Commonwealth of Massachusetts
EXECUTIVE OFFICE OF HOUSING & LIVABLE COMMUNITIES
Maura T. Healey, Governor ◆ Kimberley Driscoll, Lieutenant Governor ◆ Edward M. Augustus, Jr., Secretary

Public Housing Notice 2023 – 09

To: All Local Housing Authorities
From: Ben Stone, Director, Division of Public Housing
Date: July 12, 2023
Re: Updates to Performance Management Review (PMR) for 2023 Cycle

This notice provides updates to the PMR program for review of LHA fiscal years ending 6/30/2023 - 3/31/2024 (2023 cycle).

Need to Know

1. Chief Administrative and Financial Officer Program
    a. LHA Action required for Strike 1/Year 1 and Strike 2/Year 2
        i. Board is required to file Corrective Action (CA) Plan to address findings within 30 days of notification, and submit to EOHLC
    b. Strike 2/Year 2 EOHLC notification will include local leadership (Town Manager/Mayor)
2. Cap Spending Criteria changed to CFA Submission
3. CHAMP Criteria 3 Fair Housing Plans
    a. CHAMP PMR Criteria 3a "Publishing" Year (beginning with 06/30/2023 FYEs)
    b. CHAMP PMR Criteria 3b and 3c "Planning" Year (beginning with 06/30/2023 FYEs)

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Section 1. Chief Administrative and Financial Officer (CAFO) Program

The CAFO program, as authorized in Chapter 235 of the Acts of 2014 and set out in PHN 2021-13 provides for progressive review culminating the appointment of a CAFO for chronically poor-performing LHAs. The designation is based solely on transparent, public findings in Agreed Upon Procedures (AUP) and Performance Management Review (PMR) and will be invoked only in extreme cases of chronic poor performance. LHAs are designated as Chronically Poor Performing based on a "3 strike" process resulting from poor performance on AUP and/or PMR over 3 successive years. This PHN does NOT update the scoring thresholds or the basic practice but does notify LHAs of changes to the strike letters. EOHLC will require corrective actions after the first strike, rather than second, and within 30 days rather than 60 days of receiving notification, to ensure LHAs have time to take corrective actions laid out in plans before the next review.

Strike 1/Year 1: Fall below PMR threshold (less than or equal to 65%), as outlined in PHN 2022-09 OR fall below AUP threshold (ten (10) or more exceptions).

a. Board is notified of the 1st strike towards being designated as Chronically Poor Performing.
b. Board is required to file Corrective Action (CA) Plan to address findings within 30 days of notification, and submit to EOHLC, to include:
    i. How the board will monitor quarterly progress.
    ii. Timelines and milestones for the corrective steps that the LHA will undertake to improve each finding, and meet with EOHLC to discuss, or similar.
c. Quarterly, based on the findings, the Executive Director or Management Agent and Board should notify EOHLC on the status (i.e., milestones met) of their CA plan.
d. EOHLC will contact the LHA to coordinate and provide in-depth technical assistance, as needed, based on findings.

Strike 2/Year 2: Again, fall below Annual PMR threshold OR fall below AUP threshold.

a. Board and local leadership (Town Manager/Mayor) are notified of the 2nd strike towards being designated as Chronically Poor Performing.
b. Board is required to file Corrective Action Plan (CA) to address findings within 30 days of notification, and submit to EOHLC, to include:
    i. How the board will monitor monthly progress.
    ii. Timelines and milestones for the corrective steps that the LHA will undertake to improve each finding, and meet with EOHLC to discuss, or similar.
c. Monthly, based on the findings, the Executive Director or Management Agent and Board are required to notify EOHLC on the status (i.e., milestones met) of their CA plan.
d. EOHLC will contact the LHA to coordinate and provide in-depth technical assistance, as needed, based on findings.

NOTE: Failure to submit a board-approved Corrective Action Plan to EOHLC may result in immediate designation as Chronically Poor Performing and appointment of a Chief Administrative Financial Officer (CAFO).

Strike 3/Year 3: For third consecutive year, fall below Annual PMR threshold OR fall below AUP threshold.

a. Designated as Chronically Poor Performing and CAFO appointed.

As a reminder, scoring above both the AUP/PMR thresholds in any year or appointing a new Executive Director or Management Agent resets the count of "strikes" to zero.

Section 2. Capital PMR Criteria Change

The Capital Spending criteria will change from formula spending over past 3 years to CFA Submission timeliness. The 2023 cycle will be a PLANNING YEAR. See details below.

Table 1. CFA Submission Criteria

Performance Area	No Findings	Operational Guidance	Corrective Action
CFA Submission	Returned all Contracts for Financial Assistance (CFAs) via DocuSign within 8 weeks of date of issuance.	Returned all Contracts for Financial Assistance (CFAs) via DocuSign within 12 weeks of date of issuance.	Returned Contracts for Financial Assistance (CFAs) via DocuSign over 12 weeks from date of issuance.

Table 2. Capital PMR Planning Year and Publish Timelines

Planning FYEs	First Publishing FYE
June 30, 2023 – March 31, 2024	June 30, 2024

Section 3. Common Housing Application for Massachusetts Programs (CHAMP) PMR Criteria 3 – Updates and Start of 3a Publishing Year

EOHLC implemented the CHAMP Fair Housing PMR Criteria (CHAMP PMR Criteria 3) in July 2021 with PHN 2021-14. EOHLC instituted these criteria to reinforce and review housing authority compliance with fair housing requirements and related tenant selection procedures.

This PHN updates PHN 2021-14 in key areas as described below, provides the Planning and Publishing Year schedules, and offers guidance for completing the tasks required by the criteria.

Updates to PHN 2021-14

1. EOHLC split CHAMP PMR sub-criteria 3b into two distinct criteria, with CHAMP Criteria 3 now having three sub-criteria. This change is reflected in Table 3 below. It is important to note that the content of the criteria itself and the timelines for implementation have NOT changed. The decision to split sub-criteria 3b into two distinct criteria was made to accommodate the CHAMP development schedule and to more closely align with tasks that LHAs are required to complete per the criteria. See the Table 3 below for an overview of each of the sub-criteria.

Table 3. CHAMP PMR Criteria

	No Findings	Operational Guidance	Corrective Action
Criteria 3a	LHA adopted[1] a Fair Housing Marketing Plan, Language Access Plan, and Reasonable Accommodation/Modification Policy.	LHA adopted some required plans, but not all, or a plan is incomplete.	LHA has no required plans.
Criteria 3b	LHA completed Fair Housing Form in CHAMP.	N/A	LHA did not complete Fair Housing Form in CHAMP.
Criteria 3c	LHA adopted[2] Affirmative Action Goal[3] and placement rate[4] AND LHA is already at or above Affirmative Action Goal for each type of housing (Family & Elderly) OR LHA made offers to Minority[5] applicants at a rate that met the LHA's specified placement rate for each type of housing (Family & Elderly) (*based on all offers, whether applicant accepted or not).* OR LHAs are making a good faith effort to make offers that meet defined placement rate. *(LHAs can demonstrate this by*	LHA adopted[6] Affirmative Action Goal[7] and placement rate[8] AND LHA is BELOW Affirmative Action Goal for either type of housing (Family & Elderly) AND LHA did not make offers to Minority applicants at a rate that met the LHA's specified placement rate. AND LHA does not make good faith effort to make offers that meet	Board did not adopt Affirmative Action Goal and placement rate.

[1] For purposes of PMR review, an LHA will only be deemed to have Adopted the required plans/policies if the plans/policies have been approved by its board.
[2] For purposes of PMR review, an LHA will only be deemed to have Adopted the required Affirmative Action Goal and Placement Rate if they have been approved by its board.
[3] As defined in 760 CMR 5.03.: The applicable percentages of an LHA's units of family housing and elderly/handicapped housing as calculated pursuant to 760 CMR 5.10(3).
[4] See 760 CMR 5.10(3).
[5] As defined in 760 CMR 5.03: (a) Asian - with origins in any of the original peoples of the Far East, Southeast Asia, the Indian Subcontinent; (b) Black or African American - with origins in any of the black racial groups of Africa; (c) Hispanic/Latino - of Mexican, Puerto Rican, Cuban, Central or South American origin; (d) American Indian or Alaska Native - with origins in any of the original peoples of North and South America, and who maintains tribal affiliation or community attachment; or (e) Native Hawaiian or Other Pacific Islander - A person having origins in any of the original peoples of Hawaii, Guam, Samoa, or other Pacific Islands.
[6] For purposes of PMR review, an LHA will only be deemed to have Adopted the required Affirmative Action Goal and Placement Rate if they have been approved by its board.
[7] As defined in 760 CMR 5.03.: The applicable percentages of an LHA's units of family housing and elderly/handicapped housing as calculated pursuant to 760 CMR 5.10(3).
[8] See 760 CMR 5.10(3).

	consistently using minority filter.) OR LHAs have insufficient number of Minority applicants on waitlist to meet Minority placement rate but can demonstrate that they are following their Fair Housing Marketing Plan.	defined placement rate. AND LHA does not follow Fair Housing Marketing Plan if they have insufficient number of Minority applicants on waitlist to meet Minority placement rate.	

CHAMP PMR Criteria 3 Planning and Published Timelines

While sub-criteria 3b is now two distinct sub-criteria (3b and 3c) the timeline for implementation remains unchanged from PHN 2021-14. As described below, sub-criteria 3a will begin the first Publishing Year with FYE June 30, 2023. Sub-criterion 3b and 3c will begin a second Planning Year with FYE June 30, 2023.

Table 4. CHAMP PMR Criteria Planning Year and Publish Timelines

	Planning FYEs	First Publishing FYE
Criteria 3a: Fair housing plans	June 30, 2022 – March 31, 2023	June 30, 2023
Criteria 3b & 3c: Affirmative Action Goal and Placement Rate implementation	June 30, 2022 – March 31, 2024	June 30, 2024

Beginning with FYE June 30, 2023, EOHLC will be reviewing Criteria 3a, 3b, and 3c as described above, though only criteria 3a will affect the final PMR rating.

For details on how to provide data required for CHAMP PMR and on how to track progress on CHAMP PMR Criteria, see PHN 2021-14 and CHAMP Technical Update #21.

Notes on Criteria 3a

Many LHAs may have the required Reasonable Accommodation, Language Access, and Fair Housing Marketing plans for their federally subsidized housing. LHAs may draft or amend to include state-aided housing. EOHLC has released guidance related to each of the required plans: PHN 2021-17 Reasonable Accommodation Policy, PHN 2021-21 Language Access Plan, and PHN 2022-03 Fair Housing Marketing Plan. LHAs may access this guidance on the PHN webpage where there are also template policies available. If LHAs do not have one of the plans or if their plan is outdated, LHAs should draft and adopt the required plans through Board vote. EOHLC encourages LHAs to use the applicable templates as a guide, and LHA Boards should then formally vote to adopt the LHA's plan. If LHAs choose not to use the EOHLC-provided templates, then LHAs should be sure to have their own legal counsel review their plans before Board adoption.

Notes on Criteria 3b

LHAs must complete the Fair Housing Form in CHAMP for each of the family and elderly/non-elderly disabled programs prior to the start of each FY. LHAs must complete this form 90 days **prior to the start of the FY so that they can begin implementing the appropriate Placement Rate during the FY under review**. See **PHN 2021-14** for additional details on how to complete this form. The LHAs adopted Affirmative Action Goal is set every two years. Whether or not the LHA has met the goal is evaluated every year.

Notes on Criteria 3c

EOHLC will measure offers as **the percentage of housing offers made to minority households through CHAMP, whether the household accepted housing or not.** See PHN 2021-14 for additional details on how progress towards the Affirmative Action Goal and implementation of the Placement Rate will be reviewed.