

An Act Relative to Local Housing Authorities

H. 4374

Accountability and Transparency

Performance-Based Monitoring Program

- Mandatory participation for all LHAs
- Benchmarks developed jointly by DHCD and stakeholders to address capital and operating program criteria and governance activities, including:
 - Executive director and senior staff training; board member training; senior staff certification in public procurement procedures; minimum experience and education requirements to be used when hiring new executive directors
 - Maintenance and repair of existing units; procedure for vacant unit turnover
 - Budget management; capital project planning
 - Resident services, including job training initiatives and family self-sufficiency programming; participation in the capital assistance team program
- Directs DHCD to define standards for “chronically poor performing” LHAs
 - Allows DHCD to appoint a chief financial and administrative officer (CAFO) for no longer than 3 years to a chronically poor performing housing authority
 - Oversight of Executive Directors at chronically poor performing LHAs:
 - Permits DHCD to dismiss an ED only when DHCD “finds clear and convincing evidence of a demonstrable threat to tenant safety attributable to the conduct of the executive director or financial misconduct or criminal activity by the executive director,” and the termination must be “in accordance with the executive director’s employment agreement with the authority as approved by the department.”
- Directs each LHA to create a website with contact information for all board members and senior staff members; the information must also be posted in the community centers of developments

Annual Plan

- Each LHA required to submit an annual plan to DHCD
- The plan must describe the LHA’s capital improvement plan, maintenance and repair plan, and the plan to meet performance standards
- Must be made available for public review and comment through an annual public hearing
- Public hearing will address: proposed capital plan; proposed operating budget; details on specific projects/initiatives

Annual Audit

- Requires each LHA to have an annual audit performed by an independent auditor
- An auditor may complete only 5 consecutive audits although DHCD may grant a waiver for this provision
- The audit must be filed with DHCD and posted online; members of LHAs who fail to submit an annual audit may be subject to removal
- LHAs are also subject to audit by the state auditor, as often as the auditor determines is necessary

Board Members

- Adds a tenant to the LHA boards in towns, if not already required by federal law
- Requires DHCD to develop election procedures for the new tenant member of the board.
- DHCD will provide mandatory board member training developed in consultation with stakeholders
 - Newly elected board members, as well as reappointed or re-elected board members, shall receive initial training and all board members receive a training every 2 years; board members who do not complete the training are subject to removal
 - Board member training shall include at a minimum:
 - Open meeting law; conflict of interest law; public records law; uniform procurement act; state budgetary process; fraud prevention; fiduciary responsibility; fair housing laws, tenant occupancy and participation policies; anti-discrimination laws; and best practices relating to inspection, maintenance and repair, and capital improvements
 - For tenant board members, technical assistance training shall be made available
 - Tenants and local tenant organizations who are not board members shall be allowed to attend technical assistance training
- Explicitly states that board members are fiduciaries of the LHA
- Requires a study into the feasibility and benefits of the five member board, including but not limited to, permitting a town to establish a 7 member board, 1 of whom is a tenant, permitting a town to establish a tenant advisory board to review a housing authority's financial and capital planning decisions, or whether towns may be exempt from changing board membership

Executive Director Contracts

- DHCD will create guidelines for ED contracts,
- DHCD may review all ED contracts
 - DHCD shall review any contract worth more than \$100,000/year
 - DHCD may strike contract provisions that do not conform to DHCD guidelines

Resident Surveys

- DHCD to conduct annual anonymous resident surveys in languages reflecting the residents
- DHCD will establish procedures to conduct physical inspections of units to be used in conjunction with the tenant survey to evaluate LHAs' performance
- LHAs may respond to the results of the surveys in writing

Centralized Application and Waitlist

- DHCD will develop an online, centralized application and waitlist for state-aided public housing

Capital Assistance Teams (CATs)

- Creates 3 regional CATs to help with capital planning, maintenance and repair planning, and technical assistance
- Any LHA may participate; requires each LHA with fewer than 500 state-aided units to participate; LHAs, however, may apply for a waiver
- DHCD will select three host LHAs in designated regions through an RFP process
- LHAs will receive additional funding to increase the salary of the host executive director
- Each CAT will hire a director who will hire and manage staff

- Creates an 11 member advisory board made up of members of participating housing authorities to oversee CAT program performance and coordination
 - DHCD shall appoint 1 advisory board member with at least 5 years of experience as the manager of 200 or more units of privately owned housing
- CATs will assist LHAs in developing and managing the capital program, including:
 - Developing a capital plan; preparing applications for special capital project funds; managing updates to the capital planning system; implementing capital improvement projects; facilitating coordination among LHAs to promote efficiencies; and other functions related to maintenance and repair planning
- CATs will complete a survey of all surplus land owned by participating LHAs and will work with DHCD and the LHAs to implement development of 1 affordable housing
 - Requires affordable DHCD and CATs to work with local veterans' service officers and organization to facilitate the use of surplus land and housing units for the development of housing for disabled veterans

Regional Innovation Program

- Creates 4 regional housing authorities through a regional innovation pilot program
- DHCD shall select the 4 pilots through an application process
- Eligibility restricted to: 3 regional housing authorities of no less than 7 local communities with a collective portfolio of at least 750 state units; and 1 regional housing authority of not less than 10 communities with a collective portfolio of at between 250 and 700 state units
- Creates incentives to participate in regional innovation pilot program, including:
 - Each pilot regional housing authority will receive a 20% increase in annual operating for elderly and family state units
 - Enables flexibility in spending between operating funds and capital funds
 - Regional housing authorities may create a reasonable rent policy
- Advisory committee of DHCD and stakeholders will develop program guidelines
- Annual plan must be submitted listing all proposed innovations, goals, and an annual report detailing program outcomes
- Redefines "Extremely low income household" for the purpose of the program to mean persons earning less than 30 percent of AMI, adjusted for household size, as well as those earning less than 150 percent of Nantucket or Dukes county median household income