

The Commonwealth of Massachusetts  
Subcommittee on Public Housing  
State House, Room 38, Boston 02133

**FINDINGS OF THE  
SUBCOMMITTEE ON PUBLIC HOUSING  
Listening Tour and Status of State Public Housing**

July 26, 2006

**Subcommittee on Public Housing**

Chairman, Representative Robert F. Fennell  
Senator Robert O'Leary  
Senator Steven A. Tolman  
Representative David B. Sullivan  
Representative Martha M. Walz

**Joint Committee on Housing**

House Chair, Representative Kevin G. Honan  
Senate Chair, Senator Brian Joyce

# **Findings of the Subcommittee on Public Housing**

## **I. Introduction**

The Subcommittee on Public Housing was appointed in September of 2005 to provide the Joint Committee on Housing with an assessment of need and recommendations for legislative action to preserve, modernize and provide operating funds for the almost 50,000 units of state-aided public housing. The Subcommittee, chaired by Representative Robert F. Fennell and composed of Senator Robert O'Leary, Senator Steven A. Tolman, Representative David Sullivan, and Representative Martha M. Walz, visited eleven local housing authorities throughout the commonwealth. In addition, Subcommittee staff reviewed past reports regarding operating and modernization costs for the entire state-aided public housing stock. This report describes the Subcommittee's findings, as well as the history and need for preservation of this unique state resource.

## **Findings**

- State public housing creates a unique sense of community and is a precious state resource that must be preserved.
- Capital improvement and modernization funds for state public housing have been inadequate. Total need over the next ten years is estimated to be at least \$1.5 billion. While the legislature authorized \$350 million in modernization bonds in 2002, to be spent over five years, the executive branch has only allowed approximately \$50 million per year. Despite advocacy by the Joint Committee on Housing to raise the modernization bond cap to \$100 million per year, so that the full amount authorized by the legislature would be spent in the five year period, the executive branch continued to provide only one-half of that request.
- Operating budgets and state operating subsidies have been inadequate and represent only 72 percent of comparable federal public housing funding. In particular, annual operating budgets for state public housing in 2002 were \$80 million less than needed, and there is no reason to believe that the situation has changed.
- The state's public housing property management system doesn't utilize possible administrative efficiencies of private sector management nor recent changes to federal public housing management.

## **Recommendation**

- In order to reverse historically inadequate levels of funding, the General Court should immediately empower an existing state bonding authority or create a new autonomous authority to modernize and provide operating funds for state-aided public housing.

Following this descriptive report, the Subcommittee intends to release full and detailed recommendations for action in the 2007-2008 legislative session.

## **II. State Public Housing Today**

State public housing represents a unique resource for the commonwealth. It represents one-quarter of the state's affordable housing inventory and more than half of the public housing inventory. The federal public housing program operates 34,000 units. State public housing, operated through 254 local housing authorities (LHAs), totals nearly 50,000 units, including 2,000 units in group homes, 15,000 units of family housing, and 32,000 units of elderly and disabled housing. These state public housing units account for 40 percent of all affordable housing outside of the state's 15 largest poor cities.

State public housing serves some of the commonwealth's lowest income citizens. Households with incomes up to 80 percent of median are eligible for public housing, but most residents earn less than 20 percent of median income. In 2001 average annual family and elderly household incomes were below \$15,000<sup>1</sup> and waiting lists totaled nearly 100,000 people.

While the state public housing stock is aging and has been poorly funded, as discussed below, most units in Massachusetts are in low-density townhouse or duplex developments. As such, the state can continue to operate, maintain, and modernize its public housing at reasonable costs.

## **III. Background: The General Court's Legacy of Support for State Public Housing**

Chapter 200 of the Acts of 1948 authorized \$200 million in general obligation bonds to finance the creation of state-assisted public housing for low-income veterans of World War II. The report to the General Court, preceding the adoption of Chapter 200, reflected the urgent need to provide affordable housing to the state's returning World War II veterans because of the inability of the private sector to provide an adequate amount of housing. The report stated:

...the housing program proposed would provide homes more quickly, at less cost, over a wider area and with greater effectiveness, than any other method we know. The local communities can and will do the job, if they are relieved of the financial burdens which present legislation imposes. The selection of sites and tenants, the construction by local authorities, the planning and management, should be left to the local authorities. Massachusetts, which was the first State in the Union to spend money for housing and the first State in the Union to establish a housing commission, should extend its credit and its energies to the solution of our greatest domestic problem.<sup>2</sup>

Nearly twenty years later a special commission of the state legislature on low-income housing spoke about the societal change of state-aided public housing from veterans housing as a form of "up and out" housing to public housing as a necessary resource for the state's poor families.

---

<sup>1</sup> John Stainton and Charleen Regan, Protecting the Commonwealth's Investment, June 2001.

<sup>2</sup> H.1740, Report of the Special Commission to Make a Survey and Study of Problems Relating to Veterans, Including, Housing and Hospital Facilities, December 1947, p.13

...as the nature of poverty on our society has changed, and as we begin to understand the structural causation of unemployment and low incomes and the cumulative debilitation of long-term deprivation, public housing has begun to assume a different role and need. A far smaller proportion of public housing families are economically mobile; turnover does not necessarily indicate an improvement in housing status; there is an urgent need for comprehensive social services in housing projects; the nature of communities has vastly changed; and the need for greater financial assistance becomes increasingly obvious.<sup>3</sup>

However, state public housing has felt the impact of prolonged periods of inattention to operating, modernization, and management needs. Throughout the almost sixty year history of state public housing, LHAs and the state have responded in different ways regarding the lack of maintenance and operating funds. In some communities there have been proposals for the demolition of public housing – Lowell and Fall River are two recent examples.<sup>4</sup> In other cases, neglect has catalyzed substantial rehabilitation or redevelopment of public housing units into privately managed buildings supported with public subsidy. In 1976, the Lynn Housing Authority and the Department of Housing and Community Development's (DHCD) predecessor agency executed a contract for financial assistance that included approvals by the agency under section 26(k) of chapter 121B (Chapter 884 of the Acts of 1973) regarding the sale and demolition of the 408-unit America Park housing development.

Chapter 884 of the Acts of 1973 was created to provide for mixed income development at America Park in Lynn and to set forth an ongoing framework for replacing substandard public housing with private, mixed income development. As explained by a housing expert at the time, “we wanted to create an act which would make it possible to take a rundown public housing project that was judged to be substandard and deteriorated beyond repair, tear it down, and replace it with a private, mixed income development.”<sup>5</sup>

Under Chapter 884, ownership of public housing property was conveyed from the state to a private development corporation. That corporation was a joint venture between the tenant task force and a private developer, with equal control over every aspect of development. However, only three other developments in the commonwealth have used this Chapter 884 procedure, one in Boston and two in Lynn.

Besides Chapter 884, other state public housing management strategies have included privatization and federalization. In the late 1960s and early 1970s eight communities with Chapter 200 family housing sold developments under provisions of the law that provided for the sale of developments deemed “surplus”. When DHCD issued formal declarations of “surplus”,

---

<sup>3</sup> H.4040, April 1965, Final Report of the Special Commission on Low-Income Housing, p.16.

<sup>4</sup> See Chapter 193 of the Acts of 2000 and Chapter 235 of the Acts of 2002.

<sup>5</sup> Statement of Langley Keyes to Jane Roessner, A Decent Place to Live, From Columbia Point to Harbor Point, A Community History (Northeastern University Press 2000), p.165.

these developments were sold on the open market and in some cases generated a cash surplus for the communities.<sup>6</sup>

In 1998, President Clinton signed into law the Quality Housing Work Responsibility Act (QHWRA) to reform federal public housing. This law contained a provision that allowed state housing units in New York and Massachusetts to become federal public housing and to provide financial assistance for up to 5,000 units of housing in Massachusetts.<sup>7</sup> The United States department of housing and urban development (HUD) challenged this provision of the law and a federal court of appeals ruled in favor of several New York state housing authorities in 2001 to require HUD to fund the federalization of these units.<sup>8</sup> Congress responded by prohibiting payment for the federalization of any such state-public housing units in 2003.<sup>9</sup> It is fair to say that any current attempts to federalize state public housing units would be met with opposition by Congress.

Given the reality that the federal government was unlikely to take over the state's public housing, the General Court of Massachusetts, in 2002, restated its view that state owned public housing is a unique resource worthy of preservation and investment. Through chapter 244 of the Acts of 2002, the General Court put a five-year down payment of \$350 million dollars on a promise to make public housing safe and decent. Experts told the legislature at that time that it would cost more than \$1 billion over the next ten years to repair and maintain state housing. The promise was to ensure that at a minimum, windows worked, roofs didn't leak, floors didn't cause one to trip, and that kitchens and bathrooms were functional. However, despite this initial investment by the legislature, the executive branch has not kept this promise. As described in Appendix A, a summary of each LHA visited by the Subcommittee, the state's public housing has not received sufficient operating and modernization funding.

#### **IV. Local Housing Authorities Visited by the Subcommittee**

The Subcommittee visited public housing developments in Lynn, Beverly, Gloucester, Holyoke, Chicopee, Worcester, Brockton, Fall River, Cambridge, Brewster and Yarmouth. See Table 1 for a summary of the Subcommittee's visits.

---

<sup>6</sup> Those communities are: Barnstable; Athol; Dalton; Falmouth; North Adams; Northbridge; Rockport; & Walpole.

<sup>7</sup> Section 519(n) of the Quality Housing and Work Responsibility Act of 1998, Pub.L.No. 105-276, tit. V, 112 Stat. 2461, 2518-2670 (1998) ("QHWRA").

<sup>8</sup> Auburn Housing Authority v. Martinez, 277 F.3d 138 (2<sup>nd</sup> Cir. 2001).

<sup>9</sup> See section 207 of the Consolidated Appropriations Resolution of 2003, Pub. L. No. 108-7.

**Table 1. Summary of Subcommittee Visits to Local Housing Authorities (See Appendix A for details)**

<b>City/Town</b>	<b>Date Visited</b>	<b>Developments Visited</b>	<b>Additional Elected Officials</b>	<b>Observations</b>
<b>Lynn</b>	Sept. 26, 2005	Meadow Court	Sen. Tom McGee, and Rep. Steven Walsh	Decaying bricks, sidewalks, and common areas, offline units, and cracked foundations.
<b>Beverly</b>	Sept. 26, 2005	Herrick Street	Rep. Mary Grant, and Mayor William Scanlon	Roofs in disrepair, broken doorways and windows, outdated kitchens and baths, and small, offline, elderly units.
<b>Gloucester</b>	Sept. 26, 2005	Riverdale	Sen. Bruce Tarr, and Rep. Anthony Verga	Units in need of new roofs, stoves, electrical upgrades, and drainage. LHA has created a successful home ownership program and has partnered with a local food pantry, church, and art space.
<b>Chicopee</b>	Oct. 3, 2005	Meadow Street and Cabot Manor	Rep. Sean Curran, Rep. James Welch, and Rep. Joseph Wagner	Outdated building components at Meadow Street. Cabot Manor, a federal development, had day care services, green space, and community space.
<b>Holyoke</b>	Oct. 3, 2005	Seibel and Jackson Parkway	Rep. Michael Kane, Rep. Sean Curran, Rep. James Welch, and Mayor Michael Sullivan	Outdated oil burners, exposed wires, old kitchens and baths, broken roofs and floors.
<b>Brockton</b>	Oct. 7, 2005	Roosevelt Heights, Crosby Gardens, and Washburn Heights	Sen. Robert Creedon, Rep. Christine Canavan, Rep. Geraldine Creedon, Rep. Kevin Honan, and Sarah Connors on behalf of Rep. Thomas Kennedy	Recently modernized Roosevelt Heights stood in stark contrast to Crosby Gardens and Washburn Heights – both suffering from ripped carpets, mold, and rotting and sanitary code violations.
<b>Fall River</b>	Oct. 7, 2005	Bishop Eid and Pleasant View	Rep. Kevin Honan, Rep. David Sullivan, and Sen. Joan Menard	Rotting and molding ceiling tiles, dark hallways, missing bricks, insect infestation, and asbestos.
<b>Cambridge</b>	Oct. 11, 2005	Jefferson Park, and Woodrow Wilson	Rep. Alice Wolf, Rep. Rachel Kaprielian, Rep. Anne Paulsen, and Councillor Anthony Galluccio	In contrast to adjacent federal units, state developments had leaks, mold, broken windows, and cracked plaster and flooring.
<b>Worcester</b>	Oct. 21, 2005	Curtis Apartments	Rep. John Fresolo, Rep. James Leary, and Kevin Sanginario on behalf of Sen. Harriette L. Chandler	Much needed and overdue rehab. Authority has partnered with local police to provide greater safety and with WHA and UMASS for podiatry and other medical services.
<b>Brewster</b>	Jan. 20, 2006	Frederick Court	Rep. Cleon Turner, and Sen. Robert O'Leary	Deteriorating shingles and contrast to adjacent federal buildings
<b>Yarmouth</b>	Jan. 20, 2006	Long Pond Plaza	Rep. Cleon Turner, and Sen. Robert O'Leary	Increased operating and heating costs and the need for preventative maintenance.

At each public housing development, the Subcommittee sought to determine:

1. What made the housing community special;
2. Whether enough money comes from the state to make public housing safe and decent;
3. How long it takes for money from the state to fund needed repairs;
4. Whether the state allocates sufficient operating funds;
5. What disparities exist between state and federal public housing stock and funding; and
6. What state legislators could do to advocate for the preservation of state public housing.

The Subcommittee found that in addition to serving a distinctly needy population, state public housing has also been able to create a unique sense of community in some places and to achieve remarkable successes. For example, the Cambridge Housing Authority began a workforce training program and computing center along with renovating the nearly 60-year old Woodrow Wilson Court development. Gloucester's housing authority launched a farmers' market and homeownership initiative. Likewise, Chicopee offers daycare for their state public housing residents, and the Worcester Housing Authority has built special relationships with the police department. In Brockton, the housing authority transformed the Roosevelt Heights family development and established a new community center and playground that is the envy of the neighborhood.

However, the Subcommittee saw too few success stories. At the Beverly Housing Authority's Herrick Street apartment building, constructed in 1956, 18 elderly apartments have been vacant and awaiting redevelopment since 1998. These 50 year-old and extremely small units, ranging in size from 300 to 700 square feet, have been uninhabitable to elders on the waiting list. Indeed, DHCD has identified many elderly units in the state's public housing stock as not marketable to elders in their current condition.<sup>10</sup> Approximately 400 units portfolio-wide are currently vacant. The number of offline or vacant apartments was particularly distressing to Subcommittee members. In an era known for its shortage of affordable housing, each vacancy represented a family or an elder who didn't have the housing they need because the state hadn't fulfilled its obligations. In Cambridge, there were also stark contrasts between the relatively well kept and recently improved federal public housing developments and poorly funded state properties. As discussed below, state public housing has received comparatively fewer operating and modernization funds than federal public housing.

---

<sup>10</sup> See market studies commissioned by DHCD. For example: RKG Associates, Inc, Market Study of the Beverly Housing Authority's Herrick Street Apartments Beverly, Massachusetts, January 2002.

#### **IV. Current State and Local Subsidy to State Public Housing**

Historically, state assistance for public housing has taken the form of state appropriations for operating subsidies to LHAs unable to cover the expenses of running public housing with rent revenues alone. Besides operating costs, state public housing is maintained by modernization grants typically funded through the state's issuance of general obligation bonds. Additionally, all of the LHAs receive subsidies from cities and towns in the form of exemptions from real property taxes.

##### **A. State Operating Subsidy**

Each of the eleven LHAs visited by the Subcommittee expressed the need for greater funding from the commonwealth. Of the 254 LHAs with state public housing, 118 are deficit authorities, requiring an operating subsidy from the state.<sup>11</sup> As such, the state currently subsidizes operating expenses for 30,486 units of housing, 60 percent of the total portfolio. While the other LHAs are able to cover their operating budgets from internal revenues alone, these budgets are extremely tight and strictly controlled by DHCD. Even though the cost of running a housing authority has increased dramatically over the past several years, the allowed annual non-utility expense level (ANUEL) from DHCD has remained stagnant since 2002. The ANUEL sets the amount that an authority is allowed to spend per unit per month. Deficit authorities receive subsidies based on the difference between the revenue they raise and the ANUEL. When costs exceed an authority's ANUEL and revenue, the authority is forced to make cuts. Subsidies are advanced to local housing authorities on a quarterly basis. Authorities receive approximately 20 percent of their estimated subsidy about two weeks prior to each quarter so that by year end they have received 80 to 85 percent of their approved budget deficit. At year end, any over or under funding of advanced subsidy is reconciled with DHCD. DHCD does allow LHAs to submit revised budgets at anytime during the year. These revisions can be as simple as moving funds from one line-item to another or they can be used to ask the Department for exemptions for unexpected nondiscretionary cost. In the past these exemptions were typically granted, but during the last four years the Department's ability to grant exemptions has decreased. Today, exemptions are considered on a case-by-case basis and are only granted to authorities that cannot endure further cuts.

While some budgetary items can be reduced, such as supplies and extra staff, other mandatory items such as property insurance and employee benefits cannot. Nine of the eleven housing authorities visited by the Subcommittee reported average property insurance increases of 135 percent since FY 2000 while employee benefits have risen an average of 28 percent, as shown in Table 2. Since FY 2000, DHCD has only increased the ANUEL by four percent in FY 2001 and FY 2002.

---

<sup>11</sup> See Appendix B for a list of fiscal year 2006 deficit authorities.

Table 2. Property Insurance and Employee Benefits

<b>LHA</b>	<b>Insurance FY2000</b>	<b>Insurance FY2005</b>	<b>Percent change</b>	<b>Emp benefits FY2000</b>	<b>Emp benefits FY2005</b>	<b>Percent change</b>
<b>Beverly</b>	\$27,038	\$78,719	<b>191%</b>	\$164,900	\$199,389	<b>21%</b>
<b>Fall River</b>	\$56,211	\$118,846	<b>111%</b>	\$415,500	\$475,446	<b>14%</b>
<b>Gloucester</b>	\$37,801	\$73,438	<b>94%</b>	\$167,357	\$296,473	<b>77%</b>
<b>Chicopee</b>	\$42,659	\$111,899	<b>162%</b>	\$303,302	\$397,493	<b>31%</b>
<b>Worcester</b>	\$61,345	\$160,781	<b>162%</b>	n/a	n/a	-
<b>Brockton</b>	\$62,982	\$116,530	<b>85%</b>	\$311,052	\$387,271	<b>25%</b>
<b>Cambridge</b>	\$16,614	\$62,972	<b>279%</b>	n/a	n/a	-
<b>Lynn</b>	\$22,527	\$55,716	<b>147%</b>	\$131,618	\$159,350	<b>21%</b>
<b>Holyoke</b>	\$25,280	\$48,784	<b>93%</b>	n/a	n/a	-
<b>Total</b>	<b>\$352,457</b>	<b>\$827,685</b>	<b>135%</b>	<b>\$1,493,729</b>	<b>\$1,915,422</b>	<b>28%</b>

Increases in these mandatory expenses without increased revenue or subsidies have forced housing authorities to operate poor quality housing and to eliminate services and staff. These cuts mean less maintenance staff, backlogged repairs, extended unit turnover time, and fewer program resources such as youth employment and job training programs. In Chicopee, the Subcommittee learned that the housing authority cannot turn over units as fast as needed, due to an inability to pay maintenance staff for weekend and overtime work, thus resulting in lost rent revenue. Other maintenance items such as pest control, landscaping, and carpet cleaning are done less regularly or not at all. Indeed, operating state public housing grows more difficult as the housing ages, costs rise and resources continue to shrink.

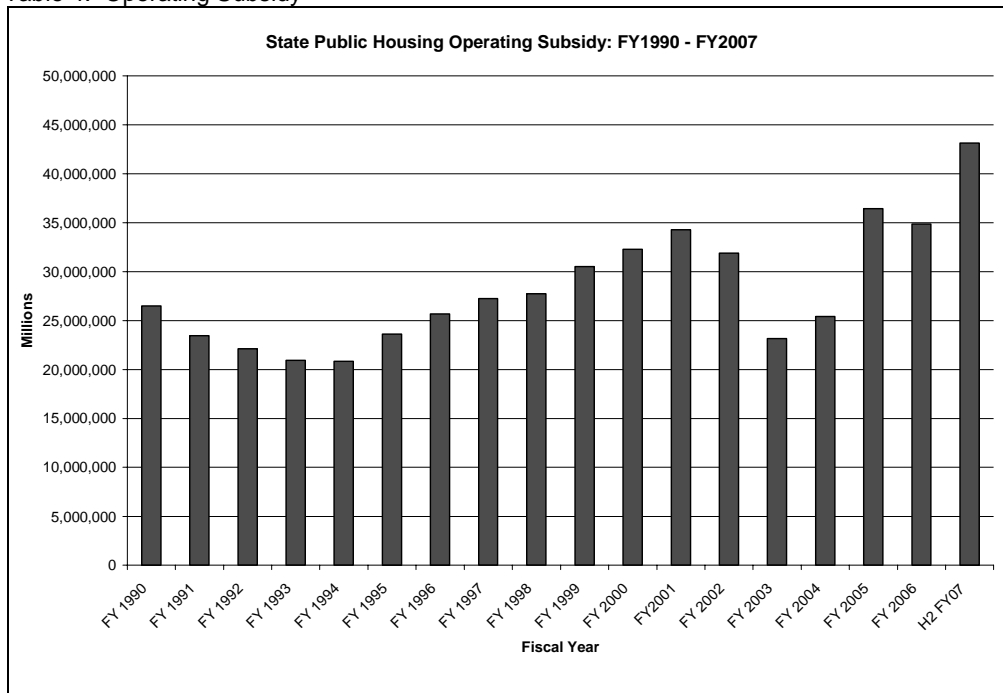
Another cost that has affected both deficit and non-deficit housing authorities state-wide is the increased cost of utilities. While DHCD is responsible for reimbursing deficit housing authorities for utility costs, the authorities must assume the cost upfront and hope they are reimbursed in a timely manner. Non-deficit authorities are responsible for their utilities and must bear the extra cost or submit a revised budget to DHCD requesting a subsidy. As the Subcommittee made its site visits between March and April of 2006 it learned that housing authorities had just been reimbursed for operating and utility subsidies dating back one to three fiscal years. Between FY 2000 and FY 2005, for the authorities visited by the Subcommittee, the average increase in utility costs was 45 percent, as shown in Table 3. The Fall River Housing Authority experienced the highest increase of 90 percent. Utility prices have been the primary cause of the increase, but the combination of aging building envelopes and antiquated building systems have only made the situation worse.

Table 3. Utility Costs

LHA	Utility - FY2000	Utility - FY2005 change	Percent
Beverly	\$463,227	\$513,958	11%
Fall River	\$828,163	\$1,570,329	90%
Gloucester	\$404,207	\$655,148	62%
Chicopee	\$463,227	\$513,958	11%
Worcester	\$1,360,562	\$1,966,273	45%
Brockton	\$750,792	\$1,113,447	48%
Cambridge	\$1,005,176	\$1,331,164	32%
Lynn	\$429,735	\$569,930	33%
Holyoke	\$366,090	\$550,242	50%
<b>Total</b>	<b>\$6,071,179</b>	<b>\$8,784,449</b>	<b>45%</b>

While the eleven LHAs visited by the Subcommittee illustrate anecdotally the discrepancies between needed and funded operating costs, the same can be said of the entire state-aided public housing stock. In total, state operating subsidy is only 72 percent of federal funding for federal public housing units. As shown in Table 4, operating subsidies have increased over time, meaning that the ‘deficit authorities’ have received the difference between rent revenues and the reasonable operating costs for the housing. Yet, it is important to remember that the size of the subsidy depends on an assessment of the reasonable operating costs for a particular property.

Table 4. Operating Subsidy



An attempt to quantify the cost of adequately operating state public housing was taken up most recently in a 2005 study commissioned by the Massachusetts National Association of Housing and Redevelopment Officials (MassNAHRO) and the Citizens’ Housing and Planning

Association (CHAPA).<sup>12</sup> The study, authored principally by James Stockard of the Harvard Graduate School of Design, compared the differences between operating costs of housing insured by the Federal Housing Administration and those financed by the Massachusetts Housing Finance Agency, to the budgets used for state public housing. This figure, called the Harvard Cost Model, provided a benchmark of operating expenses for state public housing units. As of 2002, median operating budgets on a monthly per unit basis were \$202, but should have been \$341 according to the Harvard Cost Model. This meant that in 2002, total annual non-utility expenses should have been about \$194 million – \$79 million more than the actual 2002 ANUEL of \$115 million.

In the past, housing authorities with both state and federal units were able to balance deficits in their state stock with federal resources. Equipment used in the federal units was shared with the state units. Balances of salaries and benefits for employees who served both state and federal units could also be shifted more towards federal dollars. While this practice was the only way some authorities were able to survive, it was illegal and HUD has since instituted a development based budget system. This complex finance structure means housing authorities will have to budget line items as they are proportionally used between state and federal units. Given that the state operating subsidy level is about three quarters of the per unit federal subsidy, funding shortfalls by the state will become more apparent and discrepancies between the units more pronounced.

The 80 LHAs in the commonwealth that operate federal public housing are shifting to development-based budgeting as per the recent HUD directive. As highlighted by each housing authority visited by the Subcommittee, if the commonwealth does not change the method of calculating expense levels, housing authorities will be left with two separate systems of reimbursement, one federally mandated and one from the state. As such, housing authorities will be unable to share resources between federal and state developments that literally sit next to one another. Indeed, the federal office of the inspector general has created a chilling effect on housing authorities by citing them for shared uses of resources.<sup>13</sup>

In addition to quantifying adequate operating budgets, the 2005 MassNAHRO and CHAPA study recommended that the state shift to a site-based management methodology whereby budgeting is done on a property-specific basis. As opposed to the current operation of state public housing on a portfolio basis that ignores actual expenditures, the study argues that a property-based system would promote professionalism and allow for local adjustments based on

---

<sup>12</sup> Stockard, 2005. See Appendix B.

<sup>13</sup> See for example: Fall River, Office of Inspector General, United States Department of Housing and Urban Development, Audit Report, 2005-BO-1005 (August 2005).

specific income and costs as well as vacancy rates, turn around times, tenant satisfaction, and other site-specific management issues.

For some authorities the lack of sufficient operating funds has reached a breaking point. At least five authorities, whose reserve levels have fallen close to zero, are seeking lines of credit from private financial institutions to meet their payroll obligations. These housing authorities will be responsible for paying the principal of the debt with future subsidies while DHCD will exempt any interest. This borrowing will keep the authorities solvent for now, but the added cost of debt reduces the total amount of subsidy that DHCD is able to offer to all authorities. The ability of authorities to do any financial planning is greatly limited by the uncertainty of subsidy timing and magnitude. Most recently the General Court passed a supplemental budget on July 20, 2006 to pay money to LHAs for past due utility payments in the amount of \$7,748,698. Additionally, no less than \$3,000,000 is earmarked for a 6% increase in non-utility expense levels for local housing authority budgets.

## **B. Modernization**

Directly related to operating funds for the state's public housing is the issue of capital improvements. When operating budgets are adequate, they can fund routine and preventative maintenance and extend the useful life of building components. Likewise, capital improvements can reduce operating costs by allowing for timely replacement of exhausted components. However, funding for capital improvements and the timing of such funds has failed to meet the need.

For housing authorities to receive modernization funds they must submit condition assessment reports (CARs) to DHCD requesting that certain developments receive funding. Housing authorities were allowed to submit CARs in 1998 and again in 2001, however, they were limited in the number of CARs they were allowed to submit, thus making these reports incapable of reflecting true need. Not knowing how many future CARs they would be allowed to submit, nor what portion of current submissions would be funded, housing authorities have been forced to make difficult decisions that don't necessarily promote comprehensive capital planning. The Worcester Housing Authority submitted twelve CARs in 1998 and received funding for seven. During the next round in 2001, it submitted twelve requests only to receive funding for one and partial funding for another. The partially funded modernization project called for new roofs on four groups of units, but only one group received new roofing in an emergency funding award. Lynn Housing and Neighborhood Development (LHAND) had similar experiences, thus thwarting its ability to do capital planning. In 1994 LHAND received awards for only three CARs out of the 25 that were submitted. After the 1994 awards LHAND conducted a needs assessment and identified 20 additional items in need of repair. However, for the next round of

awards in 1998, LHAND was only allowed to submit six CARS, this time receiving awards for five. For the latest round of six CARs submitted in 2002, LHAND has not received a single award.

This lack of state modernization funding is particularly stark when compared to federal investments. Indeed, state modernization funding has been less than half the amount allocated to federal units. The Subcommittee consistently heard from tenants that federal units are much more desirable because of their physical condition as well as their more robust programs and services. In its visit to Jefferson Park in Cambridge, the Subcommittee saw firsthand the difference that appropriate funding can make. Directly across from a newly renovated federal development, state units with leaks and mold were being taken offline. The Cambridge Housing Authority recently conducted a site assessment of its state assisted public housing stock and determined it alone had a \$47 million need for the modernization of 746 units. The assessment includes items that are essential to keeping units online and habitable such as windows, roofs, waterproofing, new masonry and generators. Indeed, these types of needs are present throughout the entire state portfolio.

The General Court has consistently provided legislative authorization for modernization funds. In 2000, the legislature added language to the state fiscal year 2001 budget authorizing a capital reserve account.<sup>14</sup> The language simply stated: “all funds in excess of normal utilities, operations and maintenance costs may be expended for capital repairs.” This capital reserve account could be an important source of financing and leveraging funds for public housing modernization outside of executive branch limits on bonding, if funded more substantially by the legislature.

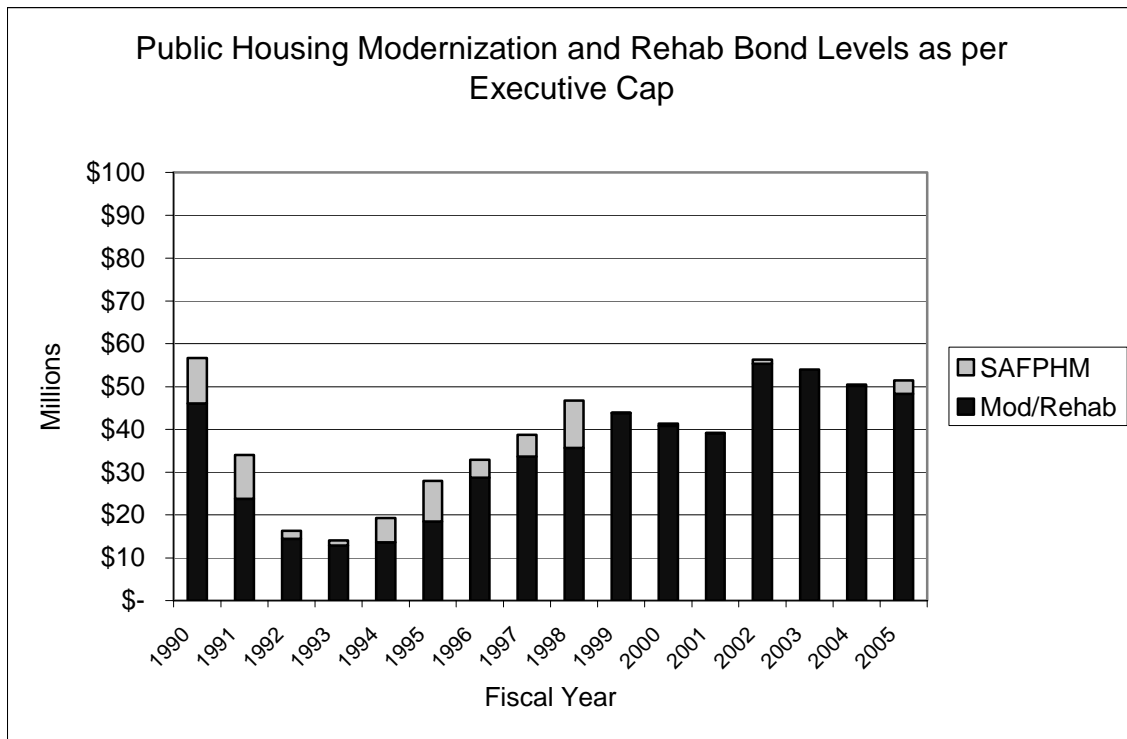
In 2002 the General Court authorized a \$350 million down payment on a total existing capital need of \$1 billion. At the time DHCD had estimated that \$948,078,449 was needed to repair expired components. However, despite this authorization, averaging \$70 million per year, the executive, acting through DHCD, capped actual modernization allowances at only \$50 million (see Table 5). Typically, prior to the end of the five year authorization of bonding authority, the General Court would be engaged in discussions with the executive branch regarding the reauthorization of an additional public housing bond. However, the executive branch has not even initiated such discussions in support of public housing. Even more concerning is that after five fiscal years since the 2002 bond legislation, there remains \$215 million in legislative authorization at the beginning of state fiscal year 2007 for state aided public housing modernization. Indeed, DHCD itself has recognized that the capital improvement backlog at state public housing is easily greater than \$1 billion and that the current \$50 million per year

---

<sup>14</sup> See line-item 7004-9005 in section 2 of chapter 159 of the Acts of 2000.

executive branch bond cap is not enough to both replace currently expiring building components and to reduce the backlog of projects.<sup>15</sup>

Table 5. State Capital Improvement Funding<sup>16</sup>



Known capital needs have been significantly under funded. Compounding the difficulty to secure funding, DHCD has not completed an independent, comprehensive, and updated inventory of true capital and modernization needs. DHCD recently implemented a new capital planning system to assess conditions of buildings and housing unit components for 3,300 units of state public housing.<sup>17</sup> Until DHCD completes a proper capital needs inventory, the best estimate of need for the entire state public housing stock comes from a report done for CHAPA in 2001, which put total capital need, to stabilize the inventory, at roughly \$1.5 billion over ten years.<sup>18</sup> Yet, as the housing ages, costs to maintain and restore it will continue to rise.

<sup>15</sup> See pre-proposal briefing minutes, questions and answers regarding RFR for Capital Needs Assessment for State Assisted Housing Developments, December 2, 2005 available at Comm-Pass Document Number: DHCD2006-04.

<sup>16</sup> Data provided by DHCD on July 24, 2006. The \$85 million SAFPHM program began in the 1980s and uses state grant money to repair and rehab federal public housing units. Thus, actual funding to state public housing is represented by the bar labeled Mod/Rehab. See item 3722-8865 in section 6 of chapter 748 of the Acts of 1985 and also item 3722-8875 in section 3 of chapter 226 of 1987.

<sup>17</sup> In June of 2006 DHCD entered into a \$355,542 contract with EMG of Hunt Valley, Maryland to conduct assessments and assists LHAs with capital improvement plans.

<sup>18</sup> Stainton and Regan, 2001.

Table 6. 10-Year Estimate of Modernization Needs by Unit Type and Level of Capital Need as of 2001<sup>19</sup>

Unit Type	Total Units	Component Replacement			Comprehensive Modernization			Major Redevelopment			TOTAL COST
		Average Cost	Units	%	Average Cost	Units	%	Average Cost	Units	%	
<b>Ch. 200</b>											
3 story walk-up (22 projects)	4,150	\$ 45,000	2,075	50%	\$ 70,000	1,245	30%	\$ 150,000	830	20%	\$ 305,025,000
Townhouse (99 projects)	8,600	\$ 35,000	6,880	80%	\$ 60,000	1,118	13%	\$ 85,000	602	7%	\$ 359,050,000
<b>Ch. 705</b>											
Scattered site	3,000	\$ 20,000	2,700	90%	\$ 40,000	300	10%				\$ 66,000,000
<b>Ch. 667</b>											
Elderly high-rise (82 projects)	7,500	\$ 20,000	5,000	67%	\$ 30,000	2,500	33%				\$ 175,000,000
2-3 story elderly (409 projects)	20,500	\$ 20,000	14,350	70%	\$ 30,000	6,150	30%				\$ 471,500,000
One story elderly (144 projects)	4,400	\$ 15,000	3,520	80%	\$ 35,000	880	20%				\$ 83,600,000
<b>Totals</b>	<b>48,150</b>		<b>34,525</b>	<b>72%</b>		<b>12,193</b>	<b>25%</b>		<b>1,432</b>	<b>3%</b>	<b>\$ 1,460,175,000</b>

## V. Conclusion

State-aided public housing is a unique and valuable resource for the commonwealth. It serves those without other housing options, including family, elderly, disabled, and special needs populations. As witnessed by the Subcommittee, public housing communities often have more to offer than other privately managed apartment buildings. The social services, self-sufficiency programs, affordability, and diverse populations served by the state's public housing, create communities that deserve special attention and a renewed commitment from the commonwealth. The private sector cannot replace this resource and the lack of economic mobility of those served by state public housing severely limits their ability to move into existing private housing.

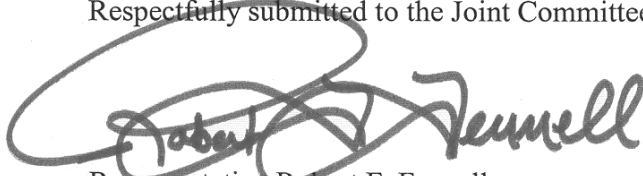
While the state should be proud of its public housing stock, it has instead provided it with drastically inadequate funds for operating and capital improvements. This devaluation can be described as a hemorrhaging of resources that is not only fiscally imprudent, but also deleterious to the health and safety of public housing residents throughout the commonwealth. A recent study by the Harvard School of Public Health found that poor quality public housing developments contribute to high youth asthma rates and other health problems.<sup>20</sup> Moreover, the consequences of poor funding include a depletion of operating reserves, loss of units, displacement of very low income families, neighborhood deterioration and security problems emanating from distressed developments. Fortunately, the wounds caused by inadequate operating and modernization funds can still be healed, the hemorrhaging can stop, and Massachusetts can begin to fulfill the commitment it made so many years ago.

<sup>19</sup> Stainton and Regan, 2001, p.31.

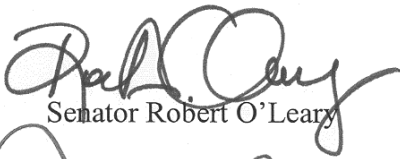
<sup>20</sup> John D. Spengler, Final Report to HUD: The Healthy Public Housing Initiative, November 2004.

Following this report, the Subcommittee will release its specific recommendations about how to remedy and reinvest in the state's public housing through the empowerment of an existing state bonding authority or the creation of a new autonomous public housing operating and modernization authority to finance the state's public housing stock well into the future. As reflected in the goals of the legislature's 1965 Special Commission on Low Income Housing, this Subcommittee shall continue to advocate and provide for the protection and preservation of state public housing. ■

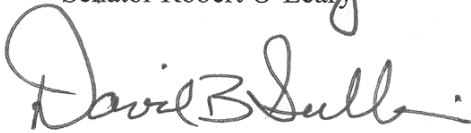
Respectfully submitted to the Joint Committee on Housing,



Representative Robert F. Fennell  
Chairman, Subcommittee on Public Housing



Senator Robert O'Leary



Representative David B. Sullivan



Senator Steven A. Tolman



Representative Martha M. Walz

**Appendix A. Summary of Site Visits**  
(Chronological Order)

**Lynn - September 26, 2005**

The Subcommittee met with state senator Tom McGee, state representative Steven Walsh, Lynn Housing Authority and Neighborhood Development (LHAND) executive director Charles Gaeta, director of operations Paul Dejoie, and property manager David Raymond, at LHAND headquarters at 10 Church Street in Lynn. Ron Dupuis, LHAND's modernization manager, presented their efforts to modernize its state-assisted housing stock. Joe Scanlon, LHAND's director of policy and finance, provided details of the operating costs of the city's state assisted portfolio.

The Subcommittee visited the 85-unit Meadow Court development with facilities manager Dave Raymond. At Meadow Court, poor foundation conditions caused uneven floors and cracked brick on the exterior of the buildings. About ten years ago, an 8 unit building at Meadow Court was demolished due to poor foundations.

**Beverly - September 26, 2005**

The Subcommittee met with Mayor William Scanlon, Beverly Housing Authority's (BHA) director Kevin Ascolillo, and state representative Mary Grant at BHA elderly apartments at 60 Herrick Street. It was conveyed to the Subcommittee that in 2003 DHCD told the BHA to take the Herrick Street apartments "offline," and that all capital improvement projects would be placed on hold.

The Subcommittee saw roofs in disrepair, broken doorways, dislodged windows, and chipping exterior paint. In addition to the physical deterioration, the units are not marketable to seniors because of their obsolete design, small size (from 300 to 700 square feet) and outdated kitchens and baths. The only option for the vacant Herrick Street units is a complete modernization of the development including breakthroughs to expand unit size.

**Gloucester - September 26, 2005**

Along with state senator Bruce Tarr and state representative Anthony Verga, the Subcommittee met at the Gloucester Housing Authority's (GHA) headquarters at 259 Washington Street, and heard testimony from director William Dugan, assistant director David Houlden, and several local tenant and advocacy groups. GHA operates 1,289 units of state and federally assisted public housing. The majority of staff time at GHA is devoted to state public housing which comprises less than half of the GHA's housing stock. The Subcommittee then visited the Riverdale development on Washington Street, toured a resident's apartment, and saw first hand the need for new roofs, stoves, electrical upgrades, and drainage improvements.

GHA currently oversees a successful home ownership program. GHA has also partnered with the Open Door Cape Ann Food Pantry, the Assembly of God Church of Gloucester, Art Space, and the City of Gloucester to provide resident services. With the loss of their youth coordinator due to budget cuts these programs have become invaluable.

### **Chicopee - October 3, 2005**

The Subcommittee met with state representative Joseph Wagner, along with Chicopee Housing Authority (CHA) director Charles Swider, executive director James Lynch, and community development director Jeanne Kidwell, at one of the city's developments at 664 Meadow Street. The tour was also joined by state representative Sean Curran, and state representative James Welch. The Meadow Street development had large areas of ground covered with concrete and old steel poles standing upright from the ground taking away from open recreational space. The buildings were also serviced by heating equipment so outdated that replacement parts could not be found. Custom made replacement parts are the only option. The Subcommittee then visited the Cabot Manor development, which is a federally-assisted complex located off of Hampden Street, near Chicopee center. The 150 units in the complex range in size from one to four bedrooms. This development, which also offers day care services for children, benefits from large areas of green space and has two community buildings serving resident needs. Constructed between 1959 and 1961, this development was part of an urban renewal effort and it replaced an older CHA wartime development named Curtis Terrace.

### **Holyoke - October 3, 2005**

The tour, joined by state representative Michael Kane, met with Holyoke mayor Michael Sullivan and the Housing Authority's director, Ray Murphy, at the Siebel Apartments on Nonotuck Street. A tour of the 47 year old Seibel Apartments found old oil burners and exposed basement wires and pipes. The Subcommittee also saw units in need of new kitchens and baths, new roofs and new flooring. The tour then examined the facilities around the city, including the Jackson Parkway Apartments, a 219-unit family development built in 1941.

A physical needs assessment for 297 units of state assisted housing done by the Housing Authority identifies over \$3.5 million in modernization needs. Overall, the Holyoke Housing Authority currently oversees 2,034 units.

### **Brockton - October 7, 2005**

The tour started at the community room of the newly redeveloped Roosevelt Heights housing complex, with Brockton Housing Authority (BHA) executive director Richard Sergi and state senator Robert Creedon offering opening remarks. The tour also was attended by state representatives Geraldine Creedon and Christine Canavan, and Sarah Connors, aide to state representative Thomas Kennedy.

Led by Thomas Thibeault, the BHA's chief operating officer, the Subcommittee viewed three developments: Roosevelt Heights (100 units), Crosby Gardens (74 units), and Washburn Heights (50 units). At Roosevelt Heights, the Subcommittee saw what was possible when the state applies the proper resources. An \$11.9 million modernization transformed Roosevelt Heights into Brockton's flagship development. By comparison Crosby Gardens and Washburn Heights are in desperate need of help. Crosby Gardens, home to mostly elderly residents, had ripped and missing hallway carpets and an unmistakable moldy smell through the facility. In Washburn Heights, a family development, rotting window sills, lead paint trim, collapsing shelves, moldy baths, and leaking roofs are common.

### **Fall River - October 7, 2005**

The Subcommittee, along with state representative Kevin Honan, chairman of the legislature's Joint Committee on Housing, met with the director of the Fall River Housing Authority (FRHA), Thomas Collins, at the Housing Authority headquarters. After remarks by state representative David Sullivan and state senator Joan Menard, the Subcommittee continued onto a tour of two developments; Bishop Eid a 54 unit elderly development and Pleasant View a 131 unit family development originally constructed as veterans housing. Bishop Eid, located near the center of the city, has rotting and molding ceiling tiles, dark hallways, and missing bricks from the front courtyard.

The Pleasant View facility, once home to state representative David Sullivan, has had no significant rehabilitation work done since it opened in 1950. A tour of the buildings found rotting wooden stairways and broken exterior windows. There are asbestos tile floors throughout the facility. One offline unit smelled so badly from bug infestation it was uninhabitable.

Overall, the Fall River Housing Authority oversees 900 units of state assisted housing, of which 200 are family sites that are over 50 years old and in need of significant repairs. Mr. Collins stressed that DHCD has level funded housing operations at the FRHA, which has resulted in a nearly \$1.7 million dollar operating subsidy shortfall.

### **Cambridge - October 11, 2005**

The Subcommittee met at the Jefferson Park Apartments with executive director Gregory Russ, and members of the Cambridge Housing Authority's (CHA) board of commissioners. After a roundtable presentation and discussion, the group toured two family developments, Jefferson Park (109 units) and Woodrow Wilson (69 units). Jefferson Park, with an annual budget of \$555,900, is running an \$180,504 operating deficit, while Woodrow Wilson, with a \$324,000 budget, is running an \$86,940 deficit.

A tour of two units at Jefferson Park showed the horrible condition of the offline state units. The Subcommittee saw molding windows, cracked plaster walls and filthy flooring. To date, temporary fixes of the building envelope have been unable to stop the leaking. Only new exterior masonry and windows will stop the leaking and get the units back on line. This was in stark contrast to a tour of federal units directly across the street, which were clean and in very good condition.

In spite of its challenges, the CHA provides unique after school life skills classes for its residents and has instituted a program for tracking students' attendance and performance in the city's schools. According to CHA statistics, 100 percent of students residing in state assisted units graduate from high school, and 86 percent attend two or four year post secondary schools.

### **Worcester - October 21, 2005**

A tour of the Great Brook Valley housing development, including the c.200 Curtis Apartments, was led by Ray Mariano, executive director of Worcester Housing Authority (WHA) and former mayor of Worcester.

Mr. Mariano related that he himself was a 20 year resident of public housing and that when his mother went to the Housing Authority maintenance staff she would come home literally crying

about their inability to respond to maintenance issues. Because of this Mr. Mariano insists that WHA management apply the “mother test”, treating everyone like their own mothers and ensure that problems are addressed quickly.

Mr. Mariano’s management philosophy reflects the highest goals of the General Court’s intent to provide safe and decent housing to poor families and individuals. His goal is to address all a tenant’s needs at initial move in by making sure they have furniture and are not left without food. At our site visit, his concern for tenant safety was paramount. He has hired a number of off-duty police officers as a security detail. The Worcester police, through Sergeant Steve Roach, head of the gang unit, also work with the school age tenants, involving them in safe activities such as baseball and horseback riding. WHA and UMASS have also formed a valuable partnership that provides residents podiatry and other medical services that would otherwise not be available.

At the site visits, tenants echoed the positive efforts of the Housing Authority regarding maintenance and security. A tenant named Linda said: “this place is awesome, it’s a great place to live, it’s my home - I want to stay here”. One tenant reacting to the Housing Authority’s relationship with the Worcester gang unit – “I don’t know whether they work day or night but they are always there for us.”

But Worcester is not without serious issues. The Housing Authority stated that DHCD has been very supportive of the need for modernization but that the money for the extensive rehab and redesign of units simply has not been sufficient or timely. The rehabilitation of the state assisted family developments contained within Great Brook Valley has been delayed a number of years. Five years ago this redevelopment would have cost \$16 million, today the cost is estimated at \$26 million.

#### **Brewster - January 20, 2006**

The Subcommittee, along with state representative Cleon Turner, met with Housing Authority director Jackalyn Courchesne and BHA chairman Robert Hooper at the Frederick Court development. Also joining the discussions were the Cape Cod Commission’s Paul Ruchinkas, along with the directors of the Barnstable and Dennis housing authorities. The Subcommittee received testimony from several area housing and tenancy groups, followed by a walking tour of the facility. The 32 unit elderly facility has fallen into slight disrepair, evidenced by deteriorating roof shingles and pock-marked sidings. Of particular concern was the contrast between the state facilities and the adjoining federal buildings abutting 11 Frederick Court.

#### **Yarmouth - January 20, 2006**

The Subcommittee, along with Representative Cleon Turner, met with the Yarmouth Housing Authority’s (YHA) director, Donna Killeen, at the Long Pond Plaza facility in South Yarmouth. The Subcommittee heard from local residents and toured the Long Pond Plaza development.

Of particular concern to the YHA are the 148 percent increase in expenses the authority has seen over the last year, and the 80 percent increase in heating and gasoline costs. In addition, the authority had no money for preventative maintenance work.

## Appendix B. 2002 Operating Cost Projections and Comparisons (Stockard, 2005)

COMMUNITY	TOTAL UNITS	2002 ALLOWABLE NON-UTILITY AVG. EXPENSE (ANUEL)	HARVARD COST MODEL AVG. ESTIMATED EXPENSE (HCM)	TOTAL ANNUAL ANUEL	TOTAL ANNUAL HCM	TOTAL ANNUAL DIFFERENCE
ABINGTON	116	\$163	\$282	\$226,872	\$392,538	\$165,665
ACTON*	130	\$204	\$346	\$318,896	\$539,145	\$220,249
ACUSHNET	60	\$158	\$280	\$113,473	\$201,695	\$88,222
ADAMS*	88	\$200	\$306	\$211,373	\$323,024	\$111,651
AGAWAM*	244	\$185	\$292	\$542,690	\$856,196	\$313,506
AMESBURY*	255	\$185	\$347	\$567,137	\$1,062,474	\$495,336
AMHERST*	155	\$180	\$298	\$334,339	\$554,961	\$220,621
ANDOVER*	281	\$183	\$303	\$618,136	\$1,023,025	\$404,889
ARLINGTON	696	\$190	\$361	\$1,588,783	\$3,017,779	\$1,428,995
ASHLAND	40	\$158	\$324	\$75,649	\$155,631	\$79,983
ATHOL*	93	\$184	\$252	\$205,847	\$280,992	\$75,144
ATTLEBORO*	434	\$190	\$311	\$991,321	\$1,620,864	\$629,543
AUBURN	132	\$195	\$297	\$309,569	\$470,707	\$161,138
AVON	70	\$158	\$280	\$132,385	\$235,311	\$102,926
AYER	74	\$185	\$332	\$164,296	\$295,184	\$130,888
BARNSTABLE*	224	\$207	\$319	\$556,599	\$857,411	\$300,812
BARRE	66	\$191	\$300	\$151,039	\$237,428	\$86,389
BEDFORD	92	\$174	\$339	\$192,571	\$374,805	\$182,233
BELCHERTOWN	61	\$191	\$304	\$139,710	\$222,667	\$82,957
BELLINGHAM	123	\$161	\$326	\$238,238	\$481,831	\$243,593
BELMONT*	254	\$208	\$368	\$635,196	\$1,122,969	\$487,772
BERNARDSTON	20	\$158	\$229	\$37,824	\$55,017	\$17,193
BEVERLY	471	\$194	\$355	\$1,094,384	\$2,004,816	\$910,432
BILLERICA	188	\$167	\$283	\$376,149	\$639,442	\$263,293
BLACKSTONE	56	\$158	\$324	\$105,908	\$217,884	\$111,976
BOSTON*	2516	\$278	\$434	\$8,399,390	\$13,088,555	\$4,689,165
BOURNE*	50	\$201	\$261	\$120,779	\$156,396	\$35,617
BRAINTREE	186	\$163	\$324	\$364,876	\$722,630	\$357,753
BREWSTER	56	\$224	\$311	\$150,854	\$209,257	\$58,403
BRIDGEWATER	161	\$170	\$281	\$328,832	\$543,815	\$214,983
BRIMFIELD*	60	\$158	\$240	\$113,473	\$173,100	\$59,627
BROCKTON*	494	\$215	\$336	\$1,276,698	\$1,989,346	\$712,648
BROOKFIELD*	2	\$314	\$339	\$7,528	\$8,133	\$605
BROOKLINE*	423	\$273	\$408	\$1,385,370	\$2,072,452	\$687,082
BUCKLAND	3	\$314	\$354	\$11,292	\$12,739	\$1,447
BURLINGTON	107	\$161	\$322	\$206,106	\$413,490	\$207,384
CAMBRIDGE*	750	\$224	\$372	\$2,017,318	\$3,351,905	\$1,334,588
CANTON	235	\$177	\$344	\$497,801	\$970,945	\$473,145
CARVER	28	\$202	\$346	\$67,936	\$116,234	\$48,298
CHARLEMONT	3	\$314	\$333	\$11,292	\$11,997	\$705
CHARLTON	36	\$184	\$300	\$79,320	\$129,814	\$50,494
CHATHAM	61	\$163	\$273	\$119,110	\$200,017	\$80,907
CHELMSFORD	183	\$167	\$286	\$366,693	\$627,509	\$260,816
CHELSEA*	558	\$226	\$387	\$1,510,491	\$2,593,904	\$1,083,413
CHICOPEE*	816	\$209	\$313	\$2,042,965	\$3,061,198	\$1,018,233
CLINTON*	167	\$182	\$298	\$365,378	\$597,874	\$232,495
COHASSET*	64	\$158	\$324	\$121,038	\$249,010	\$127,972
CONCORD	116	\$195	\$349	\$271,818	\$485,614	\$213,795
CUMMINGTON	16	\$177	\$245	\$34,005	\$47,045	\$13,040
DALTON	82	\$158	\$287	\$155,080	\$282,358	\$127,278
DANVERS	182	\$171	\$325	\$374,166	\$709,984	\$335,818
DARTMOUTH	124	\$158	\$275	\$234,511	\$409,097	\$174,586
DEDHAM*	311	\$202	\$364	\$752,285	\$1,358,776	\$606,491
DENNIS*	144	\$179	\$328	\$309,790	\$567,247	\$257,456
DIGHTON	64	\$158	\$346	\$121,038	\$266,005	\$144,967
DRACUT	128	\$216	\$309	\$331,968	\$475,379	\$143,411
DUDLEY	80	\$158	\$272	\$151,298	\$261,502	\$110,204
DUXBURY*	58	\$174	\$334	\$120,927	\$232,214	\$111,287
EAST BRIDGEWATER	137	\$167	\$280	\$274,079	\$460,394	\$186,315
EAST LONGMEADOW*	193	\$162	\$281	\$376,242	\$650,085	\$273,843
EASTHAMPTON	185	\$183	\$297	\$405,363	\$660,035	\$254,672

COMMUNITY	TOTAL UNITS	2002 ALLOWABLE NON-UTILITY AVG. EXPENSE (ANUEL)	HARVARD COST MODEL AVG. ESTIMATED EXPENSE (HCM)	TOTAL ANNUAL ANUEL	TOTAL ANNUAL HCM	TOTAL ANNUAL DIFFERENCE
EASTON	194	\$166	\$284	\$385,624	\$660,776	\$275,151
ESSEX*	40	\$158	\$324	\$75,649	\$155,631	\$79,983
EVERETT	671	\$233	\$392	\$1,875,930	\$3,158,210	\$1,282,280
FAIRHAVEN	285	\$161	\$278	\$550,234	\$950,694	\$400,460
FALL RIVER*	876	\$226	\$349	\$2,379,619	\$3,667,843	\$1,288,224
FALMOUTH	138	\$186	\$266	\$307,806	\$440,071	\$132,265
FITCHBURG*	545	\$200	\$325	\$1,308,400	\$2,127,988	\$819,588
FOXBORO	14	\$314	\$428	\$52,696	\$71,946	\$19,250
FOXBOROUGH	133	\$192	\$344	\$305,843	\$549,600	\$243,757
FRAMINGHAM*	752	\$189	\$351	\$1,708,627	\$3,165,577	\$1,456,950
FRANKLIN	198	\$180	\$337	\$427,177	\$800,564	\$373,387
FRANKLIN COUNTY*	16	\$177	\$230	\$34,005	\$44,155	\$10,150
GARDNER*	317	\$185	\$301	\$705,123	\$1,146,804	\$441,682
GEORGETOWN	146	\$179	\$292	\$313,573	\$510,909	\$197,336
GLOUCESTER*	537	\$200	\$363	\$1,291,400	\$2,337,319	\$1,045,920
GRAFTON	150	\$178	\$311	\$319,692	\$559,109	\$239,418
GRANBY*	56	\$158	\$280	\$105,908	\$188,249	\$82,341
GREAT BARRINGTON*	78	\$186	\$241	\$173,734	\$225,520	\$51,786
GREENFIELD*	238	\$222	\$283	\$632,750	\$808,344	\$175,595
GROTON*	27	\$198	\$294	\$64,172	\$95,139	\$30,967
GROVELAND*	1	\$314	\$414	\$3,764	\$4,969	\$1,205
HADLEY*	52	\$194	\$324	\$120,816	\$202,291	\$81,474
HALIFAX	28	\$202	\$299	\$67,936	\$100,608	\$32,672
HAMILTON	57	\$171	\$326	\$117,163	\$222,817	\$105,653
HAMPDEN	60	\$158	\$278	\$113,473	\$200,463	\$86,989
HANSON	68	\$158	\$273	\$128,603	\$223,167	\$94,564
HARWICH*	12	\$314	\$388	\$45,168	\$55,869	\$10,702
HATFIELD	44	\$158	\$275	\$83,214	\$144,968	\$61,754
HAVERHILL*	435	\$201	\$313	\$1,049,247	\$1,635,334	\$586,088
HINGHAM*	92	\$171	\$328	\$188,974	\$362,066	\$173,092
HOLBROOK	84	\$176	\$337	\$177,590	\$339,195	\$161,605
HOLDEN*	56	\$180	\$304	\$120,890	\$204,082	\$83,191
HOLLISTON	78	\$170	\$322	\$158,752	\$301,570	\$142,818
HOLYOKE*	291	\$261	\$374	\$912,862	\$1,305,367	\$392,505
HOPEDALE	80	\$158	\$324	\$151,298	\$311,263	\$159,965
HOPKINTON	98	\$167	\$324	\$196,576	\$380,975	\$184,400
HUDSON*	126	\$158	\$324	\$238,294	\$490,239	\$251,945
HULL*	68	\$211	\$372	\$171,954	\$303,896	\$131,941
HUNTINGTON	26	\$182	\$292	\$56,663	\$90,985	\$34,322
IPSWICH*	238	\$180	\$343	\$513,487	\$980,828	\$467,341
KINGSTON	48	\$158	\$324	\$90,779	\$186,758	\$95,979
LANCASTER	70	\$158	\$318	\$132,385	\$266,937	\$134,552
LAWRENCE*	522	\$269	\$377	\$1,685,486	\$2,362,489	\$677,003
LEE*	64	\$197	\$316	\$151,002	\$242,943	\$91,941
LEICESTER	124	\$158	\$278	\$234,511	\$414,162	\$179,651
LENOX*	110	\$169	\$285	\$223,016	\$376,512	\$153,496
LEOMINSTER*	424	\$183	\$307	\$931,757	\$1,560,384	\$628,627
LEXINGTON*	149	\$159	\$332	\$283,664	\$593,878	\$310,213
LITTLETON	60	\$189	\$341	\$135,946	\$245,167	\$109,221
LOWELL*	233	\$202	\$301	\$566,128	\$842,318	\$276,189
LUDLOW	163	\$173	\$290	\$338,232	\$566,560	\$228,328
LUNENBURG*	54	\$175	\$289	\$113,362	\$187,479	\$74,116
LYNN*	387	\$171	\$347	\$795,575	\$1,610,047	\$814,473
LYNNFIELD	65	\$158	\$322	\$122,929	\$251,388	\$128,459
MALDEN	405	\$228	\$386	\$1,106,563	\$1,877,393	\$770,830
MANCHESTER	84	\$165	\$337	\$166,353	\$340,136	\$173,782
MANSFIELD	153	\$178	\$339	\$327,312	\$622,619	\$295,307
MARBLEHEAD	301	\$194	\$354	\$701,908	\$1,279,012	\$577,104
MARLBOROUGH	227	\$158	\$321	\$429,307	\$875,031	\$445,724
MARSHFIELD*	120	\$188	\$329	\$270,020	\$473,126	\$203,106
MASHPEE	30	\$189	\$286	\$67,973	\$103,029	\$35,056

COMMUNITY	TOTAL UNITS	2002 ALLOWABLE NON-UTILITY AVG. EXPENSE (ANUEL)	HARVARD COST MODEL AVG. ESTIMATED EXPENSE (HCM)	TOTAL ANNUAL ANUEL	TOTAL ANNUAL HCM	TOTAL ANNUAL DIFFERENCE
MATTAPOISETT*	64	\$178	\$288	\$136,521	\$221,147	\$84,627
MAYNARD	56	\$158	\$324	\$105,908	\$217,884	\$111,976
MEDFIELD	60	\$158	\$330	\$113,473	\$237,594	\$124,121
MEDFORD*	399	\$216	\$377	\$1,033,285	\$1,803,006	\$769,720
MEDWAY	94	\$158	\$332	\$177,775	\$374,762	\$196,988
MELROSE	320	\$165	\$326	\$633,281	\$1,252,834	\$619,553
MENDON	30	\$158	\$318	\$56,737	\$114,402	\$57,665
MERRIMAC	52	\$170	\$286	\$105,834	\$178,343	\$72,509
METHUEN	362	\$185	\$299	\$802,188	\$1,300,568	\$498,379
MIDDLEBOROUGH*	182	\$177	\$293	\$387,553	\$639,358	\$251,804
MIDDLETON	66	\$186	\$356	\$147,293	\$282,126	\$134,832
MILFORD*	271	\$204	\$377	\$662,424	\$1,225,544	\$563,120
MILLBURY	186	\$185	\$300	\$412,947	\$669,809	\$256,862
MILLIS*	83	\$176	\$345	\$175,699	\$343,519	\$167,820
MILTON	52	\$194	\$337	\$120,816	\$210,110	\$89,293
MONSON*	119	\$180	\$302	\$256,892	\$431,802	\$174,910
MONTAGUE*	127	\$188	\$273	\$286,633	\$415,328	\$128,695
NAHANT	48	\$211	\$362	\$121,818	\$208,421	\$86,603
NANTUCKET	22	\$243	\$279	\$64,080	\$73,672	\$9,593
NATICK	401	\$184	\$359	\$884,484	\$1,726,057	\$841,574
NEEDHAM*	232	\$202	\$362	\$562,625	\$1,008,940	\$446,315
NEW BEDFORD*	888	\$235	\$356	\$2,506,827	\$3,795,756	\$1,288,928
NEWBURYPORT	142	\$196	\$374	\$333,580	\$638,029	\$304,449
NEWTON*	210	\$217	\$351	\$546,976	\$883,345	\$336,369
NORFOLK	84	\$195	\$348	\$196,317	\$351,217	\$154,900
NORTH ANDOVER	180	\$177	\$291	\$381,324	\$628,780	\$247,456
NORTH ATTLEBOROUGH*	260	\$176	\$291	\$548,901	\$907,463	\$358,562
NORTH BROOKFIELD*	78	\$186	\$287	\$173,734	\$268,864	\$95,130
NORTH READING	44	\$172	\$326	\$90,705	\$172,350	\$81,645
NORTHAMPTON*	470	\$184	\$319	\$1,037,081	\$1,797,392	\$760,311
NORTHBOROUGH*	130	\$189	\$305	\$294,550	\$475,358	\$180,809
NORTHBRIDGE	80	\$158	\$296	\$151,298	\$284,069	\$132,772
NORTHFIELD	24	\$184	\$239	\$52,880	\$68,724	\$15,844
NORTON	144	\$173	\$329	\$298,554	\$568,475	\$269,921
NORWELL	80	\$158	\$324	\$151,298	\$311,263	\$159,965
NORWOOD	385	\$183	\$331	\$844,239	\$1,527,106	\$682,867
ORANGE*	79	\$203	\$267	\$192,480	\$253,314	\$60,835
ORLEANS*	111	\$173	\$290	\$230,526	\$386,041	\$155,516
OXFORD	132	\$174	\$285	\$275,859	\$451,550	\$175,690
PALMER*	48	\$158	\$280	\$90,779	\$161,356	\$70,578
PEABODY*	478	\$195	\$362	\$1,121,353	\$2,073,724	\$952,371
PEMBROKE	127	\$171	\$327	\$260,785	\$497,685	\$236,900
PEPPERELL	64	\$175	\$281	\$134,147	\$215,479	\$81,332
PITTSFIELD*	540	\$200	\$319	\$1,298,417	\$2,064,734	\$766,317
PLAINVILLE	40	\$158	\$324	\$75,649	\$155,631	\$79,983
PLYMOUTH*	237	\$183	\$345	\$521,387	\$981,096	\$459,709
PROVINCETOWN	30	\$189	\$242	\$67,973	\$87,076	\$19,103
QUINCY*	904	\$221	\$379	\$2,393,940	\$4,108,798	\$1,714,858
RANDOLPH	236	\$158	\$329	\$446,328	\$930,972	\$484,644
RAYNHAM	62	\$158	\$268	\$117,256	\$199,428	\$82,173
READING	90	\$175	\$337	\$188,937	\$364,214	\$175,277
REVERE*	705	\$225	\$383	\$1,903,459	\$3,238,233	\$1,334,773
ROCKLAND	42	\$158	\$318	\$79,431	\$160,162	\$80,731
ROCKPORT*	104	\$194	\$351	\$241,633	\$438,347	\$196,714
ROWLEY	54	\$192	\$339	\$124,599	\$219,636	\$95,037
SALEM*	649	\$197	\$355	\$1,536,202	\$2,767,270	\$1,231,068
SALISBURY*	80	\$158	\$324	\$151,298	\$311,263	\$159,965
SANDWICH	49	\$199	\$293	\$117,015	\$172,006	\$54,990
SAUGUS*	215	\$163	\$323	\$421,594	\$834,132	\$412,537
SCITUATE	158	\$158	\$332	\$298,812	\$629,373	\$330,560
SEEKONK*	84	\$180	\$289	\$181,335	\$291,115	\$109,779

COMMUNITY	TOTAL UNITS	2002 ALLOWABLE NON-UTILITY AVG. EXPENSE (ANUEL)	HARVARD COST MODEL AVG. ESTIMATED EXPENSE (HCM)	TOTAL ANNUAL ANUEL	TOTAL ANNUAL HCM	TOTAL ANNUAL DIFFERENCE
SHARON*	94	\$168	\$319	\$189,011	\$359,400	\$170,389
SHEFFIELD	30	\$199	\$251	\$71,719	\$90,264	\$18,545
SHELBURNE*	46	\$158	\$236	\$86,996	\$130,394	\$43,398
SHREWSBURY	149	\$171	\$285	\$306,137	\$509,874	\$203,737
SOMERSET	135	\$158	\$288	\$255,315	\$467,009	\$211,694
SOMERVILLE*	917	\$222	\$372	\$2,440,259	\$4,091,429	\$1,651,170
SOUTH HADLEY*	150	\$172	\$289	\$309,901	\$519,352	\$209,451
SOUTHBOROUGH	58	\$163	\$328	\$113,436	\$228,474	\$115,038
SOUTHBRIDGE*	160	\$165	\$296	\$317,577	\$568,889	\$251,311
SOUTHWICK*	54	\$175	\$291	\$113,362	\$188,336	\$74,974
SPENCER	182	\$164	\$283	\$359,184	\$618,104	\$258,920
SPRINGFIELD*	1011	\$233	\$350	\$2,828,691	\$4,240,435	\$1,411,744
STERLING*	40	\$158	\$275	\$75,649	\$131,789	\$56,140
STOCKBRIDGE	53	\$158	\$279	\$100,235	\$177,665	\$77,430
STONEHAM	281	\$191	\$353	\$642,908	\$1,189,084	\$546,176
STOUGHTON	225	\$186	\$344	\$501,362	\$930,050	\$428,688
SUDBURY	84	\$195	\$346	\$196,317	\$349,030	\$152,712
SUTTON	40	\$158	\$280	\$75,649	\$134,464	\$58,815
SWAMPSCOTT	120	\$196	\$367	\$282,684	\$528,073	\$245,389
SWANSEA	64	\$158	\$280	\$121,038	\$215,142	\$94,104
TAUNTON*	440	\$207	\$363	\$1,093,840	\$1,916,373	\$822,533
TEMPLETON	60	\$178	\$315	\$128,455	\$227,112	\$98,657
TEWKSBURY*	154	\$172	\$286	\$317,466	\$528,538	\$211,071
TOPSFIELD	60	\$158	\$324	\$113,473	\$233,447	\$119,974
TYNGSBOROUGH	108	\$178	\$280	\$230,470	\$362,461	\$131,991
UPTON	40	\$158	\$318	\$75,649	\$152,535	\$76,887
UXBRIDGE	120	\$197	\$308	\$283,481	\$443,449	\$159,968
WAKEFIELD*	149	\$166	\$326	\$296,773	\$583,119	\$286,345
WALPOLE	130	\$172	\$330	\$268,332	\$515,177	\$246,846
WALTHAM*	521	\$232	\$390	\$1,449,204	\$2,440,506	\$991,302
WARE*	111	\$193	\$294	\$256,744	\$391,041	\$134,297
WAREHAM	104	\$158	\$335	\$196,687	\$418,540	\$221,854
WARREN	70	\$180	\$259	\$151,113	\$217,530	\$66,417
WATERTOWN	511	\$217	\$370	\$1,333,176	\$2,268,146	\$934,970
WAYLAND	56	\$158	\$324	\$105,908	\$217,884	\$111,976
WEBSTER	102	\$196	\$312	\$239,352	\$382,248	\$142,895
WELLESLEY	236	\$215	\$358	\$608,145	\$1,014,252	\$406,108
WENHAM	88	\$158	\$344	\$166,427	\$363,569	\$197,142
WEST BOYLSTON	55	\$212	\$305	\$139,599	\$201,012	\$61,413
WEST BRIDGEWATER	48	\$158	\$280	\$90,779	\$161,356	\$70,578
WEST BROOKFIELD	46	\$192	\$280	\$105,724	\$154,711	\$48,988
WEST NEWBURY	26	\$230	\$313	\$71,645	\$97,752	\$26,107
WEST SPRINGFIELD	344	\$194	\$309	\$801,159	\$1,275,739	\$474,580
WESTBOROUGH	102	\$194	\$302	\$237,053	\$369,792	\$132,739
WESTFIELD	424	\$185	\$316	\$942,815	\$1,607,920	\$665,105
WESTFORD	79	\$169	\$280	\$160,643	\$265,680	\$105,038
WESTPORT	48	\$158	\$280	\$90,779	\$161,356	\$70,578
WEYMOUTH	580	\$239	\$396	\$1,660,477	\$2,755,206	\$1,094,729
WHITMAN	182	\$173	\$296	\$377,911	\$646,565	\$268,654
WILBRAHAM	83	\$175	\$284	\$173,826	\$283,309	\$109,483
WILLIAMSTOWN	38	\$190	\$248	\$86,848	\$112,867	\$26,019
WILMINGTON	82	\$182	\$340	\$179,426	\$334,637	\$155,211
WINCHENDON	110	\$190	\$294	\$251,107	\$388,261	\$137,154
WINCHESTER	127	\$169	\$337	\$257,040	\$512,960	\$255,920
WINTHROP	429	\$182	\$341	\$939,339	\$1,757,307	\$817,969
WOBURN	413	\$212	\$372	\$1,050,472	\$1,842,240	\$791,768
WORCESTER	879	\$251	\$371	\$2,646,126	\$3,916,037	\$1,269,911
WRENTHAM	81	\$187	\$330	\$181,280	\$321,135	\$139,855
YARMOUTH	40	\$158	\$287	\$75,649	\$137,931	\$62,282
<b>TOTAL</b>				<b>\$114,463,934</b>	<b>\$193,465,625</b>	<b>\$79,001,691</b>

\*Deficit authorities in 2006