



Testimony in Support of H. 375 and S. 582, *An Act Relative to Public Housing Innovation*

Submitted By:

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May 3, 2011

Dear Chairman Honan, Chairman Eldridge, and Members of the Committee:

Thank you for the opportunity to testify in support of House Bill 375 and Senate Bill 582, sponsored by Representative Jeffrey Sanchez and Senator Harriette Chandler. My name is Sean Caron and I am Director of Public Policy at Citizens' Housing and Planning Association (CHAPA).

Our state-assisted public housing is a tremendous asset valued at over \$10 billion. Local housing authorities serve approximately 47,000 households with affordable public housing financed by the Commonwealth. This represents a significant portion of our overall affordable housing stock and a vital resource for low and extremely low income residents.

Over the past two years, the Commonwealth has made tremendous strides in increasing the operating subsidy and capital budget investment to begin to turn around the pattern of decay in public housing. However, the subsidy is still woefully short of the \$115 million per year amount from the Harvard Graduate School of Design cost estimate necessary to adequately maintain the resource. Consequentially, housing authorities are struggling to maintain their properties and keep units online.

At the same time that local housing authorities and the state are struggling to balance budgets, local communities are having difficulty meeting the needs of low and moderate income residents. According to the Department of Housing and Community Development (DHCD) market study, the Commonwealth is 55,000 units short of meeting the Commonwealth's need for housing for extremely low income households. Housing authorities have a difficult time managing the units they have due to insufficient resources and therefore, are not well positioned to develop new public housing under the current state of affairs. Furthermore, while the 2008 housing bill provided for a new public housing demonstration program, the Executive Office for Administration and Finance has not dedicated any capital funding to finance new housing authority developments because of capital budget constraints.

In the current budget climate, it is difficult to conceive of adequate resources to meet public housing needs. It is also critical to consider both the tenants currently served by state-assisted public housing and the significant unmet needs for affordable housing when assessing public housing policy. Therefore, CHAPA supports exploring innovative ways to finance and manage state-assisted public housing.

The Public Housing Innovations Legislation attempts to maximize available resources and rehabilitate and maintain public housing through new innovative programs on a demonstration basis. Under the bill, up to 10 housing authorities could create a plan to submit to DHCD that would accomplish some or all of the following goals: improve property management, make rehabilitation more efficient, enhance services necessary to improve resident economic opportunities, develop new housing opportunities and promote regional coordination. Local housing authorities would work with tenants to prepare the plan. If approved, the housing authority would be relieved of some regulatory burdens, including burdensome requirements on rent calculation. In addition, it would streamline LHA reporting to a single annual progress report. CHAPA hopes that these innovative programs help tenants gain additional asset development skills and help housing authorities maintain their properties more efficiently.

While the bill aims to promote innovation and flexibility, it retains critical protections for tenants and housing authority workers. Tenant protections regarding evictions, leases, grievances, relocation and the right to return are all explicitly protected. Furthermore, the legislation would not alter prevailing wage or other labor protections for workers. In addition to these protections, DHCD would have the ability to approve or deny any plan submitted to ensure that LHAs are utilizing the flexibility in a way that benefits both housing authority management, and current and future tenants and there would be a yearly third party evaluation. Lastly, the bill creates an advisory committee to DHCD that is comprised of representatives from a variety of organizations including tenant and homeless advocates. These protections are more than adequate to ensure that no drastic changes are made to disadvantage current tenants and workers.

Therefore, we ask that you report the bill out favorably and advocate for its passage this session. Last session, this Committee offered a favorable report on this legislation but the session expired prior to passage. At a time when the Commonwealth is suffering serious budget difficulties, it is critical that we explore innovative approaches to manage our public housing stock and act on this legislation expeditiously. We look forward to working with the Committee to increase efficiency in public housing to meet the needs of current tenants and those that need affordable housing but cannot currently access it. Please don't hesitate to contact me at (617) 742-0820 or scaron@chapa.org with any questions. Thank you.