

# PROGRESS REPORT: BHA FIVE-YEAR PLAN (FY 2015 – 2019)

The Boston Housing Authority created its 5 year plan covering the years 2015-2019 as part of the 2015 Annual Plan. Each year with the submission of the annual plan, the BHA will provide an update in the Progress Report. The goals and key initiatives from 2015 are listed below in the left hand column and those will remain the same for the five-year period. The updates and progress made on achieving those goals and key initiatives are described below in the right hand column and will be updated each year.

## BACKGROUND

The BHA is the largest public housing authority in New England and the sixth largest in the nation. Within the public housing program, BHA owns and operates 63 family and elderly/disabled developments that are home to more than 25,000 Boston residents (12,623 households), most of whom are extremely low-income, averaging about \$14,000 in annual income per household. Most of these units are federally-funded, with 2,305 state-funded units.

BHA developments are among the most diverse communities in the city of Boston across a spectrum of measures: race, ethnicity, religion, age, disability status, languages spoken, immigration/refugee status, and family status. BHA residents are roughly 42 percent Latino, 32 percent Black, 16 percent White, and 10 percent Asian. The public housing waitlist includes about 36,000 applicants at this time.

The BHA also administers Housing Choice Vouchers (Section 8 or Leased Housing) to over 11,000 families that lease apartments from private landlords. The Leased Housing Waiting List includes about 16,000 applicants at this time; however it has been closed to all new applicants except the highest priority emergencies since 2008.

The BHA is a large municipal employer, with over 800 employees, and invests over \$300 million into the local economy each year that translates into construction jobs, goods and services.

Almost one in every ten households in Boston either lives in BHA-owned housing or receives financial assistance from the BHA to rent private housing.

BHA has enjoyed a long period of continuous improvement in housing quality, vacancy reduction, innovative financing initiatives, and capital upgrades. The Authority currently has an all-time high 98% occupancy rate, and has earned a national reputation for its redevelopment efforts, energy efficiency and healthy housing initiatives.

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## CHALLENGES

The Authority now faces an unprecedented lack of support at the federal level. This reduced funding is expected to continue. The funding shortfalls threaten to severely impact the public housing program, and will constrain the BHA's ability to continue on the positive trajectory it has established in the past 20 years. The funding context is not the typical cyclical adjustments that are common in the public sector depending on which party controls the Legislature and/or Executive branches of the federal government. This is, rather, a more structural change to the public housing program, with HUD increasingly encouraging housing authorities to find alternative funding mechanisms, including private sector funding, to sustain their portfolios.

The BHA and other housing authorities are confronting long-term budget deficits to their federally-subsidized housing portfolios. The budget deficit is due to chronic underfunding, sequestration cuts, and the ongoing federal budget battles in Washington D.C. The future of the public housing program and the viability of the physical buildings themselves remain threatened. The Leased Housing budget has stabilized for the time being--avoiding the need to take families off of the program—however, the BHA is emerging from one of its worst deficits in history with this program.

## KEY ISSUES

**HUD Funding Levels:** In recent years, HUD, as a result of reduced congressional appropriations, has provided PHAs with anywhere from 80 – 95 percent of PHA annual eligible funding. In the current calendar year, PHAs (including the BHA) expect to receive between 87 and 89 percent of their eligible funding. For the BHA, in the current year, this underfunding means that the BHA will not receive \$6.8 million of operating subsidy for which it is eligible based on HUD's own funding formula and which HUD acknowledges is needed to operate the property.

Capital funding has also been drastically reduced alongside operating funding, with an allocation to BHA of just over \$16 million annually, compared to nearly \$30 million annually a decade ago. Of that allocation, approximately \$6.7 million annually is committed to repayment of a capital bond issuance until the year 2028. BHA estimates its overall capital need at about \$500-750 million.

A growing deficit exists in funding for security and protective services, which costs the BHA \$5.9 million annually, with no dedicated funding source from HUD. In previous years, the BHA received supplemental security funding, which has been eliminated.

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**Spending Levels:** Current spending in the federal operations program is \$97 million, of which \$62 million is for non-utility expense categories (i.e., maintenance and operations). This equates to a per unit month (PUM) cost of \$515, which is comparatively low relative to other large urban PHAs around the country as well as other housing providers in Boston. It is also below HUD's own formula expense level derived specifically for the BHA. In addition, the BHA is not always reimbursed dollar for dollar for its utility expenses, further straining the non-utility budget.

**Personnel/Staffing:** The BHA has reduced its workforce by over 100 employees in the past two years through attrition, retirements and reductions in force, an overall 11% reduction. The BHA has taken very deliberate and challenging steps to reduce personnel costs in order to confront its budget challenges.

**Reserves:** The BHA has responsibly generated and safeguarded public housing operating reserves over the past many years. Unfortunately, in order to confront these budget deficits, it is spending down these operating reserves and is unable to keep the reserve at the HUD recommended level.

## OPPORTUNITIES

In spite of these challenges, new opportunities are available and continue to arise. The BHA is committed to acting upon these opportunities.

BHA's primary short-term goal is to raise awareness of the scale of the challenges we face, and grow local support for a variety of preservation strategies. After moving from a mode of incremental, continuous improvement, BHA is threatened with a backslide that could result in units being slowly taken off line as uninhabitable.

Within this context, the Authority proposes the following initiatives:

Goals	Updates and Progress Made
<b>Strategic Focus: Achieve and maintain high performer status for public and leased housing</b>	
<b>Maintain 97% or higher Occupancy Levels:</b> Consistent with the City's <i>Housing a Changing City</i> strategy, BHA's top priority is keeping units available and occupied. Functions and activities	The BHA maintained a cumulative occupancy rate of 97.7% for the year ending March 31, 2015. BHA staff will continue working closely with all the City of Boston and advocacy agencies to

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<p>that do not directly support this goal will be reviewed first to address funding shortfalls.</p>	<p>ensure the City’s and BHA’s goals are met while addressing the needs of those in dire need of affordable housing.</p>
<p><b>Maintain 100% Utilization of Section 8 Resources:</b> We will continue to maximize vouchers “on the street”, seek all available housing voucher resources, and ensure that those resources are being fully utilized.</p>	<p>From April 1, 2014 to present (Oct 2015) screened 2458 applicants and issued 1814 vouchers and leased 943 (new admissions). BHA was awarded 45 new VASH vouchers in July 2015.</p>
<p><b>Strategic Focus: Preserve the BHA portfolio of affordable housing by developing a site-by-site preservation strategy</b></p>	
<p><b>Ensure alignment between BHA priorities and the City’s Housing Strategy (<i>Housing A Changing City</i>).</b> It is critical that public housing preservation is prioritized within the broader City context, as reflected in Mayor Walsh’s recently released housing plan.</p>	<p>The BHA worked closely with City housing partners in 2015 to ensure alignment between City and BHA goals. All of the BHA preservation activities are in support of the City’s goals. In particular, BHA’s initiative to create more public-private partnerships to preserve and in some cases add new affordable housing is an important part of the progress shown toward the City’s goals. The BHA submitted a Choice Neighborhoods application for the Whittier development in 2015 and was unsuccessful. We plan to re-apply in 2016. In the meantime, the BHA, residents, and development partner are exploring an initial phase of redevelopment without Choice Neighborhood funds if unavailable. The BHA also procured development partners for preservation projects at Charlestown, West Newton, Amory and Lenox.</p>
<p><b>Explore Federal Legislation to Allow Funding Flexibility between the Public and Leased housing programs:</b> This flexibility would promote efficiencies and better decisions about how to apply scarce resources to local conditions. Currently PHA’s are restricted from using public housing operating, public housing capital, and Section 8 funds except within highly regulated silos of spending.</p>	<p>The BHA continues to work with our senators and congressional leaders on potential legislative initiatives that would benefit the federal public housing program. It is very difficult to gain traction on these initiatives given the negative national climate for funding public housing.</p>
<p><b>Develop a site-by-site preservation strategy that optimizes</b></p>	<p>The BHA issued a major Request for Qualifications in 2015 to</p>

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<p><b>for local markets and opportunities:</b> The BHA will initiate a review of all properties to develop or affirm approaches to ensure long-term viability and optimize strategies to close budget shortfalls.</p> <p>Where appropriate, we will utilize Choice Neighborhoods, Rental Assistance Demonstration, Energy Performance Contracting and other approaches that can help preserve the portfolio for future generations of low-income residents.</p>	<p>invite ideas and proposals from the non-profit and for-profit development community to preserve deeply affordable units at all of its federal sites, particularly those in high-market neighborhood. The response was very strong (56 proposals across 32 sites). The BHA has moved forward with four of these proposals (at Charlestown, Lenox, Amory and West Newton), and will develop a long-term plan in 2016 for remaining sites.</p>
<p><b>Strategic Focus Area: Support resident capacity-building and self-sufficiency initiatives that help residents meet their own goals</b></p>	
<p><b>Support BHA’s Center for Community Engagement:</b> Established in March 2014, the Center for Community Engagement and Civil Rights (CCECR) is designed to support sustainable communities that are economically, environmentally and socially vibrant. One of CCECR’s key roles is engaging residents to participate in and lead a wide range of programs. In the next five years, CCECR will build its capacity incrementally and integrate an infrastructure by which residents and applicants could easily and readily access information and services.</p>	<p>CCECR’s Resident Empowerment Coalition and its partners have accomplished many of its goals and objectives including A) completion of eleven (11) elections, B) providing leadership training at thirteen (13) public housing developments, C) training or providing technical support to fifteen (15) election committees D) provided training on roles and responsibilities to eighteen (18) local tenant organizations E) provided training or support on finances to twenty (23) local tenant organizations and F) provided technical support such as organizing meetings, language access, conflict resolution, management relationships to twenty seven (27) local tenant organizations or developments. In addition from September 2014 to June 2015 REC held four city wide meetings for emerging leaders or local tenant organizations members to come together for training in finance, to hear new or changes to policies and engage in resident opportunities.</p> <p>CCECR continues to ensure BHA residents access to information by translating vital documents and providing interpreters at meetings and events, as well as disseminating information through the ROSS and FSS programs, online listservs, multilingual mailings, door-to-door leafleting, and</p>

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	<p>greeting residents at their coffee hours. In addition, CCECR has been using social media (i.e. web-postings and blogs at <a href="http://www.bostonhousing.org">www.bostonhousing.org</a>, Facebook: <a href="https://www.facebook.com/bostonhousingauthority">https://www.facebook.com/bostonhousingauthority</a>, Twitter: <a href="https://twitter.com/BHA_CCECR">https://twitter.com/BHA_CCECR</a>, YouTube: <a href="https://www.youtube.com/channel/UCPTnL5o-c-GaACuXsl3OXnQ">https://www.youtube.com/channel/UCPTnL5o-c-GaACuXsl3OXnQ</a> ) and other internet-enabled apps to gradually build an online infrastructure that would broaden info access to residents.</p> <p>CCECR fully recognizes the importance of forging new partnerships with other agencies in order to expand opportunities for our residents. This past year, we formed new partnership with Rosie’s Place to provide family support services at Franklin Field Development; with the Cambridge Housing Authority for <i>This Way Ahead</i>, a youth employment training program; and with Northeastern University School of Nursing for a pilot study on wellness among elderly. Together, BHA now has partnerships with 123 organizations over 108 programs. Another notable accomplishment in partnership building is that CCECR’s Volunteer Interpreters Program and Bunker Hill Community College were jointly recognized in May by the Massachusetts Service Alliance and were presented with the Higher Education Community Partnership Innovator Award.</p>
<p><b>Link efforts to Education, Jobs, Public Safety and Health:</b> Federal funding for these sectors can be more available than public housing funding and BHA must tie its housing programs to these sectors in order to optimize funding potential. BHA will also continue to seek ROSS, Family Self-Sufficiency and other federal funding when available.</p>	<p>BHA applied for the FSS 2015 (\$275,040), ROSS Service Coordinator 2015 (\$738,000) and Juvenile Reentry Assistance Program (\$100,000) grants and was awarded the full \$275,040 for the FSS Grant; we are now waiting to hear if the other 2 will be funded. BHA was awarded 1 of 9 Jobs Plus Pilot Program grants of \$1,977,607 to implement an innovative program at the Charlestown development designed to transform the community into a community fully supportive of work. We have also raised</p>

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	<p>through various other funding sources \$204,586 in funding to support the BHA Charlestown Adult Education Program at 76 Monument St. including ESOL, HiSET (GED), and career readiness programming. To support health equity and healthy homes among residents and Section 8 tenants, BHA receives a sub-award of \$257,931 a year for 3 years (\$773,793 total for 2015-2017) from the Boston Public Health Commission to launch the <i>Boston REACH, Partners in Health and Housing project</i>. In collaboration with the BU School of Dental Medicine, the BHA will continue to work on improving the Oral Health of its residents at various developments over a 4 year period now in Year 1. BHA has also launched a state-funded (DHCD) Family Self Sufficiency Program – Mass LEAP – to state aided public housing &amp; voucher holders (MRVP); the program is in the 2<sup>nd</sup> year of the 5 year grant.</p>
<p><b>Strategic Focus: Create healthy and supportive living environments through policy and partnerships</b></p>	
<p><b>Formalize Partnerships to deliver an equitable baseline of services across all BHA sites:</b> Implement a consistent and strategic approach to partnerships across the portfolio which brings a baseline level of defined services to every BHA site. Develop measurement tools to enable tracking and ensure progress.</p>	<p>The BHA has engaged its elderly services partners such as the Boston ASAP's to develop a more formalized and accessible approach to services in its elderly/disabled buildings. The effort is still in the planning stages. Working with these existing organizations will provide a foundation for building better supports to residents and staff.</p>
<p><b>Establish resident health, energy-efficiency and sustainability as priorities in the planning process for new initiatives consistent with the BHA's Strategic Sustainability Plan:</b> The BHA issued a Strategic Sustainability Plan in January, 2014 outlining an overall goal to reduce Greenhouse Gas Emissions by 25% by 2020 in addition to several other goals. The BHA will continue to track and report on its progress.</p>	<p>BHA has been able to make significant progress towards reaching our 2020 Greenhouse Gas Emissions reduction goals. As of December 2014 BHA has seen a reduction of 22% below 2008 levels. BHA is confident that the 25% reduction will be realized by the close of 2016.</p> <p>The BHA continues to engage in many resident health partnerships.</p>
<p><b>Strategic Focus: Continue to improve systems and customer service so the BHA is a more efficient and</b></p>	

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<b>responsive organization</b>	
<p><b>Raise awareness of the challenges that BHA faces:</b>            Consistent with the City’s <i>Housing a Changing City</i> strategy, in order to position the BHA for a future with less federal subsidy, it will be important for the community and all stakeholders to understand the BHA’s situation and decision-making.</p>	<p>The Administrator organized and attended dozens of events in 2015 to deliver this message to residents, resident leaders, elected officials, advocates, City partners and many others. The BHA will continue to aggressively engage in this type of outreach in 2016.</p> <p>PHAs (including the BHA) expect to receive 85% of eligible subsidy. For the BHA in the current year this underfunding means the BHA will not receive \$9.6 million of operating subsidy it is eligible for based on <i>HUD’s own funding formula</i>. Capital Funding for 2015 allocation to the BHA was just over \$17 million. The BHA continues to run a significant yearly operating deficit that is continuing to deplete reserves that are available for the day to day operations of the Authority. The BHA is working with the City of Boston to address unfunded Public Safety costs that are a major component of the deficit.</p>
<p><b>Analyze Wait List practices and develop strategies to streamline placements while communicating more effectively with applicants:</b> The BHA must consider all options to reduce its 36,000 waiting list, manage applicant expectations, and optimize staffing resources toward placements.</p>	<p>The BHA will review nationwide best practices with a view to possible implementation within the BHA. We will also continue to work closely with the City of Boston and other advocacy partners to educate applicants about the various BHA available housing programs and to help partners to assist applicants with successfully completing the screening process for the selected housing programs. In order to optimize the limited staffing resources and manage applicant expectations the BHA will explore possible software solutions.</p>
<p><b>Continued Customer Service and Efficiency Enhancements:</b> Formalize a customer-service function within BHA to improve satisfaction and responsiveness. Provide training to maintain professional staffing and</p>	<p>The BHA hired a new Director of Communications and Constituency Services in 2015 who will assist in furthering this goal going forward across all areas of the Authority. We will hold internal meetings to discuss current opportunities as well as identifying resources for further opportunities.</p>

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expertise in a changing environment.	