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| <p><b>SECTION 29</b><br/><b>Regional Housing Authorities</b></p>    | <p><b>Background:</b><br/>§38D(a)(2) of MGL c. 121B was added by Chapter 235 of the Acts of 2014 (Public Housing Reform legislation) and directed EOHLC (formerly DHCD) to develop a regional housing innovation program, the intent of which was to improve efficiencies, expand economic opportunities for tenants, and increase coordination among several housing authorities. The statute allowed only four regional housing authorities, up to three composed of at least seven communities with a total of 750 units, and at least one composed of no fewer than ten communities with 250-700 units.</p> <p>No boards opted for the regional models described in the statute, but in recent years other housing authorities expressed interest in other types of regional entities. Because of the specific language in §38D, special legislation is required to pursue alternate regional models.</p> <p>In early 2023, following a three-year process supported by a small technical assistance grant from EOHLC, the Franklin County Regional Housing &amp; Redevelopment Authority successfully merged with the Shelburne Housing Authority, an agency with only 46 elderly housing units struggling financially and operationally.</p> | <p><b>Effect of Section 29:</b><br/>This section would amend MGL 121B §3A and eliminate the requirement for special legislation, instead allowing two or more housing authorities to merge and become a regional housing authority with the approval of all boards and EOHLC.</p>                                                                                                                                                                                                                                |
| <p><b>SECTION 30</b><br/><b>Borrowing against Capital Funds</b></p> | <p><b>Background:</b><br/>Local housing authorities (LHAs) access and use state-aided public housing capital funds, authorized periodically through the housing bond bills, through EOHLC's Formula Funding (FF) Program. Under FF, LHAs receive a multi-year share of capital funds through EOHLC's web-based Capital Planning System (CPS) using a needs-based formula. The FF program ensures that capital funds are distributed equitably through a transparent and predictable system. Although each LHA must submit a five-year capital plan, it is limited to completing only those projects for which they have sufficient FF awards, often delaying projects or completing them in phases. LHAs are prohibited from pledging any portion of their capital funds to</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <p><b>Effect of Section 30:</b><br/>This section would authorize LHAs, with the approval of EOHLC and in consultation with Executive Office of Administration &amp; Finance, to pledge a portion of its capital funds to secure debt for capital improvements. The ability to borrow against a stream of capital funds will allow LHAs to carry out critical projects in a timelier, more efficient manner with associated cost savings. LHAs would have to pay any interest out of their operating budgets.</p> |

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|                                                                               | secure debt for modernization or maintenance on their portfolio.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>SECTION 31<br/>Expansion of Regional Capital Assistance Team (RCAT)</b>    | <p><b>Background:</b><br/>§26C of MGL c. 121B was added by Chapter 235 of the Acts of 2014 (Public Housing Reform legislation). The program created three regional teams of technical assistance providers to assist smaller LHAs in executing capital and maintenance plans and projects. All LHAs may participate in the program, but LHAs with 500 or fewer state-aided units are required by law to participate, unless the LHA is granted a waiver. With the goal of increasing the technical capacity of smaller LHAs while facilitating collaboration to capture efficiencies of scale, RCATs have successfully assisted LHAs since 2016 providing capital, maintenance and repair planning and technical assistance to housing authorities that seek economies of scale through increased collaboration relative to, but not limited to, bulk purchasing, capital planning and capital projects with particular focus on implementing small projects (under \$100,000). RCATs provide services and may not require payment from the LHAs. EOHLC commits approximately \$2.5M per year of bond cap to this initiative.</p> | <p><b>Effect of Section 31:</b><br/>This section would allow RCATs to require payment for services provided to LHAs with more than 500 state-aided units and offer and receive payment for additional services not currently in the statute such as more direct maintenance assistance, redevelopment technical assistance, and so on. Revenue generated for services provided to larger LHAs will be used for expanded staffing at the RCATs to support these services. EOHLC will continue to fund the services for under 500-unit LHAs as set out in s26C, but this amendment will let each RCAT more flexibly expand its services based on demand from LHAs.</p> <p><b>Additional language suggested/supported by MassNAHRO:</b> Add language to this section for set-aside funding for a sustainability coordinator on each RCAT staff to assist LHAs with identifying sources of ‘green’ funding and using it in their capital plans.</p> |
| <b>SECTION 32<br/>Regional Capital Assistance Team (RCAT) Advisory Boards</b> | <p><b>Background:</b><br/>§26C of MGL c. 121B provides that each of the three RCATs has an advisory board of eleven members, one appointed from the RCATs board and one appointed by EOHLC. The board is required to meet quarterly. Since their creation in 2016, RCATs have had difficulty recruiting eleven members to the advisory boards and establishing quorum for quarterly meetings.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <p><b>Effect of Section 32:</b><br/>This section would provide for one advisory board, rather than three, and would reduce the number of members on the advisory board to seven. Each RCAT would appoint two members. EOHLC would appoint one. The board would meet annually.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>SECTION 33<br/>Agreed Upon Procedure (AUP) Audits</b>                      | <p><b>Background:</b><br/>§29 of MGL c. 121B was added by Chapter 235 of the Acts of 2014 (Public Housing Reform legislation) requiring that each LHA must contract with an independent external certified public accounting firm <u>annually</u> to perform an “Agreed Upon Procedures (AUP)” review of the LHA’s financial records. The review must be posted on the LHA’s and EOHLC’s websites upon completion.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <p><b>Effect of Section 33:</b><br/>This section would change the requirement of annual submission of AUP audit to <u>biennial</u> submissions and allow EOHLC to require more frequent submission if needed in situations of poor performance. This matches EOHLC’s policy for performance management review and would help EOHLC and LHAs achieve more timely completion of AUPs, given the lack of CPAs.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

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| <p><b>SECTION 35</b><br/> <b>Technical Change - Exemption from Filed Sub-Bid Requirement</b></p> | <p><b>Background:</b><br/> Housing authorities are the only affordable housing developers in the state subject to MGL c. 149 procurement law, adding cost and delay to an already challenging development process. The requirement of filed sub-bids in the various categories of work is estimated to add 20-30% to the cost of the project. The 2022 Economic Development bill (c. 268 of Acts of 2022) exempted the redevelopment of public housing by a private entity from the public bidding requirements of c. 149. New construction and development were not exempted. LHAs are required by c. 149 to pay prevailing wage.</p>                                     | <p><b>Effect of Section 35:</b><br/> This section would extend the exemption from c. 149 public bidding requirements to both new development with a housing authority sponsor and redevelopment of state and federal public housing projects. C.149 would still apply to “regular” LHA projects without transfer of ownership, and projects where the LHAs 99-year ground lease or sell land for development by a wholly separate entity will generally continue to be exempt from both c.149 and prevailing wage. LHAs would still be required to pay prevailing wage. It will also make a technical change that will allow LHAs to take advantage of this procurement exemption without having to put through a temporary transaction before usually done at financial closing.</p> |
| <p><b>SECTION 36</b><br/> <b>Tenant Protections during Redevelopment</b></p>                     | <p><b>Background:</b><br/> Many housing authorities have executed documents and included language in contracts as part of a redevelopment project that preserve those protections state or federally-aided tenants had prior to the transfer or conveyance of the project, including tenant contribution, lease terms, eviction, right to return, grievance, resident participation, preference in hiring, and privacy rights. This practice is supported by Mass. Union of Public Housing Tenants, MassNAHRO, CHAPA, and EOHLC. Though many industry groups encourage this practice, there is no requirement for housing authorities and their partners to comply.</p>    | <p><b>Effect of Section 36:</b><br/> This section would codify the protections of state and federally-assisted public housing tenants once the public housing project is transferred or conveyed for redevelopment. The requirements in this section generally follow EOHLC’s policy with regards to state-aided public housing redevelopment.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <p><b>SECTION 58</b><br/> <b>Alternative Housing Voucher Program (AHVP)</b></p>                  | <p><b>Background:</b><br/> The Alternative Housing Voucher Program was created through a 1995 statute which allowed EOHLC to establish a transitional rental assistance program in the form of a <u>mobile</u> voucher program administered by LHAs for eligible and qualified handicapped persons of low income. Like the federal rental assistance program (Section 8 Housing Choice Vouchers), these mobile vouchers provide rent subsidy to tenants in a private apartment. The federal voucher program as well as the more flexible state MRVP program also allow for project-basing a portion of vouchers, where the voucher is tied to the unit not the tenant.</p> | <p><b>Effect of Section 58:</b><br/> This section would allow EOHLC to provide AHVP assistance as both mobile and project-based vouchers, thereby giving tenants more opportunity to find a suitable unit and supporting affordable housing production.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

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| <b>SECTION 101</b><br><b>Mass. Architectural Access Board Threshold for Full Accessibility</b> | <b>Background:</b><br>The Mass. Architectural Access Board (MAAB) determines the threshold value of a housing unit at which full accessibility is required in the modification. The threshold value, set at \$72/square foot, has not been adjusted since 1996 and is so low that LHAs often do not make the modifications because it triggers at too low a threshold, and full accessibility for an entire development can be prohibitively expensive. | <b>Effect of Section 101:</b><br>This section would authorize the MAAB to determine the value of a unit by a replacement cost determined by and reflected in EOHLC's CPS system, which is updated every 3-5 years. This would allow many moderately-sized modernization projects to move forward.                                                                                                                                                                                                                                                                    |
| <b>PROPOSED NEW SECTION:</b><br><b>PILOT Agreements on Renewed or Replaced Public Housing</b>  | <b>Background:</b><br>MGL c. 121B §16 exempts housing authority property from real estate taxes. However, if a private developer or other entity replaces or renovates units owned by a housing authority, those units are required to pay real estate taxes.                                                                                                                                                                                           | <b>Effect of New Section:</b><br>This section exempts renovated or replaced state or federal housing units so long as they continue to serve the same very low-income residents from ordinary real estate taxes. Exempt units will be subject to the same agreements on payments in lieu of taxes (PILOT) that apply to other public housing units in the municipality. The modest surplus cash resulting from continued PILOT payments will leverage millions of additional dollars to meet repair needs. Municipal tax collections will remain the same as before. |

Please visit our [resource webpage](http://www.massnahro.org/page/HousingBondBill) at [www.massnahro.org/page/HousingBondBill](http://www.massnahro.org/page/HousingBondBill) for access to the following:

- [Affordable Homes Act \(H4138\)](#) *(complete text of bond bill)*
- [H4138 Fact Sheets](#)
- [MassNAHRO Op-Ed on Bond Bill 10.20.23](#)
- [Housing Those Most in Need: A Roadmap for the Essential Role of Housing Authorities](#) *(position paper)*
- [Public Housing Capital Needs](#) *(YouTube video)*
- [Sample Letter to Legislators](#)
- [Table of Allowable Bond Funded Capital Expenses](#)
- [Mass. FY24-28 Capital Investment Plan](#)

For additional information or with questions, please contact MassNAHRO:

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