



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

Charles D. Baker, Governor ♦ Karyn E. Polito, Lieutenant Governor ♦ Jennifer D. Maddox, Undersecretary

Public Housing Notice 2022-11

TO: Local Housing Authorities with Section 8 New Construction/ Substantial Rehabilitation developments and AUP auditors

FROM: Christine A. DeVore, Director, Bureau of Housing Management

RE: New Agreed Upon Procedures (AUP) requirement for Section 8 New Construction/ Substantial Rehabilitation (S8 NC/SR) properties

DATE: July 6, 2022

This memo is to update Local Housing Authorities (LHAs) with Section 8 New Construction/ Substantial Rehabilitation (S8 NC/SR) developments about a new annual certification requirement and the inclusion of reviewing the certification as part of the AUP. This change will take effect July 1, 2022, for only the LHAs with S8 NC/SR developments (Appendix A). The first year the certification will be required will be for LHAs with fiscal years ending on June 30, 2023, September 30, 2023, December 31, 2023, March 31, 2024, and it will be required annually.

Section 8 NC/SR Program and Contract Administration Background

Twenty-nine Local Housing Authorities own and operate Section 8 New Construction and Substantial Rehabilitation Program Developments originally financed with the state public housing capital in the late 1970s and early 1980s (a “Development”). This unique portfolio combined state bond financing to build or substantially rehabilitate 1,533 units across the Commonwealth and federal Section 8 operating subsidy needed to make property operations feasible. The original capital was authorized under either Chapter 200, Chapter 705, Chapter 667 or Chapter 689 and financed through the state bond proceeds or grants.

As Initial Housing Assistance Payment (HAP) contracts have expired or are expiring this year, HUD is assigning the Section 8 New Construction / Substantial Rehabilitation HAP Contract to another contract administrator, MassHousing. After they are transferred, DHCD does not hold the same oversight role over these developments. Since the original financing involved state bonds, DHCD is implementing a new annual certification for LHAs to ensure compliance with state public housing requirements for these developments.

New Certification Requirement

Starting July 1, 2022, at each housing authority’s fiscal year end, Executive Directors with S8 NCSR properties are responsible for preparing the Section 8 New Construction/Substantial Rehabilitation Compliance Certification (Appendix B) listing all S8 NC/ SR properties and presenting it to the Board for review and approval. The Executive Director will retain the certification signed by the Board Chairperson and retain the Board vote on file in their internal documents. This certification is required annually.

New Section of AUP for S8 NC/SR developments

As part of the annual AUP review, the Executive Director or designated LHA staff will share the signed certification and Board vote with the LHA-engaged Auditor. The Auditor will verify that certification is signed by the Board Chairperson and approved by Board vote. If the LHA cannot provide these documents, the auditor will note an exception in Section H of the AUP.

H. Section 8				
Total # of exceptions: 1		Rating: Operational Guidance		
	Exceptions	Exception Explanation	CPA Recommendations	LHA Response
A. Section 8 New Construction/ Substantial Rehabilitation				
1. Board vote is documented approving Section 8 New Construction/Substantial Rehabilitation Compliance Certification to ensure compliance with the Affordable Use Restriction for any existing S8 NC/SR property owned by the LHA.	E	Exception will be explained here.	CPA Recommendations here	
				Save Section H

Auditors may note that Section H is only viewable for the LHAs owning and operating S8 NC/SR developments (Appendix A). LHAs without these developments will not be able to access Section H in the AUP.

For AUPs that are currently in progress or starting after July 1, 2022, Section H will be viewable. There will be no exception for Section H for an AUP with a FYE before 6/30/2023. Please mark Section H as not applicable, N/A

Questions

If you have additional questions, please contact Courtney Curran at Courtney.s.curran@mass.gov.

Appendix A – List of Local Housing Authorities (LHAs) with Section 8 New Construction/ Substantial Rehabilitation (S8 NC/SR) developments

Local Housing Authority	Development Name	Address
Amesbury	Macy Terrace	28 Macy Terrace
Ayer	Nutting Grove Apartments	18 Pond Street
Barre	Bradford Apartments	39 Main Street
Billerica	16 River Street	16 River Street
Cambridge	Putnam School	83 Otis Street
	Roosevelt Towers Midrise	14 Roosevelt Towers
Dartmouth	Munroe Terrace	2 Anderson Way
Dracut	Hanson Glen	971 Mammoth Road
Hampton	Centennial Commons/ Springmeadow Apartments	26 Springmeadow Lane
Ipswich	Agawam Village	1 Agawam Village
Lowell	Concord River Mill	50 Stackpole Street
Maynard	Concord Street Circle Apartments	15 Powder Mill Circle
Middleborough	Riverview Apartments	8 Benton Street
Newton	Hamilton Grove	541 Grove Street
North Attleborough	Hope Street Apartments	103 Hope Street
Norwood (2 properties)	Frank Walsh Housing	7, 19, 39, 43 & 47 William Shyne Circle
	Frank Walsh Housing	40 William Shyne Circle
Peabody	Seeglitz Apartments	75 Central Street
Raynham	Pinewood Terrace	75 Mill Street
Revere	Carl Hyman Tower	50 Walnut Avenue
Somerville (2 properties)	Bryant Manor	75 Myrtle Street
	Hagan Manor	268 Washington Street
Springfield (3 properties)	Gentile Apartments	85 Williams Street
	Scattered Site	59-61 & 67-69 James Street; 223-225 Hancock Street; 75-77, 83-85, 137-139 King Street
	Reed Village	9-47 Aster Street; 609-614 Bay Street; 82-124 Lionel Benoit Road
Taunton	Riverside Apartments	Paul Bunker Drive
Wakefield	Lincoln School	26 Cresent Street
Warren	West School	2310 Main Street
Whitman	Harvard Court	1 Harvard Court

Section 8 New Construction/Substantial Rehabilitation Compliance Certification

The _____ Housing Authority (“LHA”) owns and operates the Section 8 New Construction/Substantial Rehabilitation development located at _____ (the “Development”) which is encumbered by a recorded Affordable Use Restriction, or other similar recorded document (the “Restriction”). The LHA Board acknowledges and certifies the following:

- (a) the LHA’s Development continues to be used only for the permitted uses outlined in the Restriction;
- (b) the LHA’s Development continues to contain the appropriate number of affordable units in accordance with the Restriction;
- (c) the LHA has not transferred, pledged, or encumbered any interest in its Development, except as specifically provided for in, and in accordance and compliance with, the Restriction;
- (d) the LHA has maintained its Development in a manner consistent with the statutes, regulations, and guidelines applicable to Section 8 New Construction Substantial Rehabilitation developments and in accordance with the Restriction; and
- (e) any information submitted pursuant to this Section 8 New Construction/Substantial Rehabilitation Compliance Certification is true and accurate.

Date

By: [] Housing Authority
Title: