



C H A P A

**Citizens' Housing and
Planning Association**

CITIZENS HOUSING AND PLANNING ASSOCIATION (CHAPA)
COMMENTS ON PROPOSED AMENDMENTS TO PUBLIC HOUSING REGULATIONS
DHCD PUBLIC HEARING
JUNE 22, 2005

Good morning. My name is Charleen Regan. I am a board member of Citizens' Housing and Planning Association (CHAPA) and a member of CHAPA's Public Housing Committee. I am here today to provide comments on CHAPA's behalf on the proposed amendments to regulation *760 CMR 4.00 General Administration of Local Housing Authorities under the regulatory authority provided to DHCD under MGL c.121B §§26, 29 & 34; and MGL 23B*. These amendments clarify the process by which Local Housing Authorities (LHAs) participate in mixed finance transactions.

CHAPA would like to thank the Department, particularly Marc Slotnick, Paul McPartland and Alex Whiteside, for their hard work and for their creativity in working within the existing statutory framework to craft a new approach to LHA development and revitalization activities. We would also like to thank Representative Alice Wolf for her work on the previous legislation and for her continuing support and interest in providing new tools for public housing authorities.

With this new set of regulations, CHAPA believes that LHAs will have a roadmap to guide them as they work in partnership with new funders to revitalize their aging stock and create new housing opportunities in their communities.

Four years ago CHAPA produced a study of the state's public housing program titled *Protecting the Commonwealth's Investment: Securing the Future of State-Aided Public Housing*. The study concluded that Chapter 121B needed to be revamped and re-interpreted to allow LHAs more flexibility to preserve and create affordable housing through attracting new resources and partners. CHAPA has worked with DHCD and the legislature since that time to bring this to reality.

LHAs represent a strong local force for preserving and increasing affordable housing. For LHAs to participate in mixed finance transactions they require a more updated roadmap for development. We are pleased that the changes contained in the proposed amendments provide the flexible framework and guidance necessary to allow LHAs to work with new financing models. This will enable both LHAs and DHCD to move development forward in partnerships with other public and private entities in a timely way.

The goals of the amendments were:

1. To allow LHAs to work with new funding partners to create more affordable housing in their communities. LHAs control unused or underutilized land that is a resource for creating more housing. With 235 authorities scattered throughout the Commonwealth, their local expertise and credibility is an untapped resource to stimulate local affordable development in suburban communities.
2. To provide a mechanism for LHAs to leverage resources to revitalize their existing deteriorated stock. CHAPA was concerned that unless additional private and other public resources are leveraged, the units would continue to deteriorate and the state will lose a portion of this valuable resource. LHAs facing an aging stock and an increasing housing shortage in the Commonwealth need a positive alternative to continuing deterioration, demolition or sale of public housing.

These amendments provide a new path to revitalize existing public housing stock and to utilize productively for the creation of affordable housing, the valuable land assets that many housing authorities control.

There is broad support for these amendments. The 121B sub committee of CHAPA's Public Housing Committee worked for two years with DHCD to develop regulations that free LHAs from obsolete interpretations of 121B while building in a continued commitment to serve public housing eligible tenants. This committee included representatives of the Cambridge Housing Authority, MassNAHRO, the Mass Law Reform Institute, the Mass Union of Public Housing Tenants, the Massachusetts Housing Partnership, and consultants and lawyers engaged in public housing and mixed finance transactions.

CHAPA supports the adoption of these amendments. We also support the additional changes proposed today by Susan Cohen, the General Counsel of the Cambridge Housing and Judy Jacobson, Deputy Director and General Counsel of the Massachusetts Partnership Fund. Ms. Cohen and Ms Jacobson have provided proposed language to increase the usefulness and clarity of these amendments.

In addition, because of the complexity and unique nature of each transaction, there will undoubtedly be situations which we could not have anticipated in the committee's drafting work. We urge DHCD to be flexible in applying the waiver rights of 4.17 to allow projects that do not precisely fit the categories outlined in the amendments or whose ownership structures require slight variation, to proceed with DHCD's review and permission.

We pledge to continue to work with DHCD to implement these amendments and urge DHCD to develop promptly the accompanying forms and approval processes. We will also work with DHCD to promote awareness among LHAs of the new opportunities for revitalization of our state-aided stock and development of LHA land for affordable housing.

Again, many thanks to DHCD and to the committee members for their leadership, patience and persistence in developing these important new tools for affordable housing.