



Goals of the Executive Director

2019 Progress Update

2020 Goal Establishment

**LOWELL HOUSING AUTHORITY
GOALS OF THE EXECUTIVE DIRECTOR
2019 PROGRESS REPORT**

- 1. DISPOSITION OF SCATTERED SITE UNITS**
- 2. STAFF DEVELOPMENT/PROFESSIONAL TRAINING**
- 3. IMPROVE AUTHORITY'S FINANCIAL RATIOS**
- 4. ENERGY PERFORMANCE CONTRACT PHASE II**
- 5. RESIDENT & STAKEHOLDER ENGAGEMENT**
- 6. FEDERALIZATION OF STATE-AIDED PUBLIC HOUSING UNITS**

AGENCY GOALS 2019 PROGRESS UPDATE

1. Disposition of Scattered Site Units

Property Sales: The Authority was successful in selling twenty (20) properties consisting of eighty-seven (87) units in the past year. These properties received HUD approval for disposition on August 30, 2018. Sales were made in two phases; the first to area non-profits at a discount from appraised value and a second phase to the private market at appraised value or greater. Two of the properties were purchased by a non-profit, Southern Middlesex Opportunity Council, who will provide housing and services to homeless individuals. The remaining properties were sold to private owners. The Authority will realize approximately \$8.5 million in sales revenue which is \$2 million greater than estimates made last year. These funds will be used towards the development of affordable housing in the City of Lowell. Areas targeted for development include the Mercier site on Merrimack Street and the final phase of the Rivers Edge development.

2. Staff Development/Professional Training

The Lowell Housing Authority (LHA) encourages participation in individual and group training programs and higher education. We offer staff development and training programs to enhance operational efficiency, improve safety in the work environment and our service delivery to our residents.

The Authority has created a training tool to track the training areas and average training hours completed during a year. During the last year, we had more than thirty employees receive job specific training. Our finance staff have completed trainings in family medical leave act, human resource law, public procurement, prevailing wage, financial reporting requirements and HUDs Rental Assistance Program conversions. Our facilities staff have coordinated trainings in REAC physical inspection protocols and professional floor cleaning. Our resident service coordinators have completed courses to better deal with resident hoarding and depression and received training in de-escalation tactics and disability rights and services. Our property managers have received trainings in many areas including reasonable accommodations, fair housing, documenting violations, repayment agreements, REAC compliance and crime prevention. We had two recently hired assistant property managers earn their Public Housing Manager Certification and a member of our finance team received certification from the MA OIG in public procurement (MCPPO).

The Authority continues to offer employee reimbursement for higher education and currently has three employees taking advantage of this opportunity. These employees are working towards their master's degree in public administration, business analytics and human health design.

3. Improve Authority's Financial Ratios

During an era of subsidy reductions, sequestrations, reserve recaptures and full recognition of our long-term employment liabilities, the Authority saw a dramatic decrease in reserve levels during the period of 2012 to 2014. During this period, services were maintained, investments in our developments continued and reductions to our workforce was avoided. Sustaining our operational normality resulted in a 70% reduction to reserve levels and a material decrease to our public housing assessment score (PHAS). In 2015, the Authority's finance sub-committee established a long-term commitment to rebuild our financial stability and unrestricted net position. The stated five-year goal of the Authority was three part to include: 1) maximize our PHAS "Quick Ratio" financial indicator, 2) maximize our PHAS "Months Expendable Net Asset Ratio" indicator and, 3) achieve and maintain a financial score of 90% or greater.

Quick Ratio Update: The Quick Ratio measures the liquidity of an Authority; or our ability to meet all current liabilities if they immediately became due and payable. A ratio of 2.0 is needed to maximize PHAS points. The Authority accomplished this goal at the close of fiscal year 2017. All AMPs have achieved, and are maintaining, a quick ratio of over 2.0. This sub-goal is complete.

MENAR Update: The MENAR measures our ability to operate using available unrestricted resources without reliance on any additional funding. The MENAR ratio indicates the number of months we could survive financially with no additional funding. A result of four (4) months must be achieved to maximize points. At the close of fiscal year 2019, AMP 3 has achieved this goal with a MENAR score of 7.0 months. Our other three AMPs are still working towards this goal with MENAR scores of 3.8, 3.1 and 3.8 months. In order to achieve this goal in all four AMPs, AMP 1 will require a \$75,000 increase to net position, AMP 2 will require an increase of \$250,000, and AMP 4 will require an increase of \$65,000 by the close of fiscal year 2020.

Total Financial Indicator Score Update: In fiscal year 2019, our total financial indicator score remained at 24 out of 25 points, for a score of 97%. This sub-goal is complete.

4. Energy Performance Contract Extension

The Authority entered into an Energy Performance Contract (EPC) with HUD and Ameresco in December, 2006. This contract has been successful in reducing energy consumption across our Federal portfolio and has resulted in average annual energy savings in excess of \$1,000,000. In a HUD approved EPC, our utility subsidy is frozen and the Authority benefits from a combination of reduced energy cost and locked energy consumption for subsidy calculation. These savings have been sufficient to cover the annual capital debt service related to installation costs. Savings in excess of our annual debt service have rolled into our operating reserves.

The Authority has an opportunity under 24 CFR 990.185 to extend this EPC up to a twenty-year term. Our original term was for twelve years, allowing for an eight-year extension. To accomplish this goal, The Authority contracted with Ameresco for an energy audit that identified energy conservation measures (ECM) to be installed. The ECM's identified are: Common area lighting improvements, installation of premium efficiency toilets, replacement of water heater tanks, boiler and water heater decentralization, installation of premium efficiency boilers, replacement of air handling units, roof replacement and insulation, and new solar water heaters. The total cost of the ECM's is \$5.9M. The application was submitted to HUD on 7/12/2019. An approval is anticipated by the end of April 2020.

5. RESIDENT & STAKEHOLDER ENGAGEMENT

Resident & Stakeholder Outreach

In 2019, the Lowell Housing Authority (LHA) continued to engage residents and stakeholders using social media. The agency's goals in 2019 were to build upon existing social media efforts and identify and implement new digital media strategies to communicate pertinent information to residents and stakeholders.

Last year, the Authority stressed the need to increase its audience and engagement on social media platforms. In 2019, the Authority increased its Facebook followers by 67%, and has seen a monthly increase in the number of followers and level of engagement on Twitter.

In order to reach more residents with important information regarding emergency situations or service opportunities, the Authority implemented a reverse 911 automated call application. We are now able to deliver a consistent and immediate message to all residents. We expect to expand this service to email and text message in the future.

Tech Talk & Tech Savvy Seniors

Developed in 2018 to serve residents of our elderly properties, Tech Talk, is a resident technology tutorial series, including onsite technology support services. At the start of 2019, the LHA was awarded a \$5,000 grant entitled Tech Savvy Seniors, a peer-to-peer model of technology support which builds upon Tech Talk to bridge the digital divide. Brian Sparrow, Resident Technology Advisor for City View Towers, along with members of the executive department coordinated 5 workshops at City View Towers, Belvidere Heights, and Francis Gatehouse Mill, and presently at Centralville Gardens.

These engaging workshops introduced residents to smart phone basics, the use of email, social media, online shopping, and the benefits of smart technology use for seniors. Between individual sessions and the workshop series, over 230 residents were provided with technology support.

Website & E-Technology

The LHA also set the goal of improving the agency's website. In 2019, the Authority redesigned the agency's website with the aim to create a modern, stable, and engaging site for our visitors. Since our new website went live at the beginning of the year, the agency has had over 21,000 visitors to our site. In addition, we developed a contact form within our website to provide another digital tool for stakeholders to communicate with the executive office. In the past year, the Authority fielded and triaged 298 contact requests to provide services to our stakeholders.

6. Federalization of State Scattered Site Units

In November 2018, the Lowell Housing Authority submitted an application under the Modernization to Independence Initiative for the federalization of 13 scattered site units within the state portfolio. These units are located at 40-58 Dublin Street, 1388 Middlesex Street, 22 Astor Street and 58 D Street. The Authority requested funding in the amount of \$323,125 to complete capital projects which include a roof replacement, installation of new windows and updating kitchen and baths. These repairs will ensure compliance with federal Uniform Physical Condition Standards (UPCS) and are required by HUD prior to federalizing the units.

Federalizing these units will ensure long-term habitability and security through increased funding and more efficient and effective property management. Capital funds, under current HUD funding levels, will increase by more than \$1,000 per unit, per year. Operating fund subsidy under HUDs formula will increase two-fold compared to current DHCD per unit funding. Ten of these units will be repositioned into our largest family development which abuts the property. This will provide faster and more reliable service to residents and units. The remaining three scattered site units will be absorbed by our

second largest family portfolio that has extensive experience managing scattered site units. These units will also benefit from material subsidy and grant increases.

HUD conducted an on-site assessment of these properties on March 13, 2019. Their assessment resulted in only one of the buildings, 50 Dublin Street, being pre-qualified for federalization. This property, however, includes ten of the thirteen units we proposed for federalization. In July of 2019, we were dismayed to receive notice from DHCD that awards under the Modernization to Independence initiative had been cancelled. The Authority strongly urged the Department to reconsider this opportunity and, at a minimum, hold discussions with the Lowell Housing Authority. A meeting was held between the Authority, DHCD leadership and the Massachusetts Secretary of Housing and Economic Development to discuss the benefits of this initiative. Our position was explained and appeared to be well received by the Secretary. The Department changed their decision and re-opened the grant opportunity. The Lowell Housing Authority's application was subsequently approved and we have been awarded \$182,916 for required capital repairs and improvements to Dublin Street. Following this work, an application will be submitted to HUD for formal acceptance into their portfolio.

LOWELL HOUSING AUTHORITY
GOALS OF THE EXECUTIVE DIRECTOR

2020

1. AFFORDABLE HOUSING DEVELOPMENT

- a. Merrimack Street Corridor**
- b. Rivers Edge Final Phase**
- c. Hadley House**

2. STAFF DEVELOPMENT and ACCOUNTABILITY

- a. Continued Professional Development Requirements**
- b. Required Training by Position**
- c. Accountability and Data Analysis**

3. IMPROVE AUTHORITY'S PHAS INDICATOR RATIOS

- a. Maximize Months Expendable Fund Balance (MENAR)**
- b. Improve Physical Indicator Score**

4. ENERGY PERFORMANCE CONTRACT PHASE II

- a. Secure Project Financing**
- b. Installation of Energy Saving Improvements**

5. RESIDENT AND STAKEHOLDER ENGAGEMENT

- a. Website and E-Technology**
- b. Resident Communications and Wi-Fi Expansion**

6. FEDERALIZE STATE PUBLIC HOUSING UNITS

- a. Complete Required Physical Improvements**
- b. HUD Application and Addition to ACC**

AGENCY GOALS 2020

1. Affordable Housing Development

The Authority's affiliate non-profit, Revitalization Effort towards New Urbanism (RENU) is established and actively working towards the development of affordable housing and related economic development. Utilizing proceeds from the sales of our scattered site portfolio, we are in a strong financial position to begin development activities. We have identified three areas of focus in the coming year.

The Mercier Center site on Merrimack Street has been the focus of an affordable housing and economic development project for several years. The Mercier Center site is controlled by the LHA and RENU has recently purchased several adjacent parcels on Decatur Street to expand the project's potential. Initial plans involve tax credit financing to create a mix of one and two-bedroom affordable units along Merrimack Street. We estimate approximately forty to fifty units of housing. The project would also include a commercial component on the ground floor to provide much needed commercial space in the Acre.

RENU has recently submitted a proposal to the Residents First Development Corporation (RFDC) to complete the final phase of affordable housing creation at the Rivers Edge development off Gorham Street. The original development plan requires an additional twenty-six units of affordable housing to complete the project. RENU has several options proposed and is currently working with RFDC, the City of Lowell and the Department of Housing and Community Development (DHCD) to find a mutually agreeable, and financially feasibility, development plan to complete the project.

RENU was also successful during the last year in acquiring the historic Hadley House on Broadway Street from the Jaycee Place Housing Corporation. The goal is to restore this property and create four to five units of veterans housing with related services.

2. Staff Development and Accountability

The Lowell Housing Authority (LHA) encourages participation in professional development training programs and higher education. We offer these development opportunities to enhance operational efficiency, improve safety in the work environment and the service delivery to our residents.

In the next year, we will be working towards a standard training requirement for all employees. The standard will be a minimum number of training hours per employee in

areas that will improve operational efficiency, program knowledge, asset preservation, public safety and resident services. A working team will be created to review what knowledge and abilities are most valuable to each position we hire. This team will create a new hire training schedule that will be completed by the new employee in a specific timeframe after hire. This will ensure our newest team members receive industry standard and consistent training. The team will also work with our facilities team to identify trainings in key areas of property maintenance and work with our union representation to take advantage of internal apprenticeship opportunities.

The Authority is focused on creating a more accountable workforce and using data analytics in our decision making. We will explore trainings for our employees in the areas of data collection and data-driven management. This will allow the Authority to identify inconsistencies and areas of weakness for improvement. Accurate data collection and analysis is also a key component in measuring our success. To assist in this goal, the Authority has hired a full-time data analyst who will work to promote the benefits and importance of data driven management to all employees. The analyst will also work to improve internal reporting and dashboard reporting for our managers and decision makers.

3. Improve Authority's PHAS Indicator Ratios

Financial Indicator Score

During an era of subsidy reductions, sequestrations, reserve recaptures and full recognition of our long-term employment liabilities, the Authority saw a dramatic decrease in reserve levels during the period of 2012 to 2014. During this period, services were maintained, investments in our developments continued and reductions to our workforce was avoided. Sustaining our operational normality resulted in a 70% reduction to reserve levels and a material decrease to our public housing assessment score (PHAS). In 2015, the Authority's finance sub-committee established a long-term commitment to rebuild our financial stability and unrestricted net position. The stated five-year goal of the Authority was three part to include 1) maximize our PHAS "Quick Ratio" financial indicator, 2) maximize our PHAS "Months Expendable Net Asset Ratio" indicator and, 3) achieve and maintain a financial score of 90% or greater. The Authority continues to maintain a maximum Quick Ratio. In addition, the financial score of the Authority continues to exceed 90%. The Authority continues to strive for a maximum MENAR indicator.

The MENAR measures our ability to operate using available unrestricted resources without reliance on any additional funding. The MENAR ratio indicates the number of

months we could survive financially with no additional funding. A result of four (4) months must be achieved to maximize points.

Physical Indicator Score

As part of the overall PHAS score, the Authority is rated on the physical condition of its properties. HUD has admittedly seen a huge backlog in the amount of capital improvements needed to sustain public housing units. Although capital funds have begun to increase the past couple of years, it is not an adequate amount to address the aging infrastructures of our buildings. As a result, the Authority, not unlike many others nationwide, has seen a reduction in its physical scores. In 2019 the Authority received a weighted average score of 33 out of a possible 40 points for its physical inspections. AMP 4 scored the highest with a 93, followed by AMP 1 with an 83, AMP 2 came in at 80, and AMP 3 had a 76. The Authority's goal is to increase its physical scores to at least a 36 out of 40 points, or a minimum of 90 per AMP.

4. Energy Performance Contract Phase II Improvements

The Authority entered into an Energy Performance Contract (EPC) with HUD and Ameresco in December, 2006. This contract has been successful in reducing energy consumption across our Federal portfolio and has resulted in average annual energy savings in excess of \$1,000,000. In a HUD approved EPC, our utility subsidy is frozen and the Authority benefits from a combination of reduced energy cost and locked energy consumption for subsidy calculation. These savings have been sufficient to cover the annual capital debt service related to installation costs. Savings in excess of our annual debt service have rolled into our operating reserves.

The Authority has an opportunity under 24 CFR 990.185 to extend this EPC up to a twenty-year term. Our original term was for twelve years, allowing for an eight-year extension. To accomplish this goal, the Authority contracted with Ameresco for an energy audit that identified energy conservation measures to be installed. This was completed and an application was submitted to HUD on 7/12/2019. An approval is anticipated by the end of April 2020. The Authority's next steps over the year will be to secure capital financing and work with Ameresco and their contractors to install the energy performance measures.

5. Resident and Stakeholder Engagement

Website & E-Technology

The Authority will continue to improve customer experiences in 2020. During the next year, we will launch an electronic application and resident portal called MyHousing. This housing system will provide digital conveniences to applicants and residents including the opportunity to apply online for affordable housing programs, check their application status, complete virtual recertifications, and communicate with our staff.

The agency is also in the process of developing a more interactive procurement page, which will utilize SMS messaging alerts for communicating with vendors. We expect this technology to expand our vendor competition base for both operational needs and capital improvement projects.

Resident Communications and Wi-Fi Expansion

The Authority will explore digital signage technology to centralize communications and to improve the consistency of messaging across the agency. This improvement would place digital displays near managers offices, community rooms and other prominent areas of our developments. In addition to the site-based digital signage, we are exploring the usage of both SMS messaging and email messaging to our residents. This would replace a very outdated and inefficient practice of paper flyers delivered to units. In order to maximize the benefit of these communication improvements, the Authority will be looking to expand our wi-fi network across our developments. We will work with our IT provider to move forward with an implementation study and cost estimate.

6. Federalization of State Scattered Site Units

In November 2018, the Lowell Housing Authority submitted an application under the Modernization to Independence Initiative for the federalization of scattered site units within the state portfolio. This grant opportunity was temporarily cancelled by the Department of Housing and Community Development (DHCD) but was later re-opened after a convincing argument made by the Lowell Housing Authority. The Authority was just recently awarded \$182,916 to make necessary improvements before a formal federalization request can be made to the U.S. Department of Housing and Urban Development (HUD). We were awarded these funds for our Dublin Street property that contains ten units of family housing.

In 2020, our capital team will be working on project design and physical improvements. When the renovation project is complete, the property will meet or exceed the Uniform Physical Condition Standards (UPCS) that is required before the property can be brought into our HUD portfolio. At that point, the Authority will submit a formal request to HUD to federalize these units and bring them into our HUD Annual Contribution Contract.

Federalizing these units will ensure long-term habitability and security through increased funding and more efficient and effective property management. Capital funds, under current HUD funding levels, will increase by more than \$1,000 per unit, per year. Operating fund subsidy under HUDs formula will increase two-fold compared to current DHCD per unit funding. Ten of these units will be repositioned into our largest family development, North Common Village, that abuts the property. This will provide faster and more reliable service to residents and units.