

## Five-Year Agency Plan FY 2010-FY 2014

The Boston Housing Authority (BHA) presents this Five-Year Plan for the federal housing programs that BHA administers for fiscal years 2010 through 2014. A final version of this plan will be submitted to the U.S. Department of Housing and Urban Development (HUD) as part of the BHA's annual Agency Plan submittal in January, 2010.

In the past, HUD has provided a template for the Five-Year Plan, and housing authorities have had limited flexibility to customize the document for local considerations and initiatives. With the upcoming Five-Year Plan submission, HUD is allowing housing authorities far more flexibility in how they structure their plans and communicate goals and priorities to HUD and the community. BHA intends, with the current Five-Year Plan, to clearly lay out the Authority's key initiatives in a format that will best facilitate public input.

### I. Background:

In September 2007, the BHA issued *An Approach to Preservation: Repositioning Boston's Public Housing for the Future*, a strategic planning document that described directly the serious and long-term shortfall in capital funding for needed upgrades and repairs to the BHA's public housing portfolio. In that document, the BHA laid out several specific initiatives aimed at addressing the capital needs of the BHA's federal public housing portfolio, then estimated at \$500 million over the coming five years. Today we have already made significant achievements through those initiatives. Although the long-term forecast for Boston's public housing still includes significant challenges, we are pleased to report a positive outlook regarding resources for the BHA's federal housing stock over the next five years:

- The Capital Fund Financing Program (CFFP) is in its second year, spurring another \$70 million in upgrades currently in construction;
- Through the American Reinvestment and Recovery Act (ARRA), the federal stimulus legislation enacted in early 2009, the BHA has been awarded over \$73 million for capital and redevelopment projects over the next 3 years;
- An Energy Performance Contract for upgrades at 13 developments has been fully negotiated and financed and is awaiting HUD approval for an additional \$60 million in critical energy and water efficiency investment;
- Over \$200 million in mixed-finance redevelopment has been initiated within the last two years.

This infusion of investment in BHA's federal housing is unprecedented and allows the opportunity to make a one-time, significant impact on the overall condition of this housing over the next few years.

In addition to significant achievements toward securing the long-term stability of its federal housing portfolio, the BHA as an organization has continued to evolve, building upon its Operations, Leased Housing, and Administrative accomplishments:

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- BHA has been designated a High Performer for its public housing program for three (3) consecutive years;
- BHA has been designated a High Performer for its Leased Housing program
- The BHA has increased its voucher portfolio by 1875 vouchers in the past five years;
- The BHA has partnered with the City of Boston and private developers to create 683 new affordable units since 2001 through its Section 8 Project-Based Voucher Program;
- The BHA has maintained at least a 97% occupancy rate in public housing since 2005 and has no long term vacant, off-line units;
- The BHA has become a national leader in green and healthy public housing, including a nationally-recognized model for Integrated Pest Management and several smoke-free housing pilot programs underway;
- The BHA recently received an A+ Stable rating from Standard & Poor's.

### **II. Five-Year Goals:**

The BHA's overall mission remains the same: to provide stable, quality affordable housing for low- and moderate-income persons; to deliver these services with integrity and mutual accountability; and to create living environments which serve as catalysts for the transformation from dependency to economic self-sufficiency.

We have developed several goals to guide our activities over the next five years to best accomplish this overall mission given the particular challenges and opportunities facing the Authority in the upcoming five-year period. These goals will undergo annual review and progress reporting under the Agency Plan process:

- Continue to preserve and enhance housing opportunities with an emphasis on deep affordability and sustainability;
- Maintain High Performer Status (Public and Leased Housing);
- Invest in resident capacity building and self-sufficiency initiatives to the greatest extent possible;
- Enhance systems, training and ongoing support for managers and staff to ensure that they have the tools to effectively carry out the BHA mission;
- Continue to improve customer service in all areas such that the BHA is consistently experienced internally and externally as an efficient, pleasant and responsive organization.

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In support of these goals, we put forward several priority initiatives for the next five years that will enhance the quality of life for Boston public and leased housing residents.<sup>1</sup>

### III. Key Initiatives:

Priority initiatives are described below within the core divisions of the BHA: Capital Construction, Operations, Mixed Finance Redevelopment, Leased Housing and Occupancy, Resident Services, and Agency Administration.

#### Capital Construction:

Currently \$200 million in repairs are underway or planned for the next five years, and the Authority is focused upon completing this renovation on schedule and within budget, in a manner that creates as little disruption for residents as possible. Physical assessments are conducted annually with input from many sources: residents, managers, superintendents, capital staff, etc. Health and safety, security, operating efficiencies, and basic preservation of building stock are the highest concern.

##### *Capital Fund Program:*

The CFP provides about \$24 million annually, and will continue to help address the physical needs of the portfolio in years to come. The CFP is the critical cornerstone of the overall plan to preserve the BHA's public housing stock, but it is not sufficient to address the comprehensive needs of the federal portfolio, estimated at over \$500 million—hence the other strategies highlighted below. The listing of all CFP projects is included in the BHA's Annual Statement and Five-Year Capital Plan, which are reviewed by residents and made available for public comment each year. A summary of the plans is available in the BHA Planning Library or on the BHA web site at [www.bostonhousing.org](http://www.bostonhousing.org).

##### *Capital Fund Finance Program:*

HUD regulations permit housing authorities to issue bond debt to be repaid out of future CFP subsidy allocations. A portion of the annual CFP subsidy to be received from HUD in

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<sup>1</sup> *Note on State Public Housing:* Although HUD's Five-Year Plan requirement does not apply to state public housing units, the Five-Year Plan goals are authority-wide goals that apply to all programs, including the state program. Residents and other stakeholders have asked us to provide a preservation strategy for the BHA's state public housing units in conjunction with the federal Five-Year Plan process. The picture is far more challenging in terms of capital resources for the BHA's state-funded public housing portfolio than in the federal program at this juncture. The state's resource environment has continued to decline over the past two years. Despite the best efforts of BHA and its partner agency, the Massachusetts Department of Housing and Community Development (DHCD), the state has had to postpone and/or cancel most of the major capital projects in the pipeline over the past 2 years, including over \$55 million in kitchen and bath repairs at several family developments. We hope to reinstate these projects, but the state has been clear that there are no additional resources on the short-term horizon.

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future years can be pledged to leverage a lump-sum infusion of capital funding from the bond market today. This is called the Capital Fund Financing Program (CFFP).

In May 2008, the BHA issued CFFP bonds that brought in \$77 million. BHA staff has proceeded to obligate and expend these funds on schedule with major upgrades at Charlestown and Mary Ellen McCormack, and additional repairs at Old Colony and numerous Elderly/Disabled sites. All funds must be obligated by February, 2010 and spent by February, 2012.

More specifically, bathroom plumbing and ventilation contracts are underway at Charlestown, Mary Ellen McCormack and Old Colony, as well as storm and sewer line replacements, building envelope repair and hot water improvements at these sites. By February, 2010, the last phase of building envelope work at Mary Ellen McCormack will be under contract as well as \$9.9 million for upgrades at Charlestown in conjunction with the Energy Performance Contract described below. Within the Elderly/Disabled portfolio, elevator modernization began at nine developments in September 2008 and will be completed in late 2010. Improvements to fire alarm systems at 12 elderly sites will also begin construction in February 2010.

### *Energy Performance Contract*

HUD allows public housing authorities to enter into Energy Performance Contracts with companies called ESCOs (Energy Services Companies) that provide heating, ventilation, plumbing, electrical and other energy-related upgrades in exchange for a fee derived from the utility cost savings resulting from those improvements. The arrangement allows a housing authority to leverage private sector funds to make improvements rather than use scarce federal capital funds.

The BHA outlined plans for its third energy performance contract to address improvements at 13 federal sites in the *Approach to Preservation* in September 2007. These upgrades are not only critical in terms of sustaining these buildings, but will reduce operating costs significantly. We are pleased to be moving from planning to reality on this program, with a fully negotiated and financed project awaiting HUD approval. The negotiated program represents over \$60 million in critical energy and water efficiency investment. The measures under the program (which vary from site to site) include

- High Efficiency Natural Gas Boilers and Domestic Hot Water Systems
- High Efficiency Low Flow Toilets
- Solar Photovoltaic Panels
- Co-Generation Systems
- Web Based Energy Management Systems
- High Efficiency Lighting and Controls
- New "Cool" Roofing Systems
- High Efficiency Low-E Window Systems

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A more complete listing of projects by site can be found at [www.bostonhousing.org](http://www.bostonhousing.org). The BHA submitted the final contract to HUD for approval in September, 2009 and is anticipating approval in November, 2009. Construction will begin toward the end of 2009, and will be completed in 2012.

### *American Reinvestment and Recovery Act (ARRA) Fund Projects:*

In March, 2009, the BHA was awarded a one-time formula allocation of \$33 million under the American Reinvestment and Recovery Act (ARRA), allowing the BHA to address significant additional repairs over the next three years. The BHA will use these funds to expand and enhance work funded under the CFFP program as well as to upgrade some additional heating systems at elderly/disabled properties. Specific projects are listed in the Agency Plan Annual Statement and 5-Year Plan, a summary of which is available in the BHA Planning Library or on the BHA web site at [www.bostonhousing.org](http://www.bostonhousing.org)

In addition, the BHA applied for \$57 million in several categories over the summer of 2009 for ARRA funds through HUD's Competitive Recovery Fund Competition program. We were delighted to be awarded over \$40 million in September, 2009. \$18 million of these funds will go to the following capital construction projects (an additional \$22 million was awarded to Old Colony as described in the Mixed Finance Redevelopment section below):

- Green Rehab at Bromley Heath and Cathedral -- BHA received \$14 million to create a green public housing renovation demonstration at its Bromley-Heath and Cathedral developments. BHA will seek LEED for Homes certification and establish a cost-effective, replicable model for sustainable public housing rehabilitation at 24 units at Heath and 56 units at Cathedral. Improvements at the buildings and the surrounding site will include: white roofing, a rainwater collection system, new storm and sewer service lines, new energy efficient windows, solar thermal and/or electric panels, designated recycling areas and designated bike rack areas, new kitchens and baths incorporating green sustainable fixtures, finishes and coverings, energy-efficient lighting, enhanced insulation, and energy-efficient heating and utility service improvements.
- Elder Services Center at Amory Street – BHA received \$4 million to build a comprehensive services center for frail elders at its Amory Street Elderly/Disabled development. These funds will enable BHA to renovate a portion of the ground floor at this site into a 10,000 square foot full-service center serving the needs of BHA elders and people with disabilities who are over the age of 55. The programs and services to be offered by this facility are described further in the Resident Services section below.

### **Operations:**

The BHA has continued to build upon its High Performer status in a number of ways by focusing on both the core mission of providing housing as well as embarking upon

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initiatives that target the health of BHA residents and the efficiency and sustainability of our housing. We continue to work with site-based staff to set ambitious performance goals and make sure that staff have the training and tools they require to achieve these goals. Additionally, the BHA is actively engaged in and seeks to increase its partnerships with academic and public/community health organizations to explore ways to provide healthier and more sustainable public and affordable housing.

To carry out these intentions the Operations Department has established the following goals to be achieved in the next five years:

- **Achieve a twenty day unit turnaround time at all developments:**  
In order to appropriately serve all those eligible the BHA must reduce the amount of time units are off-line between residents. In addition to maintaining 97% or better occupancy, decreased vacancy days will also maximize the affordable housing resource for the community.
- **No more than 10% of the rent roll outstanding in any year:**  
Timely collection of rent is essential to the success of any property, particularly under HUD's project-based funding system.
- **Fully implement preventive and planned maintenance schedules and increase the percentage of staff-initiated work items to 70% of the total:**  
Performing maintenance from a solid maintenance plan is the most cost effective way to provide maintenance services to BHA's residents and therefore makes the most of the scarce resources available for public housing.
- **Fully implement asset management by developing site-based plans that will ensure high occupancy, collection of all potential rent and preservation of the physical asset:**  
The essence of asset management is to understand the circumstances of each development and develop strategies that permit each development to achieve its highest potential to provide affordable housing for the longest possible period.
- **Provide operations staff training required to meet agency goals:**  
It is incumbent upon the BHA to ensure that its staff has the skills, systems and tools required to meet the performance and customer service goals that have been set.
- **Establish resident health, energy efficiency and sustainability as priorities in the planning and implementation of all initiatives:**  
By including these principles as priorities in all activities, the BHA can develop a comprehensive approach that recognizes the importance of establishing healthy and energy efficient affordable housing.

### Mixed Finance Redevelopment:

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The BHA has become a national leader in public housing revitalization through HUD's Mixed Finance program, which allows housing authorities to combine public housing funds with private funds in order to redevelop properties into new housing or to change the type of subsidy at the site so that the site can be preserved as affordable housing for future generations of low-income residents.

Mixed-finance endeavors are always limited by the availability of tax credit and other state and local funding; however, thanks to its state and City partners the BHA has been fortunate to continue to secure these resources on a limited but regular basis. The following initiatives will be prioritized over the next five years:

- **Washington Beech:** The BHA received a \$20 million HOPE VI grant for Washington Beech in March, 2008, and \$10 million from the ARRA formula grant in March, 2009. The project is in construction on a \$45 million 100-unit Phase 1, to be completed in the fall of 2010. Phase 2, another 106 units, will be completed late 2012. The project will provide completely new, energy-efficient and healthy homes for the existing residents of the site, along with significant self-sufficiency programs.
- **Orchard Gardens Homeownership:** The Orchard Homeownership Initiative is transforming a long-vacant block in the heart of the Dudley Square neighborhood into 20 brand new, affordable, energy-efficient homes for sale to first-time homebuyers. The new homes will feature solar panels and other renewable energy features. The initiative is the final phase of development under the Orchard Park HOPE VI program, and is being developed by the Madison Park Community Development Corporation (MPCDC). Units will come on line in late 2010.
- **Project-based Section 8 at Heritage and Lower Mills:** The transfer of these two Elderly/Disabled sites from the public housing program to Project-based Section 8 is on track for early 2010. The initiative will preserve these properties as affordable housing and leverage an estimated \$10 million for needed repairs.
- **Old Colony:** The BHA applied for and received \$22 million through HUD's Competitive Recovery Fund Competition program—the largest single award to a public housing authority nationwide—in September, 2009. The BHA and Old Colony residents propose to set a new standard for sustainable multi-family design and livability at Old Colony. The overall redevelopment objective at Old Colony is to transform the site into a green/sustainable, vibrant urban village, which provides attractive, quality housing and enhanced programs for residents. Phase 1 will involve the construction of approximately 100 new units, to be completed by September, 2012. At the same time, the BHA will move forward to develop a master plan for the rest of the Old Colony site by December, 2010.
- **Orient Heights.** The BHA's priority for redevelopment within the state portfolio continues to be Orient Heights. This site is facing significant distress due to its

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aged infrastructure, deteriorated site and buildings, and challenging topography. The BHA has been working with state officials to consider alternatives for redevelopment given the lack of state resources to assist in redevelopment. As more detailed plans emerge from this effort, the BHA will re-engage residents in a planning process.

### Leased Housing and Occupancy:

The BHA's Leased Housing and Occupancy Divisions continue to improve its provision of service to our internal and external customers. Building upon our success and the achievement of High Performer status, Leased Housing and Occupancy will partner with our funding agencies, the City of Boston and private advocacy and development agencies to preserve existing and create new affordable housing opportunities. Leased Housing and Occupancy will also continue to prioritize all of the BHA's housing resources towards the provision of permanent housing to homeless or displaced low income households.

The following initiatives will be prioritized over the next five years:

- **Create and Preserve Affordable Housing.** The BHA will continue to maximize assistance to existing participants while serving new applicant households as appropriations allow through monitoring of voucher utilization and costs. The BHA will also actively pursue any available voucher funding.

The BHA will also continue to utilize its Project Based Voucher (PBV) Program to create and preserve affordable housing. The BHA has committed 600 PBVs to the City's Leading the Way III campaign for the creation of new affordable housing over the next three years. In addition, the BHA has committed up to 500 PBVs for use in the BHA's Heritage and Lower Mills initiative described above.

- **Decrease Homelessness in the City of Boston.** Over the past several years the BHA has partnered with a number of public and private providers to decrease chronic homelessness in the City of Boston. Over the next five years the BHA will build on these partnerships to create scattered site and project -based supportive housing programs targeted towards the specific needs of chronically homeless households. In addition, the BHA will look to mirror the success it has had with individual providers, to create a system of supportive housing programs for homeless families with the goal of significantly reducing the number of Boston households residing in shelters and motels.
- **Enhance Customer Service.** The BHA will continue to explore and implement improvements to our policies and procedures as well as changing technology, all with the goal of enhancing service to our landlords, applicants, participants and employees. The BHA will utilize changing technology to create portals for landlords, applicants and participants into the BHA's systems that will allow secure access to relevant data. The BHA is also in the process of implementing direct deposit for landlords with an anticipated completion date of June 2010. In addition, the BHA will



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continue to evaluate staff roles and responsibilities and will train staff on changing technology, new programs and policy changes.

- **Maintain High Performer Status.** In 2008, the BHA received an unprecedented 100% on HUD's Section 8 Management Assessment Program(SEMAP). Over the past five years, the BHA has created and implemented a number of policies, procedures and monitoring tools specific to each of the indicators evaluated by HUD. Over the next five years, the BHA will continue to update and monitor these tools as necessary to ensure that we maintain a high level of program performance.

### Resident Services:

The BHA recognizes the importance of continuing and expanding its work with residents and has established three priority goals for the next five years:

- **Expand employment and skills training for BHA residents:**
  - Expand the Public Housing Family Self-Sufficiency program from 36 to 100 households by 2015;
  - Strengthen existing partnerships and secure at least \$195,000 in funding annually for resident services;
  - Expand staff capacity to include at least one a social work degree;
  - Work more closely with the Civil Rights Department's Section 3 program.
- **Respond to the social service needs of residents:**
  - Further integrate the work of elderly resident service coordinators and family services program to better address the needs of elders living in family developments;
  - Developing more youth services and partnerships including the development of more college pathways for BHA youth.
  - Strengthening and expanding the BHA's Health and Wellness Initiatives such as those established through the Partners in Health and Housing Prevention Research Center.
- **Provide support for capacity-building with residents** so that resident organizations are active and effective in representing the needs of residents, and more Local Tenant Organizations become recognized and are able to sustain recognition.

The following special projects are also key priorities over the next five years:

Elder Services Center at Amory Street – BHA received \$4 million to build a comprehensive services center for frail elders at its Amory Street Elderly/Disabled development. The center, which will draw residents from multiple sites, will be operated by Upham's Corner Health Center's Elder Service Plan. The program allows elders to remain living independently in the community, rather than in a nursing home. Services to residents will include primary care, specialty care, dental and eye care, prescription

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drugs, home health services, rehabilitative services, nutrition, respite care, and transportation assistance. The Center will be constructed by September, 2012.

Early Education Center at Bromley -- BHA, the Tenant Management Corporation at Bromley Heath, and Associated Early Care and Education have partnered to plan for a new state-of-the-art comprehensive Early Education Center at the Bromley-Heath site. An existing long-term vacant building will be demolished to make way for the Center, which will serve more than 80 children and families from Bromley, other BHA sites, and the surrounding neighborhood. The Center will be constructed by March, 2012.

### **Finance and Administration:**

The BHA's Finance and Administration division has also developed a set of initiatives to support the overall Five-Year Agency Plan goals, and to push progress in specific areas to optimize the Agency's ability to deliver on those goals. While these initiatives are mainly internal to the organization, they are critical to the continued improvement of customer service:

- Move the BHA from cash to encumbrance budgeting to improve short term control over spending data;
- Increase the availability of real-time financial reporting;
- Use available technology to allow stakeholder access to administrative systems, e.g. vendor portals, application status, etc. from outside the BHA;
- Utilize document management and automated work flow technology to improve efficiency through effective document routing and concurrent review and approval methods;
- Attract, motivate, retain, manage, and develop qualified and productive employees and provide a safe, non-discriminatory work environment for those employees;
- Ensure that supervisors/managers have the tools to effectively manage their staff and provide ongoing guidance and training to assist them regarding the policy, regulatory, customer service, and mission aspects of their jobs.

### **IV. Next Steps:**

This Five-Year Plan is now being submitted to HUD as part of the BHA's Agency Plan for review and approval. Please contact us in writing (email is fine) if you have questions or comments:

*Five-Year Plan Comments and Questions:*

c/o Administration Department, Boston Housing Authority  
52 Chauncy Street, Boston, MA 02111  
[John.kane@bostonhousing.org](mailto:John.kane@bostonhousing.org)