

Planning for Public Housing: Strategic Tool or Regulatory Checklist?

by

Katherine F. Carton

B.A. Psychology and Philosophy  
Boston College, 1991

Submitted to the Department of Urban Studies and Planning  
in partial fulfillment of the requirements for the degree of

Master in City Planning

at the


Massachusetts Institute of Technology

June 2002

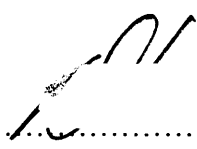
© 2002 Massachusetts Institute of Technology  
All rights reserved

Signature of Author..........

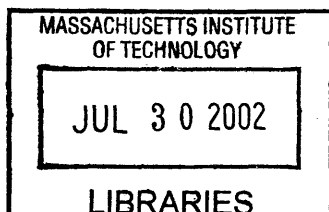
Department of Urban Studies and Planning  
May 16, 2002

Certified by..........

Langley C. Keyes  
Ford Professor of City and Regional Planning  
Thesis Supervisor

Accepted by..........

Dennis Frenchman  
Chair, MCP Committee  
Department of Urban Studies and Planning



ROTCH

# Planning for Public Housing: Strategic Tool or Regulatory Checklist?

by

Katherine F. Carton

Submitted to the Department of Urban Studies and Planning  
on May 16, 2002 in partial fulfillment of the  
requirements for the Degree of Master in City Planning

## ABSTRACT

The Public Housing Agency (PHA) Plan was introduced in 1998 as part of the landmark Quality Housing and Work Responsibility Act. The stated purpose of this legislation was to reform public housing by “deregulating and decontrolling public housing authorities, thereby enabling them to perform as property and asset managers.” The complex, top-down bureaucratic rules and regulations promulgated in Washington were no longer deemed workable. Congress strove to foster a new relationship with public housing authorities that replaced the single, top-down, cookie-cutter approach with the flexibility and local authority necessary to foster individual initiative and develop context-based solutions that recognize the unique nature and dynamics of individual neighborhoods and communities.

Yet, upon examination of the statutory and regulatory requirements of the PHA Plan, it becomes evident that Congress and the Department of Housing and Urban Development (HUD) have missed their mark. Unfortunately, neither Congress nor HUD have articulated how deregulation and decontrol will necessarily result in better performance as property and asset managers. Ultimately, this omission undermined Washington’s ability to effect its public housing reform agenda. By rigidly prescribing the content and introducing a uniform, electronic format, the PHA Plan appears to be driven more by technology and the ease of the review and approval process than by the needs of public housing authorities and their constituents. More importantly, as demonstrated by a case study of the Boston Housing Authority, the PHA Plan fails to reinforce locally based initiatives designed to revitalize public housing using established real estate principles.

Drawing on extensive research, interviews with key actors and the author’s own experiences as a planner with the Boston Housing Authority, this thesis will explore the factors that contributed to the disjunction between the stated purpose of the PHA Plan and the way the requirements have actually played out at the local level. Based upon these observations, recommendations are offered to change the statutory and/or regulatory requirements to better serve public housing agencies in their efforts to improve as property and asset managers.

Thesis Supervisor: Langley C. Keyes

Title: Ford Professor of City and Regional Planning

## Acknowledgements

---

Special thanks to Langley Keyes. Your enthusiasm about the topic helped me appreciate this great opportunity for “reflective practice.” In the end, this story is much better for your thoughtful guidance.

Heaps of gratitude to Kate Bennett. You have been a tremendous source of support, encouragement and inspiration for years. Your wisdom, humor and generosity have been immensely valuable to me in my work at the BHA and here at MIT. I admire you greatly.

Many thanks also go to my friends and colleagues at the Boston Housing Authority. Despite an extremely busy schedule and a whole host of responsibilities, Sandi Henriquez took the time to support me in this project as she has done in so many others. Much appreciation to Regina Dennis, Gwen Friend and Kathy Field who saw potential in me and took a chance in offering me the planning position that started the ball rolling.

To all the congressional staffers, HUD officials, PHA directors and planners, public housing consultants, advocates and residents who took the time to field my calls and answer my questions in the process of this research, thank you for sharing your thoughts. Your insights helped me gain a much more comprehensive understanding of this topic.

And above all, I would like to thank my friends and family. To my Mom and Dad whose love and faith in me has been a crucial element of every one of my accomplishments these last 33 years, I could never have done this without you. To Cindy, Deb and Jeanne, your support means more than you could know. Thanks for the words of encouragement, for lending an ear when I needed to let off steam, and, of course, for being there with the *Chubby Hubby* at precisely the right moments.

I am deeply indebted to you all.

# Table of Contents

---

Foreword.....	5
Introduction.....	8
Chapter 1: Quality Housing and Work Responsibility Act	
Introduction.....	15
Legislative Process.....	16
Context of Public Housing Reform.....	17
Principle Goals of QHWRA Legislation.....	19
Deregulation.....	20
Devolution to Local Control.....	22
Resident Participation and Responsibility.....	23
Devolution vs. Accountability.....	24
Chapter 2: Public Housing Agency Plan	
Introduction.....	27
Statutory Requirements.....	28
Accountability.....	31
Community Participation.....	33
Process vs. Product.....	35
Strategic Planning.....	36
Conclusion.....	39
Chapter 3: HUD Rulemaking	
Introduction.....	40
Rulemaking Process and Introduction of the Electronic Template.....	41
Planning Tool.....	47
Community Guide.....	55
A Streamlined Submission to HUD.....	59
Conclusion.....	61
Chapter 4: “BHA 2001” Case Study	
Introduction.....	62
Defining the Agency Mission, Goals and Objectives.....	64
Setting Standards and Establishing Performance Measures.....	65
Decentralized Model.....	67
Introduction of the PHA Plan.....	68
Creating a Climate for Sustainable Change.....	70
Chapter 5: Conclusions and Recommendations.....	73
Bibliography.....	80

## **Foreword**

---

I first became familiar with the Public Housing Agency (PHA) Plan in the spring of 1999. At the time I was in my third year with the Boston Housing Authority (BHA), managing two properties in the Elderly/Disabled Program portfolio. Knowing my interest in pursuing graduate studies in Urban Planning, the Elderly/Disabled Program Director recommended me for a position in the Planning Department to head up the BHA's Agency Plan process. Little did I know at the time how fortuitous this move would be.

Coordinating the Public Housing Agency Plan effort afforded me a great opportunity to expand my understanding of the agency and get a more comprehensive look at the BHA's operations. In the previous year, I had enjoyed the opportunity to participate in the "BHA 2001" strategic planning process that is documented as a case study in Chapter 4. This new role appeared to be an exciting opportunity to further contribute to the strategic thinking within the organization.

In many ways, this experience was better than I had ever anticipated. The position allowed me to develop both personally and professionally. I learned a great deal about managing a project of this scale, about keeping a high powered and over-worked Executive Staff involved and engaged, and about working collaboratively with a diverse resident group. I had access to Senior Staff in all corners of the organization and found myself in a unique to position to observe up-close and, at times, influence decision-making about key policy issues. I became personally acquainted with Administrator Sandra Henriquez and assisted her by monitoring the rulemaking processes that resulted from the Quality Housing and Work Responsibility Act of 1998 and drafting comments

to the Department of Housing and Urban Development (HUD) where applicable. In addition, I had the opportunity to work alongside Kathy Field and Kate Bennett, two of the Agency's planners who encouraged me to pursue my application to graduate school.

Ultimately, despite the challenges of tackling such a cumbersome requirement in a short-time frame with limited and frequently changing guidance, I am proud to say that I was successful in completing the PHA Plan to the satisfaction of the BHA, HUD and the Resident Advisory Board. Despite this significant accomplishment, there remained a gnawing sense of dissatisfaction. An enormous amount of time and resources were dedicated to this so-called planning effort. At the outset, there was a sense that the BHA would be well positioned to address this new requirement given all of the effort put forth in *BHA 2001* over the past year. Yet we were never able to reconcile the new requirements with the internal planning effort. As a result, the PHA Plan appeared to be little more than a report to HUD. It did not, in my opinion, contribute substantively to the BHA's efforts to reposition the agency to meet real estate industry standards.

Consequently, when the opportunity presented itself, I chose to explore the Public Housing Agency Plan in more detail through my graduate thesis. I wanted to understand where this concept originated, what it had been intended to do and how decisions were made regarding its content and its format. As a result of this semester long exercise, I have concluded that the principle problem with the tool, beyond simply being a cumbersome requirement, is that it was never actually designed to improve a PHAs performance as a property and asset manager. The following thesis documents how a series of decisions focused on concerns about limited funding, HUD's capacity, resident participation, ease of review and approval, etc. shaped the PHA Plan requirement steering

further and further from being an effective planning tool. In the end, several recommendations are offered to help get the PHA Plan back on track to better serve local housing authorities and their constituents.

## Introduction

---

On October 21, 1998 President Clinton signed the Quality Housing and Work Responsibility Act of 1998 (QHWRA) into law. Many touted the new law as a turning point for the beleaguered public housing program, a historic measure that would fundamentally change the way public housing works.<sup>1</sup> The stated purpose of this legislation was to reform public housing by “deregulating and decontrolling public housing authorities (PHAs), thereby enabling them to perform as property and asset managers.”<sup>2</sup> The complex, top-down bureaucratic rules and regulations promulgated in Washington were no longer workable. Congress strove to foster a new relationship with public housing authorities that replaced the single top-down, cookie-cutter approach with the flexibility and local authority necessary to foster individual initiative and develop context-based solutions which recognize the unique nature and dynamics of individual neighborhoods and communities.<sup>3</sup>

With this statement of purpose, however, Congress also appeared to signal a major shift in its view of the role of PHAs to be first and foremost that of property and asset managers. While the emphasis on property and asset management performance might seem self evident, this concept is quite novel in the public housing industry. For years, Congress and HUD have treated PHAs differently than other multi-family housing providers. As Mayor Stephen Goldsmith of Indianapolis pointed out,

---

<sup>1</sup> Angela Callahan, “A HUD Report Card”, *Journal of Housing and Community Development*, 56, no. 1 (Jan/Feb 1999): 42-45.

<sup>2</sup> Title V of Public Law 105-276, *Public Housing and Tenant Based Assistance Reform Quality Housing and Work Responsibility Act of 1998*, Sec. 502. (b).

<sup>3</sup> U.S. House of Representatives, Congressman Rick Lazio speaking to the House Subcommittee on Housing and Community Opportunity regarding Opening Statement: Helping Build Communities of Opportunity, *H.R. 2 The Housing Opportunity and Responsibility Act of 1997*, 11 March 1997.



Every time there is an abuse, there is a rule, law, or regulation designed to correct the abuse. So public housing becomes something of an esoteric sport to see if you can weave your way through the process regulations to get to the end... We have an opening now for a public housing director. Unlike anything else I did in my community, instead of finding the best person to provide affordable housing, we don't do that. We acknowledge that public housing directing is a profession in and of itself, because what you want is a person who understands the rules and regulations the best. We are not talking about who can produce the most housing per dollar, we are talking about trying to hire the best person to do business...in the Washington sense. It is not a very productive way to do business.”<sup>4</sup>

Congress' acknowledgement that the excessive rules and regulations historically imposed upon PHAs have hindered their ability to function as property and asset managers was certainly a step in the right direction.

Yet the intended link between deregulation and decentralization and the promotion of public housing authorities as property and asset managers remains elusive. The vague language and limited discussion on this point might lead one to believe that simply deregulating and decentralizing would effect the necessary change. To the contrary, such an assumption fails to recognize a critical point. Historically, Congress has treated the public housing authority as a single entity – a public agency – rather than focusing on the individual properties as assets. Despite skepticism from within the public housing industry itself, proponents of asset management contend that the application of tested real estate principles, which focus on the individual properties as assets, is essential to the successful operation of public housing.

Asset management, according to Ned Epstein of Housing Partners, Inc., “is the

---

<sup>4</sup> U.S. House of Representatives, Honorable Stephen Goldsmith, Mayor of the City of Indianapolis, testimony before the Committee on Banking and Financial Services, Subcommittee on Housing and Community Opportunity hearing regarding *H.R. 2 The Housing Opportunity and Responsibility Act of 1997*, 11 March 1997.

process of maximizing the value of real estate based on the investment objectives or mission of an organization or owner.”<sup>5</sup> Obviously the asset management objectives of a public housing authority will differ significantly from that of a private owner. Instead of maximizing the value of the asset in purely economic terms, a PHA wants to maximize the value to reflect its mission to provide decent, safe and sanitary housing that is affordable to low-income residents. This distinction is complicated by some real differences between the public and private sector that result from the prevalence of unions, stringent procurement policies and the age, design and condition of the housing.<sup>6</sup> Yet the process of “identifying, valuing, and periodically monitoring a PHA’s assets, and incorporating that process—and the information it generates—into the agency’s planning, decision-making, and operations”<sup>7</sup> is essentially the same.

If one thinks of public housing as Epstein and other proponents of asset management do, then it follows that PHAs must consider each development individually. In addition to overseeing the day-to-day operations, PHAs must consider the position of each property relative to the market, plan for its long-term capital and operating needs and monitor the physical and financial conditions on a development by development basis.<sup>8</sup> Essential to accomplishing this is the implementation of a property-based management system comparable to the conventional real estate industry. And one of the most important elements of property-based management is property-based budgeting.

---

<sup>5</sup> U.S. House of Representatives, Ned Epstein, Housing Partners Inc., testimony *Implementing Asset Management Strategies for Public Housing Authorities* before the Subcommittee on Housing and Community Opportunity, Committee on Banking and Financial Services, hearing on *H.R. 2 The Housing Opportunity and Responsibility Act of 1997*, 11 March 1997.

<sup>6</sup> Epstein, 11 March 1997.

<sup>7</sup> Peter E. Smirniotopoulos, “Demystifying Asset Management: A Guide for LHAs”, *Journal of Housing and Community Development*, 56, no. 5 (Sep/Oct 1999): 11-18.

<sup>8</sup> Epstein, 11 March 1997.

Hence, were Congress to embrace this concept, as they appear to do in their statement of purpose, it would follow that they must not simply deregulate and decentralize. They must also realign their rules and regulations to foster and reinforce an asset management strategy. Unfortunately, as will become evident in following the development of the new Public Housing Agency Plan requirement, there remained a lack of clarity about how devolution and decentralization would enable PHAs to perform as real estate operations and a lack of commitment to asset management. Ultimately, this omission undermined Washington's ability to effect its public housing reform agenda.

The landmark QHWRA legislation was intended to be far reaching. It introduced provisions relating to virtually every facet of the public housing and Section 8 programs: from deconcentrating poverty and promoting integration in public housing to voluntary as well as mandatory conversions of public housing stock to tenant-based assistance; from screening and eviction for drug abuse and other criminal activity to the formula allocation of the Public Housing Drug Elimination Program; from extensive changes to the admissions and occupancy requirements for both the Section 8 and public housing programs to pet ownership in public housing; from the statutory merger of the Section 8 Certificate and Voucher Programs to the introduction of a Section 8 Homeownership Program; and so on.<sup>9</sup> The Public Housing Agency Plan, however, proved to be of particular significance. While other provisions of the legislation were far more controversial and received far more attention and debate, the PHA Plan provided an

---

<sup>9</sup> For a more detailed list of Federal Register rules and notices relating to the Quality Housing and Work Responsibility Act refer to HUD's Public Housing Reform web page at <http://www.hud.gov/offices/pih/phr/>

interesting opportunity to reflect upon the complex and often conflicting goals of the reform legislation.

Tension arose between the stated goals of deregulation and devolution to local control on the one hand, and Washington's perceived need to hold PHAs accountable for the decisions made with the new found discretion. It was from this tension that the PHA Plan was born. Unfortunately, for a variety of reasons, neither the legislative process nor the regulatory process that created the PHA Plan satisfactorily resolved this tension. The PHA Plan ultimately focused on accountability for a decision-making process within a tightly defined sphere instead of supporting locally based solutions that reflect and reinforce the principles of property and asset management that QHWRA recognized as fundamental to managing public housing. As a result, the PHA Plan fell victim to business as usual and Congress and HUD missed an excellent opportunity to use the PHA Plan to effect fundamental change in the public housing industry.

Drawing on extensive research, interviews with key actors and the researcher's own experiences as a planner with the Boston Housing Authority, this thesis will explore the factors that contributed to the disjunction between the stated purpose of the PHA Plan and the way the requirements have actually played out at the local level. Chapter One provides a detailed look at the legislative process that resulted in the Quality Housing and Work Responsibility Act. Beyond the stated purpose of the act—"deregulating and decontrolling public housing agencies, thereby enabling them to perform as property and asset managers"<sup>10</sup>—three major themes emerged from the legislative discourse: 1) deregulation to foster increased efficiency and effectiveness, 2) devolution to local

---

<sup>10</sup> PL 105-276, Sec. 502.(b).

control and 3) resident participation and responsibility. These three themes had great bearing on the PHA Plan as it evolved. Unfortunately, Congress offered virtually no discussion on how these three overarching goals related to PHAs as property and asset managers. This omission would have serious consequences as implementation of the PHA Plan moved forward.

Chapter Two presents the statutory requirements of the PHA Plan and discusses the three principle objectives of this new provision: 1) to provide a framework for accountability, 2) to furnish a mechanism for community participation, and 3) to create a tool for strategic planning. Yet cracks in the surface begin to emerge as the vague language provided by Congress led to multiple and often conflicting interpretations of the purpose of the PHA Plan. Of particular concern is the ambiguity around what constitutes strategic planning for PHAs since HUD does not expressly link this activity with property and asset management.

Chapter Three traces the rulemaking process for the PHA Plan and describes the electronic template introduced by HUD. The cracks begin to widen as it becomes evident that the uniform electronic format of the PHA Plan was driven more by technology and the ease of the review and approval process than by the needs of public housing authorities and their constituents. In addition, HUD's decision to model the PHA Plan on the Consolidated Plan failed to recognize and promote the property and asset management goals QHWRA originally identified as essential to public housing reform.

The cracks widen further still when, as demonstrated by a case study of the Boston Housing Authority in Chapter Four, the PHA Plan failed to reinforce a locally-based initiative designed to revitalize public housing using established real estate

principles. Instead the PHA Plan created an entirely separate work process that drains scarce resources from precisely the type of activity it should have been supporting. In conclusion, Chapter Five, presents a summary of some lessons learned and proposes recommendations for realigning the PHA Plan with the property and asset management objectives of the public housing reform legislation.

# **Chapter 1: Quality Housing and Work Responsibility Act**

## **Introduction**

The Quality Housing and Work Responsibility Act (QHWRA) of 1998 marked the culmination of several years of laborious work and contentious debate. Spearheaded by Congressman Rick Lazio (R-NY), Chair of the House Subcommittee on Housing and Community Opportunity, this legislation marked the first comprehensive rethinking of the public housing program in years. The protracted legislative process, which will be described in greater detail, ultimately resulted in reform legislation intended to deregulate and decontrol the public housing program thereby enabling public housing authorities (PHAs) to perform as property and asset managers.

The guiding principles of the legislation were strongly influenced by budget considerations as well as discussions about HUD's capacity. Ultimately, three major themes emerged from the legislative discourse that are particularly significant to later discussions about the Public Housing Agency (PHA) Plan: 1) deregulation to increase efficiency and effectiveness; 2) devolution to local control; and 3) resident participation and responsibility. Surprisingly absent is any discussion of how deregulation and decontrol would actually translate into improved property and asset management. The resulting ambiguity would have unfortunate consequences as Congress and HUD proceeded with establishing the statutory and regulatory requirements of the Public Housing Agency Plan.

## Legislative Process

Introduced in the House by Congressman Rick Lazio as *H.R. 2406 The United States Housing Act of 1995*, the public housing reform bill received bipartisan support in a vote of 315-107 on May 9, 1995.<sup>11</sup> A similar, albeit more conservative bill entitled *S. 1260 The Public Housing Reform and Empowerment Act of 1995* was passed in the Senate two months earlier on January 10, 1995. Given the passage of both bills by comfortable margins so early in the year, it was rather surprising that no resolution was reached before the end of the legislative session. Lazio's insistence on repealing the U.S. Housing Act of 1937, which serves as the foundation of the public housing and Section 8 programs, appeared to be the key issue that impeded resolution of the House and Senate bills during the 104th Congressional session.<sup>12</sup> While the House argued that a break with the old law would have reinforced the new approach to public housing that emphasizes greater local control, critics feared serious technical problems because the 1937 Act is referenced in so many other federal laws.<sup>13</sup> In addition, other contentious issues such as income targeting, self-sufficiency requirements, and income cut-offs for rent reform also thwarted resolution.<sup>14</sup>

On the first day of the 105th Congress, Lazio introduced a modified version of the public housing reform legislation entitled *H.R. 2 The Housing Opportunity and Responsibility Act of 1997*. The Senate also introduced a revised bill entitled *S. 460 Public Housing Reform and Responsibility Act of 1997*. After months of tough

---

<sup>11</sup> Joseph Haas, "An H/CD Legislative Review," *Journal of Housing and Community Development* 53, no. 6 (Nov/Dec 1996): 10-13.

<sup>12</sup> Barry G Jacobs, "105<sup>th</sup> Congress Will Tackle Unfinished Business," *National Real Estate Investor* 39, no. 1 (Jan 1997): 33.

<sup>13</sup> Barry G. Jacobs, "Congress to Tackle Housing Reform Again," *National Real Estate Investor* 39, no. 3 (Mar 1997): 36.

<sup>14</sup> Hass, 1996.



negotiation on a range of issues and increasing concern about yet another possible stalemate, public housing reform legislation was finally signed into law as part of Title V of HUD's FY1999 Appropriations Act (PL 105-276).

### **Context of Public Housing Reform**

Spurring on the call for public housing reform were major concerns about the federal budget and the Department of Housing and Urban Development's (HUD) capacity. Limited federal resources and a call to balance the budget mandated more cost-effective methods as Senator Alfonse D'Amato's comments illustrate,

Given the limited Federal resources and the need to balance the budget by the year 2002, Congress must find more cost-effective ways to provide affordable housing. This bill represents a concrete step in the fulfillment of Congress' responsibility to the taxpayer to ensure that every Federal dollar is maximized to its greatest potential.

We also have a responsibility to our public housing authorities (PHAs) and their tenants to help them help themselves in this time of funding cuts. This bill will shrink, streamline, and simplify existing constraints under which our PHAs have been forced to operate. Current rules and regulations overburden PHAs and offer tenants disincentives to achieving economic self-sufficiency.<sup>15</sup>

This sentiment was mirrored in numerous other statements including that of Joseph Schiff, public housing consultant and former Assistant Secretary for Public and Indian Housing at HUD,

Given the reality of the enormous budget cuts being made in the public housing program, significant statutory and regulatory relief must compliment this action. It is impossible to run an effective public housing program in the real world outside the Beltway if the industry is hampered

---

<sup>15</sup> U.S. Senate, Senator Alfonse D'Amato, Chairman of the Senate Banking, Housing and Urban Affairs Committee, prepared opening statement for the Hearing on *S. 1260 The Public Housing Reform and Empowerment Act of 1995*, 104<sup>th</sup> Congress, 28 September 1995.

by twin challenges of draconian budget cuts and strangling statutes and regulations.<sup>16</sup>

In addition, the Department of Housing and Urban Development had been under major attack in recent years. Widely criticized in the press as a dysfunctional institution with a failed mission, HUD was viewed as the poster child for poor government.<sup>17</sup> HUD Inspector General, Susan Gaffney, highlighted several significant issues facing the organization:

- An increasingly vague and broad mission;
- A culture that views management as administration having nothing to do with policy or programs;
- Poor monitoring and enforcement that mandates a complete overhaul of the Public Housing Management Assessment Program (PHMAP) system; and
- Grossly insufficient automated accounting and financial management systems.<sup>18</sup>

It was in this context that S.1260 Senate Report 104 195 stated,

The prospect of diminishing staff resources mean that the Department [of Housing and Urban Development] will lack the capacity to maintain the same degree of oversight and control that it has exercised over the public housing system in recent decades. These circumstances have required the Committee to make public housing reform a high priority and to develop a comprehensive reform proposal that fundamentally alters the historical relationship between HUD and housing authorities. Increasing the flexibility in the use of Federal resources is critical both to increasing the economic vitality of public housing developments and providing a platform from which lower income households can achieve economic self-sufficiency.<sup>19</sup>

---

<sup>16</sup> U.S. Senate, Joseph G. Schiff, President of the Schiff Group and Former Assistant Secretary for Public and Indian Housing at HUD, testimony before the Senate Banking, Housing and Urban Affairs Committee, hearing on *S. 1260 The Public Housing Reform and Empowerment Act of 1995*, 28 September 1995.

<sup>17</sup> Callahan, 1999.

<sup>18</sup> U.S. House of Representatives, Honorable Susan Gaffney, Inspector General for the U.S. Department of Housing and Urban Development before the Subcommittee on Housing and Community Opportunity, Committee on Banking and Financial Services hearing on *H.R. 2 The Housing Opportunity and Responsibility Act of 1997: Building Communities of Opportunity*, 11 March 1997.

<sup>19</sup> U.S. Senate, Committee on Banking, Housing, and Urban Affairs, *S. 1260, The Public Housing Reform and Empowerment Act of 1995*, 104<sup>th</sup> Congress, 1<sup>st</sup> Session, Report 195, 20 December 1995.

These concerns not only fueled the perception that public housing reform was needed but significantly shaped the way remedies were formulated and the types of changes sought by Congress.

### **Principle Goals of QHWRA Legislation**

As a result of extensive discussion and debate, Congress ultimately determined the goal of the public housing reform to be “to promote homes that are affordable to low-income families in safe and healthy environments, and thereby contribute to the supply of affordable housing, by-

- (1) deregulating and decontrolling public housing agencies, thereby enabling them to perform as property and asset managers;
- (2) providing for more flexible use of Federal assistance to public housing agencies, allowing authorities to leverage and combine assistance amounts with amounts obtained from other sources;
- (3) facilitating mixed income communities and decreasing concentrations of poverty in public housing;
- (4) increasing accountability and rewarding effective management of public housing agencies;
- (5) creating incentives and economic opportunities for residents of dwelling units assisted by public housing agencies to work, become self-sufficient, and transition out of public housing and federally assisted dwelling units;
- (6) consolidating the voucher and certificate programs for rental assistance under Section 8 of the United States Housing Act of 1937 into a single market-driven program that will assist in making tenant-based rental assistance under such section more successful at helping low-income families obtain affordable housing and will increase housing choice for low-income families; and
- (7) remedying the problems of troubled public housing agencies and replacing or revitalizing severely distressed public housing projects.”<sup>20</sup>

Three major themes emerged from the legislative discourse that underlie this statement of purpose. As evidenced by Senate and House committee reports, hearing testimony and

---

<sup>20</sup> PL 105-276, Sec. 502.(b).

subsequent interviews with key congressional staffers, these major themes are: 1) deregulation to promote increased efficiency and effectiveness; 2) devolution to the local level; and 3) resident participation and responsibility. What is conspicuously absent is any discussion about how these goals necessarily enable PHAs to perform as property and asset managers as the first principle of QHWRA suggested, i.e. “deregulating and decontrolling public housing agencies, thereby enabling them to perform as property and asset managers”.<sup>21</sup> Aside from what can be gleaned from the testimony of a few individuals like Ned Epstein, Congress never clearly articulated its definition of asset management. As will become evident in subsequent chapters, these three themes and the ambiguity regarding asset management had great bearing on the development of the new Public Housing Agency Plan requirement.

## **Deregulation**

The complex top-down bureaucratic rules and regulations promulgated by Congress and HUD had become “unacceptable and unworkable”.<sup>22</sup> Shirley Dykshoorn of the Council of State Community Development painted a picture of the regulatory climate at the time,

...HUD programs...are laden with requirements, with twists, turns and shackles. To cope, a grantee must become “Houdini” to escape or solve these requirements and address the fundamental purposes of the program. Too many resources, too much time and effort, are spent on meeting these “underbrush” requirements; it is not too much of an exaggeration to suggest that the major purpose of the program is often lost in the brambled tangle of secondary and tertiary requirements. Usually a piece of underbrush looks innocent and harmless by itself, and may even look to be desirable. However, just as with any bramble or vine, when they amass, they are often impenetrable and force one to focus energies on hacking

---

<sup>21</sup> PL 105-276, Sec. 502.(b).

<sup>22</sup> U.S. Senate, Senator Christopher S. Bond, prepared statement before the Senate Banking, Housing and Urban Affairs Committee Subcommittee on Housing Opportunity and Community Development, hearing on *S.1260 The Public Housing Reform and Empowerment Act of 1995*, 29 September 1995.

through the underbrush immediately in front rather than on reaching an important goal visibly ahead.<sup>23</sup>

As a result, major changes were deemed necessary to “streamline the bureaucracy and red tape that [was] strangling the operations of the public housing agencies throughout the United States.”<sup>24</sup> Senator Alfonse D’Amato summarized the issue.

Congress and HUD have saddled housing authorities with rules and regulations that make it impossible for even the best of them to run their developments effectively and efficiently... These problems should not be permitted to exist under any circumstances. But in today’s budgetary climate of shrinking resources and diminishing staff resources at HUD, failure to reform public housing and change current rules would be disastrous to public housing authorities that are struggling to survive and maintain decent, safe and affordable housing for their residents.<sup>25</sup>

Hence, the public housing reform legislation sought to streamline and consolidate programs in an effort to “unleash the creative forces of local chief executives and community leaders.”<sup>26</sup> The hope was that “the shift from big bureaucracy toward flexible, democratic, human-sized structures would foster individual initiative and action.”<sup>27</sup>

---

<sup>23</sup> U.S. Senate, Shirley Dykshoorn, representing the Council of State Community Development, testimony before the Senate Banking, Housing and Urban Affairs Committee, Subcommittee on Housing Opportunity and Community Development, hearing on *S. 1260 The Public Housing Reform and Empowerment Act of 1995*, 27 April 1995.

<sup>24</sup> U.S. Senate, John Hiscox, Executive Director of the Macon, Georgia Housing Authority on behalf of the Public Housing Directors Association, testimony before the Senate Committee on Banking, Housing and Urban Affairs, hearing on *S. 1260 The Public Housing Reform and Empowerment Act of 1995*, 28 September 1995.

<sup>25</sup> U.S. Senate, Senator Alfonse D’Amato of New York, Mark-up of *S. 1260 The Public Housing Reform and Empowerment Act of 1995*, 26 October 1995.

<sup>26</sup> U.S. House of Representatives, Congressman Rick Lazio of New York, opening statement before the House Subcommittee on Housing and Community Development, hearing on *H.R. 2 The Housing Opportunity and Responsibility Act of 1997*, 11 March 1997.

<sup>27</sup> U.S. House of Representatives, Dr. Ira Harkavy, Director of the Center for Community Partnerships at the University of Pennsylvania, Committee on Banking and Financial Services, Subcommittee on Housing and Community Opportunity, hearing on *H.R. 2 The Housing Opportunity and Responsibility Act of 1997*, 25 February 1997.

## Devolution to Local Control

At the same time, it was believed that this improved efficiency and effectiveness went hand in hand with a greater sharing of responsibility. The law sought to alter the historic relationship of HUD to the PHAs by increasing local flexibility. It was widely recognized that a “single top-down, cookie-cutter model...is not the best way to do business today”<sup>28</sup> and that it was imperative to move away from “HUD’s all too common one-size-fits-all mentality”.<sup>29</sup> David Morton, Executive Director of the Housing Authority of the City of Reno, Nevada representing the Public Housing Authorities Directors Association presented this in his congressional testimony.

For too long, the federal government has attempted to oversee every aspect of public housing through detailed and complex statutes and regulations... While HUD has made some progress, micro-management has become part of its culture and continues to be an obstacle even after the Department has reviewed and “streamlined” its many rules and procedures.

This degree of federal control totally misses the point that housing problems and their solutions are different in different parts of country, as well as among cities, suburbs and rural areas. It makes no sense to us that the 50 percent of all PHAs with less than 100 units continue to have to operate substantially the same as the largest big city agencies.<sup>30</sup>

Increasingly, recognition of the unique nature and dynamics of individual neighborhoods and communities resulted in a call for devolution of control to local housing authorities.

As Congressman Rick Lazio asserted,

These are the individuals who are closest to the problems, and who are most able to develop solutions... The Federal government needs to be

---

<sup>28</sup> U.S. House of Representatives, Congressman Rick Lazio of New York, Introduction to the *H.R. 2 Housing Opportunity and Responsibility Act of 1997*, 105<sup>th</sup> Congress, 1<sup>st</sup> Session, 7 January 1997.

<sup>29</sup> Senator Bond, 26 October 1995.

<sup>30</sup> U.S. Senate, David Morton, Executive Director of the Housing Authority of the City of Reno, Nevada representing the Public Housing Authorities Directors Association, prepared testimony before the Senate Banking, Housing and Urban Affairs Committee, Subcommittee on Housing and Opportunity and Community Development, hearing on *S. 462 The Public Housing Reform and Responsibility Act*, 9 April 1997.

supportive of these [locally-driven] efforts, not overly prescriptive or overly restrictive. Flexibility must be built into the system so that we have Twenty-First Century programs – not programs based on old-style, bureaucratic models.<sup>31</sup>

## **Resident Participation and Responsibility**

As support for devolution of control to PHAs increased, it was countered by growing trepidation that tenants might lose hard won protections that federal control had previously ensured. Hence, there was a major drive to buttress effective tenant participation. Dave Bryson, Interim Director of the National Housing Law Project drew attention to this goal in his testimony before the Senate,

...Over the past 25 years, the Congress and HUD have repeatedly recognized the importance of tenants' being involved in the operation and governance of their homes...Thus it is crucial that these revisions to the housing act contain provisions that will ensure the tenants an effective voice in the operation of their developments. Effective tenant participation will be even more important under S.462 [the precursor to QHWRA in the Senate], because it eliminates many of the statutory restrictions on PHAs' power that have protected the tenants' interests and replaces them with PHA discretion to make policy choices. If this devolution is going to work, it is vital that the tenants be at the table and be listened to when the PHA makes the decisions that are delegated to them. Only if their voices are heard will tenants be able to protect their interests that will no longer be protected by law...<sup>32</sup>

But beyond enhanced resident participation, the legislation strove to increase resident choice using mechanisms such as site-based waiting lists, flat rents, and Section 8 homeownership. At the same time there was also a great deal of rhetoric about personal responsibility and mutuality of obligation, as Rick Lazio's comment illustrates.

---

<sup>31</sup> Congressman Lazio, 11 March 1997.

<sup>32</sup> U.S. Senate, Dave Bryson, Interim Director of the National Housing Law Project, testimony before the Senate Banking, Housing and Urban Affairs Committee, Subcommittee on Housing and Opportunity and Community Development, hearing on *S. 462 The Public Housing Reform and Responsibility Act*, 9 April 1997.

By providing...opportunity and demanding responsibility—at all levels, from recipients of assistance to those providing housing services—we take those first steps toward creating the kind of communities we can all take pride in.<sup>33</sup>

New measures were instituted to eliminate disincentives for tenants to work, such as rent changes. In addition, other punitive measures, more reminiscent of the recent welfare reform were introduced, such as the community service requirement. And while they were not included in the final version signed by Clinton, time limits were also proposed in the original version of the House bill.

### **Devolution vs. Accountability**

While bipartisan support for public housing reform was building, there still remained significant tension between devolution and accountability.

Complimenting the increased flexibility, there must be greater accountability by PHAs to both the residents and the taxpayer. While they must have the legal framework and flexibility to accomplish their assigned mission, they should also be held accountable for their results. The focus must be on product rather than process.<sup>34</sup>

This tension was played out, in part, in the discussions about tenant participation as referenced above. Yet, concerns extended beyond local accountability to HUD and Congress' anxiety about minimizing their own risk in this new era of deregulation.

While acknowledging that “both the benefits of allowing well-managed PHAs to make local decisions and the reductions in funding for both PHAs and HUD make responsible

---

<sup>33</sup> Congressman Lazio, 1 January 1997.

<sup>34</sup> Schiff, 28 September 1995.



deregulation imperative,”<sup>35</sup> HUD Secretary Andrew M. Cuomo raised concerns about accountability. In testimony before the Senate on April 9, 1997, he stated,

... the Department does not want to deregulate irresponsibly. We do not want to be back before this subcommittee in a couple of years with you questioning the flip side which is, you gave all the power to the public housing authorities and they went out and did activities that they should not have done. Because sometimes the pendulum swings back and forth and we do not want to run from one side to the other side. So, deregulation, yes. And we are now in the spirit of devolution and everything is out of Washington to the localities. In moderation, because we are afraid if we run all the way to the other side, when the pendulum comes back, we will be exposed on the other extreme. So, we want to deregulate but we want to move to a more intelligent evaluation system in doing that...<sup>36</sup>

This mirrored earlier statements made by former HUD Secretary Henry G. Cisneros including,

The quid pro quo of giving local entities greater flexibility and latitude in the operation of federally funded programs must be the insistence on accountability. Financial safeguards must be put in place to ensure that federal funds serve intended beneficiaries and are not subject to fraud, waste and abuse. Performance measures must be developed and monitored to ensure that local agencies carry out their public trust pursuant to national goals and activities.<sup>37</sup>

It appears that it was from this tension between devolution and accountability that the Public Housing Agency Plan was born.

Unfortunately, despite warnings in this regard, the focus of the PHA Plan centered on accountability for process rather than on accountability for results. Congress had an opportunity to structure a planning process that encouraged PHAs to improve their

---

<sup>35</sup> U.S. House of Representatives, Secretary Andrew M. Cuomo, Department of Housing and Urban Development, Statement before the Committee on Banking and Financial Services, Subcommittee on Housing and Community Development, hearing on *H.R. 2 The Housing Opportunity and Responsibility Act of 1997*, 6 March 1997.

<sup>36</sup> Secretary Cuomo, 6 March 1997.

<sup>37</sup> U.S. House of Representatives, Secretary Henry G. Cisneros, Department of Housing and Urban Development, prepared statement before the House Banking and Financial Services Committee, Housing and Community Opportunity Subcommittee, hearing on *S. 462 The United States Housing Act of 1995*, 13 October 1995.

performance as property and asset managers; a process that established standards analogous to the real estate industry and developed site-based management plans to achieve these standards. The outcomes of this planning process could then be monitored through revised performance measures based upon a combination of real estate industry standards and social goals. However, as we will explore in the next three chapters, despite the fact that the PHA Plan was envisioned to achieve multiple goals including serving as a planning tool by which PHAs can better manage residential property, for a variety of reasons this never materialized. The most important reason appears to be a lack of commitment to this asset management methodology.

## **Chapter 2: Public Housing Agency Plan**

---

### **Introduction**

While the congressional debates centered on several very contentious issues such as income targeting, the elimination of the Brooke amendment, the repeal of the 1937 Housing Act, a much less controversial provision was set in place, the Public Housing Agency Plan (PHA Plan). Yet, the minimal fanfare around the Public Housing Agency Plan belies its significance. For as Senator Christopher S. Bond stated in his comments during a mark-up session,

The linchpin of this legislation is to place the responsibility for the decision-making for public housing issues, from the demolition of obsolete units to the issue of elderly-only housing to the voluntary conversion of public housing to tenant-based assistance, in the hands of local public housing agencies through public housing agency plans developed in conjunction with residents and consistent with state and local housing plans.<sup>38</sup>

However, upon further examination of the statutory requirements and stated purpose of the PHA Plan a rather fuzzy picture emerges. Three distinct objectives materialize: 1) accountability; 2) community participation; and 3) strategic planning. Yet it remains unclear how the statutory requirements support all three objectives. Nor is it apparent how these requirements further the deregulation and decentralization goals of QHWRA or address the PHA role as property and asset manager. In fact, some contradictions emerge that presented a serious challenge to HUD as it undertook the rulemaking process described in the next chapter.

---

<sup>38</sup> Senator Bond, 26 October 1995.

## Statutory Requirements

Section 511 of QHWRA created the PHA Plan to be “a comprehensive guide to public housing agency policies, programs, operations, and strategies for meeting local housing needs and goals.”<sup>39</sup> There are two parts to the PHA Plan: the 5-Year Plan is submitted to HUD every fifth PHA fiscal year, and the Annual Plan is submitted to HUD every year. The Five-Year Plan describes the mission of the agency and the agency’s long-range goals and objectives for achieving its mission over a five-year period. The Annual Plan details the agency’s approach to managing programs and providing services in the upcoming year. QHWRA specified both the information that must be included in the plan and the process that a PHA must follow to solicit resident and community input during its development.<sup>40</sup>

The legislation is explicit about the information that must be submitted as part of the Annual Plan. Eighteen components are required:

1. A statement of housing needs
2. A statement of financial resources
3. A statement of the PHAs policies that govern eligibility, selection and admissions
4. A statement of the PHAs rent determination policies
5. A statement of the PHAs operation and management
6. A statement of the PHA grievance procedures
7. A statement of the capital improvements needed
8. A statement of any demolition and/or disposition
9. A statement of the public housing projects designated as housing for elderly families or families with disabilities or elderly families and families with disabilities
10. A statement of the conversion of public housing to tenant-based assistance
11. A statement of homeownership programs administered by the PHA
12. A statement of the PHAs community service and self-sufficiency programs
13. A statement of the PHAs safety and crime prevention measures

---

<sup>39</sup> Department of Housing and Urban Development, Office of Public and Indian Housing, Office of Policy, Program and Legislative Initiatives, *Public Housing Agency (PHA) Plan: Desk Guide*, updated 20 September 2001, p. 1.

<sup>40</sup> U.S. Congress, *H.R. 4194, The Quality Housing and Work Responsibility Act of 1998*, 105<sup>th</sup> Congress, 2<sup>nd</sup> Session, Title V- Public Housing and Tenant-Based Assistance Reform, Sec. 511. Public Housing Agency Plan, 21 October 1998, p. 71-79.

14. A statement of the PHA policies and rules regarding the ownership of pets in public housing
15. Civil rights certification
16. Recent results of PHAs fiscal audit
17. A statement of asset management, and
18. Other information required by HUD.<sup>41</sup>

A brief statement of the PHA's progress in meeting the mission and goals described in the Five-Year Plan must also be submitted with the Annual Plan each year following the initial plan submission. While these requirements were scaled back considerably from earlier versions of the PHA Plan, a detailed list was deemed necessary to ensure HUD would follow through with the Congressional intent.<sup>42</sup> However, it remains unclear how these items were ultimately selected. Certain items such as the pet policy are particularly perplexing since they are only minimally relevant to an agency-wide planning effort.

The legislation is much less prescriptive regarding the content of the Five-Year Plan. A PHA must include in its Five-Year Plan a statement of:

- (1) The PHA's mission of serving the needs of low-income, very low-income and extremely low-income families in the PHA's jurisdiction; and
- (2) The PHA's goals and objectives that enable the PHA to serve the needs of the families identified in the PHA's Annual Plan. For HUD, the PHA and the public to better measure the success of the PHA in meeting its goals and objectives, PHAs must adopt quantifiable goals and objectives for serving those needs wherever possible.<sup>43</sup>

Concerning the planning process, the law mandates a public hearing to discuss the PHA Plan and invite public comment. It also requires the PHA to make the proposed plan available for review no later than 45 days before the public hearing. But much more

---

<sup>41</sup> 24 CFR 903.7

<sup>42</sup> Christopher Lord, former Congressional staffer, telephone conversation with author, 22 March 2002.

<sup>43</sup> 24 CFR 903.5

significant is the new requirement that each PHA must appoint a Resident Advisory Board (RAB).

A Resident Advisory Board is defined as a board or boards whose membership consists of individuals who adequately reflect and represent the residents assisted by the PHA. This includes reasonable representation of families receiving tenant-based assistance, a resident constituency that had not been included previously in tenant participation requirements. The role of the Resident Advisory Board is to assist and make recommendations regarding the development of the PHA Plan, and any significant amendment or modification to the PHA Plan. In submitting the final plan (or any significant amendment or modification) to HUD for approval, the PHA must include a copy of the recommendations made by the RAB and a description of the manner in which the PHA addressed them.<sup>44</sup>

There was limited public discussion about the intent of the PHA Plan during the legislative process and there is no evidence that any organization or individual publicly opposed its inclusion in the law.<sup>45</sup> Most of the discussion revolved around the content and the review and approval process. Hence, it would appear that there was at least implicit agreement that the requirement served a laudable goal.

Upon closer examination of the comments made by various parties in the committee reports, hearing testimony and subsequent interviews, however, there is evidence that the vague language of the statute was envisioned in several different, and somewhat contradictory, ways. The enabling legislation states,

---

<sup>44</sup> 24 CFR 903.1

<sup>45</sup> This statement is based on a thorough reading of the congressional record, hearing testimony and official correspondence from public housing industry groups such as NAHRO, CLPHA and PHADA.

“The purpose of the plans is to provide a framework for local accountability and an easily identifiable source by which public housing residents, participants in the tenant-based assistance program, and other members of the public may locate basic PHA policies, rules and requirements concerning its operations, programs, and services.”<sup>46</sup>

Hence, for some the PHA Plan is first and foremost a mechanism for accountability in light of the increased flexibility and discretion afforded PHAs by the new legislation. Although related to local accountability, as will be discussed further, there were others that principally viewed the PHA Plan as a means for tenant and community participation. Then there were some that envisioned the plan as a means to promote strategic planning within public housing authorities. A detailed account of each of these objectives follows. However, the strategic planning goal is of particular interest. The vague language used by Congress regarding the PHA Plan as a planning tool and the failure to explicitly link this goal with the PHA role as property and asset manager created significant challenges that remained unresolved as Congress turned implementation of the PHA Plan over to HUD.

### **Accountability**

The predominant view among legislators as evidenced in testimony, committee reports and the statutory language of the requirement was that the PHA Plan was to serve as a tool to ensure accountability. This sentiment was articulated in the Senate Report 104-195:

Intent is to provide a framework for local accountability in a new era of deregulation, flexibility and local discretion. Mechanism to ensure that local decisions are made with accountability to residents, the community and local government.<sup>47</sup>

---

<sup>46</sup> 24 CFR 903.1(b)

<sup>47</sup> Senate Report 104-195, 20 December 1995.

Senator Alfonse D'Amato's statement mirrored this sentiment,

...the bill seeks to increase local accountability of housing authorities through the implementation of a local planning process. Public housing authorities will prepare 5-year and annual plans, which will include all significant matters related to the operation of the housing authority. These plans will be required to be consistent with relevant State and local comprehensive plans. In addition, plans will be reviewed by resident advisory boards...<sup>48</sup>

As noted in the statement of purpose, the PHA is accountable to the public housing residents and the general public. However, there is also evidence that the PHA Plan was envisioned as a tool by which PHAs are accountable to HUD as well. This was demonstrated in the debates over the review and approval process for the plan.

PHA industry leaders expressed concerns about HUD's capacity to review every aspect of the PHA Plan in a timely manner. They also voiced misgivings that the review process would open the door to HUD micro-management, thereby undermining local flexibility. As the National Association of Housing and Redevelopment Officials (NAHRO) asserted,

“We believe that management discretion must be preserved and HUD does not have the capacity nor should they be involved in reviewing these internal management issues though a review and approval process [of the Annual Plan].<sup>49</sup>

Hence, industry leaders proposed self-certification of compliance with the PHA Plan requirements coupled with verification provided by an independent public auditor.

Nonetheless, Congress did include a provision for HUD review and approval of the PHA

---

<sup>48</sup> U.S. Senate, Senator Alfonse D'Amato, statements on Introduced Bill and Joint Resolutions, *S. 1260 Public Housing Reform and Responsibility Act of 1997*, Summary of Key Provisions, 18 March 1997.

<sup>49</sup> National Association of Housing and Redevelopment Officials, “The Quality Housing and Work Responsibility Act of 1998 Frequently Asked Questions,” Washington, D.C., 19 February 1999, Available from [www.nahro.org](http://www.nahro.org).



Plan, clearly indicating that the PHA Plan also served as a mechanism for accountability to HUD. This decision was to have the unfortunate consequence of stifling the innovation that QHWRA sought, however, as indicated by advice given at the Housing and Development Law Institute conference,

Since HUD is going to measure and scrutinize a public housing agency's performance in comparison to its goals set forth in its 5-year plan, a PHA would be wise to be very humble and modest public servant, at least in this document. To regard this 5-year plan as a public relations tool may be a costly mistake. Commissioners and PHA officials ought to place their hopes and creative dreams in other literature.<sup>50</sup>

### **Community Participation**

Very closely related to this concept of accountability is the goal of community participation. As the Senate Report quoted above goes on to say, the PHA Plan serves to

Consolidate all of its policies, rules and regulations into a single planning document that is responsive to local needs and allows residents and community representatives to be instrumental in its development and have open access to its contents. Main value of the plan is the local process of consultation and review that it engenders.<sup>51</sup>

Hence it is evident that the PHA Plan was intended to ensure more transparency of HUD and PHA policies to local communities. Beyond simple transparency, however, the public hearing and the establishment of a Resident Advisory Board signaled that the PHA Plan also serves as a vehicle for community participation in decision-making. Senator Connie Mack supported this goal in his statement, "...the bill provides residents with an active voice in developing the local PHA plans that will govern the operations and

---

<sup>50</sup> Steven J. Riekes, "The Quality Housing and Work Responsibility Act of 1998: Is it really deregulation?- Public Housing Agency Plans," Housing and Development Law Institute, 1999 Spring CLE Conference, Washington, D.C., April 1999.

<sup>51</sup> Senate Report 104-195, 20 December 1995.

management of housing...”<sup>52</sup> Advocates in particular subscribed to this viewpoint, emphasizing the need to ensure a strong tenant voice. Nancy Bernstine of the National Housing Law Project expressed it in this way,

In proceeding with unquestionably needed public housing and Section 8 reform, we urge the Committee to provide careful protection of the role of tenants in decision making about their homes. The draft bill makes dramatic changes to the PHAs role in the newly proposed PHA Plan, in modernization and in demolition and disposition. In order for the change in approach contemplated by the bill to be successful, PHAs must afford tenants access to the decision making process.<sup>53</sup>

One might expect given this perspective on community participation that residents should not only have an opportunity to provide input on decision making in specific areas identified by Congress in the PHA Plan, but that they should also be able to influence decisions about which items should be included in the document to start. Yet by rigidly prescribing the eighteen components of the Annual Plan, one begins to wonder whether this process is truly designed to be responsive to local needs as defined by the PHA and its constituents or whether it is, in fact, designed to serve local needs as envisioned by Washington bureaucrats. As Joe Schiff warns,

Specifying the requirements in the statute does not grant HUD the flexibility to waive something that does not make sense in a given situation...The solution is to give guidance to HUD for what should be in the plan but not to require specific segments of the document...The negotiated rule making required by the legislation should adequately protect PHAs from a micro-managing HUD.<sup>54</sup>

---

<sup>52</sup> U.S. Senate, Senator Connie Mack, statements on Introduced Bills and Joint Resolutions, *S. 1260 Public Housing Reform and Responsibility Act of 1997*, Summary of Key Provisions, 18 March 1997.

<sup>53</sup> U.S. Senate, Nancy Bernstine, National Housing Law Project, testimony before the Senate Banking, Housing and Urban Affairs Committee, Subcommittee on Housing and Opportunity and Community Development, hearing on *S. 1260 Public Housing Reform and Empowerment Act of 1995*, 19 September 1995.

<sup>54</sup> Schiff, 28 September 1995.

This comment has equal bearing on protection of resident interests. Unfortunately, as will become evident in the following chapter on HUD rulemaking, this suggestion fell on deaf ears.

### **Process vs. Product**

An even bigger concern emerged: what were PHAs being held accountable for?

The HUD inspector general warned,

...the public housing program has been plagued over the years by extensive Federal regulatory and paperwork requirements. These requirements have caused housing authorities to focus on process-oriented tasks at the expense of their operating performance and the achievement of meaningful results. These burdensome requirements have also driven up the costs of operating public housing locally and have diverted scarce resources away from critical areas.<sup>55</sup>

Given this concern coupled with the stated goals of QHWRA, one might assume that any system of accountability would be expressly linked to a PHAs performance as a property and asset manager. If this were the case, then it would be important for performance measurements to focus on the property management issues that Susan Gaffney, HUD Inspector General raised in her testimony. While she acknowledged that most of the 1.4 million units of public housing at the 3400 PHAs nationwide are effectively managed, there were certain property management issues that remained widespread problems.

These included:

- Ineffective maintenance and modernization programs, including lack of preventative maintenance programs;
- Deficient physical housing conditions;
- Units remaining vacant for excessive periods;
- Ineffective automated accounting systems and management controls;
- Weaknesses in procurement and contracting;

---

<sup>55</sup> Gaffney, 11 March 1997.

- Ineffective lease enforcement;
- Poor supervision of staff and management of other resources;
- Unskilled staff;
- Lack of continuity in management due to high turnover of key personnel; and
- Ineffective housing authority governing boards.<sup>56</sup>

Although it might be assumed that any system of accountability constructed by Congress would focus on these issues, a survey of the Annual Plan requirements illustrates that this is not the case. Unfortunately given the emphasis on public participation and HUD review and approval, the system of accountability presented by Congress was much more focused on process than product.

### **Strategic Planning**

Finally, comments put forth by industry groups like the National Association of Housing and Redevelopment Officials (NAHRO), the Council for Large Public Housing Authorities (CLPHA), and the Public Housing Directors Association (PHADA) as well as the Public Housing Authorities themselves stressed a third objective of the PHA Plan. Their testimony and subsequent publications about the PHA Plan indicated they saw the new planning requirement as an opportunity to think strategically about their organizations, define long-range goals and objectives and consider how best to manage their assets. There is evidence that Congress supported this objective. According to the Senate report 104 195, the PHA plan is also “designed to serve as an operations, planning and management tool.”<sup>57</sup>

---

<sup>56</sup> Gaffney, 11 March 1997.

<sup>57</sup> Senate Report 104-195, 20 December 1995.

Although Jacqueline L. Johnson, Chairperson of the National American Indian Housing Council, refers to Indian housing authorities in her testimony before the House, the statement seems just as relevant to PHAs,

...tribes and IHAs should strategically plan to meet their needs. Mr. Chairman, tribes and IHAs have long labored under massive federal regulations. Most directors I know are so overburdened by paperwork, there is scarce little time to strategically plan for meeting future housing needs. Day to day problems must take priority. I believe this presents a major problem that affects our destiny. I am a strong supporter of requiring tribes and IHAs to develop comprehensive strategy plans. To creatively plan their futures, to set goals and then to meet them. Collectively, we will never meet our massive housing needs, unless we plan to meet them. A plan, however, should be a tool by which we measure our successes, not punish our failures.<sup>58</sup>

There have been, of course, PHAs that have undertaken strategic planning initiatives. However, creating the time, space and resources for such an effort has historically proven challenging given the regulatory climate at HUD. So it is of little surprise that some PHAs and industry groups looked at the new PHA Plan requirement with hope that it would provide the institutional support to make this feasible. In a document posted on their web site entitled *The Quality Housing and Work Responsibility Act of 1998 Frequently Asked Questions*, NAHRO asserted,

We believe the new agency plan should be used as a strategic planning tool to encourage good management practices instead of being used as a compliance-driven review tool for HUD oversight purposes.<sup>59</sup>

Nonetheless, it still remained unclear how the term strategic planning was being defined in each of these instances. According to Senator Alfonse D'Amato the goal of

---

<sup>58</sup> U.S. House of Representatives, Jacqueline L. Johnson, Chairperson of the National American Indian Housing Council, prepared statement before the Housing Banking Committee Subcommittee on Housing and Community Opportunity Hearing, hearing on *H.R. 2406 The U.S. Housing Act of 1995*, 29 September 1995.

<sup>59</sup> National Association of Housing and Redevelopment Officials, 1999.

strategic planning is to implement efficiencies that reduce the costs to operate public housing,

I would like to comment briefly on several guiding principles of the legislation. First, it would reform the public housing system through the transfer of control from the federal government to PHAs and their tenants. It would consolidate programs, streamline program requirements and provide greatly increased flexibility to public housing authorities. PHA management and tenants would create a public housing agency plan (PHAP) which would direct each authority into a more cost-effective and efficient future.<sup>60</sup>

According to Gregory Byrne, then Executive Director of Dade County Department of Housing and Urban Development and President of the Council of Large Public Housing Authorities (CLPHA), strategic planning is equated with asset management.

The concept of a Public Housing Agency Plan is commendable because it requires PHAs to develop goals and objectives each year as to the use of their capital and operating funds and the management of their assets. Every PHA should engage in strategic planning of the use of their resources and the most effective management and utilization of their housing stock based on their local circumstances.<sup>61</sup>

And he warned against pitfalls in the PHA Plan provision that might impede a PHA's ability to achieve this goal,

For the plan to be most effective and avoid being costly, time-consuming and overly-burdensome, it should focus on goals and objectives as well as policy and planning issues. A distinction must be made between policies developed by the PHA that reflect the goals and mission of the organization and the procedures and the rules and regulations needed to implement the policies. The section concerning the PHA Plan in the bill can be considerably strengthened by making this distinction and eliminating requirements focusing on rules, regulations and procedures which are essentially internal management functions, such as, but not

---

<sup>60</sup> Senator D'Amato, 28 September 1995.

<sup>61</sup> U.S. Senate, Gregory Byrne, Executive Director, Dade County Department of Housing and Urban Development and President of the Council of Large Public Housing Authorities (CLPHA), prepared testimony before the Senate Committee on Banking, Housing and Urban Affairs, Subcommittee on Housing Opportunity and Community Development, hearing on *S.1260 The Public Housing Reform and Empowerment Act of 1995*, 28 September 1995.

limited to: description of organization and staffing of PHA; rules regulations relating to rent collection; system of priorities in management; procedures relating to security, preventative and routine maintenance plans; and emergency plans.<sup>62</sup>

## Conclusion

As Steven J. Riekes of the Housing and Development Law Institute writes,

The ostensible purpose of 511 of the Quality Housing and Work Responsibility of 1998 is to require public housing agencies to engage in long-term and short-term planning. To some, this concept might be regarded as the harbinger of a bright new tomorrow for public housing. To others, especially after reading Section 511 and the recently issued regulations, 24 CFR Part 903, Armageddon may seem a more likely prospect. But like many other major pieces of legislation, QHWRA and its Section 511, contains some good, some bad, and some as an offering to the gods of bewilderment.<sup>63</sup>

Unfortunately, the major shortcoming of the statutory requirements is that property and asset management issues are not a central focus. While asset management is one of the eighteen components required as part of the PHA Plan according to the statute, ironically it is listed dead last. Even the pet policy and the community service requirements appear to get higher billing. What bearing does this have on how well this fundamental concept is integrated into regulatory requirements of the PHA Plan? Has Congress paved the way to successfully transition the PHA industry to the tested real estate principles of property and asset management? Regrettably, the outcome of the HUD rulemaking process described in the next chapter reveals that it did not.

---

<sup>62</sup> Byrne, 28 September 1995.

<sup>63</sup> Riekes, April 1999.

## **Chapter 3: HUD RULEMAKING**

---

### **Introduction**

In light of the sweeping changes QHWRA introduced, the Department of Housing and Urban Development faced the challenging task of creating rules for dozens of provisions in the legislation. No provision proved more significant in testing QHWRA's ability to fundamentally change the way public housing works than the Public Housing Agency Plan.

Although Congress gave mixed messages regarding the purpose of the PHA Plan as discussed in the previous chapter, HUD nonetheless had a unique opportunity to reformulate its relationship with PHAs and foster improvements in property and asset management through locally-based planning initiatives. Yet as presented in this chapter, HUD used this rulemaking discretion to reinforce the top-down, cookie-cutter model that QHWRA proclaimed to be unacceptable and unworkable. And, it once again failed to acknowledge the core mission of the public housing authorities: to focus on basic real estate principles.

The first section of this chapter describes the rulemaking process undertaken by HUD and the resulting electronic template. A discussion of the major objectives HUD sought to achieve in pursuing this strategy and some key issues that influenced this decision follows. These objectives, as presented in Notice PIH 99-33 that introduced the PHA Plan template, were for the PHA Plan to serve as:

- 1) a planning tool for PHAs;
  - 2) a community guide to the PHA's policies, programs, and activities;
- and



- 3) a streamlined submission to HUD of grant and programmatic information.<sup>64</sup>

Closer examination exposes the limitations of HUD's approach to implementation. In creating a uniform template driven principally by HUD's emphasis on technology, implementation of the PHA Plan requirement was structured for ease of review and approval by the federal agency. This emphasis impeded HUD's ability to achieve its strategic planning and community participation goals. More importantly, by modeling the PHA Plan on the Consolidated Plan for Community Planning and Development programs, HUD failed to recognize the importance of treating "planning" as an approach to real estate.

### **Rulemaking Process and Introduction of the Electronic Template**

Public housing industry groups lobbied Congress to mandate a negotiated rulemaking process<sup>65</sup> for the PHA Plan. However, in the final hour HUD Secretary Andrew Cuomo was successful in limiting this requirement to an enhanced rulemaking process. Rather than compelling HUD to formally negotiate with key stakeholders, the enhanced

---

<sup>64</sup> Department of Housing and Urban Development, Office of Public and Indian Housing, Notice PIH 99-33: Announcement of Availability of PHA Plan Template, Instructions and Supplemental Guidance on Preparation and Submission of PHA Plans on HUD Website; Announcement of Streamlining of Capital Fund and Public Housing Drug Elimination Program Planning Requirements, 30 July 1999, p. 2.

<sup>65</sup> "Congress officially endorsed regulatory negotiation in the Negotiated Rulemaking Act of 1990, and it permanently reauthorized the Act in 1996...Negotiated rulemaking supplements the notice-and-comment procedures of the Administrative Procedure Act (APA) with a negotiation process that takes place before an agency issues a proposed regulation. The agency establishes a committee comprised of representatives from regulated firms, trade associations, citizen groups, and other affected organizations, as well as members of the agency staff. The committee meets publicly to negotiate a proposed rule. If the committee reaches consensus, the agency typically adopts the consensus rule as its proposed rule and then proceeds according to the notice-and-comment procedures specified in the APA. Proponents of negotiated rulemaking claim that these procedures -- which encourage affected parties to reach an agreement at the outset -- will decrease the amount of time it takes to develop regulations and, more notably, reduce or eliminate subsequent judicial challenges."- Gary Coglianese, "Assessing Consensus: The Promise and Performance of Negotiated Rulemaking," Cambridge, MA [cited 11 May 2002] Available from <http://www.ksg.harvard.edu/prg/cary/rulemake.htm>.

rulemaking process simply required a minimum of two public meetings to allow comment on the interim rule published February 18, 1999. In addition to the general solicitation of written public comments, these meetings allowed persons and organizations making recommendations an opportunity to express their views concerning HUD's proposed response. During May and June of 1999, HUD held four public meetings in different regions of the country: Atlanta, Georgia; Syracuse, New York; Omaha, Nebraska; and Washington, D.C. The agenda for each daylong discussion included two items: the Public Housing Agency Plan and the merger of the Section 8 voucher and certificate programs.

Allegedly, the Section 8 merger proved far more controversial. Limited comments were made about the PHA Plan interim rule. According to Rod Solomon, Director of Policies and Programs in the Public and Indian Housing Program, people appeared "pretty happy" with the interim rule.<sup>66</sup> Nonetheless, a summary of comments submitted by PHAs, legal service organizations, public interest/housing policy organizations, and various other organizations and individuals including HUD's responses were included in the final rule published October 21, 1999. These comments were reminiscent of those made during the congressional debates: critics feared the burdensome requirements of the plan could potentially limit local discretion; the cost to undertake such an endeavor constituted an unfunded mandate; HUD's insistence on maintaining separate processes for activities such as demolition and disposition was duplicative; the "one-size-fits-all"

---

<sup>66</sup> Rod Solomon, Director of Policies and Programs, Office of Public and Indian Housing, U.S. Department of Housing and Urban Development, telephone conversation with author, 12 March 2002.

approach of the PHA Plan does not take into account the significant differences in PHAs; and the extension of HUD's oversight goes beyond what QHWRA requires.<sup>67</sup>

Despite the limited number of comments, the range of issues raised highlighted serious problems unresolved in the legislative process that could potentially undermine the effectiveness of the new requirement. HUD pressed forward, nonetheless, with implementation of the PHA Plan.

By the spring of 1999, PHAs had begun the arduous plan preparation process based upon the interim guidance in order to meet the ambitious schedule imposed by statute.<sup>68</sup> This initiative included establishing a Resident Advisory Board and beginning an extensive consultation process about all aspects of the PHA Plan. At the same time, PHAs were implementing the dozens of QHWRA provisions discussed earlier: developing and/or significantly revising a host of complex policies and procedures regarding rent calculations, admissions and occupancy, deconcentration, etc.

HUD indicated in the interim rule that it would require an electronic submission in the future. But the end of the comment period on April 19, 1999 had come and gone with no clarification. Despite the suggestion that it, "should not require electronic submission in initial years so PHAs can focus on formulating Plans and not have to fit parameters of a preconceived format,"<sup>69</sup> HUD presented an electronic template and accompanying

---

<sup>67</sup> Department of Housing and Urban Development, 24 CFR Part 903, Public Housing Agency Plans; Final Rule, Federal Register, Vol. 64, No. 203 (21 October 1999): 56847.

<sup>68</sup> By statute, HUD was required to issue interim guidance within 180 days of passage of the legislation and ensure PHA Plans were submitted for the following fiscal year. PHAs with fiscal years beginning January 1 were expected to submit plans by October 15, 1999 to allow HUD 75 days for review and approval. To accommodate the requisite 45-day public review and comment period, PHAs subject to this schedule had been striving to complete their PHA Plan drafts on or around August 15. With the introduction of the electronic template on July 30, 1999, however, HUD extended the submission deadline for January 1 PHAs to January 31, 2000 and April 1 PHAs to February 29, 2000.

<sup>69</sup> Public Housing Agency Plans; Final Rule, p. 56850.

guidance, Notice PIH 99-33, on July 30, 1999. This new format not only required PHAs to radically change their approach to the PHA plan process mid-stream,<sup>70</sup> but did so without any opportunity for comment.

The prescribed format has two components: a template<sup>71</sup> for the PHA plan that must be submitted to HUD, and a series of “supporting documents” that are only required to be displayed locally. According to the final rule,

HUD has strived, in developing its PHA plan regulations, to keep the plan submission requirements complete but simple. A significant step in meeting this objective is HUD’s issuance of the electronic template for the PHA Plans. The electronic template with its “questions and answer” format provides a comprehensive yet easy mechanism for PHAs to record and submit the information required for the PHA Plans.<sup>72</sup>

The introduction of the template, HUD claimed, would streamline the PHA plan submission and approval process while ensuring public access to the information required by the statute.

The template consists of an Annual Plan with multiple attachments, a Five-Year Plan, and several certifications. The Annual Plan is a 42-page document comprised of a series of questions in multiple-choice format. The questions were designed to “completely and succinctly”<sup>73</sup> provide all the basic information related to each of the 18 required components. A few tables have also been included to present numerical data

---

<sup>70</sup> The National Association of Housing and Redevelopment Officials (NAHRO), one of the three major public housing industry organizations hired a consultant, Joe Schiff of The Schiff Group, to provide guidance and training to its membership in the Spring of 1999. While the sample PHA Plan he offered was only one interpretation of the guidance received thus far, it was narrative in style. Until additional guidance was issued, many PHAs, including the Boston Housing Authority adopted this approach. By July 30, 1999 the BHA had already begun presenting material to its Resident Advisory Board in this manner. Hence, the introduction of the electronic template added major confusion to an already challenging situation.

<sup>71</sup> The template (HUD-50075) is currently available in several versions of commonly used word processing software (Microsoft Word, WordPerfect, and Rich Text Format). PHAs are instructed to download the document from the PHA Plans web site on the HUD Homepage (<http://www.hud.gov/pih/pha/plans/phaps-home.html>). Once completed the plan is submitted to HUD via the Internet.

<sup>72</sup> Public Housing Agency Plans; Final Rule, p. 56846.

<sup>73</sup> Public Housing Agency Plans; Final Rule, p. 56846.

such as waiting list composition, general financial information, etc. Some additional data must also be submitted as attachments to the PHA Plan including the Capital Fund Program Annual Statement and Five Year Plan, the Admissions Policy for Deconcentration, Public Housing Drug Elimination Program Grant Application<sup>74</sup> and Resident Advisory Board Comments. Other than the Executive Summary, which is not required but simply recommended there is little room for narrative or commentary.

The Five-Year Plan is also presented in this multiple choice format. In the 3-page template, HUD presents its own mission statement, goals, and objectives. PHAs may select from among these predefined options by simply checking the box or they may identify another mission statement or other goals and objectives by selecting boxes marked “other”. Then each year following the initial submission, PHAs must submit a Progress Report documenting the steps to be taken toward achieving the Five-Year Plan goals. No format was specified for this submission so submissions range from a separate, multiple-page report with detailed narrative to a single sentence inserted directly into the Five-Year Plan.

Several certifications must also be signed and mailed to the respective local HUD office as part of the submission process. These include Certification of Compliance with the PHA Plans and Related Regulations and Certification by State of Local Official of PHA Plans Consistency with the Consolidated Plan, created specifically for the PHA Plan. In addition, there are certifications with regard to a drug-free workplace and restrictions on lobbying that are standard forms for any federal grant submission.

---

<sup>74</sup> In the spring of 2002, the Bush Administration eliminated the Public Housing Drug Elimination Program so this requirement is no longer relevant.

Although they are not submitted to and reviewed by HUD, PHAs must also make certain information available to the public as supporting documents. According to HUD “these documents serve as a comprehensive library of information about the PHA and provide a context to information summarized in the PHA plan.”<sup>75</sup> Examples of supporting documents include:

- The Public Housing Admissions and (Continued) Occupancy Policy;
- The Administrative Plan for the Section 8 Tenant-Based Assistance (Voucher) program; and
- Performance reports for open Capital and PHDEP grants.

PHAs are also encouraged to include other instructive information that may be of interest to the public as optional supporting documents. Examples of optional supporting documents cited by HUD include comprehensive PHA budgets or maps displaying the location of proposed public housing redevelopment activities.<sup>76</sup>

According to HUD’s presentation at the Encore Resident Leader Training, “PHA Planning...it’s more than checking the boxes.”<sup>77</sup> As mentioned earlier, HUD designed the PHA Plan to serve as a planning tool, a community guide and a streamlined submission to HUD. Yet as the remainder of this chapter explores HUD’s decision to model the PHA Plan on the Consolidated Plan (Con Plan) signaled a failure once again to consider PHAs as property and asset managers. The Con Plan model deals with each Agency as a single entity rather than as a collector of individual assets. In addition, the promotion of technology and the emphasis on simplicity through uniformity chiefly served to ease HUD’s own burden for the review and approval process. Unfortunately, it

---

<sup>75</sup> Department of Housing and Urban Development, Office of Public and Indian Housing, Public and Assisted Housing Reforms for the 21<sup>st</sup> Century, PHA Staff Conferences, PHA Plan, August 2000, p. IV.A.4.

<sup>76</sup> PHA Staff Conferences, August 2000, p. IV.A.5.

<sup>77</sup> PHA Staff Conferences, slide presentation, August 2000.

also served to pigeon-hole PHAs and their constituents into a process principally focused on the needs of the regulator at the expense of their own goals and objectives.

## **Planning Tool**

Despite Congress' vagueness about this goal, HUD identified use of the PHA Plan as a planning tool as one of its key objectives. At first glance this seemed very encouraging for those who advocated this strategy as a means to improve PHA performance as property and asset managers. One might conclude its position as first of three objectives reflected its relative importance to HUD. However, closer examination reveals that HUD's approach undermined attainment of this goal.

The following was part of a slide presentation conducted at the PHA Staff Conference offered by HUD in September 2000.

### **Strategic Planning**

- The PHA Plan process is an annual opportunity to determine the role of your agency in the community—now and in the future
- Strategic planning helps you decide how to get there
- The Plans walks you through it<sup>78</sup>

Determining the agency's role in the community and strategically planning in order to get there, is a fundamental objective of asset management. As discussed earlier, asset management requires PHAs to define the agency's mission and assess the value of each property relative to this mission. In this process, PHAs must periodically ask themselves: What are we going to do with each individual property? How are we going to spend our scarce investment money (operating and capital funds)? When does it make sense to

---

<sup>78</sup> PHA Staff Conference, slide presentation, August 2000.

apply for HOPE VI? How is the market changing and how might this impact our operations?<sup>79</sup>

While there is evidence that some HUD officials supported moving in this direction,<sup>80</sup> the Department remained ambivalent about dictating this course of action. Ideally all the pertinent information about an individual property would be incorporated into one document to aid in decision making. However, there was a sense that dictating an asset management strategy ran counter to the QHWRA flexibility. HUD perceived that asset management advocates wanted autonomy first and foremost and, therefore, feared imposing a structure. In addition, there was no clear mandate from the public housing community that asset management was the best course of action.<sup>81</sup> In fact, debate in the industry still continues. Although more PHA staff than ever before are familiar with private property rules, there is still ambivalence about undertaking an asset management strategy because public housing is viewed as a different animal.<sup>82</sup>

As a result of this ambivalence, HUD instead chose to use the consolidated planning process for Community Planning and Development (CPD) programs as a model. The Consolidated Plan stemmed from the Comprehensive Housing Affordability Strategy (CHAS) created by The Cranston-Gonzalez National Affordable Housing Act of 1990. Since 1990 HUD revised the submission requirements and redesigned the document to

---

<sup>79</sup> Epstein, telephone conversation.

<sup>80</sup> Ned Epstein's congressional testimony quotes an article written by Kevin Marchman, then HUD Acting Secretary of HUD for the Office of Indian and Public Housing for the Nation Council of State Housing Agencies which states that he sees, "...a future public housing system that will look at individual developments as separate assets and determine which are performing, as state Housing Finance Agencies manage their developments."- Epstein, 11 March 1997.

<sup>81</sup> Beth Cooper, former Department of Housing and Urban Development staffer, telephone conversation with the author, 22 April 2002.

<sup>82</sup> Epstein, telephone conversation.



reflect its current form, known as the Consolidated Plan.<sup>83</sup> “The Consolidated Plan provides the framework for a planning process used by States and localities to identify housing, homeless, community and economic development needs and resources and to tailor a strategic plan to meet those needs.”<sup>84</sup> It must be submitted by any jurisdiction receiving funding from the Community Development Block Grant (CDBG) Program, the Home Investment Partnerships (HOME) Program, the Housing Opportunities for Persons with AIDS (HOPWA) Program, and the Emergency Shelter Grants (ESG) Program.

Generally prepared by the Office of Planning or the Community Development Agency within the locality, the Consolidated Plan consists of a strategic plan, an annual action plan and annual performance reports. The strategic plan, submitted to HUD every 3 to 5 years, must contain a housing, homeless, community and economic development needs assessment, a housing market analysis, and long term strategies to meet priority needs. The action plan describes the public and private sector projects and activities that a jurisdiction will fund to address the priority needs.<sup>85</sup>

A key element of the planning process is working with members of the community to establish priorities. Each jurisdiction is authorized to develop its own plan for citizen participation, which is presented as part of the overall document. So for citizens, the Consolidated Plan provides an opportunity to participate in defining their government’s priorities for addressing housing, homeless, community and economic

---

<sup>83</sup> C. Knox LaSister, “The Consolidated Plan and the Agency Plan- An Overview,” New Orleans, LA [updated 1 December 1999; cited 12 April 2002] Available from [http://smartinc1.net/cp-coc/what\\_is\\_the\\_consolidated\\_plan.htm](http://smartinc1.net/cp-coc/what_is_the_consolidated_plan.htm).

<sup>84</sup> U.S. Department of Housing and Urban Development, Homes and Communities Web site at <http://www.hud.gov/projdesc/conplan.cfm>.

<sup>85</sup> Maria Sigal, “The Consolidated Plan in Housing: Affordable Housing for Seniors,” *The Supportive Housing Connection*, Washington, D.C., [updated 27 January 1998; cited 29 April 2002] Available from <http://www.aoa.dhhs.gov/Housing/chas.html>.

development needs.<sup>86</sup> For grantees, however, the key benefit is that it simplifies the steps needed to receive funds under the four block grant programs.<sup>87</sup>

In a section of the final regulations entitled *The Goals of the PHA Plans—Comprehensive Planning; Local Accountability; Reduction in Submissions; and Increased Flexibility*, HUD explains,

Like the Consolidated Plan for CPD programs, the PHA plans provide a mechanism by which a PHA can examine its long-range needs, specifically the needs of the families that it serves, and design both long-term strategies and short-term strategies for addressing those needs. Like the Consolidated Plan, the PHA plans involve consultation with affected groups in the development of the plan. Through this planning mechanism, PHAs will make more efficient use of Federal assistance, more effectively operate their programs, and better serve their residents.<sup>88</sup>

This approach, however, ignores the fact that the mission of a PHA is fundamentally different than a Community Planning and Development program.

Unlike CPDs, PHAs are first and foremost real estate entities. While PHAs should certainly be sensitive to the needs in their communities and should structure their policies and programs accordingly, they must balance this with their fiduciary responsibilities to efficiently and effectively manage their portfolio. Unlike a CPD whose primary “role” is strategic planning for its jurisdiction, a PHA uses strategic planning as a tool for managing specific assets. Hence, it is not enough for the PHA to simply assess and plan on an agency-wide basis. PHAs must evaluate properties individually in relation to the agency’s mission and long-range goals and objectives. This distinction will become much clearer as the BHA case study is explored in Chapter 4.

---

<sup>86</sup> Center for Community Change, “What is the Consolidated Plan...and Why Bother?” Washington, D.C., [updated 1 August 2001; cited 29 August 2002] Available from <http://www.communitychange.org/conplan.htm>.

<sup>87</sup> U.S. Department of Housing and Urban Development, Homes and Communities Web site at <http://www.hud.gov/projdesc/conplan.cfm>

<sup>88</sup> Public Housing Agency Plans; Final Rule, p. 56846.

As one former HUD staffer conceded, while all of the elements of asset management are in the PHA Plan (i.e. Capital Fund Program grant, demolition and disposition plans, designated housing plan, etc.), they are broken into parts. This makes it nearly impossible assess all of the characteristics of specific property comprehensively or to use this information for decision making.<sup>89</sup> HUD attempted to compensate for this problem by stating that there is always room for public housing authorities to add on to the PHA Plan or include supporting documents. However, as the BHA case study in Chapter 4 highlights, this creates an entirely separate and costly work process. Unfortunately, when you get right down to it, the Annual Plan “does not look, smell or feel like real estate.”<sup>90</sup>

In addition, the introduction of an electronic template directly contradicts a key goal of QHWRA: devolution to the local level to avoid the top-down, bureaucratic methods that have historically proven unproductive. While HUD had limited control over the content prescribed by Congress, it was afforded significant latitude in how it structured the Plan and the review and approval process. But rather than honoring the spirit of QHWRA and establishing a process that encouraged local discretion and creativity in prioritizing needs and presenting them accordingly, it resorted to business as usual. The resulting format is unequivocally “one-size-fits-all,” rigidly dictating not only the content but also the manner in which it is presented. It leaves little room for individual PHA initiative.

There appear to be several reasons why HUD chose this route. First, HUD perceived the use of the Internet as the best means to ensure that interested parties had

---

<sup>89</sup> Cooper, telephone conversation.

<sup>90</sup> Gregory Byrne, telephone conversation with author, 25 February 2002.

access to information about public housing authorities across the nation at anytime day or night. Traditional methods of review limited the locations where, and the times when, documents were available. While there was acknowledgement that due to the digital divide not everybody would have access to the Internet, HUD saw this as a good opportunity to join the government's march to the web.<sup>91</sup> However, this method of dissemination has significant drawbacks that will be discussed in detail in the next section.

Secondly, HUD was faced with the challenging task of addressing the broad range of capacities among the 3200 public housing entities. In particular, the Department was concerned about placing a brand new, potentially burdensome requirement on PHAs who lacked the capacity to deal with it.<sup>92</sup> Recognizing the potential for consultants to make a lot of money on the new requirement, HUD also sought to discourage a cottage industry from creeping up.<sup>93</sup> Unfortunately by catering to the least common denominator and stripping the PHA Plan down to a series of check-boxes, HUD undermined the strategic planning objective.

This is particularly evident when examining the Five-Year Plan template. In presenting its own mission, goals and objectives, HUD attempted to provide a model for PHAs who had never before undertaken strategic planning. In fact, they were anticipating a response from some PHAs that would say "I'm worried about keeping the roof from leaking. What are you talking about?"<sup>94</sup> The template was intended to make completion easy for PHAs while, hopefully, making people think about some options.

---

<sup>91</sup> Cooper, telephone conversation.

<sup>92</sup> Cooper, telephone conversation.

<sup>93</sup> Solomon, telephone conversation.

<sup>94</sup> Cooper, telephone conversation.

Then PHAs would not have to spend the time “ginning up” a mission statement, goals and objectives on their own. Nonetheless, PHAs and their constituents were free to choose relevant items or propose their own thing by checking the box marked “other.”<sup>95</sup>

To guide its own efforts into the early part of the 21<sup>st</sup> century, HUD adopted a 6-year Strategic Plan on September 30, 1997. This process aimed to clarify HUD’s primary mission and objectives that had become “too broad and too vague” according to the Inspector General.

...HUD’s large volume of programs and activities has created considerable confusion as to the Department’s primary mission and objectives. For example, rather than concentrating on its basic mission of providing assistance to ensure that safe, decent, and affordable housing is being made available to eligible low-income families, HUD is attempting to be an all-inclusive agency for meeting most, if not all, the basic needs of such low-income families. This situation causes the Department to divert scarce resources away from its core mission...In view of the ever-changing direction of HUD’s mission and program reach, we believe there is an urgent need to more precisely define HUD’s mission and relate that mission to the Department’s administrative capacity.<sup>96</sup>

To its credit, HUD undertook a major planning effort that redefined its mission: To promote adequate and affordable housing, economic opportunity, and a suitable living environment free from discrimination. It also identified five strategic goals:

- Increase the availability of decent, safe, and affordable housing in American communities;
- Ensure equal opportunity in housing for all Americans;
- Promote self-sufficiency and asset development of families and individuals;
- Improve community quality of life and economic vitality; and
- Ensure public trust in HUD.<sup>97</sup>

---

<sup>95</sup> Solomon, telephone conversation.

<sup>96</sup> Gaffney, 11 March 1997.

<sup>97</sup> U.S. Department of Housing and Urban Development. “Fiscal Year 2001 Annual Performance Plan.”

These are noble goals that PHAs should no doubt consider thoughtfully as they undertake their own planning initiative. However, by spoon-feeding PHAs with the Five-Year Plan template, HUD once again failed to recognize the significance of local context in determining appropriate goals and objectives and to ascribe to PHAs the flexibility QHWRA deemed necessary. Even more importantly, HUD failed to recognize that as a property and asset manager a PHAs core mission is substantively different even from the organization that funds and regulates it. The principle focus of PHAs, particularly in this budgetary climate, is not necessarily to expand the supply of housing; it is to maintain the assets it currently owns so that decent, safe housing remains affordable for generations to come.

Unfortunately, as a publication by Abt Associates, a leading public housing industry consultant, indicates,

HUD has done its best to streamline the reporting process, and it must be acknowledged that it will be possible to satisfy the Congressional mandate without having a single strategic thought...<sup>98</sup>

By catering to PHAs with very limited capacity, focusing on a uniform electronic format and modeling the process on the Consolidated Plan, what once had potential to be a strategic planning tool to re-examine the agency and guide it over the next five years simply became just another report.

---

<sup>98</sup> MaryAnn Russ, "Agency Plan or Strategic Planning Process?" *Housing Strategies: Tools for Effectively Managing Change*, 2, No. 2 (Summer 1999): 1.

## Community Guide

The second goal...

[The PHA Plan] gives a comprehensive view, covering virtually all areas of concern to residents and PHAs. For example, plans for construction, rehab, demolition, policies on rent, support services, Section 8.<sup>99</sup>

However, this claim is deceptive. The Annual Plan template answers a few dozen, targeted questions related to 18 specific elements of PHA policies, programs and activities. Congress significantly scaled back the number of elements during the legislative process in response to criticisms that the requirements were excessively burdensome. Hence, the PHA Plan as submitted to HUD cannot be considered comprehensive. At best, it focuses on some key elements that Congress thought to be particularly important given the statutory changes imposed by QHWRA.

Even with the supporting documents, HUD would be hard pressed to argue the PHA Plan is comprehensive. By encouraging PHAs to include optional supporting documents, HUD must concede the existence of some material that is not captured by the PHA Plan requirements. And while the addition of supporting documents may make this information appear more accessible, these items were always subject to sunshine laws. Simply making them available physically in one location does not necessarily ensure they are more accessible to residents and the community. The sheer volume of material is prohibitive to all but the most dedicated researchers.<sup>100</sup>

---

<sup>99</sup> Department of Housing and Urban Development, Office of Public and Indian Housing, Public and Assisted Housing Reforms for the 21<sup>st</sup> Century, Encore Resident Training, April 2001, p. 1.A.2.

<sup>100</sup> At the Boston Housing Authority, the “library” of resources related to the PHA Plan consists of tens of thousands of pages of material. Only one individual, a legal service attorney, public housing advocate and technical adviser to the Resident Advisory Board, has ever utilized this library of supporting documents. This appears to be consistent with the experience of other PHAs as determined via telephone interviews conducted with staff from ten agencies. Very few resident or community members avail themselves of these documents.

Akin to this notion of the PHA Plan as a comprehensive guide is the PHA Plan as a mechanism for local accountability. Although HUD did not identify local accountability as a goal in Notice PIH 99-33, it did in subsequent material distributed at the Public Housing Reform Act Training in September 2000. In response to the question: Why is the PHA Plan important? HUD offers the following,

The Quality Housing and Work Responsibility Act of 1998, which created the PHA Plan, provided more flexibility and discretion for PHAs to use funding to address the needs of low-income families. With this flexibility, however, accountability is required. The PHA plan is Congress' way of ensuring that PHAs are accountable to the local community for choices they make with this flexibility...While each PHA must make decisions about its plan based on a variety of important budget, operational, and community factors, the process steps ensure that the community has opportunities to influence those decisions.<sup>101</sup>

Three key mechanisms were established by Congress to provide community input: a 45-day review and comment period culminating in a mandatory public hearing, the establishment of a Resident Advisory Board (RAB), and certification of consistency with the local jurisdiction's Consolidated Plan.

To ensure active and engaged community participation, residents and the general public must understand the complexity of the issues at hand. While the interim rule claimed, "Uniform formats and layouts...make for easier reading by HUD, the PHAs and, most importantly, the public housing residents and the public,"<sup>102</sup> experience has proven otherwise. The premise of the uniform format was to aid readers in finding specific data easily. In addition, the multiple-choice format not only displays the option

---

<sup>101</sup> PHA Staff Conferences, August 2000, p. IV.A.3.

<sup>102</sup> Department of Housing and Urban Development, Office of the Assistant Secretary for Public and Indian Housing, 24 CFR Part 903, Public Housing Agency Plans; Interim Rule, Federal Register 64, No. 32 (18 February 1999), p. 8172.



the PHA has chosen but also those options it did not choose. This may help readers to understand the parameters within which these decisions were made.<sup>103</sup>

However, the result is that the template can be very challenging to read and interpret since it lacks narrative written in plain English. A “layperson” who is unfamiliar with the PHA Plan will have difficulty navigating the document and might not understand the significance of the questions asked. The uniform, bureaucratic format is very dry and not particularly straightforward. Some PHAs have addressed this quandary by creating two entirely separate documents; the one required by HUD for submission and another user-friendly version created with the residents and the community in mind. Yet this creates a redundancy that burdens PHAs by further stretching limited resources.

Another key element of active and engaged resident participation is fostering and sustaining a respectful dialogue with a consistent group of competent people who have been equipped with the information necessary to make good decisions. Establishment of Resident Advisory Boards was undoubtedly an attempt by Congress to foster this; an attempt that HUD has incorporated into its vision of the PHA Plan.

The Resident Advisory Board reflects HUD’s belief in promoting resident participation and active involvement. This is accomplished by having an *advisory* role which provides a “voice” in the PHA Plan *consultation* process.<sup>104</sup>

Yet two issues arise in evaluating HUD’s efforts to use the PHA Plan and the RAB to foster community participation. First, the requirement that all PHAs establish a Resident Advisory Board is a one-size-fits-all mechanism for fostering resident input that may not prove to be successful in all cases. Gregory Byrne, former Executive Director of the Dade County Housing Authority expressed this sentiment well,

---

<sup>103</sup> Cooper, telephone interview.

<sup>104</sup> Encore Resident Training, April 2001, p. II.C.16.

The intention for it [Local Advisory Board]<sup>105</sup> to ensure public input, particularly from our housing residents, is laudable. However, it creates an additional layer of unnecessary process and undermines and confuses input from existing, recognized resident organizations. A major investment of time and resources has been made by public housing residents, PHAs and HUD in creating and supporting resident organizations...The participation process currently used in the Comprehensive Grant Program serves as a model for direct involvement.”<sup>106</sup>

And secondly, the uniform content and format of the PHA Plan undermined a true dialogue. Given the rigidity of the PHA Plan, residents input is limited to the narrowly defined questions asked in the electronic template. The prescriptive nature of the PHA Plan does not lend itself to an open process whereby residents have just as much say in identifying the questions and the manner in which they are presented as they do in influencing the decisions about which boxes to check.

Similarly, certification of consistency with the Consolidated Plan might have presented the impetus for PHAs and the public officials in its jurisdiction to begin a dialogue if this was not happening already. It is true that many PHAs historically have not been well integrated into the community and political structure. However, this insular mode is related to public housing authorities' focus on HUD and its oversight. So although the PHA Plan may have been envisioned to ensure that PHAs are more involved partners in general planning of the city,<sup>107</sup> its rigid design does not foster this.

Unfortunately, the way the PHA Plan is structured, emphasizing HUD review and

---

<sup>105</sup> In earlier versions of the legislation, the Local Advisory Board served the role of the Resident Advisory Board. The Local Advisory Board was not only comprised of public housing residents and Section 8 participants, but also local public officials. In the final legislation, the requirement to include local public officials was eliminated.

<sup>106</sup> Byrne, 28 September 1995.

<sup>107</sup> Ted Van Dyke, Public Housing Authority Director's Association, telephone interview with the author, 27 February 2002.

approval, once again diverts PHAs from seeking a true collaboration with the local jurisdiction. As a result, the certification becomes little more than a formality.

### **A Streamlined Submission to HUD**

The PHA Plan is not meant to be an evolutionary instrument building on the past, but a revolutionary instrument that reinvents the way public and assisted housing services are delivered. Hence, its implementation should not be dependent on current submission requirements; rather, it should quickly replace those requirements.<sup>108</sup>

This statement was included in a letter from the Public Housing Agency Directors Association (PHADA) to HUD. Unfortunately, HUD appears to have taken the evolutionary route when it set the third goal of the PHA Plan: to serve as a streamlined submission to HUD of grants and programmatic information.

To the extent practicable, the PHA Annual Plan will eventually consolidate all PHA information that is required to be submitted under existing HUD planning and reporting requirements currently imposed on PHAs under various HUD programs (PHDEP and CFP). HUD intends that the new PHA planning process, to the extent practicable, will allow for a PHA to plan for all of its program needs based on the PHA's fiscal year. This will assist PHAs in planning in a comprehensive manner and will expedite the release of public housing funds.<sup>109</sup>

Beyond simply meeting the letter of the law, HUD used the PHA Plan process to promote implementation of QHWRA requirements such as site-based waiting lists and the deconcentration initiative. While one can understand the temptation to do so, the result is to introduce further complexity into an already convoluted agenda. By manipulating this

---

<sup>108</sup> Public Housing Agency Director's Association (PHADA), "PHADA Comments on the Public Housing Agency Plan Interim Rule," 19 April 1999, [update 5 June 2000] Available at <http://www.phada.org/plancomm.html>.

<sup>109</sup> Public Housing Agency Plans; Final Rule, p. 56846.

document to address so many different goals, it undermines achievement of any single one.

In addition to consolidation, HUD sought to streamline submission by introducing the template,

In addition to making submissions easier for its program participants (paper reduction), electronic data assists HUD and its program partners to exchange information more easily and to monitor activity, note trends in programs and the performance of the program participants (weaknesses and strengths) and better serve the families and communities that HUD programs are designed to serve. HUD believes that its electronic template for the PHA Plans is a significant first step in achieving these objectives.<sup>110</sup>

Yet ironically, the electronic submission has not resulted in a paper reduction. PHAs are still required to send multiple hard copies to the local HUD field office for review and approval. In addition, numerous draft copies are circulated to Resident Advisory Board members and made available for public display. Nor is the electronic submission in its current format conducive to compiling reports to note trends in data as suggested above. Limited funding and technological capacity has prohibited HUD from creating a web-based format that would enable this.<sup>111</sup> In addition, given the earlier discussion of the PHA Plan's limitations as a planning tool and a mechanism for community participation, it is unclear how HUD can substantiate its claim that the electronic submission enables them to monitor the performance of program participants or to better serve affected families and communities.

---

<sup>110</sup> Public Housing Agency Plan; Final Rule, p. 56847

<sup>111</sup> Solomon, telephone conversation.

## **Conclusion**

In conclusion, HUD had a unique opportunity to alter its relationship with PHAs by embracing the legislation's call for devolution to local control and enabling PHAs to perform as property and asset managers. Through implementation of the PHA Plan regulations, HUD could have created an environment where PHAs, in collaboration with residents and the local community, have real control of the planning process. But contrary to its stated goals, HUD boxed PHAs into a one-size-fits-all model. This model, based upon a fundamentally different type of organization and principally intended to ease HUD's review and approval burden, reinforced the age-old dynamic that QHWRA attempted to eliminate. Once again, PHAs were forced to purport themselves based upon the goals of the regulator, rather than focusing on the needs of the organization and its constituents. In addition, the PHA Plan failed to address public housing authorities as property and asset managers. There was no recognition of the value of each individual property. In contrast, the following case study shows what planning for public housing as real estate would look like.

## Chapter 4: “BHA 2001” Case Study

---

### Introduction

I believe we should allow local communities to fashion their own solutions to the problems they face, and have the federal government support these efforts instead of impeding them.<sup>112</sup>

These words, presented by Congressman Rick Lazio, speak to one of the key principles of the public housing reform legislation. And this is precisely what several public housing authorities throughout the country have attempted to do. It may be true that “most directors...are so overburdened by paperwork, there is scarce little time to strategically plan for meeting future housing needs” as indicated by Jacqueline L. Johnson, Chairperson of the National American Indian Housing Council, and that, “day to day problems...take priority.”<sup>113</sup> However, public housing authorities in Atlanta, Pittsburgh<sup>114</sup> and Boston, to name a few, have taken the time and made the effort to plan strategically for their organization long before the introduction of the PHA Plan. These agencies have begun to apply the principles of property and asset management discussed earlier to reposition their agencies to better serve their mission. The following case study documents one such effort.

This case study illustrates how one public housing authority put the property and asset management methodology into practice. But it also serves to contrast the asset management strategy with that of the PHA Plan. In key ways the two are dramatically different. Consequently, the PHA Plan not only constitutes another entirely separate

---

<sup>112</sup> U.S. House of Representatives, Congressman Rick Lazio, opening statement before the House Committee on Banking and Financial Services, Subcommittee on Housing and Community Opportunity, hearing on *H.R. 2 The Housing Opportunity and Responsibility Act of 1997*, 25 February 1997.

<sup>113</sup> Johnson, 29 September 1995.

<sup>114</sup> Epstein, telephone conversation.

work process for the BHA, but it actually became an impediment to achieving its goals. The drain of precious time and resources to complete the PHA Plan hampered the locally-driven initiative designed to enable the BHA to perform as property and asset manager; precisely the type of initiative the QHWRA legislation intended to support.

The BHA launched a major planning process known as “*BHA 2001*” in early 1997 just prior to the passage of QHWRA. Central to the *BHA 2001* effort was the emphasis of the BHA as a real estate operation. Unfortunately, the BHA, like many public housing authorities, had long failed to perceive itself in this manner. Perhaps in part because of this, the largest landlord in the City of Boston severely lagged behind its private sector counterparts in quality of property management service delivery. To remedy this situation, shortly after her appointment as Administrator, Sandra B. Henriquez launched *BHA 2001* in an effort to reposition the BHA to meet real estate industry standards.

The first step in this planning effort was to define the agency’s mission and create goals and objectives to guide the agency in furthering its mission. Secondly, the BHA went through an elaborate process of setting standards and performance measures, which resulted in a profile of a model development. Next the organization developed a strategy for achieving these performance objectives based upon a decentralized model. Ultimately, the BHA sought to create individual site based management plans to guide each development.

## Defining the Agency Mission, Goals and Objectives

As discussed in the Introduction, public housing authorities have traditionally functioned differently than other multi-family housing providers. This is largely due to the fact that regulators do not treat public housing as real estate. For instance,

Traditional federal funding mechanisms for PHAs have not required agency management to consider their conventional public housing inventory much beyond regulatory issues such as Housing Quality Standards (HQS) compliance, annual inspections, and unit turn-around time—areas in which failure to perform may adversely affect an agency’s Public Housing Management Assessment Program (PHMAP) score and, ultimately, the amount of operating subsidy a PHA receives from HUD.<sup>115</sup>

However, as a long time property manager in the private sector, Administrator Sandi Henriquez recognized that such an approach severely disadvantaged the agency.

In November 1997, Ms. Henriquez convened a retreat of twelve senior BHA managers to kick off the planning process, which has now come to be known as *BHA 2001*. The group, dubbed the Steering Committee, was charged with articulating the mission of the BHA and establishing goals and objectives to take the BHA into the next century. As a result of the weekend-long retreat, the Steering Committee defined the BHA’s mission as follows:

- 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 self-sufficiency.

It also articulated the following seven goals:

- To decentralize the BHA based on real estate industry practices and standards;

---

<sup>115</sup> Smirniotopoulos, 1999.



- To improve the management and maintenance systems;
- To improve the technology and information systems;
- To improve the personnel and operational systems;
- To reorganize and strengthen the comprehensive modernization and redevelopment functions;
- To improve the financial planning initiative and seek new related resources; and
- To improve customer service and encourage a more user-friendly staff.<sup>116</sup>

This retreat was a major breakthrough for the organization. Beyond serving as a team-building exercise, the retreat refocused energies on a collective mission grounded in recognition of the BHA first and foremost as a real estate organization. No comprehensive rethinking of this nature had been undertaken in years, perhaps since the BHA was placed in receivership by the courts in the early 1980s for chronic mismanagement.

### **Setting Standards and Establishing Performance Measures**

On May 14, 1998 Ms. Henriquez met in four sessions with more than 900 BHA employees to enlist volunteers to assist in the next phase of this planning endeavor. Approximately 200 employees served on one of the six task forces created to address the goals identified by Senior Staff: Financial and Fiscal Affairs; Management and Information Systems; Property Management; Customer Service; Planning and Development; and Human Resources.<sup>117</sup> The task forces met independently throughout the summer creating a set of recommendations presented to the Steering Committee on September 23, 1998.

---

<sup>116</sup> Boston Housing Authority, *BHA 2001 Report*, p. 4.

<sup>117</sup> The goal of decentralization was considered an exception. All task forces were expected to identify solutions consistent with this goal. Following completion of the recommendations of all of the task forces, a strategy for decentralization would be created.

The Steering Committee members plus two members from each of the six task forces, one elected and one appointed by the task force chairs, were then charged with integrating the six reports and addressing the goal of decentralization within the framework of the reports. This process resulted in the *BHA 2001 Report*. As the introduction of this report amply states,

[*BHA 2001*] is the result of a year-long effort of hundreds of BHA employees....[that] represent a cross-section of the BHA workforce...It is not a report of outside consultants, nor is it a “top-down” proposal for change. It is an organization-wide re-thinking of how the BHA can best fulfill its mission. As such, the recommendations set out in the Report present a unique opportunity to engage employees throughout the organization in building a revitalized BHA.<sup>118</sup>

The end product of this revitalized BHA was a prototype of the ideal development captured in a document entitled “Franklin Field: A Model Development.”<sup>119</sup>

The model, representing an amalgamation of task force recommendations, represented the standard to which BHA staff aspired. Based upon accepted real estate industry practices, this model set performance goals not only for site-based property management but also for the central office departments that support this effort. These standards addressed everything from vacancy rates to work order turnaround, from site-based security plans to site-based procurement of goods and services, from creating a BHA website and other mechanisms for improved communication to instituting employee evaluations, from creating staff training programs to establishing site-based waiting lists for applicants, etc. The next step was to develop a thorough and coordinated implementation plan to shift responsibility and accountability to the individual sites.<sup>120</sup>

---

<sup>118</sup> *BHA 2001 Report*, p. 3.

<sup>119</sup> Franklin Field- A Model Development is detailed in the *BHA 2001 Report*, pp. 14-20.

<sup>120</sup> Boston Housing Authority, “BHA 2001 Executive Summary and First Year Report,” 2 March 1999.

## **Decentralized Model**

“Locating services as close as possible to users is recognized as an essential step to fulfilling the BHA’s mission.”<sup>121</sup> Hence, a critical element of the *BHA 2001* Plan was to move toward a decentralized model founded upon site-based management. This goal became the backbone of the *BHA 2001* effort in the next phase. Twenty initiatives deemed critical to achieving this goal were identified and planned for implementation by April 1, 2000.

These twenty initiatives fell into two general categories. The first dealt with re-organizing work processes to support a site-based model. This included developing systems for site-based budgeting, site-based purchasing, site-based occupancy, site-based rent collection and site-based work orders. It also included establishing site-based preventative maintenance plans, site-based property management reviews and monthly management reports for each site. In addition, changes in the organizational structure as well as the operational support structure were required. Hence, a second set of goals addressed the requisite staff training, union negotiation and information system improvements necessary to support the new staffing patterns.

In May 2000, after more than a year’s work on implementation, Senior Staff met to reevaluate progress on the site-based management initiatives, refocus efforts on outstanding items and identify additional objectives. Significant progress had been made in several areas. Yet, as discussed in the next section, the demands of the PHA Plan process coinciding with implementation of numerous other QHWRA requirements made this increasingly difficult. A renewed effort was launched in the third year of the *BHA*

---

<sup>121</sup> *BHA 2001 Report*, p.21.

2001 process to fully implement the remaining site-based management initiatives and to continue to foster the human resource and MIS support necessary for this transition. In addition, the BHA added to its list of goals, the development of site-based plans for managing assets. Particular emphasis was placed on Maverick, West Broadway and Washington Beech where significant redevelopment was proposed or currently underway. However, the ultimate goal was to develop a real estate plan for every one of the 67 individual sites.

### **Introduction of the PHA Plan**

Ironically, implementation of the site-based management strategy was launched the same month that the BHA began work on preparation of its first Public Housing Agency Plan submission. Yet the BHA was hard-pressed to integrate these initiatives into the PHA Plan process. Comparing the 20 initiatives in *BHA 2001* to the 17 components identified in the Annual Plan yields little overlap. The two potential areas of overlap appeared to be Operations and Management and Asset Management. Yet as earlier chapters demonstrate planning for property and asset management needs were not a primary focus of the PHA Plan whereas, in the *BHA 2001* Plan, these two objectives were central to the entire effort. As a result, the BHA was forced to take on an entirely separate and cumbersome work process to complete the required PHA Plan that did little to further its asset management planning agenda.

This disconnect between the two initiatives becomes even more disconcerting when costs are considered. As each of the *BHA 2001* task forces pointed out, “The commitment of resources to achieve *BHA 2001* goals is...essential, together with needs-

and site-based budgeting and budget accountability.”<sup>122</sup> Unfortunately, faced with the task of creating a PHA Plan and a host of other QHWRA requirements, finding these resources proved increasingly challenging.

A report prepared by the Congressional Budget Office (CBO) estimated that PHAs would incur additional costs that vary between \$10,000 and \$25,000 per agency to complete the PHA Plan requirements. It was assumed that small housing agencies (those with fewer than 250 units) would likely incur costs at the higher end of the range because of limited staff resources. For those agencies permitted to submit streamlined plans, estimates ranged from \$5,000 to \$12,500.<sup>123</sup> In addition, HUD estimated the total reporting and record keeping burden of the PHA Plan would be 104 hours beyond the existing requirements.<sup>124</sup> QHWRA did not provide any additional funds to PHAs for implementing these plans. Instead, it was assumed that the increased flexibility afforded by the legislation would result in efficiencies to offset the new costs.<sup>125</sup>

Although there is no concrete data to refute this assumption, anecdotal evidence does not support it. In addition, an informal survey of several PHAs indicates that the cost of the PHA Plan far exceeded CBO estimates. Several of the larger PHAs spent \$100,000 to hire consultants to complete their PHA Plan in the first year alone. Even though the BHA managed the PHA Plan process in-house, its costs are estimated to be upwards of \$80,000.<sup>126</sup> In addition, since this time-intensive process was managed in-

---

<sup>122</sup> *BHA 2001 Report*, p. 21.

<sup>123</sup> Congressional Budget Office, report regarding *S.1260, The Public Housing Reform and Empowerment Act of 1995* as ordered by the Committee on Banking, Housing, and Urban Affairs, 18 December 1995.

<sup>124</sup> *Public Housing Agency Plan; Interim Rule*, p. 8180.

<sup>125</sup> Christopher Lord, former Senate staffer, telephone conversation with author, 22 March 2002.

<sup>126</sup> A brief accounting of the Boston Housing Authority PHA Plan costs include: a full-time staff person that worked almost exclusively on PHA Plan and QHWRA implementation in the initial year (\$60K including benefits); notification and copying costs (\$6K); RAB meeting costs- refreshments, cab vouchers, child care stipend (\$15K); plus numerous hours spent by other Planning Department Staff and Senior Staff

house as was implementation of most of the QHWRA provisions, the opportunity cost in terms of staff resources, particularly at the upper levels of the organization, is staggering.

### **Creating a Climate for Sustainable Change**

As part of the team that worked with former receiver, Harry Spence, Sandi Henriquez recollects the many reforms introduced in that period related to site-based budgeting, customer service, rent collection and capital planning. Yet, upon her return to the organization twelve years later there were no vestiges of these reforms. Fearing a similar fate for *BHA 2001*, Ms. Henriquez sought to create a process that fostered input and ideas from as many BHA employees as possible. By doing so, she hoped not only to expand the pool of good ideas but more importantly, to get organization-wide support for the new course the BHA had embarked upon. Ultimately, her goal was to ensure the new methodology was so entrenched in the organization's culture that despite changes in the leadership the BHA would continue to function like a real estate operation.

Hence, from the start of the *BHA 2001* planning endeavor, Ms. Henriquez recognized that creating a climate for sustainable change would be challenging. Given the strong influence of the corner office, she could have unilaterally written new standards in few weeks time and imposed them in a top-down fashion. However, in light of counter pressures imposed by the regulatory structure, the unions and entrenched behaviors, she feared that the BHA would be inclined to revert to business as usual at the

---

(i.e. in the first planning year Senior Staff met every other week for 2-hours in addition to attendance at monthly evening RAB meetings, and drafting and review work).

first opportunity. Creating a commitment to these systemic changes at every level of the organization became a critical goal.<sup>127</sup>

By March 2002, to its credit, the BHA had successfully addressed many of its initial objectives. Site-based work orders, site-based budgeting and site-based procurement were underway. There was a marked improvement in occupancy rates and unit turnaround time. Rent arrearages had declined substantially. Preventative maintenance manuals and standard operating procedures for maintenance were adopted. The grounds at the sites were cleaner and more attractive. A new admissions policy was implemented for the family program. Reasonable accommodation and sexual harassment policies were implemented. A staff-training program, including extensive computer training, was established. Several Human Resource initiatives-- employee evaluations, orientations, incentive program, and phone directory-- were in place. The Communications Department created a new website, newsletter, employee Bulletin, and marketing materials. A Chief Financial Officer was hired and the Executive Committee was restructured. The BHA enjoyed a better sharing of City resources as a result of a collaboration on Mayor Menino's Leading the Way initiative. And finally, significant progress was made in the redevelopment of Maverick and West Broadway.<sup>128</sup>

Nonetheless, despite these accomplishments in virtually every corner of the organization, more work was needed before the BHA could claim success in realigning the organization with real estate industry practices. The old ways of doing business were firmly entrenched in this large bureaucracy and resistance to systematic change still

---

<sup>127</sup> Sandra B. Henriquez, Boston Housing Authority Administrator, interview with the author, 12 March 2002.

<sup>128</sup> Boston Housing Authority, "All Points Bulletin", Week of March 11, 2002.

remained formidable. For this reason, the BHA launched another planning initiative in March 2002 intended to use the design, purchase and implementation of a new computer system as the means for reevaluating work procedures, improving service delivery and ideally changing the organizational culture. This planning initiative will pick up where *BHA 2001* left off and continue the transformation begun more than four years earlier. Unfortunately, although QHWRA once held the promise of implementing changes in the regulatory framework to support public housing authorities in the adoption of property and asset management principles, the BHA is now forced to fulfill this mission alone.



## **Chapter 5: Conclusions and Recommendations**

---

Contrary to popular belief, adopting an asset-management approach to PHA operations and decision-making does not mean abandoning an agency's mission...By providing a formal analytical approach and methodology to decision-making, asset management and strategic planning principles should empower an agency to devote its limited resources to those endeavors that fulfill the agency's mission more efficiently and effectively.<sup>129</sup>

Some PHAs like the Boston Housing Authority have begun to undertake this strategy as detailed in Chapter 4. However, the process of change in any organization is a formidable task. Despite progressive, committed leadership, agencies such as the BHA face significant challenges from an entrenched bureaucracy that is structured in response to years of complex rules and regulations. At the time BHA launched its planning endeavor, it faced a stifling regulatory climate as described below.

For years, housing agencies have existed in an environment where HUD called all the shots and paid all the bills. Under an avalanche of rules and regulations, handbooks, notices, audits and forms, PHAs lost all connection to the housing markets in their communities. PHAs that tried to make positive changes faced a never ending stream of new initiatives, shifting priorities, contradictory regulations, and even open hostility from factions in Congress. Now, albeit halting and uneven, HUD is encouraging housing agencies to step out from the department's shadow and play a positive role in communities. Housing authorities will be strongest when they are able to redirect their focus from meeting all of HUD's requirements to entering a dynamic engagement with their local neighborhoods, housing markets and community.<sup>130</sup>

The Quality Housing and Work Responsibility promised to change this climate; it promised to deregulate and decontrol public housing authorities, thereby enabling them to perform as property and asset managers. Unfortunately, deregulation and decontrol does not necessarily equate with property and asset management. Elimination of the red tape

---

<sup>129</sup> Smirniotopoulos, 1999.

<sup>130</sup> Patrick E. Clancy, "Managing Change: A View from the Nonprofit Sector", *Journal of Housing and Community Development* 56, no. 5 (Sep/Oct 1999):19-25.

that had been strangling PHAs for years was a laudable goal that signaled a step in the right direction. However, HUD and Congress will not enable PHAs to perform as property and asset managers until and unless they realign their rules and regulations to address public housing authorities as real estate operations.

The PHA Plan serves precisely to make this point. This new requirement presented an opportunity to change the relationship between HUD and PHAs by structuring a strategic planning process grounded in the principles of property and asset management. This process, if driven by the needs of the Public Housing Authority and the residents it served, could have utilized an asset management methodology to assess the characteristics of each individual property and determine how best to allocate limited resources. Instead, Congress and HUD made a series of incremental decisions that resulted in a very different PHA Plan model. This model prescribed specific and cumbersome content and process requirements that undermined individual creativity. This model failed to address the PHA as a manager of individual real estate assets. This model focused on technology and the ease of review and approval at the expense of PHA and resident needs. The irony is that despite its goal of accountability, the PHA Plan only holds public housing authorities accountable for the process of developing the plan and not in affecting real change in performance outcomes.

The General Accounting Office has undertaken a study of the PHA Plan that is due to be published shortly. Unfortunately, the findings were not made available in time to be included here. The findings should prove valuable in evaluating this tool. However, it is critical to look beyond simple compliance with the planning requirement. The focus should be on whether or not this instrument has helped PHAs make marked

improvements in their performance as a property and asset manager. Only then can the time and expense invested in this new requirement be justified.

If HUD is serious about being a “houser” as recent emphasis on “bricks and mortar” indicates, then the Department needs to create a planning tool that moves in that direction. The PHA Plan in its current iteration fails in this regard because it was treated as a tool for accountability. Instead, the PHA Plan should be designed for the sake of PHAs, to help them improve their performance in measurable ways. The following strategies are offered with this goal in mind. The first series of recommendations represent an incremental approach that can be undertaken by HUD. The next requires more far-reaching changes by the Department extending beyond revisions to the PHA Plan regulations. Finally, some thoughts regarding changes to the statutory requirements are offered as well.

At a minimum, HUD should consider the following incremental changes.

- Eliminate the electronic template or pare it back substantially to a few pages of the most critical data HUD needs for the purposes of reporting to Congress. This data should be appended at the end of the document. HUD should then empower PHAs to develop their own format which will clearly articulate the Agency’s mission, goals and objectives as well as how policies and initiatives related to the 18 components required by statute further this agenda. With such discretion, PHAs can tailor the document to serve the multiple audiences in their jurisdiction, including residents, the community and the PHA staff who will use it as a guide.
- Take advantage of statutory discretion to limit review to deconcentration, demolition/disposition, and civil rights. As the statute states,

...the Secretary may, by regulation, provide that one or more elements of a public housing agency plan shall be reviewed only if the element is challenged, except that the Secretary shall review the information submitted in each plan pursuant to paragraphs (3)(b), (8), and (15) of subsection (d)<sup>131</sup>

Such limitation would relieve the pressure to provide a uniform template designed for ease of review by the federal agency.

- Consider a more formalized system for resident organizations to challenge the PHA Plan to compensate for the limited review. Even with the burden of addressing challenges under this new system, HUD should be able to save substantial staff time and resources to focus on monitoring PHA planning outcomes.
- Focus on developing and monitoring an improved performance evaluation system. This would entail revising or replacing the existing Public Housing Assessment System (PHAS) to ensure it accurately and effectively measures a PHA's performance as asset and property manager. In this way, HUD can ensure PHA accountability to residents and taxpayers without stifling local discretion and innovation with process-laden requirements.

However, if HUD is serious about promoting PHAs as property and asset managers then it is not enough to simply revise the PHA Plan requirements. Such revision must be accompanied by changes in the public housing program rules and regulations so as to treat PHAs first and foremost as real estate entities. Ideally, this would mean fostering site-based management. In this scenario, every property would have its own budget and all revenues and expenses would be tracked and controlled. Coupled with a public housing block grant that combined all of the funding allocated to

---

<sup>131</sup> PL 105-275, Sec. 511(i)(2).

the PHA into one grant, this strategy would provide a sound methodology and the flexibility to determine the best use of limited federal funding to meet each agency's objectives.

A key element to the success of the PHA Plan as an asset management tool is the provision of technical assistance and funds to support strategic planning efforts. As indicated in the BHA case study, a great deal of work will be required to reorganize staff, systems and work processes to support this new decentralized model. HUD and Congress must ensure that adequate resources are made available. Such training and additional support might also alleviate some of the resistance among public housing industry groups to the asset management methodology.

While HUD has substantial discretion to make changes in the PHA Plan regulatory requirements, the Quality Housing and Work Responsibility Act of 1998 prescribed the content of the Annual Plan in great detail. Hence, in order to radically rethink the PHA Plan requirements advocates will not only need to influence HUD, but Congress as well.

It is interesting to note that a bill, H.R. 3995 "Housing Affordability for America Act of 2002" has been proposed to eliminate the PHA Plan requirement altogether for small PHAs with less than 100 units.<sup>132</sup> Yet this proposed legislation sends a contradictory message. Are we to assume that small PHAs do not need to plan strategically to improve their performance? Or is this legislation an indicator that the

---

<sup>132</sup> U.S. House of Representatives, H.R. 3995 "Housing Affordability for America Act of 2002," 107<sup>th</sup> Congress, 2<sup>nd</sup> Session, Title V-Public Housing, Subtitle A-General Provisions, Sec. 504. Public housing agency plans for small public housing agencies, 19 March 2002.

original requirements of the PHA Plan are too cumbersome and that they do not aid PHAs in the manner for which they were intended?

Instead of simply focusing on alleviating the burden for small PHAs, Congress should consider streamlining the requirements for all public housing authorities.

- In particular, requirements for statements regarding ownership of pets in public housing, the community service requirement and the grievance policy should be eliminated. These are all very specific policies that will probably have limited bearing on an overall PHA strategy to improve property and asset management. All of these policies are subject to tenant participation requirements, so transparency and accountability are assured.
- Rather than prescribe statements about the remaining components, Congress should emphasize the development of the mission, goals and objectives in the Five-Year Plan. The Annual Plan would then identify how new initiatives and policy decisions further these objectives. While Congress might present guidelines for what these plans should include, flexibility is paramount given the unique nature of each property and each community.
- This flexibility should also extend to the resident participation requirements. While resident participation is certainly critical, a one-size-fits-all requirement will not address the unique dynamics of every community. Hence, Congress should enable PHAs and their residents to craft their own participation processes which will be articulated in their Plan, much like the Consolidated Plan allows each jurisdiction to do.

But most importantly, Congress and HUD must recognize that deregulation is not a substitute for funding. As Congressman Luiz Gutierrez argued,

...The real solution to the problems we face in public housing is that members of this Committee must begin fighting for an adequate HUD budget. Otherwise, what this Subcommittee decides to do regarding public housing will matter very little because there will be no way that housing authorities, large or small, will have the ability to provide decent safe housing for low-income persons.<sup>133</sup>

Repeatedly throughout the congressional testimony, speaker after speaker began his/her remarks by stating that most public housing developments are effectively managed. It is the failure of a limited number of housing authorities predominantly in the large cities that has dramatically influenced the public perception of the industry. Most PHAs provide a valuable service to their communities by ensuring decent, safe housing that is affordable to very low-income households. It is imperative that this multi-billion dollar investment be preserved for future generations.

---

<sup>133</sup> U.S. House of Representatives, Congressman Luiz V. Gutierrez, statement before the Subcommittee on Housing and Community Opportunity, hearing on *H.R. 2 The Housing Opportunity and Responsibility Act of 1997*, 11 March 1997.

## **Bibliography**

---

Boston Housing Authority, "BHA 2001 Report."

---"BHA 2001 Executive Summary and First Year Report," 2 March 1999.

Callahan, Angela. "A HUD Report Card." *Journal of Housing and Community Development* 56, no. 1 (Jan/Feb 1999): 42-45.

Center for Community Change. "What is the Consolidated Plan...and Why Bother?" Washington, D.C., [updated 1 August 2001; cited 29 August 2002] Available from <http://www.communitychange.org/conplan.htm>.

Clancy, Patrick E. "Managing Change: A View from the Nonprofit Sector." *Journal of Housing and Community Development* 56, no. 5 (Sep/Oct 1999):19-25.

Coglianesse, Gary. "Assessing Consensus: The Promise and Performance of Negotiated Rulemaking." Cambridge, MA [cited 11 May 2002] Available from <http://www.ksg.harvard.edu/prg/cary/rulemake.htm>.

Congressional Budget Office. report regarding *S.1260, The Public Housing Reform and Empowerment Act of 1995* as ordered by the Committee on Banking, Housing, and Urban Affairs. 18 December 1995.

Department of Housing and Urban Development. 24 CFR Part 903, *Public Housing Agency Plans; Final Rule*. Federal Register 64, No. 203 (21 October 1999).

---Office of the Assistant Secretary for Public and Indian Housing. 24 CFR Part 903, *Public Housing Agency Plans; Interim Rule*. Federal Register 64, No. 32 (18 February 1999).

---Office of Indian and Public Housing, Notice PIH 99-33 (HA): Announcement of Availability of PHA Plan Template, Instructions and Supplemental Guidance on Preparation and Submission of PHA Plans on HUD Website; Announcement of Streamlining of Capital Fund and Public Housing Drug Elimination Program Planning Requirements (30 July 1999).

---Office of Public and Indian Housing. Public and Assisted Housing Reforms for the 21<sup>st</sup> Century, PHA Staff Conferences, PHA Plan. August 2000, IV.A.4-5.

---Office of Public and Indian Housing. Encore Resident Leader Training, slide presentation. September 2001.



---Office of Public and Indian Housing, Office of Policy, Program and Legislative Initiatives. "Public Housing Agency (PHA) Plan: Desk Guide," updated 20 September 2001.

---Homes and Communities Web site at <http://www.hud.gov/projdesc/conplan.cfm>

---"Fiscal Year 2001 Annual Performance Plan."

Haas, Joseph. "An H/CD Legislative Review." *Journal of Housing and Community Development* 53, no. 6 (Nov/Dec 1996): 10-13.

Jacobs, Barry G. "105<sup>th</sup> Congress Will Tackle Unfinished Business." *National Real Estate Investor* 39, no. 1 (Jan 1997): 33.

--- "Congress to Tackle Housing Reform Again." *National Real Estate Investor* 39, no. 3 (Mar 1997): 36.

LaSister, C.Knox. "The Consolidated Plan and the Agency Plan- An Overview." New Orleans, LA [updated 1 December 1999; cited 12 April 2002] Available from [http://smartincl.net/cp-coc/what\\_is\\_the\\_consolidated\\_plan.htm](http://smartincl.net/cp-coc/what_is_the_consolidated_plan.htm).

National Association of Housing and Redevelopment Officials. "The Quality Housing and Work Responsibility Act of 1998 Frequently Asked Questions." Washington, D.C., 19 February 1999. Available from [www.nahro.org](http://www.nahro.org).

Public Housing Agency Director's Association (PHADA). "PHADA Comments on the Public Housing Agency Plan Interim Rule." 19 April 1999, [update 5 June 2000] Available at <http://www.phada.org/plancomm.html>.

Public Law 105-276. *Public Housing and Tenant Based Assistance Reform Quality Housing and Work Responsibility Act of 1998*, Title V Public Housing and Tenant Based Assistance Reform. 105<sup>th</sup> Congress, 2<sup>nd</sup> Session, 21 October 1998.

Riekes, Steven J. "The Quality Housing and Work Responsibility Act of 1998: Is it really deregulation?- Public Housing Agency Plans." Housing and Development Law Institute 1999 Spring CLE Conference, Washington, D.C., April 1999.

Russ, MaryAnn. "Agency Plan or Strategic Planning Process?" *Housing Strategies: Tools for Effectively Managing Change* 2, No. 2 (Summer 1999): 1.

Sigal, Maira. "The Consolidated Plan in Housing: Affordable Housing for Seniors." *The Supportive Housing Connection*. Washington, D.C., [updated 27 January 1998; cited 29 April 2002] Available from <http://www.aoa.dhhs.gov/Housing/chas.html>.

- Smirniotopoulos, Peter E. "Demystifying Asset Management: A Guide for LHAs." *Journal of Housing and Community Development* 56, no. 5 (Sep/Oct 1999): 11-18.
- U.S. Congress. *H.R. 4194, The Quality Housing and Work Responsibility Act of 1998*. 105<sup>th</sup> Congress, 2<sup>nd</sup> Session, Title V- Public Housing and Tenant-Based Assistance Reform, Sec. 511. Public Housing Agency Plan, 21 October 1998.
- U.S. House of Representatives. H.R. 3995 "Housing Affordability for America Act of 2002." 107<sup>th</sup> Congress, 2<sup>nd</sup> Session, Title V-Public Housing, Subtitle A-General Provisions, Sec. 504. Public housing agency plans for small public housing agencies. 19 March 2002.
- Ned Epstein, Housing Partners Inc. testimony *Implementing Asset Management Strategies for Public Housing Authorities* before the Subcommittee on Housing and Community Opportunity, Committee on Banking and Financial Services, hearing on *H.R. 2 The Housing Opportunity and Responsibility Act of 1997*. 11 March 1997.
- Honorable Susan Gaffney, Inspector General for the U.S. Department of Housing and Urban Development. before the Subcommittee on Housing and Community Opportunity, Committee on Banking and Financial Services hearing on *H.R. 2 The Housing Opportunity and Responsibility Act of 1997: Building Communities of Opportunity*. 11 March 1997.
- Honorable Stephen Goldsmith, Mayor of the City of Indianapolis. testimony before the Committee on Banking and Financial Services, Subcommittee on Housing and Community Opportunity hearing regarding *H.R. 2 The Housing Opportunity and Responsibility Act of 1997*. 11 March 1997.
- Congressman Luiz V. Gutierrez. statement before the Subcommittee on Housing and Community Opportunity. hearing on *H.R. 2 The Housing Opportunity and Responsibility Act of 1997*. 11 March 1997.
- Dr. Ira Harkavy, Director of the Center for Community Partnerships at the University of Pennsylvania. testimony before the Committee on Banking and Financial Services, Subcommittee on Housing and Community Opportunity, hearing on *H.R. 2 The Housing Opportunity and Responsibility Act of 1997*. 25 February 1997.
- Jacqueline L. Johnson, Chairperson of the National American Indian Housing Council. prepared statement before the Housing Banking Committee Subcommittee on Housing and Community Opportunity hearing on *H.R. 2406 The U.S. Housing Act of 1995*, 29 September 1995.

- Congressman Rick Lazio of New York. Introduction to the *H.R. 2 Housing Opportunity and Responsibility Act of 1997*. 105<sup>th</sup> Congress, 1<sup>st</sup> Session, 7 January 1997.
- Congressman Rick Lazio. Opening statement before the House Committee on Banking and Financial Services, Subcommittee on Housing and Community Opportunity at the hearing on *H.R. 2 The Housing Opportunity and Responsibility Act of 1997*. 25 February 1997.
- Congressman Rick Lazio of New York. opening statement before the House Subcommittee on Housing and Community Development at hearing regarding *H.R. 2 The Housing Opportunity and Responsibility Act of 1997*. 11 March 1997.
- U.S. Senate. Committee on Banking, Housing, and Urban Affairs. *S. 1260, The Public Housing Reform and Empowerment Act of 1995*. 104<sup>th</sup> Congress, 1<sup>st</sup> Session, Report 195, 20 December 1995.
- Senator Christopher S. Bond. prepared statement before the Senate Banking, Housing and Urban Affairs Committee Subcommittee on Housing Opportunity and Community Development. hearing on *S.1260 The Public Housing Reform and Empowerment Act of 1995*. 29 September 1995.
- Nancy Bernstine, National Housing Law Project. testimony before the Senate Banking, Housing and Urban Affairs Committee, Subcommittee on Housing and Opportunity and Community Development. hearing on *S. 1260 Public Housing Reform and Empowerment Act of 1995*. 19 September 1995.
- Dave Bryson, Interim Director of the National Housing Law Project. testimony before the Senate Banking, Housing and Urban Affairs Committee, Subcommittee on Housing and Opportunity and Community Development. hearing on *S. 462 The Public Housing Reform and Responsibility Act*. 9 April 1997.
- Gregory Byrne, Executive Director, Dade County Department of Housing and Urban Development and President of the Council of Large Public Housing Authorities (CLPHA). prepared testimony before the Senate Committee on Banking, Housing and Urban Affairs, Subcommittee on Housing Opportunity and Community Development. hearing on *S.1260 The Public Housing Reform and Empowerment Act of 1995*. 28 September 1995.
- Secretary Henry G. Cisneros, Department of Housing and Urban Development. prepared statement before the House Banking and Financial Services Committee, Housing and Community Opportunity Subcommittee. Hearing on *S. 462 The United States Housing Act of 1995*, 13 October 1995.

- Secretary Andrew M. Cuomo, Department of Housing and Urban Development. statement before the Committee on Banking and Financial Services, Subcommittee on Housing and Community Development. Hearing on *H.R. 2 The Housing Opportunity and Responsibility Act of 1997*. 6 March 1997.
- Senator Alfonse D'Amato. statements on Introduced Bill and Joint Resolutions, *S. 1260 Public Housing Reform and Responsibility Act of 1997* Summary of Key Provisions. 18 March 1997.
- Senator Alfonse D'Amato, Chairman of the Senate Banking, Housing and Urban Affairs Committee. prepared opening statement for the Hearing on *S. 1260 The Public Housing Reform and Empowerment Act of 1995*. 104<sup>th</sup> Congress, 28 September 1995.
- Senator Alfonse D'Amato of New York. Mark-up of *S. 1260 The Public Housing Reform and Empowerment Act of 1995*. 26 October 1995.
- Shirley Dykshoorn, representing the Council of State Community Development. testimony before the Senate Banking, Housing and Urban Affairs Committee, Subcommittee on Housing Opportunity and Community Development hearing on *S.1260 The Public Housing Reform and Empowerment Act of 1995*. 27 April 1995.
- John Hiscox, Executive Director of the Macon, Georgia Housing Authority on behalf of the Public Housing Directors Association. testimony before the Senate Committee on Banking, Housing and Urban Affairs hearing on *S. 1260 The Public Housing Reform and Empowerment Act of 1995*. 28 September 1995.
- Senator Connie Mack. statements on Introduced Bills and Joint Resolutions, *S. 1260 Public Housing Reform and Responsibility Act of 1997*, Summary of Key Provisions. 18 March 1997.
- David Morton, Executive Director of the Housing Authority of the City of Reno, Nevada representing the Public Housing Authorities Directors Association. prepared testimony before the Senate Banking, Housing and Urban Affairs Committee, Subcommittee on Housing and Opportunity and Community Development. hearing on *S. 462 The Public Housing Reform and Responsibility Act*. 9 April 1997.
- Joseph G. Schiff, President of the Schiff Group and Former Assistant Secretary for Public and Indian Housing at HUD. testimony before the Senate Banking, Housing and Urban Affairs Committee. hearing on *S. 1260 The Public Housing Reform and Empowerment Act of 1995*. 28 September 1995.