



# The Commonwealth of Massachusetts

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**INDEPENDENT STATE AUDITOR'S REPORT  
ON THE PHYSICAL CONDITION  
OF STATE-AIDED PUBLIC HOUSING UNITS  
AND RESOURCES ALLOCATED FOR THE  
OPERATION AND UPKEEP  
OF THE BROOKLINE HOUSING AUTHORITY  
JULY 1, 2003 TO JUNE 30, 2005**

**OFFICIAL AUDIT  
REPORT  
FEBRUARY 12, 2007**

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In accordance with Chapter 11, Section 12, of the Massachusetts General Laws, we have conducted a statewide comprehensive audit of the physical conditions and the resources available to provide for the operation and upkeep of the state-aided public housing authorities of the Commonwealth. To accomplish our audit, we performed work at the Department of Housing and Community Development (DHCD) and obtained data from surveys and site visits to a selected, representative cross-section of 66 Local Housing Authorities (LHAs) throughout the state. The Brookline Housing Authority was one of the LHAs selected to be reviewed for the period July 1, 2003 to June 30, 2005. A complete list of the LHAs visited and surveyed is provided in our statewide report No. 2005-5119-3A. Our on-site visits were conducted to follow up on survey data we obtained in order to: observe and evaluate the physical condition of the state-regulated LHAs, review policies and procedures over unit site inspections, determine whether LHA-managed properties were maintained in accordance with public health and safety standards, and review the state modernization funds awarded to determine whether such funds have been received and expended for the intended purpose. In addition, we reviewed the adequacy of the level of funding provided to each LHA for annual operating costs to maintain the exterior and interior of the buildings and housing units, as well as capital renovation infrastructure costs to maximize the public housing stock across the state, and determined whether land already owned by the LHAs could be utilized to build additional affordable housing units. We also determined the number of vacant units, vacancy turnaround time, and whether any units have been taken off line and are no longer available for occupancy by qualifying families or individuals in need of housing.

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DHCD's Property Maintenance Guide, Chapter 3(F), requires that inspections of dwelling units be conducted annually and upon each vacancy to ensure that every dwelling unit conforms to minimum standards for safe, decent, and sanitary housing as set forth in Chapter II of the State Sanitary Code. The Executive Director of the Authority informed us that although the Authority conducts inspections of all units, it has not always been practical to do so annually, given the small staffing level assigned to maintenance duties.

Between October 5, 2005 and October 7, 2005, we inspected 24 of 452 state-aided housing units managed by the Authority and noted 47 instances of noncompliance with Chapter II of the State Sanitary Code, including broken glass windows, peeling paint on walls and ceilings, missing door knobs, obstructed entrances, mold, mildew, evidence of insect infestation, deteriorated and crumbling concrete stairways, unsafe handrails, and other health and safety hazards.

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DHCD's Property Maintenance Guide indicates that housing authorities should reoccupy units within 21 working days of their being vacated by a tenant. However, our review found that during the audit period, the Authority's average turnaround time for vacant units was 56 days. Moreover, we found that as of June 30, 2005, there were over 3,000 applicants on the Authority's waiting list.

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The Contract for Financial Assistance between the Authority and DHCD requires DHCD to subsidize the Authority to meet its expenses. However, our review of DHCD's operating subsidy payments to the Authority revealed that the Authority has not received its earned operating subsidies in a timely manner. We noted that although the Authority was due operating subsidies from DHCD amounting to \$427,445 as of March 31, 2005, it received only a partial subsidy of \$300,000 nearly five months after the close of its fiscal year, leaving a balance due of \$127,445. Untimely payments may result in LHAs not meeting their monthly obligations in a current manner or may force LHAs to borrow funds from other programs to pay current liabilities.

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Our review disclosed that as of June 30, 2005, the Authority had over 3,000 applicants listed and waiting for affordable housing. The Authority should, to the extent possible, take steps necessary to address the significant need for affordable housing. Authority officials indicated that there was approximately 24,867 square feet of land available for development, which would accommodate eight units earmarked for federal Section 8 single-room occupancy rentals.

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## INTRODUCTION

### ***Background***

In accordance with Chapter 11, Section 12, of the Massachusetts General Laws, we have conducted a statewide comprehensive audit of the physical conditions and the resources available to provide for the operation and upkeep of the state-aided public housing authorities of the Commonwealth. To accomplish our audit, we performed work at the Department of Housing and Community Development (DHCD) and obtained data from surveys and site visits to a selected, representative cross-section of 66 Local Housing Authorities (LHAs) throughout the state. The Brookline Housing Authority was one of the LHAs selected to be reviewed for the period July 1, 2003 to June 30, 2005. A complete list of the LHAs visited and surveyed is provided in our statewide report No. 2005-5119-3A.

Our on-site visits were conducted to follow up on survey data we obtained in order to: observe and evaluate the physical condition of the state-regulated LHAs, review policies and procedures over unit site inspections, determine whether LHA-managed properties were maintained in accordance with public health and safety standards, and review the state modernization funds awarded to determine whether such funds have been received and expended for the intended purpose. In addition, we reviewed the adequacy of the level of funding provided to each LHA for annual operating costs to maintain the exterior and interior of the buildings and housing units, as well as the capital renovation infrastructure costs to maximize the public housing stock across the state, and determined whether land already owned by the LHAs could be utilized to build additional affordable housing units. We also determined the number of vacant units, vacancy turnaround time, and whether any units have been taken off-line and are no longer available for occupancy by qualifying families or individuals in need of housing.

### ***Audit Scope, Objectives, and Methodology***

The scope of our audit included an evaluation of management controls over dwelling unit inspections, modernization funds, and maintenance plans. Our review of management controls included those of both the LHAs and DHCD. Our audit scope included an evaluation of the physical condition of the properties managed; the effect, if any, that a lack of reserves, operating and modernization funds, and maintenance and repair plans has on the physical condition of the LHAs'

state-aided housing units/projects, and the resulting effect on the LHAs' waiting lists, operating subsidies, and vacant units.

Our audit was conducted in accordance with applicable generally accepted government auditing standards for performance audits and, accordingly, included such audits tests and procedures as we considered necessary.

Our primary objective was to determine whether housing units were maintained in proper condition and in accordance with public health and safety standards (e.g., the State Sanitary Code, state and local building codes, fire codes, Board of Health regulations) and whether adequate controls were in place and in effect over site-inspection procedures and records. Our objective was to determine whether the inspections conducted were complete, accurate, up-to-date, and in compliance with applicable laws, rules, and regulations. Further, we sought to determine whether management and DHCD were conducting follow-up actions based on the results of site inspections.

Second, we sought to determine whether individual LHAs were owed prior-year operating subsidies from DHCD, and whether the untimely receipt of operating subsidies from DHCD may have resulted in housing units not being maintained in proper condition.

Third, in instances where the physical interior/exterior of LHA-managed properties were found to be in a state of disrepair or deteriorating condition, we sought to determine whether an insufficient allocation of operating or modernization funds from DHCD contributed to the present conditions noted and the resulting effect, if any, on the LHAs' waiting lists and vacant unit reoccupancy.

To conduct our audit, we first reviewed DHCD's policies and procedures to modernize state-aided LHAs, DHCD subsidy formulas, DHCD inspection standards and guidelines, and LHA responsibilities regarding vacant units.

Second, we sent questionnaires to each LHA in the Commonwealth requesting information on the:

- *Physical condition of its managed units/projects*
- *State program units in management*
- *Off-line units*
- *Waiting lists of applicants*

- *Listing of modernization projects that have been formally requested from DHCD within the last five years, for which funding was denied*
- *Amount of funds disbursed, if any, to house tenants in hotels/motels*
- *Availability of land to build affordable units*
- *Written plans in place to maintain, repair, and upgrade its existing units*
- *Frequency of conducting inspections of its units/projects*
- *Balances, if any, of subsidies owed to the LHA by DHCD*
- *Condition Assessment Reports (CARs) submitted to DHCD*
- *LHA concerns, if any, pertaining to DHCD's modernization process in place*

The information provided by the LHAs was reviewed and evaluated to assist in the selection of LHAs to be visited as part of our statewide review.

Third, we reviewed the report entitled “Protecting the Commonwealth’s Investment – Securing the Future of State-Aided Public Housing.” The report, funded through the Harvard Housing Innovations Program by the Office of Government, Community and Public Affairs, in partnership with the Citizens Housing and Planning Association, assessed the Commonwealth’s portfolio of public housing, documented the state inventory capital needs, proposed strategies to aid in its preservation, and made recommendations regarding the level of funding and the administrative and statutory changes necessary to preserve state public housing.

Fourth, we attended the Joint Legislative Committee on Housing’s public hearings on March 7, 2005 and February 27, 2006 on the “State of State Public Housing;” interviewed officials from the LHA, the Massachusetts Chapter of the National Association of Housing and Redevelopment Officials, and DHCD; and reviewed various local media coverage regarding the condition of certain local public housing stock.

To determine whether state-aided programs were maintained in proper condition and safety standards, we (a) observed the physical condition of housing units/projects by conducting inspections of selected units/projects to ensure that the units and buildings met the necessary minimum standards set forth in the State Sanitary Code, (b) obtained and reviewed the LHAs’ policies and procedures relative to unit site inspections, and (c) made inquiries with the local Boards

of Health to determine whether any citations had been issued, and if so, the LHA's plans to address the cited deficiencies.

To determine whether the modernization funds received by the LHAs were being expended for the intended purposes and in compliance with laws, rules, and regulations, we obtained and reviewed the Quarterly Consolidated Capital Improvement Cost Reports, Contracts for Financial Assistance, and budget and construction contracts. In addition, we conducted inspections of the modernization work performed at each LHA to determine compliance with its work plan.

To determine whether the LHAs were receiving operating subsidies in a timely manner, we analyzed each LHA subsidy account for operating subsidies earned and received and the period of time that the payments covered. In addition, we made inquiries with the LHA's Executive Director/fee accountant, as necessary. We compared the subsidy balance due the LHA per DHCD records to the subsidy data recorded by the LHA.

To assess controls over waiting lists, we determined the number of applicants on the waiting list for each state program and reviewed the waiting list for compliance with DHCD regulations.

To assess whether each LHA was adhering to DHCD procedures for preparing and filling vacant units in a timely manner, we performed selected tests to determine whether the LHA had uninhabitable units, the length of time the units were in this state of disrepair, and the actions taken by the LHA to renovate the units.

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## AUDIT RESULTS

### 1. RESULTS OF INSPECTIONS – NONCOMPLIANCE WITH STATE SANITARY CODE

The Department of Housing and Community Development's (DHCD) Property Maintenance Guide, Chapter 3(F), requires that inspections of dwelling units be conducted annually and upon each vacancy to ensure that every dwelling unit conforms to minimum standards for safe, decent, and sanitary housing as set forth in Chapter II of the State Sanitary Code. The Brookline Housing Authority's Executive Director informed us that although the Authority conducts inspections of all units, it has not always been practical to do so annually, given the small staffing level assigned to maintenance duties.

For the fiscal year ended June 30, 2005, we reviewed the inspection reports prepared for 24 of the 452 state-aided dwelling units managed by the Brookline Housing Authority. In addition, from October 5, 2005 through October 7, 2005, we conducted inspections of these 24 units, located at the Authority's High Street Vets (Family Housing 200-1), Egmont Street Vets (Family Housing 200-2), Colonel Floyd (Elderly Housing 667-1), and Trustman Apartments (Scattered Site Housing 705-1) developments. Our inspection noted 47 instances of noncompliance with Chapter II of the State Sanitary Code, including broken windows, peeling paint on walls and ceilings, missing doorknobs, obstructed entrances, mold and mildew, insect infestation, deteriorated and crumbling concrete stairways, unsafe handrails, and other health and safety hazards. (Appendix I of our report summarizes the specific State Sanitary Code violations noted, and Appendix II includes photographs documenting the conditions found).

The photographs presented in Appendix II illustrate the pressing need to address the conditions noted, since postponing the necessary improvements would require greater costs at a future date, and may result in the properties not conforming to minimum standards for safe, decent, and sanitary housing.

#### ***Recommendation***

The Authority should ensure that annual inspections of its housing units are conducted in accordance with DHCD guidelines. In addition, the Authority should apply for funding from DHCD to address the issues noted during our inspections of the interior (dwelling units) and exterior (buildings) of the Authority, as well as other issues that need to be addressed.



Moreover, DHCD should obtain and provide sufficient funds to the Authority in a timely manner so that it may provide safe, decent, and sanitary housing for its tenants.

## **2. VACANT UNITS NOT REOCCUPIED WITHIN DHCD GUIDELINES**

DHCD's Property Maintenance Guide indicates that housing authorities should reoccupy units within 21 working days of their being vacated by a tenant. However, our review found that during the audit period, the Authority's average turnaround time for reoccupying vacant units was 56 days. Moreover, we found that as of June 30, 2005, there were over 3,000 applicants on the Authority's waiting list.

By not ensuring that vacant units are reoccupied within DHCD's guidelines, the Authority may have lost the opportunity to earn potential rental income net of maintenance and repair costs and may have lost the opportunity, at least temporarily, to provide needy citizens with subsidized housing. The Authority indicated that it had three maintenance positions vacant due to a lack of state funding, and that if such positions were filled, unit turnaround time would be reduced and preventive maintenance and repairs of units would be expedited.

### ***Recommendation***

The Authority should endeavor to secure the necessary funding from DHCD to fill its maintenance positions to ensure that vacant units are refurbished and reoccupied within the DHCD's timeframe. These efforts should include requesting special funding from DHCD, hiring temporary help, and entering into mutual and cooperative agreements with surrounding Local Housing Authorities (LHAs) to assist, on a reimbursement basis, with placing these vacant units back into circulation as soon as possible. DHCD should obtain and provide the Authority with the funds necessary to fulfill their respective statutory mandate.

## **3. STATUS OF OPERATING SUBSIDIES EARNED, RECEIVED, AND OUTSTANDING**

The Contract for Financial Assistance between the Authority and DHCD requires DHCD to subsidize the Authority to meet its expenses. During our audit, we requested and received from DHCD a statement of operating subsidy balances due and outstanding for each LHA of the Commonwealth as of June 30, 2005. During our field visits to the LHAs, we reviewed the subsidy records to determine whether the amounts were in agreement with the balances provided by DHCD.

Our review of the Authority's operating subsidy accounts indicated that \$427,445 was due from DHCD as of June 30, 2005, which was in agreement with the records of DHCD, as follows:

Balance Due for Fiscal Year Ended March 31, 2005	\$309,113
Operating Subsidy Earned for April, May, June 2005	<u>118,332</u>
Operating Subsidy Due from DHCD, June 30, 2005	<u>\$427,445</u>

However, we noted that DHCD has not provided the Authority with timely payments of its operating subsidies. For example, the Authority, whose fiscal year ends on March 31, received a partial payment of \$300,000 as an operating subsidy payment from DHCD on August 27, 2005, nearly five months after the close of its fiscal year, leaving a balance due of \$127,445. Untimely payments may result in LHAs' not meeting their monthly obligations in a current manner or may result in their having to borrow funds from other programs to pay current liabilities as they become due.

***Recommendation***

The Authority should communicate with DHCD to determine whether the correct amount of operating subsidies due the Authority is recorded in its financial statements. Secondly, DHCD should work with each LHA to resolve any variances by obtaining quarterly financial statements from each LHA so that it can monitor and reconcile operating subsidies due to and due from each LHA. Third, in order for the Authority to receive the subsidies it is entitled to on a timely and accurate basis, it is necessary that all variances are reconciled and that DHCD is providing the requisite adequate contribution.

**4. LOW-INCOME HOUSING NEEDED TO ADDRESS HIGH DEMAND**

Our review disclosed that as of June 30, 2005, the Authority had over 3,000 applicants listed and waiting for affordable housing. The Authority should, to the extent possible, take steps necessary to address this significant need for affordable housing. Authority officials indicated that there was approximately 24,867 square feet of land available for development, which would accommodate eight units earmarked for federal Section 8 single-room occupancy rentals.

Without affordable housing, a substantial cost is incurred to the Commonwealth's social service programs and assistance organizations to which those displaced must turn to for help. A lack of

decent, affordable housing results in many families living in substandard housing with a great risk of becoming homeless. The need for affordable housing is especially critical for the elderly, who have few options in housing due to their fixed incomes and special needs.

***Recommendation***

The Authority should apply for the necessary funding from DHCD to move forward on this development project.

***Auditee's Response***

The Authority chose not to respond to the audit results of the report.

**SUPPLEMENTARY INFORMATION*****Brookline Housing Authority-Managed State Properties***

The Authority's state-aided housing developments, the number of units, and the year each development was built, is as follows:

<u>Development</u>	<u>Number of Units</u>	<u>Year Built</u>
200-1	177	1949
200-2	114	1949
667-1	60	1959
667-2	2	1985
667-3	15	1999
705-1	<u>84</u>	1900
Total	<u>452</u>	

## APPENDIX I

### State Sanitary Code Noncompliance Noted

#### High St. Vets 200-1 Development

<u>Location</u>	<u>Noncompliance</u>	<u>Regulation</u>
176 High Street, Apt. #1	Floor in disrepair – bedroom #1 needs new tiles	105 CMR 410.504
	Common area – paint peeling on wall	105 CMR 410.500
	Bathroom – broken window	105 CMR 410.500
	Bathroom – cracks in ceiling	105 CMR 410.500
	Common area – paint peeling on ceiling	105 CMR 410.500
180 High Street, Apt. #6	Common area – paint peeling on wall	105 CMR 410.500
	Bedroom #1 – paint peeling on wall under window	105 CMR 410.500
186 High Street, Apt. # 2	Bedroom #1 – door missing door knob	105 CMR 410. 480
	Kitchen needs painting	105 CMR 410.500
	Bathroom – paint peeling on wall	105 CMR 410.500
	Bedroom #2 – paint peeling on wall	105 CMR 410.500
	Bathroom – toilet cover broken	105 CMR 410.150
210 High Street, Apt. #6	Entrance obstruction (numerous shoes and a bookcase)	105 CMR 410.451
	Bedroom #1 – too much clutter	105 CMR 410.500
	Bedroom #2 – too much clutter	105 CMR 410.500
	Bedroom #1 – cracks in wall under window	105 CMR 410.500
	Bedroom #2 – cracks in wall under window	105 CMR 410.500

	Bathroom – mildew and paint peeling on ceiling	105 CMR 410.500
	Kitchen – paint peeling on ceiling	105 CMR 410.500
	Bedroom #2 – spot peeling on ceiling	105 CMR 410.500
	Clutter at entrance door	105 CMR 410.451
216 High Street, Apt. #3	Bathroom and common area – tiles on floor not even or lined up	105 CMR 410.504
	Living/dining room to bedroom #1 – cable wire trip hazard	105 CMR 410.504
	Bathroom – mold on wall	105 CMR 410.750
220 High Street, Apt. #4	Bedroom #3 – phone line trip hazard	105 CMR 410.504
	Bedrooms #3, #2, and #1 – cable wire trip hazard	105 CMR 410.504
	Bathroom – tub shower wall detached	105 CMR 410.150
	Kitchen light missing cover	105 CMR 410.251
	Bathroom ceiling – peeling and mildew	105 CMR 410.500

**Egmont St. Vets 200-2 Development**

<u>Location</u>	<u>Noncompliance</u>	<u>Regulation</u>
55 Egmont Street, Apt. #6	Bedroom #2, door missing door knob	105 CMR 410.480
	Bedroom #3, paint peeling on ceiling	105CMR 410.500
73 Egmont Street, Apt. #6	Kitchen - door obstructed by refrigerator	105 CMR 410.451
	Kitchen – paint peeling on wall	105 CMR 410.500
	Bathroom – paint peeling on wall	105 CMR 410.500
	Bedroom #1 – hole in wall caused by door knob	105 CMR 410.500
	Kitchen – paint peeling on ceiling	105 CMR 410.500

	Bathroom – paint peeling on ceiling	105 CMR 410.500
	Bedroom #2 and #3 – obstruction of passage way	105 CMR 410.451
85 Egmont Street, Apt. #4	Bedroom #2 – hole in wall caused by door knob	105 CMR 410.500

**Trustman Apartments 705-1 Development**

<u>Location</u>	<u>Noncompliance</u>	<u>Regulation</u>
7 Egmont Street, Apt. #8	Kitchen – cockroaches under sink	105 CMR 410. 550
150 Amory Street, Apt. #5	Living/Dining room – window broken	105 CMR 410.500

**Colonel Floyd 667-1 Development**

<u>Location</u>	<u>Noncompliance</u>	<u>Regulation</u>
32 Foster Street, Apt. #4	Between Living/Dining room and Bedroom #1 – no door	105 CMR 410.480
32 Marion Street, Apt. #3	Patio on 2nd floor – cement is cracking	105 CMR 410.500
Near dumpster on Marion Street	Stairway- guard rail is coming loose from concrete stairs that are cracking	105 CMR 410.500
28 Foster Street, 1st floor, rear	Stairway – cement is cracking	105 CMR 410.500
28 Foster Street, 1st floor, rear	Patio – paint is peeling	105 CMR 410.500
34 Foster Street, near the road	Stairway – guard rail is coming loose from concrete stairs that are cracking	105 CMR 410.500

## APPENDIX II

### Photographs of Conditions Found

667-1 Development – Deteriorating Concrete Stairs and Rails  
Colonel Floyd, Foster Street



667-1 Development – Deteriorating Concrete Patio  
Colonel Floyd, Marion Street





667-1 Development – Chipped/Broken Concrete Stairway  
Colonel Floyd, Marion Street



667-1 Development– Chipped/Broken Concrete Stairway  
Colonel Floyd, Foster Street

