PHN 2024-25

To: Local Housing Authority (LHA) Executive Directors
From: Ben Stone, Undersecretary of Public Housing and Rental Assistance
Date: December 16, 2024
Re: Guidance Related to Local Tenant Organizations (LTOs) and Tenant Participation Under 760 CMR 6.09

The purpose of this notice is to provide guidance to LHA staff and residents on tenant participation requirements in 760 CMR 6.09. It also reminds LHAs and residents of the recent increase in LTO budgets to $25 per state-aided public housing unit and clarifies allowable expenses for state funds in LTO budgets. This PHN should be shared with LTOs.

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1. LTO Overview

a. Benefits of Tenant Participation

EOHLC, through 760 CMR 6.09 and related guidance, recognizes that participation of public housing residents through LTOs and on LHA Boards benefits the administration of public housing and improves quality of life. LTOs advocate for the resources needed to sustain housing. LTOs advocate for support for residents and are a source that LHAs can go to for resident input.

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760 CMR 6.09 outlines the responsibilities of LHAs to provide all residents with opportunities to be heard and participate in matters affecting their housing and outlines the responsibilities of LTOs operating as democratic organizations. Specifically, EOHLC regulation and guidance detail areas that must involve residents, including:

- hiring of Executive Directors;
- hiring of LHA employees that will have direct dealings with residents;
- management agreement process;
- merger process;
- regulatory waiver requests;
- modernization and redevelopment;
- LTO and resident participation at LHA Board meetings;
- LHA policies affecting the status, rights, duties, or welfare of residents;
- annual budgeting;
- Annual Plan; and
- Capital Improvement Plan (CIP).

LTOs can represent a mix of residents in public and subsidized housing, including both state and federal residents. LTOs can represent residents in public housing "operated on behalf of an LHA which is not owned or managed by the LHA." The provisions in 760 CMR 6.09 to allow for a mix of represented residents is becoming more important as LHAs redevelop and convert public housing developments into mixed-financed housing with a mix of subsidies.

b. Encourage and Assist Forming LTOs

760 CMR 6.09(2)(a) requires that LHAs "encourage and assist" public housing residents to form LTOs to represent the residents on matters that affect their rights, status, duties, and welfare. There are many opportunities for LHAs to support residents in forming LTOs, including:

- LHA Executive Directors can have proactive and ongoing conversations with LHA staff and Board members about the value of LTOs to establish a culture of collaboration;

- At the request of an LTO or disinterested party and at the discretion of an LHA, LHAs can encourage LTO elections by:
    - Giving residents contact information for the Massachusetts Union of Public Housing Tenants (Mass Union), which provides election and tenant participation support and materials to residents. Election materials should not be written by LHA staff. **Attachment A** to this PHN is a sample notice with Mass Union contact information.

    - Mailing/delivering election materials to all residents to ensure that everyone receives an opportunity to nominate people to the LTO Board and participate in the election.

    - Allow posting of all election materials in prominent locations, such as in development lobbies, community rooms, on the LHA website, and in LHA offices.

    - Reminding residents to participate in elections through robocalls and emails.

- Ensuring language access by translating election materials provided by residents into major languages and providing interpreters at elections.

- Allowing the LHA's resident service coordinator, upon request of residents, to assist in finding a third-party to oversee the election and to assist in coordination of elections.

- Allow and facilitate LTOs in publishing the names of the winners of an LTO election in prominent locations, such as in development lobbies, community rooms, on the LHA website, and in LHA offices.

- Posting contact information of the officers of an LTO on the LHA's website and prominently in the LHA's offices and in any community center or room serving residents represented by the LTO, as detailed in 760 CMR 6.09(2)(d).

Residents can organize and elect an LTO to represent their interests, as described in 760 CMR 6.09. Once residents democratically elect officers to represent them on matters that impact them, the organization should be treated as independent of the LHA and autonomous, not as an extension of the LHA.

When procedures outlined in 760 CMR 6.09 are followed, the LHA must recognize the duly elected LTO and work cooperatively with it. An LHA cannot add additional recognition requirements beyond the requirements contained in regulation. An LTO should have the freedom to govern itself, develop its budget in compliance with EOHLC budget guidelines, develop its own bylaws, and control its own affairs.

A cooperative working relationship between the LHA and LTO enhances housing programs and benefits both LHAs and residents. Both organizations should strive to seek and maintain a courteous working relationship with each other. On matters of disagreement, it is the responsibility of both the LTO and LHA to maintain a working relationship. Strong working relationships include transparent, good meeting protocols and agenda, regular communication, and mutual respect.

c. Written Agreement between the LHA and the LTO

LHAs and LTOs must negotiate an agreement in writing related to LTO participation as detailed in 760 CMR 6.09(3). The written agreement should spell out a common understanding of the working relationship between an LTO and an LHA. It clarifies what kind of support an LHA will provide an LTO and the different ways that an LTO can participate and have input in the operation of the LHA. The written agreement shall be in effect during the five-year term of the LTO's recognition and may be renewed if the LTO is recognized for additional terms. Careful attention should be made to dating the agreement to ensure that LTOs and LHAs are operating under the most current version.

Should an LHA fail to negotiate in good faith or refuse to negotiate an agreement with an LTO, the LTO may communicate its objection or concern to the LHA Board and the LHA Board shall consider such objection or concern in determining its action on the matter.

2. Working Together

a. Communication and Meetings

LHAs should schedule no less than quarterly meetings with the LTO at a time and place reasonable for all parties. LHAs and LTOs may determine that meeting more frequently enhances communication and strengthens the relationship between the organizations. At least one meeting per year between the LHA and LTO will be to review a draft Annual Plan. The review in its draft form allows the LHA to consider the LTO's input regarding the needs and priorities for inclusion in the plan and make changes if appropriate. Regular meetings and meetings specific to the Annual Plan are imperative to foster cooperative working relationships to ensure effective resident representation and input.

EOHLC encourages Executive Directors to attend these meetings. A designee who attends on behalf of the Executive Director must be able to respond meaningfully to resident proposals, requests, and questions, but will bring issues needing decisions back to the Executive Director. Should the Executive Director or designee regularly fail to schedule or appear at such meetings, the LTO should communicate its concern to the Executive Director and, if unresolved, may raise the concern to the LHA Board, in writing, and the LHA Board shall consider such objection or concern in determining its action on the matter.

b. LTO Funding and Budgets

Pursuant to newly promulgated regulations at 760 CMR 6.09(3)(c), LHAs, upon request, must fund LTOs at an annual rate of $25 per state-aided public housing unit occupied or available for occupancy by residents represented by such LTOs, or an annual total of $500 prorated among all such LTOs, whichever is more. LHAs must provide funding to LTOs on this unit-based formula rather than on a reimbursement basis.

To request and receive state LTO funding (not funding from other sources) an LTO must:

- adopt an annual budget at a meeting of its members;
- submit the adopted budget for LHA approval;
- submit a year-end financial statement, approved by the LTO, to receive next year's funding; and
- make the year-end financial statement available to its members.

The LHA must then review and approve the budget and the statement and award the next year's LTO funding to the LTO. LTO funds are best held in a dedicated bank account opened and operated by the LTO.

LHAs shall not unreasonably withhold approval of the budget adopted by the LTO membership and LHAs shall grant approval in all cases where the line items list ordinary and necessary business expenses if compliance with EOHLC regulations and guidance. Please refer to **Attachment B** to this PHN for guidance on allowable expenses.

EOHLC does not require budget revisions during the course of the year, but such revisions may be subject to local LTO by-laws. The review and approval of the year-end statement shall not be unreasonably withheld and shall focus on whether the LTO's funds have been expended on

ordinary and necessary business expenses. All previous year unspent funding shall remain with the LTO.

Should LHA staff fail to release LTO funding in a timely manner, the LTO may communicate an objection or concern to the LHA Board in writing and the LHA Board shall consider such objection or concern in determining its action on the matter. If the LHA continues to delay release of the funding, the LTO may elevate the objection or concern to EOHLC, in writing. EOHLC will determine next steps to resolve the issue.

Allowable uses of state LTO funding include, but are not limited to:

- ordinary and necessary business expenses for the LTO;
- additional office equipment;
- special stationary;
- telephone costs beyond the basic service costs;
- travel for LTO business;
- postage;
- dues to statewide and national tenant organizations;
- attendance at relevant conferences (including hotel costs if necessary);
- publications and trainings related to tenants' rights and education;
- light refreshments for meetings;
- activities related to LTO elections;
- notifying tenants about meetings and activities;
- conducting resident surveys; and
- other activities to support resident engagement and improve the quality of residents' lives.

State LTO funds may not be used for purely social or recreational purposes such as parties, outings, recreational equipment, and charitable or religious donations. Please see **Attachment B** for more information.

Any funds remaining in LTO controlled accounts at the end of the year may remain in those accounts for subsequent allowable LTO expenses because those funds are considered to have been expended by the LHA. The LHA may not request that an LTO return unspent funds.

c. Space and Equipment

Upon request from an LTO, an LHA must provide an LTO with a reasonable amount of space suitable for use as an office. While the space may be shared space, it must offer the LTO privacy to conduct its business and to operate independently. LHAs will consider the reasonableness of the request with consideration of cost and availability. An LHA may negotiate with an LTO to supply additional equipment to the LTO, such as a computer, WiFi internet, a lockable filing cabinet, or access to a printer and copier. The LTO and LHA should work collaboratively together to determine the space and equipment needs of the LTO.

760 CMR 6.09(3)(e) requires the LHA to reimburse LTOs for basic in-state telephone services for calls related to the LTO's representation of residents. EOHLC encourages LHAs to support LTOs to secure internet services to enable LTOs to access information and materials online, including notices, policies, and proposed and approved plans on the LHA's website. LHAs should consider LHA cybersecurity needs if allowing LTOs to use their internet networks.

d. Resolving Conflicts

Communication between LHAs and LTOs should be respectful and inclusive of differences of perspective and opinion. Working together for a shared purpose can strengthen a relationship between two organizations and can also strain it when there is conflict. EOHLC encourages LHAs and LTOs to work together to move through conflict successfully. The executed written agreement may be a resource for how a conflict may be resolved. Additionally, LHAs and LTOs are reminded that there are resources available through Mass Union and community mediators.

In rare circumstances, there may be a need to consider revoking the recognition of an LTO. A path for the revocation of recognition of an LTO is outlined in 760 CMR 6.09(2)(g) and (h). Only EOHLC can revoke LTO recognition after proper regulatory procedures are followed.

LHAs must initiate any revocation process through a written warning to an LTO that the LHA is considering requesting revocation of recognition. The warning must specify the reasons in detail which must include:

- an LTO's material failure to follow the requirements of 760 CMR 6.09(2)(a)1-11;
- an LTO's material failure to follow the provisions of applicable law and regulations;
- an LTO's substantial misuse of funds, space, or supplies provided by the LHA; or
- for other good cause which can include the LTO's failure to hold regular meetings open to residents or failure to hold fair elections.

The LHA's warning to the LTO must also include a description of what steps the LTO can take to cure the alleged violation. This cure must be reasonable to enable an LTO to remedy the problem before the request proceeds to EOHLC.

If the LHA proceeds to make a request to EOHLC for revocation of recognition of an LTO, the LHA must send the LTO a copy at the same time it is submitted to EOHLC. The LTO shall have 30 business days within which to file a written opposition with EOHLC. Upon receiving a request for review, EOHLC shall schedule a hearing at the LHA at which the LHA and the LTO involved shall be required to appear and to submit evidence in support of their positions. If the LTO opposes the request, EOHLC shall determine the facts and, if there is a violation, may revoke recognition of the LTO or may issue a lesser sanction which it deems to be appropriate. While a revocation decision is pending, an LTO must continue to be consulted in matters specified in 760 CMR 6.09.

3. Conclusion

EOHLC values the perspectives and insights residents bring to an LHA's management of its properties. The provisions of 760 CMR 6.09 support input and cooperation to ensure safe and livable communities within state-aided public housing. If you have additional questions about working together with residents or LTOs, please contact your Housing Management Specialist.

Attachment A:

Mass Union Contact Information

Mass Union of Public Housing Tenants
617.825.9750
info@massunion.org
http://massunion.org
784 Washington Street, Suite 504
Dorchester, MA 02124

Mass Union acts as an LTO Board election certifier and provides technical assistance and training for tenants wishing to form and sustain LTOs in accordance with regulatory requirements.

Spanish / Español Mass Union funciona como una entidad de certificación para la elección de juntas de organizaciones de inquilinos locales (LTO) y brinda asistencia técnica y capacitación a aquellos inquilinos que deseen conformar y sostener LTO de conformidad con los requisitos regulatorios.	**Chinese / 中国人** 麻薩諸塞州聯盟 (Mass Union) 擔任專責小組/本地租戶組織 (LTO) 董事會選舉認證機構，根據監管規定，為希望組建和維持 LTO 的租戶提供技術援助及培訓。
Portugese / Português A Mass Union funciona como certificadora das eleições de conselho de Organizações Locais de Inquilinos (LTOs) e fornece assistência técnica e treinamento para inquilinos que desejam estabelecer e manter LTOs, de acordo com os requisitos regulatórios.	**Russian / Русский** Mass Union действует в качестве органа сертификации при выборе правления для местных организаций арендодателей (LTO) и предоставляет техническую поддержку и обучение для лиц, в намерения которых входит создание и поддержка LTO в соответствии с нормативными требованиями.
Haitian Creole / Kreyòl Mass Union aji kòm yon sètifyan pou eleksyon tablo LTO epi li bay asistans teknik ak fòmasyon pou lokatè ki vle fòme ak soutni LTO yo selon egzijans regilasyon yo.	**Vietnamese / Tiếng Việt** Mass Union hoạt động như một đơn vị chứng nhận bầu chọn hội đồng của Tổ Chức Người Thuê Nhà Địa Phương (Local Tenant Organization, LTO) và cung cấp hỗ trợ kỹ thuật cũng như tiến hành đào tạo cho người thuê nhà muốn thành lập và duy trì LTO theo các yêu cầu quy định.

Attachment B:
Allowable Expenses

Local Tenant Organization (LTO) funding must be used to provide all Residents the opportunity to be heard on and participate in matters affecting the interests of the residents. Funds can be used to support LTO operations and activities that will improve tenants' quality of life, satisfaction, and general participation. Activities should be planned for during the budgeting process and costs should be reasonable and necessary. A cost is generally considered reasonable if it does not exceed what a reasonable person would pay under the same circumstances, and a cost is necessary if it is needed to meet the agreed upon LTO goals.

LTO state tenant participation funds (not other non-state LTO funds) may not be used for activities that are not within the scope of the agreement between the LHA and LTO or planned in the LTO budget.

Some examples of expenses that support the operation of the LTO include:

- An enclosed bulletin board to post meeting notices
- Internet costs
- Conference or training expenses
- Conflict resolution training or mediation support

Some examples of activities that support quality of life, satisfaction, and general participation include:

- Coordination of support services
- Youth activities such as afterschool care or homework help
- Holding a back-to-school event for kids at the property where backpacks and school supplies are provided
- Planting and maintaining a community garden or beautifying the property
- Healthy living classes such as exercise or smoking cessation classes
- Senior programs such as health, wellness, staying active
- Financial management or literacy classes and support
- Mental health and wellness classes such as meditation and yoga
- Childcare for any eligible event
- Computer lab and/ or computer classes
- Light refreshments at LTO meetings

Some examples of inappropriate expenses, including but not limited to

- Political activity which advocates for a particular candidate or ideology
- Any activities prohibited by fair housing, non-discrimination laws
- Purchase of alcoholic beverages
- Entertainment (tickets, meals, lodging, rentals, transportation, tips), if the purpose of the event is amusement or only social in nature
- Set up or associated costs with organized fundraising (including financial or political campaigns, requesting gifts, expenses to raise capital)
- Gambling events