statute's 750-unit regional LHA requirement is creating a barrier, tell us that. That wasn't what the legislature gave us to work with, but maybe you think it should be. If you thought you can't get rid of the boards entirely, but you could go to a system where one LHA is the lead LHA, and key decisions get approved at the local level and the local boards meet twice a year so that the EDs aren't trying to go to 12 meetings of 7 boards every month, tell us. By the way, I'm just talking off the top of my head – these are not DHCD internal ideas. I'm just putting those out as two examples of hybrids, variants – there is an infinite number – what we really want is your ideas.

Taylor – At DHCD we are also feeling the pressure of implementing all the new reform programs, so we understand these are having an impact on you, so we are truly looking for ideas on how to simplify, provide administrative efficiencies, help with maintenance turnovers, all those types of things that help you folks be able to do your jobs better. So we are really asking for your ideas, your opinions.

McPartland – Any additional questions? (None). Thank you for your time. We were very pleased that there was this much interest - we really weren't sure that there was going to be any. We will look into further discussion of this at the Town Meeting at Seacrest, we will circulate our notes from this meeting, as well as the notes from the Chelmsford meeting, with their permission. If you have any additional specific questions please feel free to submit them in writing to Paul McPartland at the email address in the RFI.



## **WRITTEN COMMENTS RECEIVED FROM THE CHELMSFORD HOUSING AUTHORITY:**

The Chelmsford Housing Authority invited the members of the North Shore Executive Director's Association to attend a meeting at the CHA office on Tuesday, April 23, 2019 to discuss PHN 2019-07.

In attendance were individuals representing 17 authorities:

Acton, Ayer, Maynard, Sudbury, Chelmsford, Hamilton, Ipswich, Salisbury, Pepperell, Newburyport, W. Newbury, Westford, Littleton, Groton, North Andover, Amesbury and Merrimack.

Many of the group indicated that as currently written, it is unlikely that seven agencies would come together and form a regional agency as outlined in the legislation. However, the goals as stated in the legislation of Chapter 235 section 38D were in general supported.

As reminder, Chapter 235 of the Acts of 2014 stated that the "program" should be designed to achieve:

- 1.) Innovative models for the development, redevelopment and repair of public housing
- 2.) Innovative models for improved management of public housing
- 3.) Increased coordination among several housing authorities
- 4.) Increased economic efficiencies
- 5.) Expansion of economic opportunities for tenants and the commonwealth.

The group agreed that there was a need for funding for technical assistance to determine the actual scope of this program to determine what components could be considered for shared, regionalized or centralized on a voluntary basis. The success of the RCAT Program was discussed and maybe could be structured in a similar fashion.

Topics that many felt should be looked at were:

- 1.) Sharing of Maintenance/Maintenance Supervision/On Call Maintenance for some of the smaller agencies
- 2.) Procurement of services for smaller agencies
- 3.) Human Resource Assistance for agencies with fewer than XXX number of employees
- 4.) Turnover of units and vacancies for agencies that have fewer than XXX number of units or maintenance personnel
- 5.) Potential IT/Software
- 6.) Tenant Selection/Application Processing with final screening to be done by individual agency.
- 7.) Supportive Services to allow for better coordinated services
- 8.) Redevelopment of existing state public housing and development of new innovative housing for the community, which may require specific expertise.

This was not a list that was supported by all attendees but a list of items that could be considered and evaluated if technical assistance was made available.

The group reviewed some documents regarding Opportunity Communities founded by Ann Houston with the support from DHCD, The Boston Foundation, Neighborhood Works America and MHP. Information about this can be found at <https://www.opportunities.org>. This information was only provided so participants could see what the “private” sector was doing to “regionalize” or centralize some back office functions while still leaving local boards and the “front doors” in place while gaining some efficiencies. I stated that it was important to understand and consider what other conversations are going on in the industry.

In summary, the meeting was very engaging and there was a strong desire to continue to identify ways to collaborate, find efficiencies, expand opportunities for tenants and agencies, preserve public housing and improve systems and methods of operating. The group would support technical assistance funding to bring stakeholders together to further discuss the next steps in achieving the goals of the program – but not necessary the program that was proposed.

All attendees were encouraged to attend the information session scheduled at DHCD on Tuesday, April 30th at 2:00 p.m.

It was further indicated that the Chelmsford Housing Authority would be submitting a formal response to the RFI.

If you have any questions or comments regarding this short summary, please feel free in emailing me at [david@chelmsfordha.com](mailto:david@chelmsfordha.com)

David Hedison, Executive Director Chelmsford Housing Authority