Executive Director Salary and Qualifications Schedule (PHN 2018-01)

Frequently Asked Questions

Q1: Why not offer a family factor for all hard family units, not just state-aided family units?

A: The unit-based salary ranges in the Executive Director Salary and Qualifications Schedule are based on a salary comparability study that compared salaries of executive directors that manage federal public housing portfolios in other states. These portfolios consist of more than 50 percent federal family units. As a result, the DHCD unit-based salary range already reflects the salary attributed to managing federal family units. The Family Factor is a further upward adjustment for managing state-aided family units.

Q2: Why limit Executive Directors of two LHA’s (“Dual ED”) to a 40 hour work week? What if the executive director started at less than 40 hours, but work requirements demanded more hours. Requiring a dual executive director currently working 40 or more hours per week to switch to a management services agreement may decrease that executive director’s salary.

A. DHCD has determined that 40 hours is the maximum hours allowable for a full-time position. This is not a new required limit. LHAs with an existing dual executive director working more than 40 hours per week that has been acknowledged by DHCD will not be required to enter into a management services agreement unless or until the existing executive director is no longer employed by the LHAs, whereby a newly hired executive director will be expected to comply with this new requirement.

Q3: What if my LHA cannot afford the salary increase within their ANUEL?

A: Our analysis indicates that two LHAs may not be able to fit the LHA Calculated Salary Maximum within their FY2018 ANUEL, each due to a unique situation. If either of those two LHA boards want to maximize the salary to the limit, then they can discuss this with DHCD. Keep in mind that any increase is at the LHA Board’s discretion, who is in part charged with carefully analyzing potential short and long-term impacts that a salary increase may have on the LHA’s overall operating needs.
Q4: Why are the benefit costs that a Management Agent is able to receive as part of the Management Fee set at a maximum of 25 percent?

A: DHCD recognizes that 25 percent for fringe benefits is on the low end of benefit costs. However, after speaking with fee accountants, it was clear that benefits varied considerably based on location, tenure, age of employee, etc., and can go as high as 65 percent. Ultimately, the 25 percent for fringe benefits is what is affordable to DHCD, and may also represent a cost savings for an LHA being managed.

Q5: Do programs like A Better Life (ABL), Family Self Sufficiency (FSS) or MassLEAP count under the Program Factor in the Executive Director Salary calculation?

A: No. Programs such as ABL, FSS or MassLEAP do not count as programs for the purposes of the Program Factor in the Executive Director Salary calculation. Only programs that have created housing for income-eligible households at properties owned and operated by the LHA or voucher programs directly administered by the LHA may be counted as programs.

There are two exceptions to the Program Factor: 1.) The Supportive Senior Housing Initiative Program (through the Executive Office of Elder Affairs (EOEA) and 2.)The Local Housing Authority Transitional Housing Program (LHA THP). These programs have been a core part of the DHCD Salary and Qualifications Schedule since its inception and are therefore grandfathered in the new Salary Schedule. These programs, although service oriented in nature, count as a Program for the purposes of the new Salary Schedule.

Q6: How should I prorate my hours if I am a part-time or a dual executive director, and the LHA follows the same 35 hour work week hours as the municipality?

A: The Executive Director Salary and Qualification Schedule prorates part-time executive director salaries on the state full-time 37.5 work week to ensure consistency across the portfolio.

Q7: Are these LHA Calculated Salary Maximums retroactive to fiscal year 2017?

A: No. Unfortunately, due to budget constraints the LHA Calculated Salary Maximums are not retroactive to fiscal year 2017.
Q8: How should an LHA treat DHCD formula-funded capital project administrative fees?
A: According to the Massachusetts State-Aided Public Housing Preservation and Modernization Program Guidelines as of February, 2017, with a DHCD project manager’s approval, these administrative fees may be used to hire additional staff or increase the work hours of existing part-time staff including the executive director for project specific work, within the 10% cap on administration.

Q9: How will administrative fees awarded as part of a competitive DHCD funding and special initiative (e.g., modernization grants, mixed-finance, and other special projects) apply to executive director salaries?
A: If the particular initiative allows administrative fees to be used for executive director salaries, then the LHA may use those fees to offset the state-share of the Board-Approved Salary.

Q10: How will asset management, property management, or similar fees generated from other housing unit program activities apply to executive director salaries?
A: If the LHA does not own the property (housing units) or does not receive direct funding from a government agency to manage a housing program, but instead receives a fee through a contract that is temporary or otherwise may terminate with a private or public entity, the salary can be added to the LHA Calculated Salary Maximum up to the $198,000 salary cap. Add this additional salary in the Calculation Worksheet, under Step 6, “Salary from Other Sources / Program Activities.”

If the fee is from property (housing units) owned by the LHA, the LHA should count the units in the Unit-Based Salary.

Q11: Will existing executive directors whose current approved salary exceeds the LHA Calculated Salary Maximum be allowed to receive a cost of living, or any other type of increase in this fiscal year, or in future fiscal years?
A: No. The executive director will not be allowed to receive any type of increase, nor will DHCD include a salary increase in the Budget, Guidelines until DHCD publishes a new Executive Director Salary and Qualifications Schedule and the executive director’s current approved salary falls below the new LHA Calculated Salary Maximum.
Q12: Can salary that an executive director receives from resident programs such as FSS or MassLEAP be added to the executive director’s LHA Calculated Salary Maximum?

A: No. If the particular program does not create housing for income-eligible households, the salary taken from that program cannot be added to the executive director’s LHA Calculated Salary Maximum up to the second Salary Cap of $198,000. The intent of this second salary cap is to provide the ability for executive directors to add salary received from the management of other LHAs or of other affordable housing programs that create housing for income-eligible households. Examples include:

- A low income housing tax credit (LIHTC) property where the owner has contracted with an LHA to provide property management services for a fee.
- An LHA enters into a contract to provide administrative assistance for another LHA’s housing voucher program for a fee.
- An LHA collects an administrative fee from a municipality to conduct affordable housing lotteries on behalf of the municipality.

The LHA may use the salary from resident service program fees to offset the salary cost otherwise covered by other programs, up to the LHA Calculated Salary Maximum.

Q13: If an LHA owns affordable housing units that are not federal or state public housing, how does the LHA determine the salary for those units?

A: If the LHA owns the affordable housing units, include the total number of units in Step 1 under “Other” Program (line 12), and identify the program in the space provided.

If the LHA manages but does not own the affordable housing units, the executive director may receive additional salary for the management of those units, with the total salary not to exceed the Salary Cap of $198,000. Include the salary amount in Step 6 “Salary from Other Program Activities / Contract Fees,” and identify the funding source and type of affordable housing.
Q14: Why does the increment factor in the Salary Schedule change, depending on the unit range?

A: The salary ranges for each unit range are intended to align with the market rates, as identified in the salary comparability study. The differences between the salary ranges can sometimes cause the increment factor to increase or decrease from the previous unit range.

Q15: How should LHAs prorate executive director salaries under the new Executive Director Salary and Qualifications Schedule?

A: LHAs must prorate the executive director salary in the Schedule of Administrative Positions and Salaries in HAFIS. The proration is based on the total number of units and leased vouchers that the LHA owns and manages.

Q16: If the LHA Calculated Salary Maximum allows for an increase to the executive director’s salary, can the LHA allocate some or all of that increase to its administrative staff?

A: No. Administrative staff salary increases are capped at the Administrative Salaries line increase as published in the Fiscal Year 2018 Budget Guidelines, or any subsequent DHCD Budget Guidelines in effect.
HOW TO PRORATE THE STATE FAMILY FACTOR

The State Family Factor provides the executive director with additional salary if the LHA owns state-aided family units (chapter 200 and chapter 705 units).

LHAs must ensure that all additional executive director salary realized through the State Family Factor is allocated only to the 400-1 budget; and only to those programs that the factor was generated from, either the chapter 200 program or the chapter 705 program in the Schedule of Administrative Positions and Salaries in HAFIS. No portion of the additional salary realized from the State Family Factor should be allocated to:

- another state program;
- a federal program;
- the Section 8 New Construction Substantial Rehab program; or
- pro-rated across all programs.

Example: An executive director’s portfolio has 40 chapter 200 units and 10 chapter 705 units, for a total of 50 state family units. The executive director will receive $2,500 in additional salary from the State Family Factor. Therefore, $2,000 (or 80%) of the state family factor will be prorated to the chapter 200 program and $500 (or 20%) of the State Family Factor will be prorated to the chapter 705 program. The LHA’s unit pro-ration is 82% state and 18% federal. The entire $2,500 should be allocated only to the LHA’s 400-1 budget, as detailed above, in the Schedule of all Positions and Salaries in HAFIS. Do not pro-rate the $2,500 across the LHA’s state and federal programs.

Include all $2,500 from the State Family Factor within the 400-1 budget.