

***The Demonstration Disposition Program in
Boston, Massachusetts, 1994 to 2001:
A Program Evaluation***

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Final Draft Report

Submitted to MassHousing
Boston, Massachusetts
March 2002

Preface and Acknowledgements

This is an evaluation report of the Demonstration Disposition Program administered by MassHousing, Massachusetts' state housing agency. The report was submitted to MassHousing in March 2002. (This agency's former name is the Massachusetts Housing Finance Agency and therefore the report uses the acronym, "MHFA", at times, to refer to MassHousing). This evaluation report focuses on the initiation and design, and initial impact, of the Demonstration Disposition Program, one of the largest housing rehabilitation programs in the history of Boston. Under its old name, MHFA, MassHousing was appointed asset manager of the Demonstration Disposition Program on April 1, 1994, and became responsible for the overall fiscal, budget, rehabilitation and construction issues prior to disposition.

The evaluation was designed and implemented by Dr. James Jennings, Professor of Urban and Environmental Policy at Tufts University. The evaluation design included four related components aimed at analyzing the Program at various levels: 1) an initial assessment of concerns of MHFA staff who would be involved in the design and implementation activities; 2) a historical chronicle of the Demonstration Disposition Program during its various planning stages; 3) a formative evaluation examining the extent that the specific goals and objectives of the Demonstration Disposition Program were implemented by MHFA; and 4) a summative evaluation focusing on how various sectors, including residents, feel that their community has been improved as a result of this Program, and the impact of the Demonstration Disposition Program on the economic development activities of the target areas. The evaluation only covers activities up to the disposition of the housing units to tenants.

The evaluation team assisted MHFA in designing measurable objectives that reflected each of the goals. It assessed the degree of resident satisfaction with various phases of the Demonstration Disposition Program based on interviews and meetings with residents and community representatives, as well as review and analysis of a wide range of data touching upon the role and involvement of HUD in the implementation of the Program; fiscal issues; 'operationalizing' the meaning of a resident-centered housing program; ensuring the timely dissemination of accurate information and data related to the development of the Program; appropriate training for staff at MHFA; the availability and capacity of minority- and women-owned, and local businesses; the quality of communication between residents and businesses; the need for designing an appropriate data base and information systems; ensuring the quality of resident participation in decision-making; relocation issues; construction design issues; and legal issues involving housing and civil rights, and affirmative action.

The team conducted numerous interviews and meetings with staff at MHFA, as well as residents and others. The team participated in many meetings sponsored by MHFA and other sectors such as resident and business associations, and community meetings over a period of five years. The evaluation team reviewed hundreds of documents produced by MHFA and others regarding the Demonstration Disposition Program between 1993 and 2000. The team reviewed correspondence between various HUD officials, MHFA representatives, and community representatives regarding the Program, and minutes of numerous meetings held between various parties between 1994 and 2000. This included review of minutes of MBE Linkage Committee

meetings; Inner City Task Force Meetings; Demonstration Disposition Oversight Committee Meetings; and meetings of tenants and resident associations. The team also reviewed legal documents and cases relevant to the evaluation.

Several individuals contributed to the design, implementation, and completion of this evaluation report. The team working with Dr. Jennings reflected a range of policy and research expertise in the areas of architecture, civil engineering, economic and community development, and urban planning. The core members of the team include Juan Evereteze who served as the Project Director for the evaluation and is currently with the U.S. Department of Housing and Urban Development; Russell Williams assisted with information and data related to the economic development facets of the Program (Assistant Professor of Economics at Wheaton College); Melvyn Colon (Neighborhood Reinvestment Corporation) and Sue Kim (Boston Redevelopment Authority), assisted with housing and residential issues; and Richard O'Bryant (Assistant Professor of Political Science at Northeastern University) spearheaded the interviewing and meeting with residents and business representatives during the last phase of the evaluation. These individuals were involved with the evaluation during its initial and later phases, and contributed by co-authoring and writing various sections of the evaluation.

Other contributors who provided research assistance and completed interviewing assignments include Ipyana Wasret; Danielle Wilson, Yvonne Gomes-Santos, Anne Gathuo, Marlene Bryant, and Dr. Paula Elliott. Members of the Trotter Institute staff at the University of Massachusetts Boston including Muriel Ridley and Eva Hendricks contributed in completing parts of this report. Several individuals at MassHousing were particularly helpful with this evaluation, and worked closely with members of the team. These individuals include Frank Creedon, Gail Bishop, and Patricia Weems. There were many others at MassHousing who provided much support, as well.

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Introduction

This evaluation report is an assessment of the design and implementation of the Massachusetts Housing Finance Agency's Demonstration Disposition Program in Boston, Massachusetts for the period 1994 and 2000. This initiative is sponsored by the U.S. Department of Housing and Urban Development (HUD) and is one of the largest federal programs focusing on housing rehabilitation and economic development in the nation today. The Program was formally announced in Boston by HUD on April 11, 1994. The final agreement between HUD and MHFA for initiating this Program was signed on July 28, 1995. Renovation of the housing units was scheduled to begin in 1997 and extend over a 2 to 3 year period. The Demonstration Disposition Program was initiated with five goals:

Effective disposition and rehabilitation of HUD-owned developments;

Development of initiatives that empower residents;

Long-term preservation of affordable rental housing;

Creation of economic opportunity for the community; and

Remedying discrimination against minority business enterprise.

While this evaluation does not cover the "effective disposition" of the Demonstration Disposition properties scheduled to occur after 2002-2003 period, it shows that the "rehabilitation of the HUD-owned developments" and the other goals stated above were satisfied by MassHousing. This evaluation report shows that these goals were pursued in ways that responded to resident concerns, as well as to issues raised about complex legal, regulatory, and political factors related to ensuring that the project would benefit residents and serve as a model for neighborhood economic revitalization.

The mission of the Demonstration Disposition Program is to rehabilitate almost two thousand (1,862) housing units owned by the Department of Housing of Urban Development (HUD), in ways that reflect a resident-centered plan and generate economic development activities in the targeted neighborhoods. After rehabilitation and construction ownership of the housing units is scheduled to be transferred to residents in ownership models approved by MHFA and HUD. The targeted areas are located in predominantly Black and Latino working-class neighborhoods of Boston, including Roxbury, Dorchester and the South End. These neighborhoods are part of 11 Demonstration Disposition housing development "packages" incorporating all the housing units.

In parting with traditional approaches to subsidized housing by government, the Demonstration Disposition Program was designed as a resident-centered housing rehabilitation program with concomitant focus on economic and community development. In other words, while focusing on a strategy to improve housing and increase tenant-ownership, the Agency sought to spur economic development in the targeted neighborhoods by working with local businesses and others, but also assisting residents with education and human services. The resident-centered

approach included several activities, including, resident opportunities to select the development and architectural teams for their sites; participation in identifying and defining the scope of repairs; involvement in determining responses to public safety issues; and deciding the type of home ownership that would be transferred to residents. Residents were also involved in planning the type of fiscal strategies at each site that would help keep the new rehabilitated units affordable.

MHFA's role with the Demonstration Disposition Program is multi-faceted and includes asset management, as well as responsibility for the overall design and development of the Program. This included overseeing the budget for the Program, rehabilitation and construction, and disposition of properties after construction. A related role for the Agency included sponsoring and facilitating a range of education and community development activities for youth and residents. As a resident-centered initiative, residents helped to determine policies and decisions regarding the selection of property and development managers, renovation, physical security, and transfer ownership agreements. In addition to strengthening resident decision-making regarding housing issues, MHFA utilized funding in ways that increased the number and capacity of small businesses and minority-owned businesses in these neighborhoods.

There are several key findings based on the evaluation of this Program and explained throughout this report. **First**, the major program goals established by MHFA and stated above were satisfied between the initiation of this initiative, and the period of completion of construction of most of the housing sites. Specific performance criteria utilized in the evaluation to measure and assess the implementation of numerous objectives were linked to each of the major Program goals.

Second, the activities of the Demonstration Disposition Program were consistent with federal goals for protecting subsidized and affordable housing, as enunciated by the *Housing and Community Development Amendments of 1978, 12 U.S.C. 1701*, and other legislation. These latter goals include calls for the preservation and increase in housing units that would remain affordable; the provision of resources aimed at revitalizing neighborhoods; improving the housing units in terms of enhancing the units as decent and safe; and pursuing rehabilitation in ways that minimize the involuntary displacement of tenants and avoids demolishing projects. The evaluation report shows that the number of housing units are being preserved, and will be kept affordable. The Program is also adding to the stock of affordable housing in Boston since approximately 367 previously uninhabitable HUD-owned units have been renovated and are occupied by families. And, the construction and relocation of residents occurred with significant input on the part of residents, and generally without major problems. The cost for rehabilitating these units, furthermore, were not prohibitive.

Third, a model for operationalizing a resident-centered housing program on a massive scale, and in ways that enhance the civic participation of residents and economic activities in their neighborhoods emerged under this Program.

Fourth, the Program generated significant economic development activities and provided a mechanism for the infusion of public resources into targeted neighborhoods. The data collected and analyzed for the evaluation shows that there was major expenditure of construction funds to

minority- and women-owned businesses as well as small businesses located in the target neighborhoods. There was also significant expenditure of funds for professional services such as architectural, legal, and property management services in the targeted neighborhoods. The Demonstration Disposition Program served to expand the capacity of many minority-owned businesses and local businesses through outreach and a wide range of technical assistance. It facilitated linkages and communication between residents and these businesses. The data shows that a large proportion of the labor hours on the construction jobs were held by residents of the targeted neighborhood, and residents living in the actual Demonstration Disposition sites.

Fifth, a number of lessons have emerged from this initiative that are related to the role of government and public agencies in partnering with neighborhoods in developing and implementing effective housing strategies linked to enhancing economic development in urban communities. These lessons include:

- *providing “places” for resolving disputes between various parties involved with this effort;*
- *maintaining processes and actions to involve a wide range of stakeholders;*
- *continually developing precise language and definitions related to the Program;*
- *encouraging input from resident participants and community representatives;*
- *focusing on the importance of economic development including the participation of local and minority /women-owned businesses;*
- *showing strong visibility and commitment on the part of Agency leadership; and,*
- *developing performance benchmarks for monitoring the Program;*

These lessons are important for understanding how to develop effective partnerships between neighborhoods and government, but also suggestive of the mechanisms necessary for investing resources and increasing the level of economic development activities in ways that increase the quality of resident involvement.

II Overview of the Demonstration Disposition Program Housing Sites

Initially the Demonstration Disposition Program was scheduled to rehabilitate housing units and transfer ownership to tenants in fifteen housing developments in Boston. During 1995 several of the housing sites were either combined, or converted into single larger developments, reducing the number of participating housing “packages.” The individual housing sites vary in size in terms of the number of units at each location, but together total 1,862 housing units.

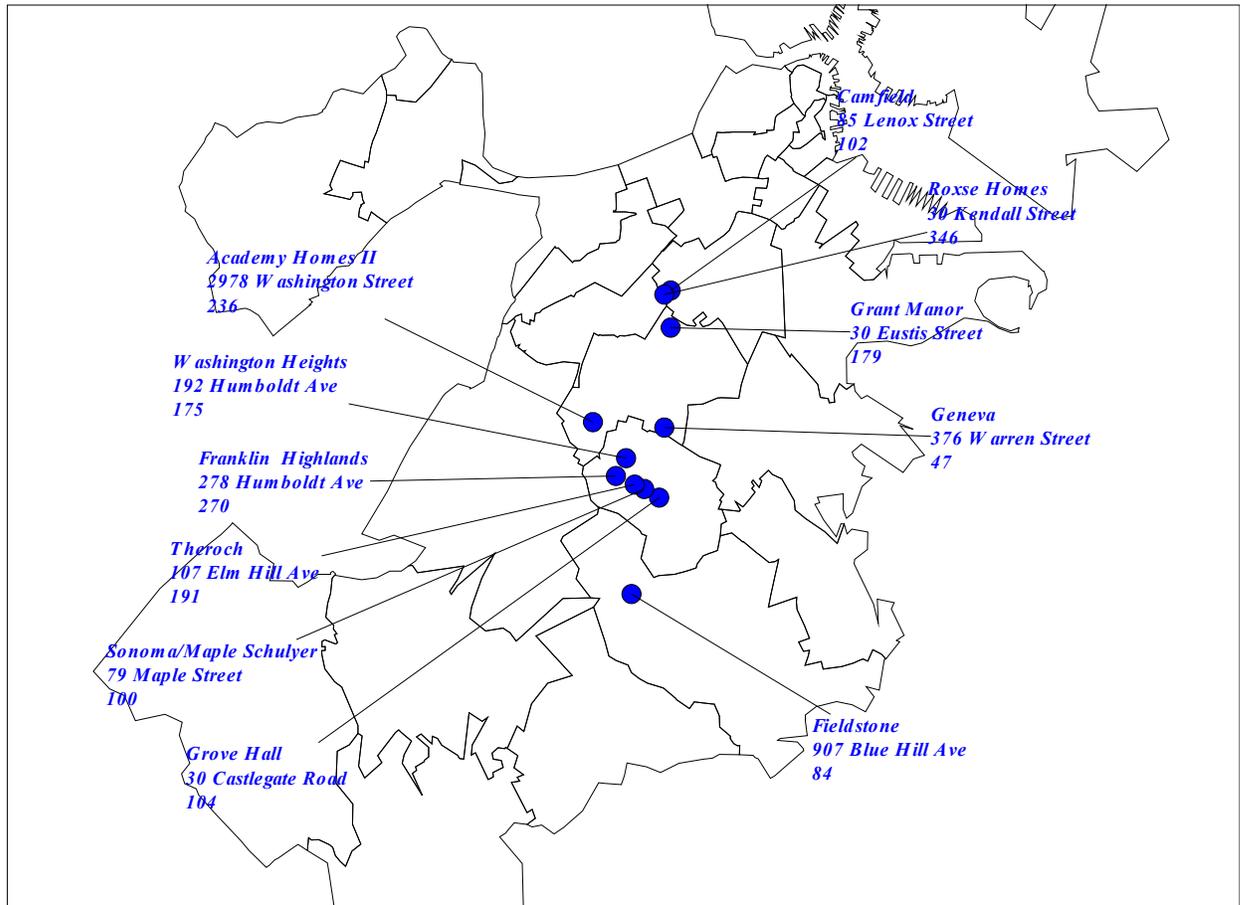
The number of Demonstration Disposition units (1,862) represents a significant proportion of the publicly-subsidized housing units in Boston. According to some estimates HUD subsidizes or owns approximately 25,000 subsidized housing units in Boston. This means that based on these particular estimates, the Demonstration Disposition units represent approximately 7 to 8 percent of the available HUD-subsidized housing units in this city. A substantial number of the 1,862 Demonstration Disposition units, furthermore, are actually new units that have become available as a result of this Program. According to MHFA, approximately 855 (39%), of the original 2,197 Demonstration Disposition units were vacant and uninhabitable, and 1,330 (61%) were occupied in April 1994. Thus MHFA is not only rehabilitating 1,862 units, but actually adding 532 “new” housing units to the 1,330 occupied under the Demonstration Disposition Program. (See Correspondence to James Jennings, from the Director of Development, Robert Pyne, September 9, 1999).

The HUD-held properties under the Boston Demonstration Disposition Program include the following sites in Boston: Camfield Estates (136 units), Fieldstone Apartments (84 units), Franklin Park I (236 units) and II (137 units), Geneva Apartments (60 units), Grant Manor (185 units), Grove Hall Apartments (104 units), Roxse Homes (371 units), Sonoma/Maple/Schuyler (115 units), Theroch I (109 units) and II (113 units), Washington Heights (216 units), and added to this list in 1997, Academy Homes II (315 units). These housing sites are listed in the following Chart 1, and their location is shown in the following *Map 1: Location of Demonstration Disposition Housing Sites in Boston*.

Chart 1: Demonstration Disposition Housing Sites (Property and Tenant Association Addresses)

Site	Management Prop Addr	Zip Code	Tenant Assoc Addr	Zip Code
Fieldstone	907 Blue Hill Ave	02124	907 Blue Hill Ave	02124
Franklin Park I / Highlands	278 Humboldt Ave	02121	246 Humboldt Ave	02121
Franklin Park II / Highlands	278 Humboldt Ave	02121	246 Humboldt Ave	02121
Grant Manor	30 Eustis St	02119	134 Northhampton	02119
Grove Hall	30 Castlegate Rd	02121	12 Castlegate Rd	02121
Geneva	376 Warren St	02119	70 Florida St	02121
Camfield	85 Lenox St	02118	566 Columbus Ave	02118
Roxse Homes	30 Kendall St	02118	60 Kendall St	02120
Sonoma, Maple and Schuyler	79 Maple St	02120	27 Sonoma St	02121
Theroch I / Theroch	107 Elm Hill Ave	02121	17 Sonoma St	02120
Theroch II / Theroch	107 Elm Hill Ave	02121	17 Sonoma St	02120
Washington Heights	192 Humboldt Ave	02121	194 Humboldt Ave	02121
Academy Homes II	2978 Washington St	02119	59 Codman Park	02119

Map 1: Location of Demonstration Disposition Housing Sites (Address and Number of Units)



The following chart 2 shows the number of units at each site, including the units before rehabilitation, and after completion of construction. The lower number of completed units reflects decisions by tenants to increase the size of some units, and the addition of community space and reconfiguring units so that they are accessible to disabled persons.

Chart 2: Demonstration Disposition Housing Sites by Number of Original and Proposed Units

Site	MHFA Original Count	Proposed Units
Camfield Gardens	136	102
Fieldstone Apartments	84	84
Franklin Park I & II	373	298
Geneva Apartments	60	47
Grant Manor	179	179
Grove Hall	104	104
Roxse Homes	364	346
Sonoma/Maple Schuyler	115	100
Theroch I & II	222	191
Washington Heights	210	175
SUBTOTAL	1,847	1,626
Academy Homes II	315	236
TOTAL	2,162	1,862

Source: Demonstration Disposition Oversight Committee (September 9, 1997)

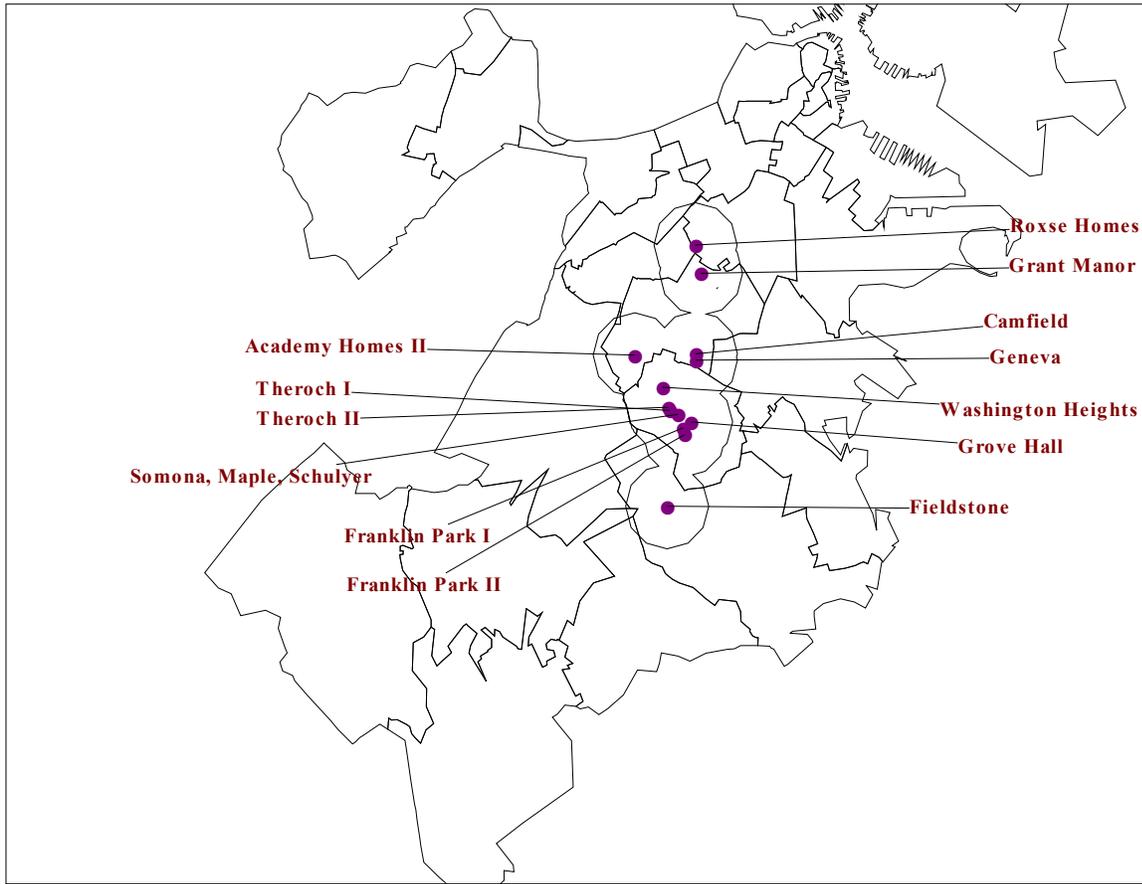
Note: Number of units includes commercial units and units committed to office or community uses.

Neighborhood Characteristics in the Demonstration Disposition Properties

Based on the U.S. Bureau of the Census 2000 there are approximately 67,000 persons living within a half-mile buffer of all Demonstration Disposition properties as is shown in the following Map 2: *Social and Economic Characteristics of .5 mile Catchment Area for Demonstration Disposition Properties*. This map shows the name and location of each of the housing sites.

The buffer or catchment area overlaps primarily with the neighborhood of Roxbury, but also parts of Dorchester and the South End neighborhoods, and one site, Fieldstone, in the Mattapan neighborhood of Boston. In 1990 the U.S. Bureau of the Census reported that thirty percent (30%) of all persons within this buffered area were impoverished. Based on the census for 2000, about two thirds (43,000) persons are Black, and 10,000 persons are white. One quarter of the population (16,500 persons) are Latino. There are 25,748 households, including 58.9% family households, and 42% non-family households. A relatively large proportion of all persons in this catchment area are children under the age of 18 years (20,558 persons or 30.7% of the total population). This area contains a low proportion of homeowners. Only 5,060 (18.0 percent) of all housing units (27,977 housing units) are owner occupied. There are approximately 2,229 vacant housing units, and 1,058 of these units are not on the rental or sale market.

Map 2: Social and Economic Characteristics of .5 mile Catchment Area for Demonstration Disposition Properties



Demonstration Disposition Properties in Boston, Massachusetts.

III Summary of Program Design, Construction and Management

The initiation and completion of housing sites under Demonstration Disposition was pursued within a framework that included five overlapping stages between 1994 and 2001:

Stage I: Selection of MHFA Interim Management of Demonstration Disposition Program

Stage II: Design of the Demonstration Disposition Program

Stage III: Developing Relocation Plans for Residents During Construction

Stage IV: Construction Phase of Demonstration Disposition Program

Stage V: Planning and Initiation for Transfer of Ownership

Each of these overlapping stages is explained below. A brief description of key events and developments during these stages is provided in Appendix 5: Chronology of Key Events (1994-1999).

Stage I: Selection of MHFA Interim Management of Demonstration Disposition Program

The interim management phase of the Demonstration Disposition Program includes the period between the date on which MHFA responsibility for the developments began in 1994 and the dates on which disposition of the properties started to occur in 2001. During the initial periods of this stage a number of resident activities take place including, incorporation of resident organizations where necessary; residents selection of management/development consultant teams; resident selection of architects for technical assistance and development of vision; resident selection of security service firms; resident determination of type of ownership for completed Demonstration Disposition Program properties; and resident development of a disposition plan. During this stage the NAACP also reviewed plans to ensure consistency with the consent decree described earlier.

Initially the plan was based on major renovation in two phases: a) prior to disposition, system repairs to the buildings would be done, and then, b) after disposition, interior work in the buildings would be initiated and completed. However, in 1995 a different funding structure of the program led to changes with this approach. It was decided by HUD that all construction would be done before disposition of the developments. Consequently, the interim asset management period was extended to cover a longer period and encapsulated a larger list of activities than was originally envisioned.

Stage II: Design of the Demonstration Disposition Program

The selection of resident association architects occurred between February 1994 and January 1995. During this phase of the Demonstration Disposition Program architects were retained to provide detailed capital needs assessments, vision plans, and construction cost estimates for each of the Demonstration Program properties. As originally planned, two contracts for architects

were sought for each development for the purpose of accountability. Each resident association was provided funds with which to hire an architect to help produce a "Vision Plan."

In November 1994 MHFA hired its own architect for each development to work on a "Comprehensive Repair Plan." As explained by Diane Georgopolos of MHFA's Design and Technical Department, the purpose of the Vision Plan produced by the resident association's architect was to establish a set of amenities and "wish list" items, while the Comprehensive Repair Plan produced by the MHFA-hired architect was intended to look at issues related to the infrastructure systems in each building. These two aspects of architectural planning would then be discussed extensively in meetings between MHFA, residents, both architects, and the development consultants (these participants were formally called the Design Committee) and refined through a "translational phase" into a formal plan and a corresponding budget.

The design phase of the program included proposals to respond to many issues such as accessibility for handicapped residents, the NAACP/HUD court order related to reductions in housing, waivers from various city agencies, and other complex matters such as the structure and size of construction budgets not allowing alternatives once necessary repairs were covered. There were several steps in the design process where MHFA built in required approvals by resident associations. As working plans for the construction phase were developed, residents signed off on 30% completed working drawings, 75% completed working drawings, and fully completed working drawings before formal plans were prepared for construction bid packages. The time that it took to reach the final stages varied with the scope of planned renovations; the complexity of pertinent regulatory approvals; the quality of the assistance provided to resident associations by development consultants, organizers, and architects; and the particular organizational dynamics of each resident association, where decision-making was quicker at some sites, than others.

The existence of two architectural teams was problematic, at times, in resolving differences. According to some MHFA representatives, both MHFA staff and residents could have benefitted from training in negotiating with each other. In retrospect, while the hiring of two architects for each site may have been cumbersome, there were some benefits to this approach. First, resident developments originally hired their own architects as a way to provide technical assistance throughout the design and construction processes. Secondly, the idea of hiring these architects was intended to give residents a stronger voice in determining the physical changes being planned at their sites. And, actually this mix may have meant a higher quality of work in that the work of firms were more scrutinized. This arrangement, early in the development of Demonstration Disposition, also had symbolic importance in alerting all parties about the commitment of the Agency to the success of the Demonstration Disposition Program within a context of involving residents in decision-making.

Stage III: Developing Relocation Plans for Residents During Construction

Issues involved in relocation of residents included the following queries and concerns: Would suitable relocation housing be found and where would this housing be located? Would the actual physical process of relocation work smoothly? What would the implications of the location of the temporary housing be for access to work, school and other day to day activities? Would

residents be guaranteed that they would be able to return to the apartments that they had occupied? If not, would residents be guaranteed that they would be able to return to the developments in which they had lived? And, would Section 8 subsidies be applicable for temporary housing?

A fear of residents was that the Demonstration Disposition Program, as some other "housing improvement" programs in the past, would ultimately lead to their displacement. There were numerous issues related to re-occupancy after the rehabilitation phase that tended to make residents cautious about this matter: Would residents be able to reoccupy the same apartment? Would each family have suitable size apartments? Would the right to return be guaranteed regardless of income levels? Would Section 8 apply if residents were not in their original apartments? Would handicapped residents have appropriate apartments? Many of these issues were apparent from the beginning of the program, and fears of displacement were voiced early as Demonstration Disposition Program became a subject within the Inner City Task Force meetings. (See, Inner City Task Force minutes for October 19, 1993).

The intensity of resident concern about the issues required regular communication between MHFA and resident organizations. Finding housing involved cooperation with other major housing entities such as the Boston Housing Authority. If nearby housing was not found, MHFA would need to work with residents to solve numerous issues of commuting, school enrollment, medical appointments and other matters. Within this context MHFA staff began the process of relocation planning by asking the management agents to conduct a household survey in order to assess the current needs of residents. The survey consisted of information to verify family size in order to ensure that both the relocation housing and the housing after construction were of appropriate size. The forms were sent to the newly selected management agents in August 1995 for distribution to all households.

Once the information about household size was returned from the management agents, MHFA held a pre-bid conference on November 10, 1995 for companies interested in bidding on the relocation contracts. During this period, however, representatives of resident associations expressed concerns about the speed and the content of the bid process. On December 28, 1995, the president of one of these resident associations that had attended the pre-bid conference (Franklin Park) wrote to Steven Pierce "...our Organization is very troubled by the selection process for relocation agents. The process will affect every member of our development and our organization has not had a chance to have any input into the Request for Proposal process. Additionally, none of the bidders have even met with our Board or the residents to hear ideas, concerns and priorities regarding relocation..." This concern was the reason the relocation process was the prime agenda item for the monthly meeting between Asset Management and the tenant organization leaders on January 18, 1996. According to the Asset Management report to the Demonstration Disposition Oversight Committee, "Residents wanted to know their role in the process of selecting the Relocation Contractor and to what extent their input would be considered in the final selections." By the end of the meeting, it was decided that while an already established MHFA Relocation Contractor Selection Committee composed of MHFA staff from eight departments would score the RFP's, the eight companies would be interviewed and rated by the resident associations for the sites.

This scoring and interviewing occurred in January and February 1996. Selection results were announced in April 1996. Four contractors were selected: Consulting Diversified, Cruz Management, Gibraltar Veterans Partnership and Peabody Properties. According to Henry Mukasa, representing the Asset Management at MHFA, the highest scoring company by the MHFA staff scoring and the highest ranking company by the resident association actually matched in most cases. The one exception was Franklin Park, where the residents rated Long Bay Management the highest and MHFA staff scored Consulting Diversified highest. Residents expressed their concern about the MHFA choice (Consulting Diversified) to MHFA, HUD and other parties at a meeting on April 2, and subsequently met with Consulting Diversified to discuss issues of concern. This difference was resolved when Consulting Diversified, which won the Theroch/Franklin Park relocation, agreed to subcontract portions of the Franklin Park work to Long Bay Management.

The scope of services associated with the relocation contracts specified that the resident associations would have major roles to play at various levels of decision-making. MHFA stipulated that,

A Relocation Plan shall not be approved by the Agency prior to certification by each affected Resident Association that it has reviewed the draft Relocation Plan and has been afforded an opportunity to comment thereon. The Contractor shall identify any areas of substantial disagreement between the proposals contained in the draft Relocation Plan and those offered by the Resident Association or Associations, as the case may be...The Plan shall be formulated to minimize resident disruption and inconvenience by limiting relocations outside of the resident's development. When relocations outside of a development are necessary, the Contractor shall, in consultation with the affected resident or residents, use its best efforts to identify suitable housing that is as geographically proximate to the resident's development as possible, or that is otherwise satisfactory to such resident or residents... (Relocation Plan / Scope of Services).

According to the Asset Management staff, the contractors subsequently met with each of the resident associations to discuss relocation issues and plans and each resident associations signed off on the contractors' final relocation plans before MHFA approved them. Chart 8, presented later in this report, shows the number of families who were relocated as a result of construction.

On October 18, 1995, the Asset Management staff initiated monthly meetings with officers (the president and the next two highest officers) of the resident associations. According to Anthony Carr, the former Director of the Asset Management Department during this period, these meetings were open only to residents and did not include any resident organization consultants. The first meeting was held at Freedom House in Roxbury and focused primarily on discussion of relocation. In November 1995, the Asset Management staff reported to the Demonstration Disposition Oversight Committee that meeting directly with residents by themselves was productive in implementing plans: "This forum has proven to be productive in that it allows for open and frank discussions between the residents and the asset management team on all issues

that affect the residents. There will be continuing discussions on relocation as we move forward in the process." MHFA staff generally believed that communication with residents would be more open and efficient if occurring directly with them, rather than through intermediaries, albeit advocates of resident interests.

The concern about displacement continued to arise periodically as the Program moved toward full operation. As late as spring 1997, residents of the Geneva Apartments were refusing to vacate their buildings because they feared that if they did they would not be able to return. According to Robert Pyne, numerous meetings between MHFA and the resident associations were instrumental in establishing confidence on the part of residents that there were no hidden agendas in the relocation plans. The inclusion of specific provisions in the form of a formal Relocation/Rehousing Policy, and a Relocation/Rehousing Agreement between MHFA and the residents in 1996 helped to provide residents with assurances of appropriate expectations, as well as tenant rights under this situation. Each family was asked to sign an agreement covering some of the issues regarding relocation.

The following statement is part of this Agreement, the "HUD-MHFA Demonstration Disposition Program / Relocation and Rehousing Agreement":

Upon completion of rehabilitation or reconstruction, you will be offered the opportunity to lease your Currently Occupied Unit if (a) the unit still exists (b) it is appropriately sized for your household, and it is not otherwise designated as an accessible unit. If your Currently Occupied Unit no longer exists, is not appropriately fixed, or has been designated as an accessible unit for which your household does not qualify, you will be offered an appropriately sized unit within your Current Development. If your household is 'over housed' you will be offered a smaller unit within your Current Development; if your family is 'under housed', you will be offered a larger unit within your Current Development. In the event that an appropriately sized unit is not available within the Development for an under housed household, the household will have the option of re-occupying their original unit or another unit in the Development and remaining under housed, or being rehoused in an appropriately sized unit at another development in the Demonstration Disposition program.

Further:

Rent for the rehousing unit will be set in accordance with the established Fair Market Rents for the Boston metropolitan area. If your income is less than 80% of the Boston median income, you will be eligible for project-based Section-8 rental assistance, and your portion of the rent will be determined based on your new income certification and HUD regulations.

This agreement served to allay some of the concerns of tenants. The fact that procedures were outlined in writing and agreed to by the parties, and that there were opportunities for dialogue and complaints to be resolved, explains much of the relatively smooth transition involving relocation activities.

The final plans did not involve any relocation outside Boston. Henry Mukasa credits this primarily to actions that MHFA took to increase the number of available vacancies in Boston. Specifically, in preparation for the relocation process, MHFA asked all of its management companies in Boston to hold open any vacancies for three months. By slowing the reoccupation of vacant apartments a pool of vacancies was thus created; this action was particularly helpful in the initial relocation periods when large numbers of vacancies were needed.

The relocation plans reiterated the relocation agreement specifically stating that residents would be able to reoccupy their original apartments or another apartment in their original developments after relocation was over. The relocation policy of MHFA also stipulated that "residents holding Section 8 Certificates or Vouchers...may retain their Certificates throughout relocation and rehousing." (See, Memorandum to Management Agents and Relocation Contractors, Section 6d, (February 1, 1997).

In summary, the relocation process used by MHFA was based on two components that made it relatively efficient and effective. First, a framework of understanding regarding relocation issues was established and explained to residents and their representatives. MHFA communicated these issues widely, sharing information with as many residents as possible. Secondly, residents had major input in the final relocation and planning decisions on the part of MHFA. Residents were also provided information about home-ownership opportunities, as will be discussed in the next section. But it is important to note here that clear understanding of the issues of the relocation efforts, as well as significant participation on the part of residents and resident associations about this matter and home ownership were critical components to success of this stage in the implementation of Demonstration Disposition.

Stage IV: Construction Phase of Demonstration Disposition Program

The beginning of the construction phase, first taking place at Sonoma / Maple / Schuyler on August 8, 1997 (groundbreaking on July 7, 1997), was perhaps one of the most anticipated moments of the Demonstration Disposition Program because it marked the beginning of an important advancement in the implementation of this effort. In the absence of visible renovation activity, such as this particular event, the Demonstration Disposition Program was vulnerable to criticism about the lack of visible signs of progress, and questions about its continuing status. To some extent, residents remained skeptical about the program as long as there was not any physical activity occurring to fix the buildings. The groundbreaking signaled the reality of upcoming construction activities at other sites.

Stage V: Planning and Initiation for Transfer of Ownership

A major end product Demonstration Disposition was the transfer of ownership of the housing development to residents. Such ownership could take the form of sole ownership by the resident organization; or joint ownership in partnership with either a nonprofit agency, CDC, or a for-profit corporation. Indeed, the determination of an ownership model required and produced much dialogue and debate among residents. Due to impending fiscal pressures on HUD, MHFA required resident associations to develop and submit tentative selections of ownership models in a time frame that was earlier than originally expected.

The initial choices made by resident associations were made under tight time constraints. The relatively quick filing of Preliminary Disposition Plans with HUD was necessary in order to secure Section 8 funds. As stated in a July 20, 1995 letter from Robert Pyne to the resident association presidents "As you may be aware from recent meetings and press reports, we have been working to negotiate a revised Demonstration Disposition Agreement in response to HUD's Re-invention Blueprint and to secure a commitment of project-based Section 8 operating subsidies sufficient to ensure the financial viability of each of the developments in the program...To ensure that after renovations sufficient funds are available to operate the developments, HUD has also agreed to execute with MHFA a master Annual Contributions Contract (ACC). The ACC will lock-in a commitment of Section 8 project-based subsidies for fifteen years for each development. HUD will only execute the ACC, however, once each Resident Association submits to MHFA a preliminary disposition plan by August 15, 1995"

At the time of this letter and the subsequent submission of the preliminary disposition plans of the resident associations, little formal training in ownership styles or options had been initiated. By August 1995 some of the resident associations had been in existence for less than a year. With organizing consultants focusing heavily on issues of organizational viability and stability (such as "How to Run a Meeting"), and with a lot of activity between the resident associations and MHFA during 1995 concerning renovation plans, few of the resident associations had received much training related to potential ownership forms. This situation was corrected through subsequent training and counseling sessions focusing on ownership options. MHFA staff expected that many of the tentative decisions might be changed as the program proceeded. In the previously cited letter to resident associations, Pyne stated "...both HUD and MHFA understand that this information will be preliminary and may be subject to change as resident associations make final decisions regarding their choice of an ownership structure and as they refine the scope of repairs with MHFA." MHFA hired a consultant to work with resident associations to determine their training and information needs. (Also, see pps 87- 89 for details about efforts to enhance the capacity of resident associations regarding this matter).

Anticipating that some of the resident associations would choose to enter into partnerships, MHFA developed a model "Co-Owner RFP." This model is designed for use by resident associations as they seek potential partners. Included within the model RFP are suggested language, relevant HUD deed restrictions and an MHFA Regulatory Agreement which will allow MHFA to take over management of the development if ownership is not being properly handled after disposition.

MHFA also engaged in discussions with all of the resident associations regarding the possible use of Low-Income Housing Tax Credits. The use of this program was suggested by one of the development consultants (The Community Builders) as a way of obtaining additional funding to cover both funding for capital expenditures and future operating expenses thus contributing to long-run financial stability of the resident associations. But participation in this program also required the creation of a limited partnership to own the property. As Community Builders reported, "to utilize the tax credit, the property must be sold by the nonprofit (or, if the nonprofit does not yet own the property, by the current owner) directly to the limited partnership.

Typically, the nonprofit will form a wholly owned subsidiary to act as general partner of the partnership, and investors will be admitted as limited partners. In some cases, current rules prohibit the nonprofit from owning more than 79 percent of the stock of the subsidiary nonprofit...however, the nonprofit is able to exercise complete control as the holder of 79 percent of the stock...Through its controlled general partner, the nonprofit is able to make virtually all management decisions for the partnership...Investor limited partners, like lenders, will want assurances that their money will be well used and their interests will be protected. However, as limited partners, they cannot take part in the management of the property, or their limited liability might be lost." (See, Memo from Community Builders, January 1, 1995).

Despite MHFA recommendations that resident associations consider taking advantage of this possibility, as of the end of September 1997 only two resident associations, Grant Manor and Franklin Park, opted to seek the Low Income Housing Tax Credits. MHFA worked with both resident associations and their development consultants to structure mechanisms within which this arrangement could be instituted. In the case of Franklin Park, additional funds were desired to fund some construction items that could not be funded through the Demonstration Disposition Program budget. MHFA worked with the Franklin Park Development Tenant Association (FPDTA) and HUD to reach an agreement wherein, in a variation on the Demonstration Disposition Program practice of MHFA acting as agent for HUD, HUD will lease the development to the FPDTA, and MHFA will act as an agent of the resident association, thus allowing the resident association to have ownership of the development and qualify for the funds. MHFA will then provide a \$16 million loan to the FPDTA, which will be paid off with FHA insurance funds at the end of construction. According to the Demonstration Disposition Oversight Committee report of January 14, 1997 "The tax-exempt funds [provided by MHFA] will be used in conjunction with \$13 million of FHA insurance proceeds to cover the cost of renovating 270 units...The financial structure will enable the new resident owners to obtain 4% Low Income Housing Tax Credits which will generate \$13 million of equity to cover potential Section 8 shortfalls, fund social services, and preserve 'affordability' beyond the 15-year term of the Section 8 HAP contract."

All resident associations selected proposed ownership models for their developments by December 2000. Some of these selections, shown in the following Chart 3, were different than the preliminary preferences of residents at various sites. Chart 3 provides a brief note explaining the rationales for selections made by residents. In some cases, resident associations considered a model that might enhance the involvement and quality of resident participation, and in other cases there were concerns that disagreements among residents may limit the choices for ownership options.

Chart 3: Resident Preliminary Selection of Home Ownership Models (2000)

Site	Ownership-type selected
Camfield Gardens	Sole Ownership (Interested in increasing resident participation)
Fieldstone	Private Community-based Owner (Many elderly not interested in ownership)
Franklin Highlands	Limited Partnership (Interested in seeking tax credits)
Geneva	Partnership with Minority Interest (Perception that capacity for sole ownership is limited)
Grant Manor	Limited Partnership (Interested in seeking tax credits)
Grove Hall	Partnership with Minority Interest (Many elderly not interested in ownership)
Roxse Homes	Partnership with Minority Interest (Perception that capacity for sole ownership is limited)
Sonoma/Maple/Schuyler	Partnership with Minority Interest (Perception that capacity for sole ownership is limited)
Theroch	Partnership with Minority Interest (Perception that capacity for sole ownership is limited)
Academy Homes II	Cooperative Ownership (Interested in increasing resident participation)
Washington Heights	Partnership with Minority Interest (Perception that capacity for sole ownership is limited)

Source: Interviews with Henry Mukasa (Asset Management) and Shirley Abrams (Development Department), January 2001

After the renovations for all the developments are completed the total number of units is projected to be similar to the number in the original agreement as illustrated in the earlier Chart 2. The Demonstration Disposition Program also sought to transfer the rehabilitated units to resident associations, or resident association partnerships with another non-profit or for-profit entity. Resident associations were able to select ownership options approved by HUD. The potential ownership arrangements included:

community-based private owner: “in those cases in which the resident association does not wish to serve as the owner, the resident association in conjunction with MHFA would select a community based non-profit or for-profit entity to serve as the owner of the development.”

limited partnership: “the resident association could serve as a sole general partner or as a co-general partner with another non-profit or for-profit entity that would bring ownership experience and expertise to the partnership. General partners exercise control over the day-to-day operations of the property, whereas limited partners enjoy the majority of tax benefits generated by the property, but have little or no oversight of project operations.”

sole ownership: this is “another term used by some resident associations to describe a resident-controlled non-profit corporation.”

co-ownership with resident association as minority interest: “a partnership in which the resident association does not have a majority interest in the ownership entity. This ownership model will be used by resident associations that either do not demonstrate the capacity or desire to assume the responsibilities of a majority partner.”

joint venture: “a partnership in which the resident association will serve as either a majority or minority partner with another non-profit or for-profit entity which has real estate experience.”

limited equity cooperative: “this is an ownership model in which the resident association *creates* a cooperative which combines elements of both ownership and rental housing. Individual households must purchase a share in the cooperative, usually at a nominal cost, which entitles them to elect a cooperative board and to vote on major issues effecting their development as provided for in the cooperative documents. In a limited equity cooperative, the appreciation of the value of the shares in the cooperative is limited and the shareholder is not entitled to take any tax deductions normally enjoyed by private homeowners.

In order to inform tenants of these options and applicability to their own settings, agencies, such as Metropolitan Boston Housing Partnership (BHP), Boston HUD Tenant Alliance, Greater Roxbury Neighborhood Authority (GINA), the United South End Settlement (USES), and the Egleston Square Neighborhood Association (ESNA), worked closely with residents to provide assistance in the development of resident leadership and the formation of resident associations that would represent tenant interests and preferences. Specifically, funds under the TOTAL program, which will be described later in this report, were utilized to provide training and to facilitate resident decisions about their preferred development consultants and architects.

IV Balancing Housing Policy, Economic Development and Resident Empowerment

The Demonstration Disposition Program represents a massive and comprehensive initiative to rehabilitate a significant proportion of the affordable and public-subsidized housing stock in some Boston neighborhoods. This Program also represents an approach to affordable housing that seeks to move beyond simply the provision of housing, but invest in community development through home ownership and the generation of economic development in the targeted neighborhoods. Initially, and throughout the Program's development, a range of participants and organizations were involved in this massive housing effort. The following is a summary of some of the key participants and organizations involved with the Demonstration Disposition Program.

In addition to residents as the key players, organizations included the Inner City Task Force and the MBE Linkage Committee, both established by MHFA, and, the Agency's Demonstration Disposition Coordinating Committee, and the Demonstration Disposition Working Group. Other key participants included the NAACP, both the Boston Branch and National Office; the Boston HUD Tenant Alliance; the Massachusetts Boston Housing Partnership; the Community Economic Development Assistance Corporation; the New England Black Property Managers' Forum; and, albeit indirectly, the media.

An important part in the implementation of the Demonstration Disposition Program was played by groups who helped to create, train and prepare residents for organizational decision-making, including formal incorporation of their associations. These organizations included the Metropolitan Boston Housing Partnership, the Boston HUD Tenant Alliance, and the Community Economic Development Assistance Corporation (CEDAC). The establishment of resident organizations was also supported by some of the management companies such as Long Bay Management.

Demonstration Disposition Oversight Committee (MHFA): The Demonstration Disposition Oversight Committee, created in 1994 but discontinued in 1997, was a subcommittee of MHFA's Board to monitor the agency's role in the Program. The committee chair during this period was Danette Jones who also served as Executive Director of the Madison Park Development Corporation in the neighborhood of Roxbury. Other Board members included former State Representative Augusto Grace, John Marini (MHFA Board Chair), Mary Padula (Secretary of the Massachusetts Executive Office of Communities and Development), and Mark Robinson, Secretary of the Massachusetts Executive Office for Administration and Finance. This Board sub-committee was discontinued in November 1997 in place of the full Board hearing reports from MHFA regarding the progress of the Demonstration Disposition Program.

MHFA established two inter-departmental staff committees which met frequently to guide the implementation of the Program during the first years of the Program. A 'Demonstration Disposition Coordinating Committee', composed of senior staff met every two weeks concentrating on major issues. Members of this committee included Steven Pierce, Tom Gleason, Robert Pyne (Director of Development), Wilson Henderson (Director of Equal Opportunity Division), Henry Mukasa (Asset Management), Wendy Warring (legal), Tom Perry

(legal), Paul Burbine (MHFA financial director), Jordan St. John (public relations), Nancy Anderson (senior development officer), and Jim Carpenter (internal audit). The second group, the 'Demonstration Disposition Working Group', which was comprised of approximately twenty key staff from Asset Management, Development, Design and Technical, Security, Internal Audit, Equal Opportunity, and the Legal Divisions, met weekly to discuss progress, coordination and problem-solving details.

Inner City Task Force (MHFA): MHFA helped to establish the Inner City Task Force (ICTF) in 1986. This group of residents, housing experts, law enforcement, social service providers and MHFA staff was formed during MHFA's effort to renovate more than 1,200 units of HUD-foreclosed housing in Roxbury and North Dorchester known as the "Granites." During that period residents urged the Agency to create a mechanism to address issues, such as drugs and gang-related violence, that directly affected the residents and the surrounding community. ICTF combined the efforts of residents, the police, property managers, social service providers, developers and public officials to take coordinated action around physical maintenance and security problems which beset many of the sites. In conception, it was designed to go beyond law and order issues and to address the social and economic contexts of the developments. According to one staff member, "The implementation of the Task Force marked the first time a state housing finance agency [had] undertaken such a comprehensive program to address the issues and problems which impact the households residing in its properties." (See, Trotter Institute Report, *Assessment of MHFA's Understanding of Goals and External Factors Related to the HUD Demonstration Disposition Program*, 1994). ICTF meetings and agendas primarily have been Demonstration Disposition Program-related since the start of the Program. Residents, resident associations, management companies, security companies and other parties have participated to discuss a wide range of issues, including changes in HUD, financing and budget changes, and changes at MHFA, as well as providing updates on progress at various sites.

MBE Linkage Committee (MHFA): The Minority Business Enterprise Linkage Program Advisory Committee was started in January 1991 by MHFA. The MBE Linkage Committee initially met monthly and then quarterly to discuss issues concerning the utilization of minority businesses in agency projects. It is important to note that this Committee represented an effective arena for voicing concerns or sharing information about the planning and implementation of the Program. Participants include representatives of MHFA staff, including the active participation of the Director and Deputy Director of MHFA, local and state officials, residents, and business sector representatives. The MBE Linkage Committee was firmly established as such an arena under the leadership of Wilson Henderson as Director of the Equal Opportunity Division (he retired in 2000).

Boston HUD Tenant Alliance: The Boston HUD Tenant Alliance, as stated earlier, was founded in 1983 as an outgrowth of the Boston Affordable Housing Coalition. Responding to their perception that 4,000 Boston HUD families were at risk of displacement, BAHC formed a committee and raised money to create an organization specifically to focus on the issues pertinent to HUD-owned property. The Boston HUD Tenant Alliance was conceived as the first citywide coalition of HUD tenants, and provided organizing and technical assistance to member tenant groups. BHTA was involved with the Demonstration Disposition Program from the

beginning, and was a key contributor to several events preceding the program. One of the tenant leaders originally suggested creation of the Inner City Task Force in 1986 and BHTA was a member of the original ICTF steering committee. In concert with the Demonstration Disposition, BHTA organized tenants in the Geneva, Roxse, and Theroch I housing developments.

The Massachusetts Boston Housing Partnership: The Metropolitan Boston Housing Partnership (MBHP) was founded in 1983 to pursue the goal of affordable housing. Originally known as the Boston Housing Partnership, the organization assisted several community development corporations in the rehabilitation of 1,600 units of housing in the mid-1980's. Over 900 of these properties included the "Granites" project that MHFA was also working on. The Executive Director of MHFA at this time (Marvin Siflinger) was a member of the Board of Directors of MBHP. In recognition of the key role of tenants in maintaining the quality of rehabilitated housing, MBHP initiated resident organizing efforts in 1995. This effort paralleled MHFA's growing awareness of the role of residents and residents associations in maintaining long-term asset value in housing.

Community Economic Development Assistance Corporation: The Community Economic Development Assistance Corporation (CEDAC) was founded in 1978 to provide technical assistance and support for non-profit organizations involved in community economic development. It administers loans using funds from MHFA and other government agencies, and provides professional expertise to non-profits. CEDAC has assisted in creating or rehabilitating thousands of housing units. CEDAC administered the TOTAL loan fund, a \$5 million fund capitalized by MHFA which was an important source of supportive resources for Demonstration Disposition. In addition, CEDAC provided technical assistance to tenant groups seeking to convert rental housing to tenant association ownership.

New England Black Property Managers Forum: The New England Black Property Managers Forum played a key role in MHFA's initial adoption of an 80% MBE participation goal, as well as significant input regarding matters related to economic development and the participation of small businesses. The Forum, a professional trade organization dedicated to the advancement of minority property managers in New England, became involved in 1991. During the proposal stage of developing the Demonstration Disposition Program, the Forum made it clear in letters to both MHFA and HUD's Department of Multifamily Housing that they would not support the Program if its goal of community and resident empowerment did not include an economic goal that reflected the communities' population (which was 80 percent minority). On this basis the Agency's executive director agreed to seek a goal of 80% in the expenditure of funds aimed at minority-owned businesses.

The NAACP and the 1989 Consent Decree: The involvement of the NAACP in the Demonstration Disposition Program was triggered in 1994 by concern that some of the developments would result in a reduction in the number of units, due to one-bedroom apartments being converted into larger units, making units handicap accessible, or apartment spaces being redesigned as common space. Although according to Agency planning, there would be no displacement of current residents, the NAACP represented by its counsel, State Senator Dianne

Wilkerson, countered that based on the 1989 Consent Decree there could be no reduction of affordable housing units through HUD-financed construction or rehabilitation without NAACP approval.

Although not arguing against the validity of the Consent Decree, MHFA and many residents were concerned about the delay in starting the Program as a result of this legal development. In spite of these disagreements, but due in large part to many meetings chaired by the highly respected civic activist, Mel King and with support of the Acting President of the NAACP Boston Branch, Bettye Robinson, collaboration among residents was encouraged and eventually residents and the NAACP Boston Branch adopted and supported several common positions that, in the long run, strengthened both the local Board, and the residents. These positions included a compromise with MHFA and HUD regarding an open process to consider unit reductions, if necessary. The NAACP and residents also developed procedures to work in cooperation throughout the implementation of the Demonstration Disposition Program.

A formal agreement was reached between the Boston Branch of the NAACP and HUD. As stated in the final Agreement,

...the N.A.A.C.P., Boston Chapter (NAACP) and the United States Department of Housing and Urban Development (HUD), the parties to this Agreement, wish to create a consultation process as required by Section IV.A. of the Consent Decree...to informally resolve disputes that may arise as a result of proposed dispositions of HUD assisted multifamily projects and to clarify 1) the properties of which the NAACP will review the disposition programs, plans and other documents, and 2) the timing by which the NAACP will be provided the disposition programs, plans and other documents... (August 1994).

It was further stated in the Agreement between the NAACP, Boston Chapter, and HUD, that,

The NAACP may not disapprove of a disposition as violative of the consent Decree: (1) if the only issue is the reduction of units designed to (a) create larger units, (b) create accessible units for persons with disabilities, (c) create community space or (d) eliminate illegal units, and the reduction is less than 5 percent of the existing units in the project; or (2) based on any reasons other than those which may arise in the process review of the Four Sets of Documents to be provided to the NAACP by HUD for review. The NAACP agrees to act expeditiously in good faith in conducting said review.” (Agreement Between NAACP, Boston Chapter and United States Department of Housing and Urban Development). The actual review process includes “...four sets of documents - the Disposition Plans, the FHA Mortgage Insurance Applications, the Model Tenant Selection and Affirmative Fair Marketing Plans and the HUD Previous Participation Certifications as well as, the equivalent information from MHFA... (Agreement Between N.A.A.C.P., Boston Chapter and United States Department of Housing and Urban Development, August 1994).

The NAACP-Boston Branch also was allowed the right to provide preliminary sign-offs on unit reductions.

The Media: Boston's largest newspapers, *The Boston Globe* and the *Boston Herald*, periodically published articles and editorials about the Demonstration Disposition Program. Two community newspapers, the *Bay State Banner* and *South End News*, especially helped to keep residents and community stakeholders abreast of ongoing developments associated with Demonstration Disposition. The major events and issues that were covered in the media regarding the Demonstration Disposition Program included the following:

the nature and scope of resident-centered process;
affirmative action;
administrative changes at MHFA;
administrative changes at HUD;
planning and construction delays;
tensions between parties involved; and,
relocation issues.

Interestingly, except for the community newspapers mentioned above, not much coverage was devoted to the issue of how Demonstration Disposition represented an innovation for housing strategies, nor to the fact, that by the time this Program was triggered, it represented a unique and experimental model in the nation. Appendix 8 is a bibliography of select news articles published on various facets of the Demonstration Disposition Program between 1993 and 2000.

The Residents

This section provides information based on responses from residents and others, and observations on the part of the evaluation team at numerous community and agency meetings over several years. The summary is presented in terms of the a) concerns that residents and others have about the Demonstration Disposition Program, and b) the accomplishments that these sectors attribute to this Program. Residents at the selected sites were involved in decision-making primarily through their tenant associations. The following is a list of the resident associations for each of the Demonstration Disposition sites:

Grove Hall Residents Association
Sonoma, Maple, Schuyler Tenant Association
Fieldstone Resident Association
Franklin Park Development Tenants' Association
Geneva Tenants' Association
Grant Manor Tenant Association
Camfield Tenants' Association
Theroch Tenant Association
Roxse Tenant Council
Washington Heights Tenant Association
United Residents in Academy Homes II

Before the initiation of the Demonstration Disposition Program, Camfield Gardens, Geneva, Grant Manor, Franklin Park, and Roxse Homes had standing resident associations. The groups at Grant Manor and Roxse represented the oldest resident organizations; they were organized by the Boston HUD Tenants Association (BHTA) in 1983 and 1984 respectively. Geneva and Fieldstone were organized with the help of BHTA in 1987. Camfield Gardens organized in 1991. Both Franklin Park and Camfield Gardens established relationships with the BHTA after their birth, but decided to revert to independent status by the time the Demonstration Disposition Program began. Theroch I also organized by 1991, but ended a formal association with BHTA during the 1994-1995 period.

Resident empowerment, as a key goal of the Demonstration Disposition Program, suggests a situation where residents have ample opportunities to participate effectively in decision-making that involves the well-being of their housing sites and community. Under a framework of resident empowerment, decision-making opportunities for residents would be available for determining issues and policies in the areas of the site's organization, management and administration, and development of external relations with other sectors such as local government, foundations, or businesses. Residents would also exercise some influence over the economic activities at their housing sites, including access to jobs, and decisions about business contractual obligations and costs. Interviews and meetings with residents provide a generally positive picture of the impact of this Program at various housing sites in terms of enhancing opportunities for decision-making in these areas on the part of residents.

Residents were involved in all facets of the planning and implementation of this Program, including, organizing residents within their development; selecting architects and approving their plans; selecting management companies; providing input on a range of relocation issues; volunteering their time at MHFA meetings; understanding and staying informed about changes in the Demonstration Disposition Program; responding to changes in MHFA and HUD; and responding to delays in the implementation of the Demonstration Disposition Program.

Residents worked with the Massachusetts Boston Housing Partnership and the Boston Housing Tenants Alliance. Resident organizations and associations served as important arenas in allowing residents to voice concerns about the progress of the renovation work, but also key for sharing of information. The resident organizations were able to communicate common concerns through the monthly and then quarterly meetings of the Inner City Task Force, the MBE Linkage Committee meetings, and their own meetings in community locations. They helped to design the architectural vision for their housing sites and participated in details that were part of determining time frames and the scope of work for these vision plans. Resident input was included in the selection of management agents, as well as the development teams, including consultants and legal counsel. Residents helped to select the security companies at each site. Residents reviewed the relocation plans for each site and they had final say over the kind of ownership model that would be utilized at each housing site.

MHFA and a range of tenant advocacy and community development organizations partnered with residents to ensure that they would be adequately trained to make decisions in these areas. Residents were generally prepared for participation at various levels of decision-making. This

took the form of dissemination of information to residents and their organizations; supporting arenas such as the Inner City Task Force and the MBE Linkage Committee to provide opportunities for resident input regarding policies and programs; providing funding for the hiring of resident coordinators and organizers by residents at each housing site; and ensuring that resident associations would acquire a minimum level of organizational competency to participate effectively in these kinds of decisions and as representatives of the residents.

Resident Concerns

Residents appreciated how the Program invited and prepared them for participation with decision-making at various levels, including selection of architects, property managers, general contractors, and others. This served to enhance the respect of residents on the part of these sectors. Residents believe that their resident associations were considerably strengthened as a result of the Demonstration Disposition Program. The provision of human services and education opportunities is considered a major accomplishment on the part of residents. Many residents believe that crime was lowered and public safety enhanced as a result of the Program. The relationships that the Program helped to establish between residents and the Boston police department and security companies was cited as an important accomplishment of the Program.

Overall, the idea and substance of resident empowerment means in this context was advanced as a result of the Demonstration Disposition Program. There are several concerns, however, that need to be addressed by housing agencies engaged in similar projects and initiatives. These concerns do focus more on the particular and technical aspects of the implementation of the Demonstration Disposition Program, rather than a critique of the kind of comprehensive policy and strategic approach represented by this initiative. Indeed, there is generally wide support for the idea that housing should be pursued within a context that strengthens the social and economic fabric of a neighborhood. In spite of some important concerns expressed by residents, a sense was also expressed that programs and policies similar to the Demonstration Disposition Program should be encouraged.

Residents expressed concerns about the turnover of agency personnel and consultants retained by MHFA. In the early phases of the Program, for example, residents at some housing sites found that they had to continually develop relationships with new agency staff or architects that tended to delay the building of effective communication and trust between various interests. Related to this criticism, is the concern that MHFA provided inconsistent information, or little information that would serve to keep residents informed of the progress and potential problems in the implementation of the Program. Residents were particularly concerned about the construction delays and what some characterized as “continual excuses” from MHFA for lack of progress or consistency with proposed timetables. What was referred to as continuous delays by some residents tended to generate mistrust towards MHFA.

Residents believe that training should have been emphasized to a greater degree than it was. The training received was limited, at times, to a few residents who happen to be representatives of resident associations. Additionally, some residents offered that MHFA decided arbitrarily what kind of training would be available rather than asking residents for advice in this area.

Residents proffered specific complaints and concerns about the design and quality of construction in some places. There were a number of complaints about the lack of quality in the materials, insecure fixtures and inadequate responses to pest control. A few residents were surprised that their newly renovated units were slightly smaller spaces than anticipated in some cases. Generally, residents believe that MHFA was perhaps too lax in monitoring the contractors and the materials utilized in construction activities. As mentioned by several interviewees, this possibly reflects that MHFA does not have a history of being a “developer,” and may not have the technical expertise to supervise companies engaged in making decisions about the quality of construction materials and building designs.

An early fear on the part of residents is that the physical improvements in their housing sites may not last. There is a degree of skepticism on the part of residents that is borne from earlier frustrations dealing with public agencies and commitments for improving living conditions.

Many residents expressed concern that there is not yet enough participation on the part of more residents to ensure that housing is prioritized by the community and public leadership. As new residents move into the housing sites, a loss of the history of struggle for better housing and services can be lost. Several residents believe that only through greater levels of participation can residents ensure that this sense of history is not forgotten. Along this line, residents do not seem to be more involved in overall community life of the housing site.

The process for relocation was also an area of some concern in its initial stages. Many residents felt that it could have been a smoother process if MHFA had a) provided information about decisions affecting relocation more rapidly than was the case; and b) anticipated potential problems that some residents raised early in the planning process. Some residents expressed that the relocation process was too rapid and abrupt and tended to be disruptive.

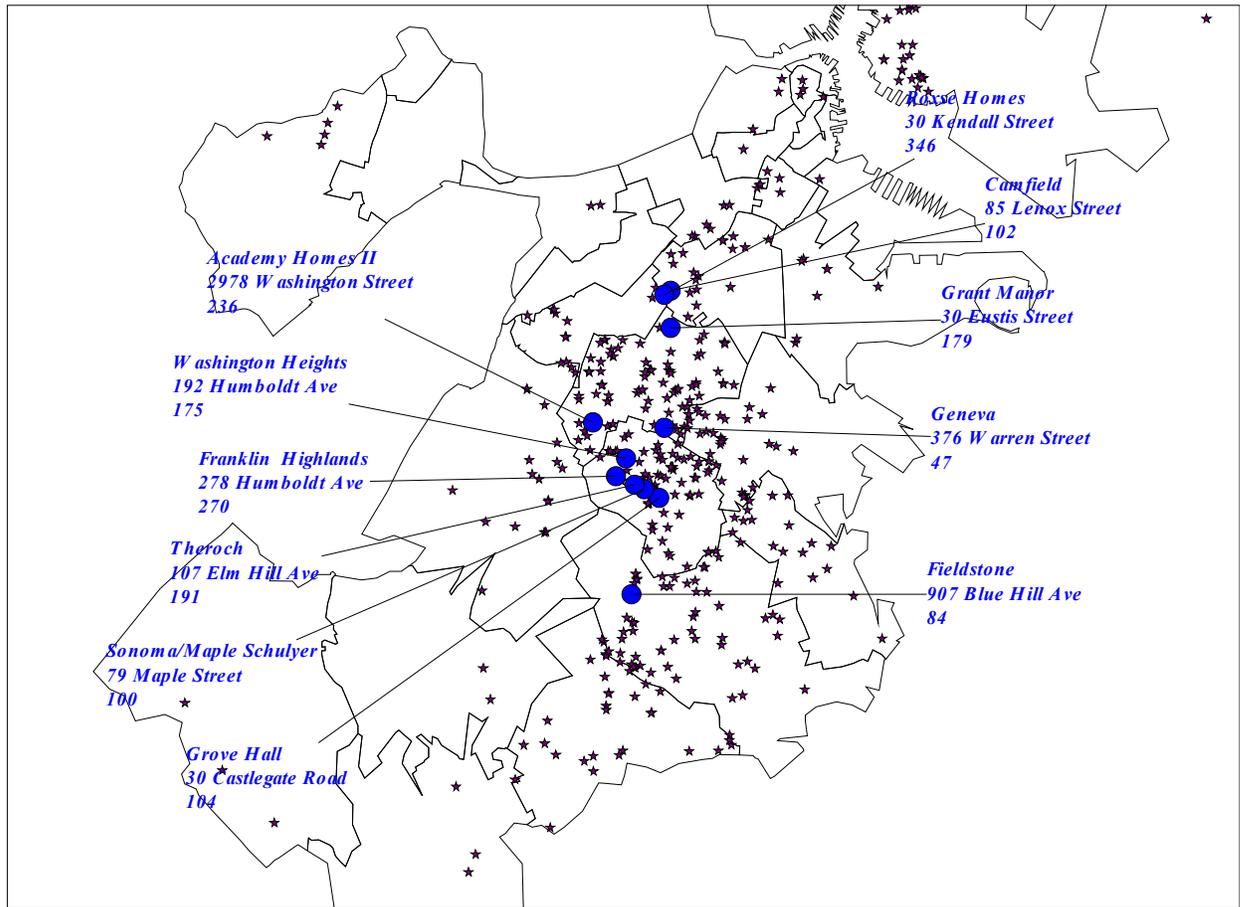
Accomplishments Identified by Residents and Others

The sheer number of rehabilitated housing units, close to 2,000 affordable, and tenant-owned units, represents a major accomplishment. As explained by one high level HUD official, this is the first time in the history of Boston housing where such a high number of units have been rehabilitated, and planning has been devoted to ensuring future affordability under one program. This assessment was also shared by an elected official who was interviewed for this evaluation. Residents were generally impressed with this aspect of the Program, and acknowledge that conducting such relatively large-sized projects, within a context of resident empowerment, “positively impact surroundings.” Another observer with many years of experience advocating for affordable housing pointed out that the funding invested in the Program probably had a latent effect of increasing respect for residents and the community since good relations might be important for business opportunities.

As noted earlier, Demonstration Disposition is not only focusing on rehabilitating previously inhabited housing units, but also adding hundreds of “new” units to the stock of affordable and decent housing in the city. The housing sites for the Demonstration Disposition Program are in areas of the city that have among the highest vacancy rates for housing units despite the need for affordable housing. For instance, in 1999 there were approximately 2,491 vacant housing units

that were not on the market, and representing 13.0 percent of all housing units in the neighborhood of Roxbury which includes many of the Demonstration Disposition sites. The neighborhood areas that contain the Demonstration Disposition sites also have relatively high concentrations of abandoned private housing as reported in 1999 by the Assessing Department for the City of Boston as illustrated in the following Map 3.

Map 3: Abandoned Buildings (1999) and Demonstration Disposition Sites



This map shows that housing units are being rehabilitated in locations characterized by a substantial presence of abandoned housing.

Residents stated that the Demonstration Disposition Program was key in broadly encouraging more residents to participate at the housing sites and in their community. The Demonstration Disposition Program was praised for helping to strengthen and in some cases revitalize resident associations at various housing sites. Before Demonstration Disposition some of the housing sites did not have active or effective resident associations. This Program provided important resources, services, and technical assistance that served to strengthen the resident associations as effective arenas for resident participation in decision-making about their housing.

Specifically, resident associations were strengthened in a number of areas based on services and technical assistance provided by MHFA. Many of these services were planned jointly with residents. These areas included information about incorporating organizations; training for more effective boards of directors; workshops and training related to developing effective relationships with vendors and business consultants, and property managers; exercises in strategic planning; information about the development of information management and record-keeping; and, workshops on fund raising and development of resources. As indicated by interviews and attending many tenant meetings, the growing effectiveness of the resident associations has resulted in greater trust in the leadership and capacity of the associations on the part of many residents.

Overwhelmingly, residents believe that the housing sites are safer. While some residents proposed that this was not due solely to the Demonstration Disposition Program, many acknowledged the important role the Program played with this particular issue. Many residents believe that the presence of security officers, and emphasis on public safety is a major accomplishment of the Program. The new physical designs were praised in terms of improving how residents feel about public safety with their housing and in the community. The physical designs were also cited as connecting residents to each other. Residents perceive that there has been significant improvement in communication with the local police as a result of the Demonstration Disposition Program.

Residents also commented favorably about Demonstration Disposition's emphasis on generating communication and ties with local businesses. Prior to the start of this Program, some relationships were quite tenuous and reflected tensions between residents and developers. The Program, and some of the MHFA staff in particular, were praised for mending bridges and getting residents and business representatives to talk and plan with each other. One by-product or related accomplishment is that today management companies disseminate information regularly about key events and developments at the site.

The training provided in terms of running organizations, basic business practices, and information about economic and education opportunities for residents were considered an important contribution on the part of MHFA and the Program. It was pointed out that this was the first time some residents ever received this kind of information and that it was helpful in getting them to understand how to become more effective advocates for better housing and living

conditions. Related to this is the appreciation expressed for the provision of technical skills such as procedures for selecting contractors and developers, reading blue prints, and understanding better the phases of construction and rehabilitation of housing. As a result of these kinds of skills and training, some resident associations have become effective in identifying and approaching potential external funding sources for improving housing services at their sites.

Residents also believe that the provision of social and human services is a major contribution of the Program. Projects like NTC, YES, a computer training program, and after school programs were cited as very important in helping youth and strengthening the social fabric of the community. The work with the Dickerman public school was cited as an exemplary example of the Program's commitment to improving the quality of education available to residents.

The new construction and designs, as well as the work of the resident associations, have also enhanced the sense of ownership among residents. As a result of the Demonstration Disposition Program, and how it was carried out, helped to generate this sense among residents. One effect of the Program, in other words, is to encourage not to see themselves simply as tenants, but owners and citizens who have the right to expect, and to mobilize on behalf of better services and treatment on the part of their local government.

Generating Economic Development

Generating economic development in the targeted neighborhoods is another key goal of the Demonstration Disposition Program. Under this Program, economic development is approached as a broad framework that includes the following components:

providing major expenditure of construction funds through contracts with minority-owned and local businesses;

providing major expenditure of funds on minority-owned businesses in other sectors such as architectural and legal companies, as well as property managers, security and service establishments;

providing support to local and minority-owned businesses in order to expand the capacity of this sector through technical assistance, strengthening of information management systems, information and access to business opportunities, and generating opportunities for joint venturing with larger firms;

strengthening linkages between residents and local businesses in the areas of planning and housing development; and,

hiring of local and community residents on construction related projects.

One of the innovative features of the Demonstration Disposition Program is the effort to foster economic development in the community where the housing sites are located. A major concept related to economic development and Demonstration Disposition was the belief that "the

economic stability of the surrounding neighborhoods will play a central role in determining the long-term success of the properties participating in the Demonstration" (CEO newsletter, June 1996). Initially, the minority business goal simply served as a proxy for the hope of engendering economic stability in surrounding neighborhoods. As Demonstration Disposition evolved, however, economic development was not merely making available contract opportunities to minority-owned businesses, but also included sustained attempts at encouraging economic development activities targeted specifically to the Demonstration Disposition communities. This aspect of Demonstration Disposition involved several significant components, including a process for hiring residents, utilization of small businesses and minority- and women-owned businesses located in the targeted communities, the provision of technical assistance on a range of issues related to economic development and opportunities, and the development of a comprehensive information and management system that allowed MHFA to continually monitor progress in this area.

A key aspect of the framework established by the Equal Opportunity Division (EO) of MHFA was the aggressive orientation towards monitoring activities. The Trotter Institute's review of the monitoring responsibilities indicate that the various forms of monitoring and innovation established by MHFA under the leadership of this Division to address minority and women business utilization and resident hiring issues can be conceptually subdivided into a) monitoring of agency contracting performance against goals; b) monitoring of contractor in terms of subcontracting/hiring performance against goals; c) monitoring of information procedures; d) monitoring of the quality of business plans designed to achieve goals; and, e) monitoring of the accuracy/veracity of information. The Agency and its EO Division developed a sophisticated and comprehensive information system that facilitates monitoring and very importantly, provide feedback to businesses involved with Demonstration Disposition. The information systems established by the Agency allowed responses to problems that were identified either by MHFA staff, or others such as vendors or residents.

Another facet of economic development involved resident hiring initiatives. The original goals of the program did not include specific calls for resident employment, articulating the goal of "creation of economic opportunity" only in terms of minority business participation. (See, "Massachusetts Housing Finance Agency Demonstration Disposition Program Goals", March 1994, attachment to Inner City Task Force minutes 4/26/94). MHFA officials expected that Demonstration Disposition would have a positive impact on employment of tenants and local community residents; however, the expected impact was not defined clearly in the early stages. Instead employment of residents was approached as a potential byproduct of the Program rather than as a specific target or result. It was generally expected that the MBE goal would lead to higher numbers of minority and resident hiring based upon the assumption that most minority businesses have historically hired higher numbers of minority employees. It was not clear what role was appropriate for MHFA in encouraging the hiring of local residents in construction projects. Furthermore, the actual link between the MBE goal and employment opportunities remained vague. (See, "Assessment of MHFA's Understanding of the Goals and External Factors Related to the HUD Demonstration Disposition Program" Report submitted to MHFA by the Trotter Institute, October 1994, p.14). As a result of this vagueness, Wilson Henderson

suggested that resident-hiring goals be introduced into the contract specifications (Interview with Wilson Henderson, October 1, 1998).

To support the activities related to resident hiring the EO Division created a system for disseminating information for potential job applicants and instituted procedures to encourage businesses to hire local residents. The EO Division produced lists of available job opportunities and made these materials available to residents and others. This Division also met and worked with neighborhood organizations such as the Roxbury Workers Association and the Greater Roxbury Chamber of Commerce to disseminate information about employment opportunities. Employment of local and community residents was encouraged through the bidding system for awarding contracts. The specific instructions to bidders, in response to resident hiring issues, were contained under section B.3 of the bid documents which stated that a maximum of 20 points toward the total bid score would be given to the bidders for "Proposed Commitment to the Economic Development of the Demonstration Disposition Community." As demonstration of this commitment, Section B.3A specifically addresses employment and training of residents, stating that "In order to be awarded points under this category, a bidder must commit to employ at least ten per cent (10%) of its workforce (including subcontractor employees), as measured by workforce hours, from Linkage Areas I and II. Further a bidder must commit to provide preference in hiring to qualified residents from....the Project for which the Bid is submitted. The bidder which proposes to employ the highest percentage of residents from Linkage Areas I and II, as measured by workforce hours, shall be awarded the maximum number of points for this category. Lower proposed employment rates will receive a score in proportion to the highest submission".

One way the EO Division provided technical assistance regarding this matter was by composing a list of possible actions for contractors for linkage area resident hiring goals. This included suggestions like informing residents about employment and training opportunities through meetings and advertising; informing residents about requirements/qualifications for jobs and the schedules for hiring for those jobs; utilizing lists compiled by MHFA containing names of potential resident workers; contacting other organizations which might aid in the recruitment of qualified residents; requiring subcontractors to adopt resident hiring goals; providing evidence of negotiating in good faith with resident job applicants; and identifying possible training programs for residents.

Based on a review of the distribution of contract funds and opportunities and the range of services provided by MHFA to local and minority-owned businesses, we conclude that this Program was successful in meeting this goal. But, there were differing opinions about the extent of this success on the part of elected officials, community representatives, and owners of businesses. A few individuals, including elected officials, believed that the impact on economic development in the targeted communities could have been greater. They pointed out that minority, and women-owned businesses received the smaller contracts, and then only after much pressure from community organizations. A major criticism lodged was that the jobs available tend to be temporary, rather than permanent. It is not clear, furthermore, how Demonstration Disposition increased the availability, and enhanced the capacity of small businesses located in the targeted communities.

A review of data provided by MHFA in terms of contract dollars awarded, however, shows that the expenditure of Demonstration Disposition Program funds into this neighborhood represented a relatively large infusion of funds which had the result of expanding business activities, increasing linkages between businesses and resident associations at the housing sites, providing long-range opportunities for management companies and service vendors, and also resulted in limited hiring of local workers. In the latter case, the employment generated was limited to more temporary jobs in the construction areas, rather than reflecting an impact on the permanent employment levels at the Demonstration Disposition sites and surrounding areas.

There was a high level and amount of construction funds to minority- and women-owned businesses, as well as small businesses located in those neighborhoods. There was significant expenditure of funds for professional services such as architectural, legal, and property management services in the targeted neighborhoods. The Demonstration Disposition Program served to expand the capacity of many minority-owned businesses and local businesses through outreach and a wide range of technical assistance. It facilitated linkages and communication between residents and these businesses. A large chunk of the labor hours on the construction jobs were held by residents of the targeted neighborhood and residents living in the actual Demonstration Disposition sites.

Construction dollars committed to each of the housing sites was utilized in ways that provided major funding for minority-owned businesses. Chart 4 shows the overall expenditure of construction funds the Program's inception and 2001. It shows that almost \$244 million was spent on construction for the eleven housing sites between 1995 and 2001; but half of this amount, or close to \$122 million was retained by MBEs. Another \$16.8 million of the total amount expended by 2001 was received by women-owned businesses. And, \$128 million was used for local businesses in the target areas.

Chart 4: Construction Contract Amounts by MBE / WBE / and Local and Non-Local Status

<u>CONTRACT CATEGORIES</u>	<u>TOTAL \$ Awarded</u>	<u>MBE \$ Awarded</u>	<u>% Achieved</u>	<u>WBE & M/WBE \$ Awarded</u>	<u>% Achieved</u>	<u>Local Business \$ Awarded</u>	<u>% Achieved</u>
GENERAL CONSTRUCTION	\$243,293,490	\$121,716,402	50%	\$16,801,151	7%	\$128,354,878	53%
	73%						
ARCHITECTS	\$25,187,021	\$20,646,026	82%	\$1,211,944	5%	\$2,721,546	11%
	8%						
PROPERTY MANAGEMENT	\$17,584,905	\$8,635,885	49%	\$1,198,628	7%	\$8,095,641	46%
	5%						
SECURITY	\$17,358,334	\$17,304,364	100%	\$2,669,158	15%	\$14,831,374	85%
	5%						
RESIDENT RELATED SERVICES	\$20,143,311	\$16,311,518	81%	\$3,308,425	16%	\$12,909,652	64%
	6%						
PROFESSIONAL SERVICES	\$9,259,760	\$1,670,927	18%	\$289,475	3%	\$610,316	7%
	3%						
TOTAL	\$332,826,821	\$186,285,122	56%	\$25,478,781	8%	\$167,523,407	50%

Source: Figures are based on HUD PMS data system up to June 2001. In addition, general contractors, architects and property management companies have provided information on consultant subcontractors and vendors, where appropriate.

Notes: Awarded dollars and goal achievement for Minority Women Businesses are counted in both Women and Minority Business categories. All dollars and percentages are rounded to the nearest whole number. "Uncontrollable Expenditures" are not included in program-wide totals, i.e., property taxes, water & sewer fees, utilities, payrolls/ workmen's compensation, Section 8 certificates/vouchers, and rents paid to individual landlords.

Another level of economic development and business activity involved the sub-contracts awarded by prime contractors to local and minority, and women-owned businesses, as well as the vendors who provided services to residents at the eleven housing sites. This represents an important contribution on the part of Demonstration Disposition for generating economic development in the targeted communities primarily for two reasons. First, many of the sub contractors who received contracts through the prime contractors may not have been eligible in terms of bonding authority or capacity to bid on the construction projects. MHFA aggressively encouraged prime contractors to retain sub contractors because of this problem. A second significance of this arrangement is that after Demonstration Disposition is completed, many businesses that provided services and products as sub contractors will have had business experiences that will prove advantageous for future projects in both the city and region. These sub contractors will at least be in a position to participate in joint venturing with bigger partners.

In addition to achieving an impressive record in the utilization of minority-owned businesses for a public-funded project, MHFA also sought to ensure that residents and local community residents had access to some of the construction labor generated at the development sites. Demonstration Disposition sought to ensure that some construction jobs would be available to housing residents and local residents. Vendors and service providers were encouraged to hire and utilize residents. Chart 5 indicates that a total of 1,376,724 hours of work were generated as a result of the construction contracts issued between the initiation of Demonstration Disposition through 2001. Approximately 55% of these hours were earned by minority workers; and 41% of these total hours were earned by residents of the targeted communities, including residents living in the Demonstration Disposition housing sites.

Chart 5: Cumulative Contract Workforce Utilization by Residents and Local Workers (1999)

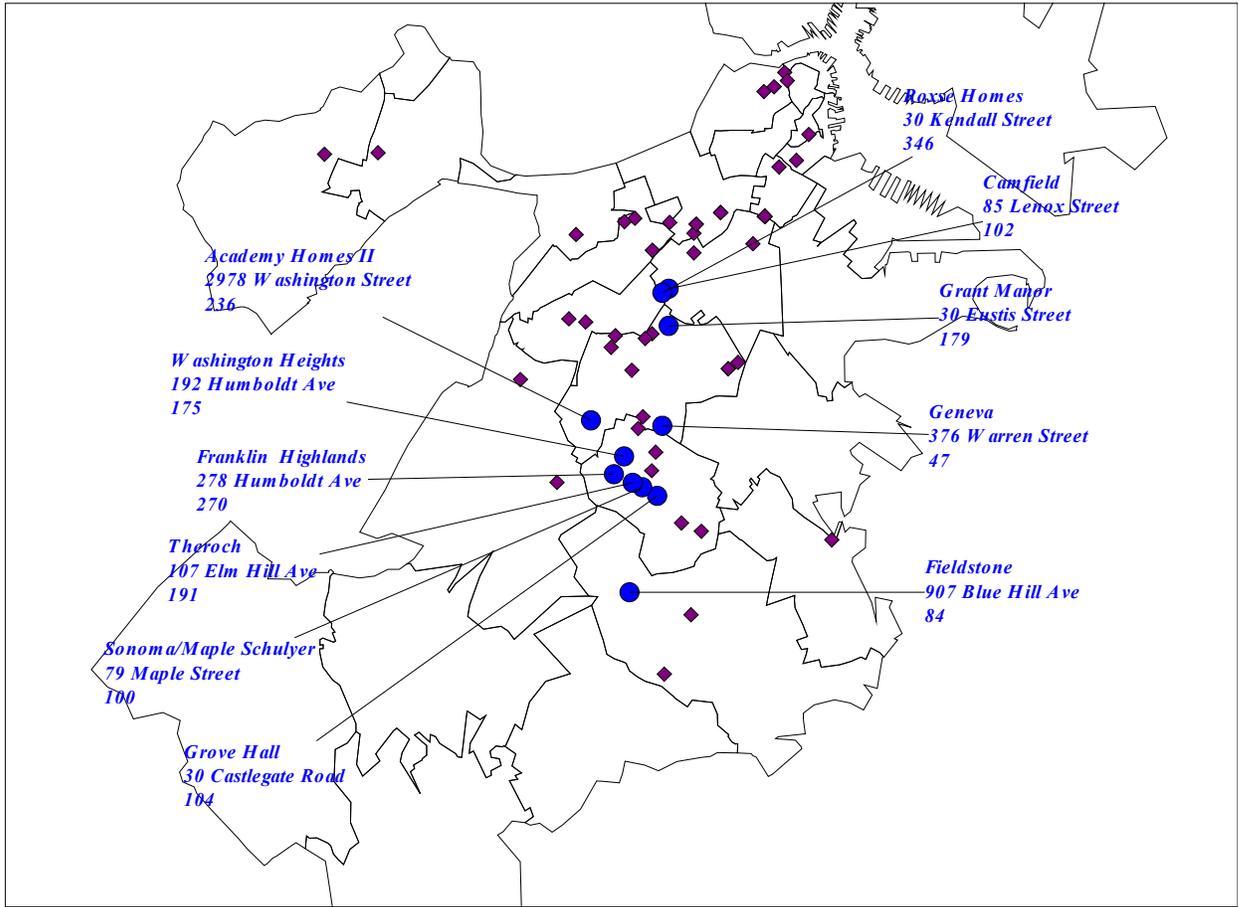
Combined Local Workers	Hours Worked	Goal	% Achieved
Overall	1,376,724.60		
Minority Workers	754,750.40	0.30	0.55
Women Workers	56,317.80	0.15	0.04
Local Demo Workers*	98,668.70	N/A	0.07
Other Local Workers	459,725.83	N/A	0.33
Combined Local Workers	558,394.53	47% (Avg.)	0.41

Note: The 7% hours attributed to Local Demo Workers represent 351 individual workers who reside at Demonstration Disposition properties.

Based on a review of the distribution of contract funds and opportunities, as well as data indicating a range of services provided by MHFA to local and minority-owned businesses under Demonstration Disposition, we can conclude that the Program was successful in meeting this goal. But, there were differing opinions about the extent of this success on the part of elected officials, community representatives, and owners of businesses. A few individuals, including elected officials, believed that the impact on economic development in the targeted communities could have been greater. They pointed out that minority and women-owned businesses received the smaller contracts, and then only after much pressure from community organizations. A major criticism lodged was that the jobs available tend to be temporary, rather than permanent. Furthermore, it is not clear how Demonstration Disposition actually increased the availability and enhanced the capacity of specific small and local businesses in the targeted communities.

Aside from the question of specific impact, there were many local businesses utilized in this effort. A list of prime contractors across all architectural, construction, and property management categories that worked on Demonstration Disposition from the inception of this program until the summer 1999 period is provided in Appendix 7. This list only includes the *prime* contractors and not hundreds of sub-contractors retained by the former for various kinds of construction and general contracting work, nor the vendors of services utilized by property managers and developers at the housing sites. The following Map 4 shows the location of the prime contractors in construction and other services that are located throughout the linkage areas pertaining to the Demonstration Disposition Program. The map confirms that numerous prime contractors (indicated by purple diamonds) are based in or in the vicinity of the Demonstration Disposition housing sites.

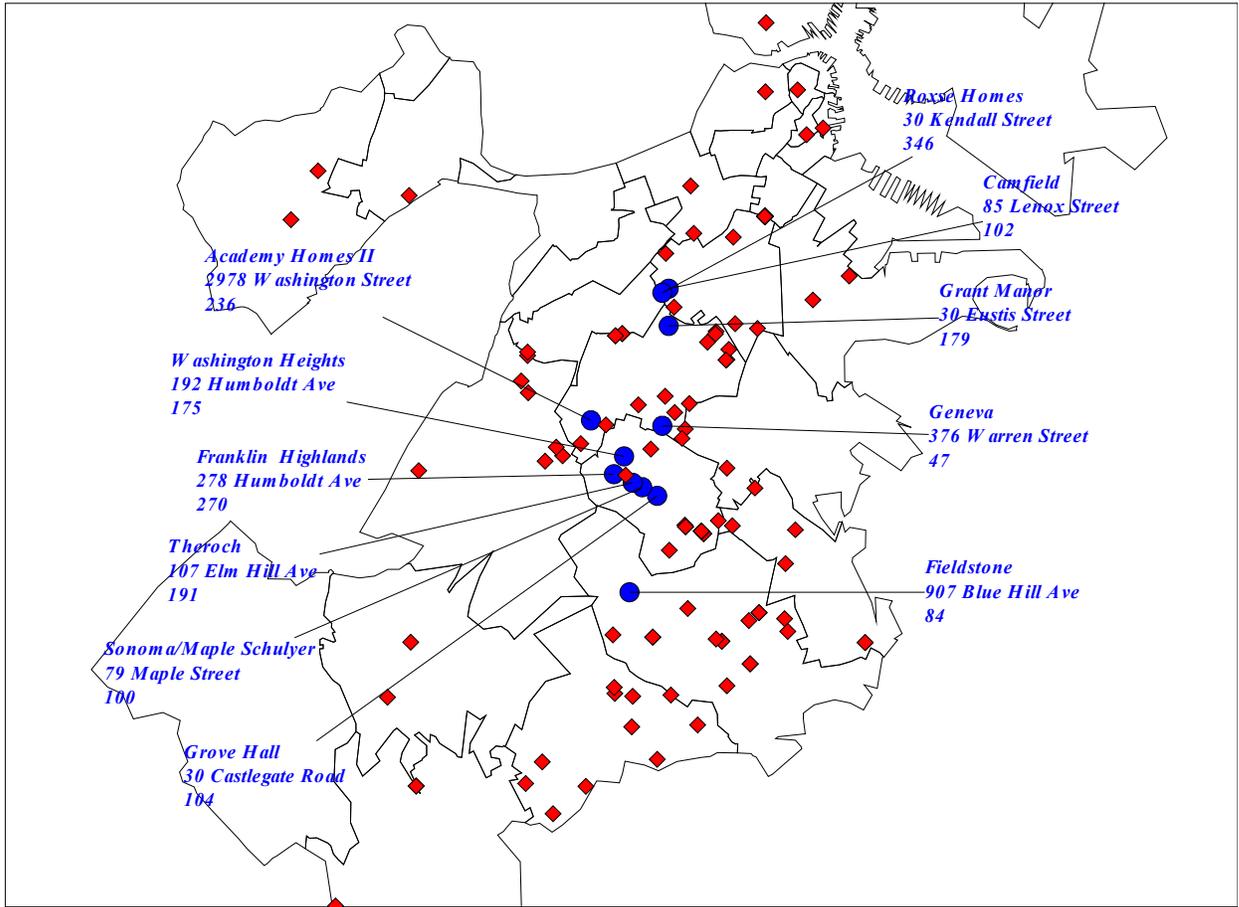
Map 4: Location of Prime Contractors and Demonstration Disposition Sites



Another level of economic development and business activity involved the sub-contracts awarded by prime contractors to local and minority, and women-owned businesses, as well as the vendors who provided services to residents at the eleven housing sites. This activity represents two contribution on the part of Demonstration Disposition in generating economic development in the targeted communities. First, many of the sub contractors who are receiving contracts through the prime contractors may not have been eligible in terms of bonding authority or capacity to bid on the construction projects. Under Demonstration Disposition, MHFA has encouraged prime contractors to retain sub contractors due to this problem. A second reason for the significance of this arrangement is that after Demonstration Disposition is completed, many businesses that provided services and products as sub contractors will have had business experiences that will be useful for other projects in the city and the region. These sub contractors will at least be in a position to participate in joint venturing with bigger partners.

The next *Map 5: Location of Sub Contractors and Demonstration Disposition Housing Sites*, illustrates that many small businesses, or sub contractors (indicated by red diamonds) were retained by prime contractors are located in, or in the vicinity of various Demonstration Disposition housing sites.

Map 5: Location of Sub Contractors and Demonstration Disposition Sites



As is suggested by these maps, significant number of companies involved with construction and vendor services that received contracts from MHFA are located in the Demonstration Disposition linkage areas. Thus, this Program did design and provide a mechanism for significant infusion of fiscal resources for small businesses located at, or near, the vicinity of the Demonstration Disposition housing sites.

In addition to achieving an impressive record in the utilization of minority-owned businesses for a public-funded project, MHFA also sought to ensure that residents and local community residents had access to some of the construction labor generated by physical rehabilitation of the development sites. Demonstration Disposition sought to ensure that some construction jobs would be available to housing residents and local residents. Vendors and service providers were also encouraged to hire and utilize residents in terms of employment opportunities. A good example of this is the labor force utilized by the Neighborhood Justice Network after it was retained by MHFA to provide training to residents regarding public safety and police matters. This organization turned to residents as potential trainers and organizers, and consequently was able to hire 48 residents to work at the various housing sites on some of its activities.

In summary, the data reviewed here shows that Demonstration Disposition did generate a range of economic activities in the targeted areas. This was accomplished by developing mechanisms for awarding contracts to local businesses, and minority-owned businesses. These businesses were provided with technical assistance that allowed for a strengthening of systems information. This sector was strengthened through the provision of information about available contract opportunities, and networking services with larger enterprises. Additionally, local workers living in the vicinity of the Demonstration Disposition site received a considerable proportion of the work hours available during the construction of the sites.

V Challenges in the Implementation of the Demonstration Disposition Program

The implementation of the Demonstration Disposition Program required flexibility in responding to myriad internal and external challenges such as changing HUD policies and regulations; major changes in the fiscal arrangements utilized for the implementation of the Program; transition in MHFA leadership and agency re-organization, and training of MHFA staff; insurance and indemnification issues for the Demonstration Disposition Program; legal issues involving civil rights and housing, and affirmative action; availability and capacity of minority -owned businesses; development of agreements regarding precise language and definitions of various terms and concepts such as “resident-centered” initiatives; developing efficient processes for collection and dissemination of a wide range of information; balancing interests of residents and other key participants; providing technical assistance to residents and other key participants; relocation issues; and design and construction issues. The resolution of matters related to these kinds of issues and others, is an important element in the story of the Demonstration Disposition Program.

The following are summaries of major issues that arose and presented internal and external challenges, and how they were resolved by MHFA.

HUD Policies and Regulations

HUD was the primary initiator and final authority for the design and implementation of the Demonstration Disposition Program. While the Demonstration Disposition Program was lauded as a program where local participants would decide how to renovate housing units, changes at HUD did influence fundamentally the implementation of the Demonstration Disposition Program in Boston. Such changes involved emerging concerns about the original 80% contract goals for minority-owned businesses; legislative threats to federal funding for the Program; and other political and regulatory developments. Many times, these kinds of changes at the national level are unforeseen and therefore cannot be anticipated, causing delays outside the control of the Agency, or the local participants. A brief example of this is the initial plan indicating that the Demonstration Disposition Program would be scheduled to be completed in two phases. But as the HUD financing package changed as a result of political and legislative developments at the national level, the phases were combined. Federal legislation and funding necessities required MHFA to condense development Phases I and II into a single phase.

There were three major revisions of the initial Agreement between MHFA and HUD. The amendments to the agreement were executed on August 15, 1994, July 28, 1995, and November 14, 1996. The first Amendment (August 15, 1994) established the HUD/MHFA Demonstration Disposition agreement as going into effect on August 15, 1994; addressed concerns about reduction of rental units; temporarily addressed indemnification issues; articulated previously unspecified procedures for early termination of the program; authorized MHFA to enter into certain blanket purchase agreements and requirements contracts; and incorporated final versions of the following attachments: MHFA goals, the inventory of residential units, MHFA procurement procedures, federal requirements, management agreements, requests for proposals for management agents, contents of project management and financial management reviews,

programs for minority business enterprises, the tenant assistance program, and the allocation table for determining the monthly fee increases paid by HUD to MHFA."

In the summer of 1995, under a "Second Amendment" to the Demonstration Disposition Agreement (July 28, 1995), the Program was expanded to include an additional 236 housing units at the Academy Homes II site in Roxbury, Massachusetts raising to 1,862 the total number of units under the Demonstration Disposition Program. One major reason for adding the Academy Homes II site was that tenants petitioned HUD effectively that MHFA and Academy Homes II were involved in earlier collaborative arrangements and that the Demonstration Disposition Program would be a fortuitous opportunity to improve housing at the site.

The last amendment (November 14, 1996) addressed previously unresolved issues related to the rehabilitation of Academy Homes, amended part of the agreement related to goals for the participation of minority businesses, modified the goal structure of the demonstration project to include separate goals for "Creation of economic opportunity for businesses and residents in the demonstration disposition community" and "Remedying discrimination against minority business enterprises", clarified language pertaining to relocation, specified indemnification language, and amended descriptions of construction contractor procurement procedures." The design and goals were developed by MHFA with significant input from numerous groups, including HUD, the MBE Linkage Committee, and residents. The Agency worked with several organizations, including its own Inner City Task Force, to facilitate participation of residents in various levels of decision-making. After numerous meetings with HUD, as well as civic, resident, and business representatives over a three year period, the Agency announced the adoption of the five goals for the Demonstration Disposition Program in January 1997, and described in this report earlier: the effective disposition and rehabilitation of HUD-owned developments; the development of initiatives that empower residents, including efforts that maximize resident participation in decision-making and opportunities for ownership of this rental housing by resident associations; the preservation of affordable rental housing and preservation, protection, and maintenance of quality housing for low-income families; the creation of economic opportunity for businesses and residents in the Demonstration Disposition sites; and remedying discrimination against minority business enterprises.

Legal Issues Involving Housing and Civil Rights

The NAACP Boston Branch, as well as the National Office of the NAACP, played a major role in advocating interests on behalf of the civil rights of residents. Several concerns were raised by the NAACP Boston Branch regarding legal guarantees against the reduction of housing units in the housing developments. The NAACP had legal standing to raise these issues based on the Consent Decree it had signed with HUD in an earlier case. In 1988, the NAACP had filed a class action suit against HUD regarding the preservation of affordable housing units. The consent decree resulting from this suit stipulated in part that "HUD shall not agree to disposition of HUD-assisted housing which has the effect of reducing the supply of affordable family housing in Boston" and "If HUD is unable to comply...the NAACP, Boston Branch, may move for such comparable alternative relief as appropriate."

The controversy about changes in the number of housing units to be replaced emerged due to some of the renovation plans proposed by residents. In some cases families had outgrown their apartments but were still crowded into one-bedroom units. MHFA believe that larger units might be needed to accommodate the families currently living in the developments, because of overcrowding in the one-bedroom units. MHFA therefore anticipated that some small units would be joined to become larger units. In other cases, in order to create an overall improved development, MHFA anticipated taking some units and converting them to community spaces.

The third situation that existed was that some units were uninhabitable. In some cases these unoccupied units had even been built below the necessary code, for example 22 units at Roxse were uninhabitable when the development opened (*Bay State Banner*, October 7, 1993). MHFA anticipated using these spaces, which were identified as apartments, but uninhabitable, to create new apartments, or to otherwise enhance the utilization of space for the development site as a whole. While no architectural work had yet been done to assess what changes might occur, some MHFA officials guessed that the 2,000 units might be reduced by about 50 units under the Demonstration Disposition Program. But according to an interview with Ed Pollack in July 1996, MHFA believed that there would be no loss in the number of occupied *inhabitable* units.

The NAACP argued that this issue had to be considered under the consent decree, while MHFA's initial position was that there was no loss of units in terms of the intent of the consent decree regarding housing preservation. According to Ed Pollack, the NAACP wanted a role in reviewing and approving all aspects of the demonstration. He reported that the meetings to discuss this issue became quite acrimonious, and a number of meetings were held at different levels up to the HUD Secretary's level. The final agreement was signed on April 11, 1994. According to Pollack it established that the NAACP would have the right to review and comment on the changes in the number of units as proposed by residents. The amended text of the agreement reads in part,

HUD and the NAACP agree to follow the review process described below for all Demonstration Disposition proposal which are covered by the contract between HUD and the MHFA...The review process shall focus on four sets of documents - the Disposition Plans, the MHFA Mortgage Insurance Applications, the Model Tenant Selection and Affirmative Fair Marketing Plans and the HUD Previous Participation Certifications as well as the equivalent information form MHFA...If a disposition proposal to be submitted to HUD by MHFA and the residents proposes to reduce the number of affordable HUD-assisted multifamily rental housing units under the Consent Decree MHFA and the residents shall provide written justification to HUD for the reduction...HUD shall provide the NAACP with a copy of each disposition proposal and any material modification thereof together with the justification prepared by MHFA and the residents. The NAACP shall provide HUD with its approval or written justification of its disapproval within 45 days of its receipt of a disposition proposal...The NAACP may disapprove a disposition proposal or material modification thereof only for the following reasons..1) if the disposition proposal includes limited equity cooperatives, the cooperative is not affordable...2) if the decrease does not benefit the community by creating larger units, handicapped accessible units, community space, the elimination of illegal units, or the decrease does not otherwise serve to benefit the

residents of the development, of 3) if current residents in good standing will be displaced or evicted...If a disposition proposal does not have the effect of reducing the supply of affordable HUD-assisted multifamily rental housing available as of the effective date of the Consent Decree, the NAACP has a right to review and comment on the disposition proposal, but its approval shall not be required for HUD to proceed with the disposition. (Agreement between NAACP, Boston Branch, and HUD, August 1994).

The compromise emerged not only from an interest of all parties to move the Demonstration Disposition Program forward and not endanger its status with HUD, but also because some of the residents expressed their own concerns about the NAACP's position. While supportive of tenant rights and integration, residents did not want to obstruct the progress of the Demonstration Disposition Program. Furthermore, some residents believed that a slight reduction in the number of units could benefit the Demonstration Disposition Program by allowing the creation of community and common spaces at the sites. Differences of opinion between some NAACP Board members, its officers and legal counsel, and residents, were resolved in a series of community meetings sponsored by the NAACP.

Training and Orientation of MHFA Staff

Potential problems resulting from "goal conflict" was an early concern of MHFA. Some MHFA staff were concerned that the goals established for the demonstration would potentially conflict with each other as they proceeded with planning and implementation. One of the issues that arose, for instance, included potential tension between resident-empowerment and minority business participation goals, meaning that residents could decide *not* to choose minority businesses, vendors, and managers that would help achieve the 30 percent MBE participation goal. One MHFA staff person stated, "Residents don't care what color the contractor is as long as they are responsible and respected by them. Therefore, potential for conflict between MBEs and residents [is a real concern]" (MHFA Assessment Report). Questions were brought forward, including issues about the methods by which residents will determine good track records of involved businesses and make decisions based on appropriate information. Another related problem involved the tight framework of the Demonstration Disposition Program and the sometimes lengthy processes for democratic participation of residents in important decision-making. While MHFA and the community felt resident participation was a mandatory goal, the amount of time needed for consultation and communication would slow down the process because of the numerous parts of the Demonstration Disposition Program.

Collection and Dissemination of Accurate Information about Demonstration Disposition Program

MHFA had to spend time and resources in ensuring that the dissemination of information reflected accuracy about data and programmatic developments. This was an important area of activity due to the size of the Demonstration Disposition Program, as well as a history of political conflict between tenants and government around housing issues. Information about the Demonstration Disposition Program had to be validated before its release in order to avoid unfounded rumors. Interaction with community interests had to be forged at two levels---with the residents of the housing developments and their representative organizations, and with community organizations whose membership did not directly coincide with residents. Thus,

information had to be shared widely, but also managed in such ways as to avoid the emergence of rumors and allegations. Although the Inner City Task Force brought together groups and a wide range of individuals who shared information, the potential for miscommunication and mistrust was always present. The particular flow and quality of information about the operations of the Demonstration Disposition Program could resolve this problem, or exacerbate it. Any misperceptions of the goals and practices of the program represented a source of potentially volatile instability for the program.

An issue related to the flow and quality of information was resident expectations and beliefs that the Demonstration Disposition Program would not be completed or that they would be displaced. Some of the MHFA staff were also concerned that without precise and accurate information about the Program, residents could get erroneous impressions about expected economic benefits. It was imperative, therefore, that there be structured means of continual communication about the Demonstration Disposition to all involved parties. These avenues included public forums, fairs, meetings, and targeted activities by MHFA's Public Information Office. Regular meetings that were taking place at MHFA included the Inner City Task Force, MBE Linkage Committee, the Community Service Working Group, and the Tenant Organizing Working Group. Also, MHFA published newsletters and the documents updating the progress of the program.

The Inner City Task Force was particularly important in this respect. It served as a forum where information from external sources could be publicly collected and dispensed, questions could be raised, and rumors could be addressed. There was frequent encouragement to ICTF members to tell others of what was happening and to participate in rumor control. One of the examples of this occurred in October, 1993. Concerned about the potential impact of the program, the Mandela Citizens' Research Center, a local community group, distributed a flier asserting that an effect of the program would be the removal of residents from their buildings and their replacement with high-income tenants paying rent at market-rates once the renovation was completed. MHFA responded by inviting the Mandela Citizens' Research Center to attend the ICTF meetings so that they could hear first-hand what the plans were. MHFA also asked ICTF participants to help in the correction of inaccurate assertions. Referring to the Mandela accusations as well as a second set of misconceptions that occurred in November 1993, the ICTF minutes for December 1993 listed three common "point of misunderstanding": "There are assertions that low-income people will be displaced from their homes; the fact is that Section 8 project-based subsidies will be provided to all eligible residents. It was asserted that there will be no provisions for other than absentee ownership; the fact is that this is entirely a resident-centered process leading to resident-controlled ownership of these properties long term. It was asserted that there are no provisions for employment of residents from the minority community; the fact is that the Demonstration carries an 80% Minority Business Enterprise (MBE) goal throughout all phases of the program."

The access of the leadership of MHFA to the general public, both under the Siflinger and Pierce administrations, facilitated the flow of accurate information and data about the Demonstration Disposition Program's successes. As previously indicated, the role of the Inner City Task Force and MBE Linkage Committee were also significant arenas for the dissemination of accurate information about the Demonstration Disposition Program. A key component in the

dissemination of information and minimizing of rumors was the Agency emphasis on concise and precise definitions of terms utilized under the auspices of the Demonstration Disposition Program. For example, a statement suggesting that the purpose of the Demonstration Disposition Program is to allow tenants to become “homeowners,” can mean very different things. Homeownership was not meant to mean, for instance, the opportunity for tenants to be single homeowners of their units, yet this is how some residents initially received this information. In another instance, what does it mean that the Agency would expect residents to make decisions about the Demonstration Disposition Program in a “democratic” fashion? This term may be quite precise in one arena, quite vague in another. What do we mean by “the community?” And, even, what is a “resident” --do we mean a tenant living in a project site, or someone who lives in the neighborhood? The Agency staff were meticulous about the utilization of these terms; this was very helpful to maintaining communication and good working relations among a range of sectors.

Developing Appropriate Data Base and Information Systems

Determining what kinds of programmatic data should be collected and in what format represented a major challenge to MHFA. This was a new kind of housing program that required that information be collected and analyzed differently than in the past. Additionally, as primarily a HUD-funded process, data had to be collected in the traditional formats required by this federal agency. But in order to measure the impact of the Program, it was also necessary to systematically document the stages in the development of Demonstration Disposition, noting decisions and policies related to the Program’s effectiveness and impact on the community life in the targeted communities. Other databases included the collection of MBE data for purposes of information and monitoring progress, fiscal databases, as well as a system for tracking and documenting all facets of the Demonstration Disposition Program.

Operationalizing and Defining a Resident-Centered Housing Program

Determination about the nature and implications of a “resident-centered” process required many meetings finalizing precise terms in the planning and implementation of the Demonstration Disposition Program. Tenants and resident association had to develop with, negotiate, and debate appropriate mechanisms and procedures with MHFA that would maximize tenant input in the selection of architects, managers, public safety issues, relocation issues, and construction plans, without compromising the organizational and fiscal integrity of the Agency.

Since implementation of the Demonstration Disposition Program depended heavily on the resident leaders and activists, there was concern about the burden this placed on individuals. In effect, the Agency was asking some residents to volunteer and work long hours on behalf of the Demonstration Disposition Program, while everyone else was being compensated for their time. Resident activists had to go beyond the calls of volunteer involvement that might usually be expected of ordinary citizens. The problem of resident participant “burn-out” by active residents was an important one to note.

The issue of governance among residents at the various project sites also had to be considered carefully. At one point, MHFA staff may have expected that residents would naturally arrive at unanimous decisions. Although residents and resident-organizations reflected a high degree of

organizational maturity and commitment to the goals of Demonstration Disposition Program, there were competing interests and factionalism in some quarters. The Inner City Task Force and the MBE Linkage Committee, established by MHFA, were critical in providing arenas where disagreements among residents and others, as well as with MHFA, could be discussed openly.

Availability/Capacity of MBE's to Qualify for Demonstration Disposition Program Contracts

The aggressive goal of the Demonstration Disposition Program to involve minority-owned construction businesses was tempered by bonding and insurance regulations issued by HUD. Construction contractors competing for, and winning bids for construction work are required to be bonded, that is insured in case liability issues emerge in the performance and completion of the work. Traditionally, bonding companies offer bonds in amounts only up to a certain percentage (usually 110 percent), of the largest previous contract received by the applying firm. While some successful minority-owned businesses would be willing to complete work for a construction contract, for example, it could face a situation where it could not receive bonding for a certain level of work because previous jobs may not have been as large as that being bid under Demonstration Disposition Program. If a business can only qualify for half a million dollars in bonding, this becomes the limit that an insurance company would be willing to risk on the business and its work, then this business could not bid for a Demonstration Disposition Program contract that might require bonding beyond this amount.

Certification of Minority-Owned Businesses

Since the Demonstration Disposition Program was designed and marketed partially as a strategy for enhancing the economic development of the targeted neighborhoods, and an opportunity to strengthen minority businesses, there was an initial concern about the definition of a minority-owned business. There is some history in Boston and Massachusetts of non-minority interests utilizing the state's MBE policies and practices to establish minority-business fronts. There are many potential abuses in the utilization of MBE-designation for attaining contracts.

In addition to misrepresentation as a minority firm, MBEs could easily be invited to submit a joint venture proposal as a subcontractor, but then be dropped by the general contractor once a contract is received. MHFA took a number of steps to address this issue, including incorporating reporting requirements into each contract awarded, piloting a plan in which subcontractors would form an alliance and hire their own general contractors. Additionally, MHFA's Equal Opportunity Division played a major role in providing information and technical assistance to minority-owned businesses interested in participating in the Demonstration Disposition Program. MHFA also stated clearly how a minority-owned business would be defined for purposes of the Demonstration Disposition Program, and the kind of certification that would be satisfactory to the Agency.

Balancing Interests Between Residents and Minority Business Sector

Initially, disagreements and tensions between residents and some business owners were a potential politically-explosive issue for the Agency. There is a history of tensions between tenants, tenant organizations, and developers, including Black and Latino developers, in Boston. This history could have marred the strategy to link the rehabilitation of the housing units with the

goals of economic development and working with minority-owned businesses. Communication and a spirit of teamwork was vital to ensure that a “resident-centered” process would not be in conflict with the call for utilizing minority-owned businesses, especially for the construction work under the Demonstration Disposition Program.

Providing Training and Technical Assistance to MBEs

In order to ensure that minority-owned businesses could compete effectively for the bid work under the Demonstration Disposition Program, there had to be some assurance that the capacity of some businesses would be satisfactory. The Agency decided to take an aggressive posture in this area. Under the leadership of the Equal Opportunity Division of the MHFA, MBE’s were provided with information about available loans and technical assistance that could be tapped. Numerous workshops were held, including a series of joint ventures in order to encourage minority-owned businesses to team with non-minority owned businesses.

Quality of Resident Preparation for Decision Making

MHFA discovered early in the planning for Demonstration Disposition Program that resident associations and developments reflected different degrees of organization and preparation for participation in this initiative. There were several important governance issues that arose and highlighted differences in the quality and state of organization among residents. One issue was determining who actually represents tenants. There were competing factions of tenants at some development sites, and conflict between tenants and tenant organizers at others. Mechanisms had to be established to ensure that “leadership” (through resident association elections) spoke for the tenants.

Relocation

The first part of relocation was to be on a smaller scale for the families that had to be temporarily moved during lead paint abatement. The first set of residents were scheduled to be relocated on March 6, 1995. Further relocation plans for the actual construction period were to be created with resident input. With construction slated to begin in July, 1996, there was concern for the 1,500 families who had to be relocated during rehabilitation. MHFA selected four firm/joint ventures in April, 1996 from a pool of eight firms to coordinate the relocation plans and implementation with input from the resident associations. The four firms include: Consulting Diversified, Inc., Cruz Management Company, Inc., GVP, Inc., and Peabody Properties, Inc. With the difference in rehabilitation needs for each site, relocation plans are to be based on construction plans and schedules. (Fieldstone Apartments _ no long term relocation should be necessary; Camfield Gardens _relocation of 18 or more months expected.)

Relocation consultants submitted relocation plans for each site the first week of July, 1996. The contractors were expected to assess the needs of the tenants and mitigate as many problems as possible. Some of the sites studied as prospective site for relocation of some of the families include North Quincy and South Weymouth, at two unused naval properties. The agency has attempted to solicit vacant units in other developments, public and private, throughout the Boston area. Ideally, all relocated tenants would remain in the Boston area during the duration of the construction phase. This is to mitigate problems, such as school transfers, employment issues, etc. By July 1996, there were only a small number of vacancies within the city limits.

This was a particular concern for those residents who would be relocated for a year or longer. Residents were given a minimum of 60 days notice for relocation. The rehousing policy, which includes subcontractors, movers, and other parties related to the relocation process, was scheduled for completion in July 22, 1996. Drafts of the agreement were sent out on June 20, 1996 for review.

The beginning of the relocation process was delayed due to difficulty MHFA had in acquiring indemnification insurance. The agreement previously reached by HUD and MHFA was that HUD would pay for the insurance. Having run into difficulty finding an insurance company willing to provide indemnification insurance for the Demonstration Disposition, MHFA delayed the opening of construction bids. This has been an issue between the two agencies for the Demonstration Disposition since Summer 1995 after the signing of the second amendment to the agreement. The developments that will be most affected by the indemnification insurance issue were Fieldstone Apartments and Sonoma/Maple/Schuyler.

Construction

There were several developments tended to slow the initiation of construction at the various sites. Construction bids for the first development, Fieldstone, were initially expected to be opened in June 1996. Due to difficulties in MHFA purchasing indemnification insurance on the market, it delayed approval of the opening of bids. HUD was to pay for the indemnification insurance, but when MHFA went to purchase, there was no such insurance on the market. The second development scheduled for opening of bids was Sonoma/Maple/Schuyler in mid_July, 1996. The bid opening was delayed a second time because of the indemnification issue. The indemnification issue finally reached an agreement stage effective November 14, 1996. In an effort to conserve funds, MHFA performed a "blanket" insurance policy that covered all of the sites within the Demonstration Disposition Program. This issue caused delays in the bidding process. Also, while by February and March of 1997 bids were submitted by contractors for the construction for the individual developments, they came in much higher than expected.

This is a brief overview of the major developments that molded, in part, the planning and implementation of Demonstration Disposition. It is due to these developments, however, that it was critical for MHFA and residents to be as clear as possible regarding the five goals and accompanying objectives. Frequent meetings and communication between MHFA and residents, and others, helped to ensure that all stakeholders would try to work with each other under a broad, but unifying, framework. The concluding section of this evaluation report examines two key components of this framework, resident empowerment and economic development. It also offers some lessons that can be shared with others interested in understanding how government and citizens can work together in housing and economic development in order to improve living conditions in neighborhoods.

VI Lessons Learned

The Demonstration Disposition Program in Boston was started and instituted during a period of major changes in the national context relevant for the building and availability of affordable housing. This context has witnessed major changes in federal housing policies. Recent reductions in HUD funding have limited the resources utilized at the local level for housing preservation and improvements. In 1978, for example, HUD had \$10.6 billion for preservation and improvements of housing, while in 1997 there is only \$7.7 billion. HUD also faced a major reduction in its budget authorizations. In a report titled, *Housing at a Snail's Pace* (August 1996), the National Low Income Housing Coalition reported that in 1978 HUD had \$27.3 billion for budgeting, and in 1997 it had \$21.4 billion. Additionally, there has been reduction in total Section 8 vouchers that can be used for project-based units. In 1978 there were 200,372 units supported by these kinds of federal funds, while by 1995 this number declined to 16,904 units. Generally, there has been significant decline in the level of public support and resources, and involvement of the private sector, in the construction of new housing geared for low-income residents. Additionally, existing low-income housing face the threats of 'expiring use,' prepayments, and lesser public dollars.

In addition to significant changes in the public funding available for low-income housing, HUD has been in the midst of restructuring its public, and publicly-subsidized housing through several approaches: the repeal of the Brooke Amendment which would presumably reconfigure the family income characteristics of public housing residents; the reduction in targeting and preferences for low income families due to the belief that public housing would improve if reflective of greater family income mix; changes in the admission and eviction standards within public housing in order to enhance the quality of living conditions as well as security. And, the growing insecurity of commitment to affordable and decent low-income housing reflected in the problem of "expiring use" and reductions of public subsidies for this kind of housing is an important part of understanding the state of urban housing today.

Another change in the overall context of federally-subsidized housing is the response to growing calls for tenant "empowerment." HUD has sought to increase the "tenant-based" subsidies, for example, Section 8 vouchers that individuals can carry to different locations but eventually eliminate the "project-based" subsidies expended collectively on a particular housing site, which has been the mainstay of much affordable housing. Planning for the MHFA Demonstration Disposition Program was dependent on the utilization of project-based subsidies for part of the financing of the Program. When this source of revenue was threatened in 1996, MHFA expressed major concern whereupon an agreement with HUD was developed to allow project-based Section 8 subsidies to be utilized for operating budgets at the Demonstration Disposition sites over a 15 year period.

An issue that adds urgency to the rehabilitation of a couple of thousand housing units pursued under the Demonstration Disposition Program, is the so-called "expiring use" crisis. Boston, like many other cities, participated in the Section 236 (1968) program. This is a program which attempted to motivate private developers to provide, build, and maintain low-income housing while collecting Section 8 (1974) subsidies from their tenants, and carrying 40 year low interest

rate mortgages. Many landlords partaking of this program have been eligible for HUD funding to maintain the physical property, and even provide social services in some cases. One of the provisions in the Section 236 program is the option to prepay mortgages after 20 years. In some situations it would be the landlord's fiscal advantage to prepay the mortgage in order to collect higher rents from higher income residents, or re-sell the property for profit to other private developers. It is generally acknowledged that the expiring use provision will exacerbate the problem of inadequate and affordable housing by reducing the availability of low-income housing. Since the federal government is also reducing its involvement and funding for low-income housing, it is justifiable to refer to the expiring use problem as a potential crisis.

Recently a report issued by the Boston Tenant Coalition, "Turning New Growth into Affordable Housing" (April 2000), concluded that this potential crisis is now real. They identified a reduction in thousands of affordable housing units due to loss of rent regulation in Boston and Massachusetts, tenant-based rental assistance, loss of expiring subsidies and use as described above, loss of public-owned housing, and loss of state program funding for housing. A few months earlier the Metropolitan Affairs Coalition and the Metropolitan Area Planning Council issued a similar warning in their report, "A Housing Crisis: Competing in the 21st Century" (December 1999). This report urgently called for the preservation and rehabilitation of older housing stock, improving the ability of first-time home buyers to purchase property, greater production of mixed-income housing, and increase utilization of CRA-generated investments, to address the housing crisis in this state.

The Demonstration Disposition Program as planned and implemented by MHFA represents an innovative and successful model for the preservation of affordable housing. The number of Demonstration Disposition units (1,862 housing units) represents a significant proportion of the stock of the available and affordable housing in Boston. As carried out in Boston, furthermore, the Demonstration Disposition Program reflects several features that are consistent with the criteria established by the Housing and Community Development Amendments of 1978 (Section 203). This legislation iterated five broad goals that should be addressed by HUD in the rehabilitation and disposition of subsidized housing:

- 1) *preserving the housing units so that they can remain available and affordable by low and moderate income families;*
- 2) *preserving and revitalizing residential neighborhoods;*
- 3) *maintaining existing housing units in decent, safe, and sanitary conditions;*
- 4) *minimizing the involuntary displacement of tenants;*
- 5) *minimizing the need to demolish projects.*

The findings of this evaluation indicate clearly that these criteria were satisfied a result of the partnerships between MHFA, residents, and others.

MHFA has worked with residents and others to ensure that the rehabilitated housing units reflect the current standards and required regulations for decent housing conditions. The Agency has worked closely with residents in planning and implementing a relatively smooth relocation of residents during construction of the sites. Residents have been involved directly in negotiations about the most effective ways to proceed with various relocation issues. While guaranteeing that residents would return to their assigned housing units, the Agency has provided opportunities for some relocated residents to opt for first time home-ownership. And, while some of the sites required demolition before rehabilitation, this has been carried out with the continual input of residents or their association representatives at these sites. The results of the evaluation show that each of these national goals have been accomplished by the Demonstration Disposition Program in Boston.

Demonstration Disposition is a model that can be utilized to maintain the stock of available and affordable housing and within a context in which urban neighborhoods are strengthened in terms of their economic development and resident's sense of ownership and civic participation. It is not a perfect model, as the concerns raised by residents and participating business owners and others indicate in the evaluation of this program. But the model represents an idea and way of thinking about housing and neighborhoods that may serve to strengthen and position residents and community representatives to become more effectively involved in improving living conditions in their neighborhoods.

A clear policy contribution of this initiative is that it expands the kinds of discussions we can have regarding the improvement and expansion of affordable housing. The Demonstration Disposition Program encourages us to think differently about housing and economic development. As observed by William C. Apgar, "Since the 1930s, housing policy analysts have debated how best to spend limited housing assistance resources to aid the poor. The issues are numerous, but over the years the policy discussion has focused on whether it is more effective to intervene on the supply-side — via subsidized housing production — or on the demand-side — via provision of a voucher or rental certificate that enables a low-income household to secure decent housing in the private market." (See, William C. Apgar, Jr., *Housing Policy Debate*, vol.1, issue 1, p.2) The Demonstration Disposition Program shows that this is not the only choice in terms of developing and pursuing strategies to increase the affordable and decent housing stock in a city. There is a third choice that is illustrated by the way Demonstration Disposition Program in Boston was designed and implemented over a 4 year period. This model shows that it is possible to develop effective public policy and programmatic initiatives geared to ensuring that people in poor communities have access to decent housing and increased economic and social opportunities. Very importantly, Demonstration Disposition also shows that neighborhoods and government can work together effectively to strengthen the social and economic fabric of communities, as well as to ensure that housing remains affordable and decent for its residents.

Although it may be unlikely for HUD to sponsor and support another Demonstration Disposition initiative that is the size of Boston's program, there are several key and important lessons emerging from the design and implementation of the Demonstration Disposition Program. These lessons are useful for enhancing an understanding of policies and strategies for linking housing

services, resident participation and ownership, with economic development and human services. They show, furthermore, how government can be a partner and effective in responding to the housing, social, and economic needs of inner city neighborhoods. This Program reflects ideas and now insights about planning for housing policy in ways that enhance community empowerment and economic development. Thus, although funding that was made available for the Boston Demonstration Disposition Program may not be available, a model for meeting these kinds of goals did emerge from this initiative. This model and its elements may be replicated in other urban places.

The integration of housing construction and efforts to enhance economic development shows that government, neighborhood and tenant organizations, and the private sector, particularly small businesses and minority-owned businesses, and other civic sectors, represent a critical partnership for improving living conditions in economically-distressed communities. The Demonstration Disposition Program in Boston can serve as a national model in both the design of public policies aimed at integrating housing and economic development, as well as in the implementation of such strategies.

This Program also has the possibility of showing how sometimes divisive, but necessary policy responses like affirmative action can be approached in ways that minimize conflict and strengthen urban neighborhoods at the same time. The indemnification for Demonstration Disposition Program involved HUD fiscal backing for potential lawsuits against the project. The concern was that any white contractor might sue MHFA and HUD over the goal of expending 80% of the controllable expenditures of the Demonstration Disposition Program on minority businesses. Presumably, the Supreme Court's Croson decision in 1984, and the Adarand decision in 1992, would represent the framework of this suit. It should be noted that the 80% goal negotiated with HUD was established a year after the Adarand decision, and almost ten years after the Croson decision. Although this goal was never defined or associated with "affirmative action" as such, nor as a minority set-aside, some individuals in MHFA believed that the Agency could be vulnerable to a lawsuit based on these earlier judicial decisions. Feeding this concern was the fact that as a relatively unique housing program in the nation, there was not adequate and complete analysis of how the judiciary and its decisions on affirmative action might impact the goal of 80 percent. MHFA's leadership believed a legal suit along these lines would damage the progress of the Demonstration Disposition Program and therefore should be avoided as much as possible by clarifying and revising this goal. The Agency, therefore, adopted a goal of expending 30% of its contract dollars on minority-owned businesses, in addition to a goal of 80% for small businesses located in the target communities under the Demonstration Disposition Program.

The Agency, based on input of residents and local businesses, transformed a potentially divisive issue into a creative way of approaching the issue of involving minority, and women-owned businesses in the Program. The MBE participation goal established for the Demonstration Disposition program had its conceptual roots in two overlapping interests; first, MHFA had a growing awareness of the importance of economic development in the communities in which they financed long-term housing preservation. Second, MHFA had a history of commitment to affirmative action. These two interests were often combined in innovative approaches to MHFA

projects. For example, in 1984 MHFA set up a program that included outreach to minority developers and management training of local residents

A report issued by the Government Auditing Office, *Community Development: Status of Urban Empowerment Zones* (December 1996), identified several factors that improve the quality of planning and implementation of subsidized housing policies. These factors include a significant degree of community participation; effective governance structure for helping to resolve disputes and clarifying decision-making procedures; the existence of an information management system for measuring outcomes; the establishing of clear program guidelines and requirements; the training and availability of competent staff, both technical and generalist; the provision of programmatic initiatives that combine social service and economic development; effective communication among stakeholders; the assurance that community representatives have opportunities to express views and ideas; the presence of a supportive media; and ample opportunities for technical assistance. The report also proffered that a sense of optimism in terms of the possibility of improving living conditions and economic opportunities is also an important factor in these kinds of efforts.

The evaluation of Demonstration Disposition Program confirmed the significance of these factors for ensuring an effective housing program aimed at maintaining, or increasing the stock of affordable housing, but there were other notable factors beyond these, as well. The Demonstration Disposition Program in Boston shows reflected these strengths in the following ways:

- 1) the Program developed early procedures and 'places' for resolving disputes between various parties involved with this effort;*
- 2) there were numerous procedures for involving a wide range of stakeholders;*
- 3) the independent evaluation by a 3rd party and technical assistance in clarifying objectives was important because it help to continue developing precise language and definitions related to the Program, including attempts to achieve clarity and precision about goals and objectives;*
- 4) the development of a resident-centered program and accompanying processes encouraged resident participation and input; many of the solutions to unanticipated problems; furthermore, were based on input from resident participants and community representatives;*
- 5) the commitment to strengthening minority and local businesses, were based on performance benchmarks that were reviewed and reported periodically;*

In addition to these strengths, it was also quite useful that key members of the planning effort on the part of MHFA understood community dynamics and were involved with other community issues. This was a critical resource, as was the Agency's and its leadership expressions of public support for the program.

Demonstration Disposition Program has implications and lessons beyond housing in Boston. It offers a strategy and road map for improving the housing stock of urban communities at the same time that the small business and minority-owned business sectors are strengthened. In conclusion we offer a number of observations that are related to the design housing policy that is based on resident empowerment, and utilizing housing as an engine for economic development in urban areas:

- 1) *the integration of housing and economic development is a valid and workable concept;*
- 2) *maintaining and expanding affordable and decent housing is possible, but it does require funding and partnerships between government, residents, the private sector, and community actors;*
- 3) *the expenditure of housing funds should be 'leveraged' with other goals such as strengthening local businesses;*
- 4) *the intermediary and partnering role of government in these kinds of efforts is critical component of successful strategies;*
- 5) *resident involvement clearly enhances the quality the implementation; but resident training for decision-making is critical. Informed, and prepared, residents can make important contributions in the areas of design plans, relocation strategies and activities, selection of architects and contractors, and other areas; critical but provision of technical assistance and access to creative and innovative capital are necessary to enhance the capacity and effectiveness of this sector; and,*
- 7) *the management of information is a quiet but extremely necessary tool in these kinds of efforts. Information systems for purposes of monitoring and managing activities and informing decisions represents a way to keep stakeholders informed, but is also helpful in resolving disputes and differences of opinion that may be based on mis-information, lack of trust, or lack of communication. It helps to encourage the development of precise definitions of terms that might be approached and utilized differently by a different stakeholders.*

Our last observation in this report is probably the most important for policy makers and communities across the nation. And, that is, that no matter the social and economic problems facing poor and working-class neighborhoods, they nevertheless represent a trough of good will, civic energy, and keen insight relevant to improving the effectiveness of public policy. The Demonstration Disposition Program would not have been possible without the strong commitment and civic spirit exhibited by residents and local businesses, and others, including elected officials in the neighborhoods of Roxbury, Dorchester, and the South End. The Demonstration Disposition Program is a model program as far as the design and implementation of public policy is concerned. MassHousing deserves much credit for many of its successes. But it is the collective, and many times eclectic and dialectic, struggles of the community that helped to mold this program as innovative and creative, and effective in terms of rehabilitating and

expanding the stock of affordable and decent housing in one city, but doing it in a way that establishes a foundation for the continual availability and the capacity of residents to provide qualitative input and management of their community and well-being and future.

Appendix 1: Goals and Objectives of the Demonstration Disposition Program

The Goals and Objectives

The Demonstration Disposition Program has five goals: 1) Effective disposition and rehabilitation of HUD-owned developments; 2) Development of initiatives that empower residents; 3) Long-term preservation of affordable rental housing; 4) Creation of economic opportunity for businesses and residents in the Demonstration Disposition Community; and, 5) Remedying discrimination against minority business enterprises. The following are the objectives that were determined as necessary for completing each of these goals.

Goal I and Objectives (5): Effective disposition and rehabilitation of HUD-owned developments in Massachusetts

1. The disposition of all developments is achieved by September 15, 1997 (two years following the effective date of the Annual Contributions Contract (ACC) between MHFA and HUD, September 15, 1995). In cases where HUD has granted extension(s) for a particular development, the disposition of these developments is achieved by the regulatory sunset of the Demonstration Program (currently slated for September 30, 1998), except where a revised date has been approved for a particular development by HUD.
2. Rehabilitation meets MHFA standards for quality housing, both initially and over time, and is adequate to maintain long-term viability:
3. Lead paint abatement is achieved in all developments in which lead abatement was required: Compliance with the Massachusetts lead paint regulations is achieved prior to disposition for all units in which children under age six reside. (This may involve abatement and/or relocation.)
4. Rehabilitation results in no net loss of units, except as required to meet the needs of the residents, including the provision of community space, the provision of accessibility of the disabled, and the elimination of illegal units.
5. All developments meet federal and state regulations regarding accessibility requirements by the completion of the rehabilitation work.

Goal II and Objectives(6): Development of initiatives that empower residents

1. Viable resident organizations are formed prior to disposition at each development generally meeting the following characteristics: -meet regularly; function democratically; conduct outreach to all groups (including ethnic, racial, and linguistic groups) in the development; build as participatory a structure as possible; committed to continued affordability; -independent of non-resident owners and managers; incorporated
2. Residents and/or their consultants have the *opportunity to participate* in the formation of the following: Tenant organization assessment criteria; "Architectural vision" for the property; Comprehensive repair plan; Relocation plan; Selection of security company
3. *Decisions* of resident organizations, when made using MHFA-approved criteria and within established target dates, *are implemented* in the following areas: -Selection of management agent; Selection of development team; Determination of type of ownership; Selection of owner
4. Developments are sold to: -resident controlled organizations, *or* -joint ventures in which residents have more than a 50% interest in the partnership; *or* -a non-profit or for-profit developer which agrees to "phase in" resident ownership/control; *or* - other acceptable form of ownership proposed by the residents.
5. Resident organizations are supported by the Agency in the following ways: -Residents have information, necessary resources and technical assistance needed to make informed decisions. -MHFA's decision making process is open to resident input.
6. Resident organizations indicate general overall satisfaction with: -relocation process; -management agent selection process; - new owner, at time of sale; -quality of rehabilitation units, common areas, buildings, and sites

Goal III and Objectives (8): Long-term preservation of affordable rental housing

1. Adequate resources are provided, and adequate mechanisms are in place at the time of Disposition that: -assure continued affordability through deed restrictions or other mechanisms;
2. Effective and efficient management is established and maintained during Interim Asset Management: All developments receive acceptable ratings on Agency reviews, including PMRs, FMRs and/or procurement reviews, within one year of operations after the start of the Interim Asset Management;
3. Superior and efficient long-term management is maintained while under MHFA oversight:
-All developments receive an acceptable rating on annual Agency PMRs and FMRs, after one year of operations following disposition.
4. Tenant Assistance Program services (for both management company staff and residents) are available at each of the developments immediately upon the start of Interim Asset Management.
5. Service coordination is provided at each development; -HUD-funded Resident Initiatives Specialists are hired and trained at each development by disposition, at the option of the resident organization
6. Resident safety and security are enhanced by the implementation of a security program by disposition that: -incorporates the security assessment and priorities of the residents, and -results in a process to effectively identify and address problems/issues as they arise that include:-effective channels of communication, -working relationships with various sources to solve problems, -the installation and maintenance of appropriate security equipment and hardware and,-resident education on ways in which they can act to increase security.
7. Resident organization satisfaction with security provision is increased; At designated points in time, satisfaction is indicated with: -security services; -management company response to security issues
8. Within 90 days of the selection of the new management agent, a process is put in place in each development to assure that appropriate action has been initiated to bring an eviction against any resident known to be involved in criminal activities within the development.

Goal IV and Objective (1): Creation of Economic Opportunity for Business and Residents in the Demonstration Disposition Community

1. 80% of all controllable expenditures of the Demonstration Program are expended with businesses with past and future commitments to the community, to be measured at the completion of the disposition.

Goal V and Objectives (4): Remediating discrimination against minority business enterprises

1. 30% of “controllable expenditures” (See attached definition) relating to the Demonstration Program are expended with Minority-owned Business Enterprises, to be measured at the completion of disposition.
2. Technical assistance programs and other resources are provided to enhance the ability of minority contractors to successfully bid on contracts in the HUD Demonstration Disposition Program.
3. The Agency’s existing MBE programs, and any enhancements, are available (though not restricted to the Demonstration Disposition Program, including:-MHFA/CDFC Minority/Women Contractors Bond Support Fund
4. MBEs indicated general overall satisfaction with the outreach, technical assistance, and/or other resources provided by the Agency intended to enhance their participation in the Demonstration Program.

Appendix 2: Financing the Demonstration Disposition Program

The total estimated cost of the Demonstration Disposition Program was initially projected to be slightly over \$200 million. But with changes since the announcement of the Demonstration Disposition Program, including the addition of the last project site, Academy Homes II, the HUD cost for renovations was estimated in the range of \$268 million. The budget provided by HUD did not include costs for relocation, or removal of hazardous materials. The major components of the financing package for the Demonstration Disposition include funding from the FHA Insurance Fund; utilization of Section 8 project-based subsidies for the sites; and proceeds from the sale of low income housing tax credits. HUD also provided an additional \$38.9 million from the FHA Insurance Fund for the renovation costs at Academy Homes II, a site that was added to the original list of Demonstration Disposition sites in 1995.

The funding strategy for this Program changed between 1994 and 1995 after a July 1, 1995 Amendment to the agreement between MHFA and HUD was adopted. As initially planned the financing scheme was based on HUD's provision of approximately \$188 million through Federal Housing Administration (FHA) Insurance Fund to renovate the properties. Another \$101 million in 15-year project-based Section 8 subsidy would be provided which, in combination with \$27 million in pre-existing Section 8 contract authority and \$65 million in rental payments, would be used to support day-to-day operating expenses. Under this original plan funding for a first phase was to occur through a HUD grant from the FHA insurance fund and the financial base for a succeeding second phase of construction was to be formed with yet to be realized mortgage proceeds underwritten with Section 8 project-based funds.

Several fiscal developments at the federal level precipitated a change in the original financing arrangement. The original funding framework for Demonstration Disposition was endangered partially as a result of increased HUD funding becoming politically tenuous in the mid-nineties. Increasing concerns about balancing the federal budget encouraged congressional overtures to reduce HUD funding for Section 8 subsidies for project-based efforts, rather than the less-costly traditional individual utilization of these subsidies. MHFA, however, intended to use Section 8 to underwrite the project-based mortgages for Demonstration Disposition. In October 1993 a bill in the U.S. Congress was filed containing language about Section 8 that could have adversely weakened the possibility of the Demonstration Disposition Program since this effort was so dependent on project-based Section 8 funds. The bill, Senate Bill 1299, negated a fifteen year requirement that HUD guarantee Section 8 availability when it sold HUD-owned or foreclosed property. This matter was actually first raised by the Boston Housing Tenants Alliance at one of MHFA's Inner City Task Force meetings. The bill would effectively release HUD from offering the Section 8 guarantees.

After negotiations with HUD regarding this potential development MHFA was allowed to get all of the renovation contracts signed by HUD before the old legislation expired (August 15, 1995). This assured that Section 8 funding for the Demonstration Disposition Program would not be affected. Led by the new Executive Director of MHFA in 1995, and upon successful negotiations about this issue with HUD, it was agreed that approximately \$187 million would be used from the Federal Housing Administration Insurance Fund to plan and complete the

renovations under the Demonstration Disposition Program. And, very importantly, HUD agreed to continue a commitment to use a project-based formula for expenditure of \$101 million Section 8 subsidies over a 15 year period to help maintain the renovated housing units affordable for low and middle-income residents.

By Spring 1995 efforts by MHFA and HUD led to a new financial structure for Demonstration Disposition repairs, in which all construction would be done in one phase, funded through an FHA grant which to be used to address both the necessary physical standards of the building and resident-desired features. Funding for individual units would be approximately \$100,000 under this new approach. A fifteen-year commitment of Section 8 funds was secured, but in contrast to the original financing plans, HUD and MHFA determined that these funds could be used for future operating costs rather than as financial underpinnings for mortgage-financed construction. Information about the new financial structure was relayed to resident organizations at the Inner City Task Force meeting on June 20, 1995. As summarized in the minutes of that meeting, "[Robert Pyne] stated that HUD has agreed to provide fifteen-year project-based Section 8 subsidy to the developments in the Demonstration at a level to meet the developments' operating needs. In addition, HUD will fund the rehabilitation of the properties through a grant in excess of \$180 million to be allocated by MHFA. The allocation will first fund the required repairs to meet applicable codes, including state and local building and sanitary codes, HUD Housing Quality Standards, as well as conformance with accessibility requirements, with the remaining funds designated to meet the developments' design visions on a pro-rata basis."

A legal concern about the initial financing arrangements involved the issue of indemnification in case of law suits. HUD officials believed that the MHFA decision regarding the original 80% goal for contracts for minority-owned businesses could be legally challenged as discriminatory. It should be noted that in 1993, HUD did provide implicit approval to MHFA for requesting an 80% goal in their proposal. Originally, MHFA decided to establish a goal of 50 percent in its initial proposal to HUD. That level was approximately the level that MHFA was using for its management companies in communities of color. MHFA felt that to push beyond 50 percent would be to jeopardize HUD approval of the project. MBE Linkage Committee members felt that the percentage was far too low. Several intense meetings ensued. After many discussions the Committee convinced MHFA and its leadership during that period to pursuing a higher goal with HUD. Thus, in Spring 1993 MHFA representatives, along with Dwayne Jackson, Mike Washington and others from the Linkage Committee met with John Mastropietro and Harold Thompson from the HUD Regional Office. The purpose of the meeting was for the MHFA/Linkage team to make an aggressive pitch for an 80% goal, with hopes that the HUD team would respond favorably. At the conclusion of the meeting, the HUD regional team promised to consult with HUD officials in Washington, and stated that they would inform MHFA in advance of an upcoming submission of an MHFA proposal amendment package whether or not the 80% proposal would be turned down. A few weeks later, the goal of 80% was given implicit approval by HUD by noting that it would not reject MHFA's proposal for the Demonstration Disposition Program solely on this matter.

This goal was amended in January 1997 due to HUD's refusal to insure the program without modification. HUD was concerned about potential legal ramifications of such a relatively high percentage, particularly in light of recent federal court decisions involving affirmative action. Federal court decisions such as Croson and Adarand pointed to potential problems in keeping a goal targeting 80% of the Program's expenditures for minority-owned businesses. The change to this particular goal was adopted after consideration of several factors. First, as reported by MHFA to HUD's Assistant General Counsel for New England, a brief survey of affirmative action programs implemented by other public agencies showed that the range utilized by these agencies was between 11% and 30%. MHFA officials believed that 30%, as was also utilized by the Boston Housing Authority was reasonable "because the BHA shares with HUD and MHFA the purpose of providing housing, much of it in areas comparable to the Demonstration Disposition community." (Memorandum, July 30, 1996) In effect this decision was consistent with several disparity studies for public agencies that showed generally, that "significant disparities exist when comparing the pool of ready, willing and able MBEs and the utilization of those MBEs in public construction contracting." (ibid.). But perhaps more important, MHFA showed how the goal of 30% responded to the criteria set forth in the Croson decision requiring that affirmative action programs be "narrowly tailored to achieve the compelling governmental interest." (ibid.)

MHFA surveyed affirmative action goals established by other public sector agencies and reviewed three recent disparity studies conducted for agencies in Massachusetts (the Massachusetts Water Resources Authority, the Executive Office of Transportation and Construction, and the City of Boston). The MHFA review of materials concluded that the disparity studies "provide a strong evidentiary basis for the remedial objectives of a minority business goal as well as for the goal's numerical percentage...All three disparity studies conclude that significant disparities exist when comparing the pool of ready, willing and able MBEs and the utilization of those MBEs in public construction contracting...The studies examined present anecdotal evidence of racial discrimination at every phase of the construction contracting process, including discrimination in bonding, access to credit, the bid process, and the pricing of supplies." (See, Memorandum to Miniard Culpepper, HUD Assistant General Counsel, from Wendy Warring, July 30, 1996). Based upon data from the disparity studies, and the goals set by agencies conducting comparable projects, MHFA concluded that a 30% minority business utilization goal was appropriate. In the January 1997 agreement between HUD and MHFA, HUD agreed to pay for MHFA's indemnification insurance for the program.

The change in this goal is explained later in this report, but it is important to note that it was supported by many minority-business owners, residents, and others in order to ensure the continual implementation of the Demonstration Disposition Program. MHFA lowered the percentage to 30% while changing the Demonstration Disposition goals to reflect a new goal that included the creation of economic opportunity for businesses and residents in the communities affected by the Program. The new goal, however, called for 80% of all *controllable expenditures* with businesses located and working in the targeted communities. These expenditures are defined in the MHFA/HUD agreement as contracts initiated 1) by MHFA for lead inspection/abatement, architectural services, relocation, general contractor construction, management fees, and 504/ADA contracts; 2) by resident organizations after

August 15, 1994 for legal, architectural, development, organizational development and accountant services; and 3) by management agents for janitorial services/materials, extermination, trash removal, security, grounds and landscaping, repairs, snow removal, legal services, audit, office supplies, property insurance, capital expenditures, and miscellaneous operating and maintenance services.

The resolution of these issues resulted in the following fiscal arrangements for the initiation and completion of the Demonstration Disposition Program:

Funding from FHA Insurance Fund: \$226.7 million (\$187.8 million for original 10 developments, and \$38.9 million for Academy Homes). This funding is utilized for renovation work related to the 11 development sites. There are several off-budget expenses that also represent funding from the FHA Insurance Fund and are used for various facets of renovation, including \$20 million for environmental hazard removal and building demolition; \$1.5 million for environmental engineering studies; \$2.225 million for lead paint abatement; \$200,000 for miscellaneous costs related to renovation. This amount was utilized to cover emergency repairs, as well. Another major cost charged to the FHA Insurance Fund was \$10.8 million for relocation expenses.

It should be noted that in the case of one development, Franklin Park, the allocation from this funding is being used to buy out bonds issued by MHFA. The issuance of bonds by MHFA rather than direct FHA Insurance funding of construction allows Franklin Park to receive Low Income Housing Tax Credits. MHFA advanced a \$16.1 million construction loan using tax exempt bonds which will be bought out after one year from the Franklin Park FHA Insurance Fund allocation, and also advanced \$8.6 million in taxable bonds which will be bought out immediately from the FHA Insurance Fund allocation. Approximately \$3 million of direct funding from the Franklin Park FHA Insurance Fund allocation is used for new construction.

MHFA and HUD syndication bridge loans to Franklin Park and Grant Manor: \$8.8 million was loaned to Franklin Park (\$4.3 million) and Grant Manor (\$4.5 million) in order to meet construction costs not covered by funding from the FHA Insurance Fund. Syndication loans are paid back by these sites through the sale of low-income tax credits provided by the Massachusetts Department of Housing and Community Development (in the case of Grant Manor) and MHFA (in the case of Franklin Park). The Franklin Park limited partnership raised \$15.2 million from the sale of tax credits which resulted in an available equity of \$9.7 million after repaying MHFA and other costs. The equity raised by tax credits by Grant Manor is \$7 million.

Section 8 funds over 15 years: \$204.3 million available for the Demonstration Disposition sites after construction is completed at each site and new ownership takes place.

TOTAL funds distributed to resident organizations: \$1.07 million available to sites for costs involving development, legal, architectural and other services related to Demonstration Disposition.

Resident capacity building budget: \$1.65 million.

Resident initiative budget: this funding is not Demonstration Disposition specific but instead a budget which exists for any MHFA development. The size of the budget is \$60 times the number of units in the development.

Camfield and Grant Manor Hope 2 Planning Grants: \$186,000

Distribution of Redevelopment Funds to Demonstration Disposition Sites

The process for making allocation decisions to each site included an assessment of required repairs based on HUD regulations; available funding for the resident vision plans; and allocation of funds for relocation and emergency repairs, including removal of hazardous materials and conditions. On July 20, 1995 the MHFA Director of Development, Robert Pyne, informed resident association presidents that:

To ensure an equitable allocation of redevelopment funding for each of the developments..., the Agency has developed an allocation system based on two elements: (1) an estimate of the "required repairs" needed to bring each development into compliance with all applicable code requirements, and (2) an allocation of the remaining dollars in HUD's funding pool for additional improvements in each resident association's design "vision". In designing this allocation system, the Agency has endeavored to allocate sufficient resources to each development to bring it to a condition equivalent to that of all of the other developments in the program. Because the base-line condition of the developments vary from development to development, the budget allocations are also varied across the developments...It is important to note that certain costs will be covered by HUD "outside" this repair budget. Those costs will include costs for relocation, emergency repairs, and abatement of hazardous materials. HUD has also agreed to repay all outstanding TOTAL loans from each development's operating budget and to provide up to \$150,000 in each development's operating budget for resident organization capacity-building costs (including additional costs paid by resident associations to their architects, development consultants and attorneys to educate residents concerning ownership options and the development process. We have also deducted from this repair budget the fees which will be paid to MHFA's architect.

Based on this funding approach, MHFA reported the following funding allocation for each of the sites on September 9, 1997:

<i>Camfield Gardens</i>	\$16.1 million
<i>Fieldstone</i>	\$3.3 million
<i>Franklin Park I and II</i>	\$29.5 million

<i>Geneva</i>	\$6.29 million
<i>Grant Manor</i>	\$15.2 million
<i>Grove Hall</i>	\$3.78 million
<i>Roxse</i>	\$37.3 million
<i>Sonoma/Maple/Schuyler</i>	\$9.89 million
<i>Theroch</i>	\$18.9 million
<i>Washington Heights</i>	\$17.8 million
<i>Academy Homes II</i>	\$38.9 million

Some of these figures were revised slightly as Demonstration Disposition moved from its early stages towards the completion of construction and transfer of ownership to residents.

Appendix 3: Legislative Background of the Demonstration Disposition Program

The Housing and Development Act of 1970, 12 U.S.C. § 1701 laid the foundation for several housing demonstration programs. Title V of this Act addresses the acquisition and development of lands, beautification, open space studies, and demonstration programs. Title VI, which pertains to research and technology, entitles the Secretary of the Department of Housing and Urban Development to venture and pursue research programs and demonstrations that are within the goals and interests of HUD. In 1987, Section 184 Amendment was filed by Congressman Joseph Moakley to the Housing and Community Development Act of 1987 authorizing the Secretary of HUD to establish a demonstration program “by working with four State Housing Finance Agencies,”

The Housing and Community Development Amendments of 1978, 12 U.S.C. § 1701, Section 203 gives the Secretary the authority to dispose of multifamily housing projects (according to given prerequisites and conditions as stated within the legislation) and to contract for management services. This Act specified that in the event that tenants are displaced due to renovation or disposition “the secretary shall seek to assure the maximum opportunity for any such tenant --- (a) to return, whenever possible to a repaired unit; (b) to occupy a unit in another multifamily housing project owned by the Secretary; c) to obtain housing assistance under the United States Housing Act of 1937; or (d) to receive another available relocation assistance as the Secretary determines to be appropriate.” The Secretary is empowered, under specified terms and conditions, to deal with or make contracts either for the management or disposition of any developments owned by HUD under Section 207 of the National Housing Act, 12 U.S.C. 1713 and Section 7(I) of the Department of Housing and Urban Development Act, 42 U.S.C. 3535 (I).

In partial response to the growing inventory of deteriorated housing held by HUD, Republican U.S. Senator Edward Brooke authored and helped to pass the Property Disposition Amendment in 1978. This amendment stipulated that if HUD foreclosed on housing, it had to dispose of the housing in a way that did not contribute to a decline in affordable and livable housing.

Another law that is relevant for Demonstration Disposition is the Housing and Community Development Act of 1987, Section 181, Subtitle C, which gives the Secretary of HUD authority to manage and dispose of multifamily housing projects owned by or being foreclosed, by HUD. The goals cited in this legislation include the following: preservation of affordable housing for all subsidized or previously subsidized housing projects owned by HUD and all other units occupied by low and moderate-income persons; the provision of management services either by HUD or contracted to outside companies; maintenance of the projects including physical upkeep of the units; provision of rental or cooperative housing for as long as possible; financial assistance through contracts such as Section 8, with a fifteen year contract for projects owned by anyone besides HUD; the right to refuse the first offer; and limitations on certain project, loan and mortgage sales. Section 184 of this Act contains the language specifying the disposition of distressed multifamily housing projects owned by HUD under the auspices of selected state housing finance agencies. The disposition of HUD properties was endorsed again under the “Low Income Housing Preservation and Resident Ownership Act of 1990.” Title VI of this Act stipulates that some or all responsibility for HUD housing preservation shall be delegated by the

HUD Secretary to state housing agencies that submit an acceptable preservation plan and has an acceptable background and portfolio.

Earlier Low-Income Housing Programs in Boston as Precedent for MHFA

On September 8, 1993, the Secretary determined that a “sole source contract award” under 41 U.S.C. § 253(c)(7) to MHFA was “reasonable, in the public interest, and therefore, justified under Federal contracting requirements.” The establishment of the Demonstration Disposition Program by the HUD Secretary was officially announced on September 16, 1993 in the *Federal Register*, 58 Fed. Reg. 3119. MHFA decided to pursue the Demonstration Disposition Program because it represented an opportunity for an innovative response to subsidized housing in the public sector. The particular design of the Demonstration Disposition Program, and HUD’s selection of MHFA as the interim asset manager for this effort was based on some lessons learned in earlier housing program successes and failures in Boston and Massachusetts. There were prior housing assistance programs and tenant advocacy strategies in the 1970s and 1980s that helped to provide insight into the design of effective strategies for low-income housing.

The Demonstration Disposition Program represents a relatively new mechanism for housing policy at the local level, but it does have precedents in several efforts and legislation. Numerous statements and announcements in the *Federal Register*, for example, called for housing policies and programs based on strong calls for citizen participation and assurance that the sold properties would remain affordable. There were also requirements of notice to tenants and an opportunity to participate in the decision-making about the properties. The requirement regarding the ‘affordability’ of the sold properties under the Demonstration Disposition Program is based on Section 203 of the Housing and Community Development Amendments of 1978, requiring continued ‘affordability’ of housing units sold by HUD to low and moderate-income families (see, *Federal Register*, January 20, 1994). MHFA, for example, was involved with the Boston Redevelopment Authority in the financing and maintaining the ‘affordability’ of the 500 unit Castle Square Housing Development in the South End and Chinatown neighborhood in the mid 1980s. MHFA was also involved with the Harbor Point housing project, formally known as Columbia Point, located in the Dorchester neighborhood of Boston. Here, MHFA helped to introduce the idea of mixed-income housing units, as well as emphasizing the need to integrate supportive and community services with decent housing. MHFA also assisted in the development of governance models that endorsed strong tenant involvement.

Two local programs that were particularly helpful in crystallizing the components necessary for future low-income housing strategies was the Boston Housing Partnership Program (BHP). BHP I and BHP II began in 1984 and 1986, respectively. BHP I consisted of 701 units that were redeveloped with the assistance of the City of Boston and private banks for patch working the financing, rather than direct federal financing using only nonprofit developers. BHP II (944 units) in 1988 had a single developer and included in its orientation and goals a social agenda that went beyond the traditional “bricks and mortar” approach. This idea that housing was more than “brick and mortar” was strongly endorsed by MHFA in the design and implementation of the Demonstration Disposition Program.

There were features of BHP I that were adopted in revised form by MHFA. It emphasized the coordination and collaboration of community-based and non-profit housing developers in efforts to improve publicly-subsidized housing in Boston. Under BHP I a range of actors with little prior experience in working together were organized into a housing partnership that included city and state officials, the state housing finance agency, private banking interests, community-based non-profits, housing policy analysts, and in a nominal role, private developers.

This partnership facilitated an effective development process and specified criteria which community developers could follow in order to gain access to resources. The partnership attempted to increase the scale of housing units by streamlining the development process and by reducing the need to replicate task projects. Aware of the difficulty of developing housing in low income communities, the partnership sought to standardize processes of site acquisition, project financing, regulatory review, sub-contracting or contracting out, and property management. These were issues also faced by MHFA in initiating and administering the Demonstration Disposition Program.

The BHP II, or “Granite Properties,” (1986) were HUD-foreclosed properties which were rehabilitated by six community development corporations in a project coordinated by the Massachusetts Boston Housing Partnership (MBHP). The non-profit organizations community-based organizations involved in this project included Codman Square Housing Development Corporation, Dorchester Bay Community Development Corporation, Lena Park Community Development Corporation, Nuestra Comunidad Development Corporation, Quincy-Geneva Community Development Corporation, and Urban Edge. Some of these organizations participated in BHP I. MHFA negotiated with HUD to act as agent for the disposition or sale of 1,162 of the 2,000 Granite units. According to a report issued by the research consulting firm, Abt Associates (November 1993), what became known as BHP II involved the agreement that MHFA would act as HUD’s agent in the sale of 944 of the units and provide \$80 million in project financing to the non-profits acting in conjunction with the Boston Housing Partnership. Other funding for this project included low income housing tax credits, Section 8 rental subsidies, and funding from a variety of city and state programs designed to promote affordable housing.

The Granite project was based on a single property acquisition process rather than the multiple processes which characterized BHP I. As with many housing programs involving numerous civic and community based organizations, however, problems of coordinating the funding, timeliness, and other issues arose. Unlike BHP I, however, BHP II more aggressively addressed the inclusion of social services and resident-related goals with funding for tenant advocates.

Based on these policy and programmatic experiences, MHFA concluded that issues such as crime, security, and physical conditions could be addressed in a way that enhanced the prospects for housing preservation. According to an interview on May 13, 1996 with Eleanor White, former deputy director of MHFA, “MHFA’s participation in human service delivery took a quantum leap as we began the process of financing the rehabilitation of the 2,000 unit ‘Granite Properties’...As we began initial meetings with the tenants of these properties in early 1986, they made it clear to us that the effort was doomed to fail if no one dealt with crime, violence, and

community disintegration brought on by illegal drug dealing in these buildings and in these neighborhoods...To MHFA, this approach makes good business sense, as success will dramatically minimize the Agency's and the bondholder's risk. Experience has also shown that crime, lack of city services, poor management oversight, and inadequate tenant involvement are what doomed past efforts to improve these properties." This marked a substantial change from the way in which state housing finance agencies traditionally viewed their housing agendas. In contrast to narrowly focusing on the financing of housing, MHFA began developing a more comprehensive approach to property management which could make a significant difference in the long-term viability of the physical, financial, and social future of the developments.

MHFA's participation in the Granites provided precedent for work with its own Demonstration Disposition Program. The enthusiasm in the Agency's interest in Demonstration Disposition, therefore, was built upon earlier experiences with low-income housing strategies, including both successes and failures, and a realization that residents, community organizations, government, and the private sector had to work together in designing housing strategies integrated with other facets of life within a community. The fact that the Granites included housing units in scattered-site buildings, furthermore, prepared MHFA for handling renovation under one program but in different locations and neighborhoods.

One of the major MHFA organizational innovations that assisted this effort was the creation of an "Inner City Task Force" (ICTF), which brought together residents, police, government officials, and others to help solve problems confronting the Granite properties. The March 19, 1986 invitation letter for the first meeting states, "At a recent meeting at MHFA with representatives of HUD, the Granite Tenants Association, the Boston Affordable Housing Coalition, and Greater Boston Legal Services, MHFA agreed to host a series of meetings to address the very serious issues of crime, substance abuse and other social and management problems in the Roxbury and Dorchester neighborhoods. All parties felt that the very ambitious program of property sales and rehabilitation of the 2,000 units of Granite Properties can succeed long-term only if these issues are addressed aggressively at the onset."

The Demonstration Disposition Program has several features that are reflected in other efforts seeking to integrate housing with social services and economic activities. HOPE VI, for example, calls for a "dual focus on addressing capital and human needs..." but the integration of both kinds of components, as well as a focus on economic development is not as clear as it is with the MHFA Demonstration Disposition Program. (See, "Public Housing: Status of the HOPE VI Demonstration Program" US GAO, Report to the Subcommittee on VA, HUD, and Independent Agencies, Committee on Appropriations, House of Representatives, Feb. 1997, p.11). The HOPE VI initiative in Boston, furthermore, and unlike the more expansive Demonstration Disposition Program, is specifically designed for two public housing developments rather than a more targeted community approach under Demonstration Disposition.

The mission of the HOPE VI initiative is to rehabilitate housing and educate, train, and help the residents become self-sufficient. According to the Boston Housing Authority (see *Current Initiatives*, Part II, Sheet #92-93), the Initiative includes several goals. One is ending the social

and economic isolation of tenants in these public housing developments; another is transforming the image of these developments by enhancing the family income mix of the tenants. A third goal is involving tenants in various economic development activities. A final goal involves the linking of services and needs of the public housing developments to ongoing projects like the enhanced enterprise zone in Boston that seeks to revitalize the commercial attraction of the area. This particular effort is smaller in terms of size of the effort, but possibly also scope of activities, and the range of sectors involved, than MHFA's Demonstration Disposition Program.

Economic development under Demonstration Disposition also receives greater focused attention than is the case under the HOPE VI program. Within the context of Demonstration Disposition, economic development includes several components, including a one time intervention of relatively large amounts of construction funds directed to local businesses. Additionally, contract funds were directed to architectural companies, property managers, and security companies that are locally-based or represent minority-business enterprises. Contracts for local businesses, in turn, generate employment for residents of the targeted community. These contracts are also expected to attract additional resources into the community and encourage the civic involvement of local businesses in the targeted neighborhoods.

Selection of MHFA as Manager

Federal legislation allowed HUD to initiate Demonstration Disposition Programs in four cities. Based on the 1993 RFP issued by HUD, programs could be established in Boston, Chicago, Washington D.C., and New York City. As a HUD-initiated and supported program, the Demonstration Disposition Programs would be managed initially by state housing agencies. The State Housing Finance Agencies were considered as potential administrators for this innovative and high visibility program because of their "...capabilities and resources to commission and evaluate appraisals, determine costs and capital/rehabilitation needs of a development, evaluate mortgage credit, process mortgage loan proceeds, and cost certify" according to Marvin Siflinger, former MHFA Executive Director and Vice President of National Council of State Housing Agencies.

The following criteria was utilized to evaluate the applications to participate in the Demonstration Disposition Program:

- 1) *Preservation, protection and maintenance of housing resources for low- and moderate-income families, which incorporates superior long-term management and develops home ownership opportunities (e.g., cooperative ownership).*
- 2) *Establishment of public and private partnerships and programs which improve cooperative efforts among HUD, the SHFA (State Housing Finance Agency), and local, state and federal entities.*
- 3) *Commitment and capacity of SHFA resources, based on the number of individuals to be involved and their level of experience, and the plan to utilize the staff.*

4) *Utilization of new and/or creative approaches to provide funds for the rehabilitation and operation of projects.*

5) *Development of resident initiatives that empower the residents of the properties being sold, e.g., equips residents for increased input and involvement in project management, establishes tenant organizations or resident management corporations/councils and provides for supportive services.*

6) *Enhancement of economic development of neighborhoods through the use of local labor and supplies, minority businesses, the development of self-sufficiency activities for project residents, etc.*

7) *The extent to which the process can be applied to other projects.*

8) *Years in excess of HUD's 15-year statutory requirement that projects be preserved and maintained as housing available and affordable by low- and moderate-income families.*

As described earlier, MHFA was able to show that it could meet this criteria based on its involvement with other housing programs in Boston. Some of the issues in the early stages of negotiation between HUD and MHFA included 1) management of the housing developments during the renovation and disposition; 2) how MHFA would get paid for the project; 3) liability and procedures in case of premature termination of the project; and, 4) insurance/liability protection for MHFA from issues arising from HUD ownership responsibilities.

As Demonstration Disposition was originally envisioned, HUD would continue to manage the properties while MHFA funded the repairs and handled the disposition of the properties. However, in Spring 1993 HUD asked MHFA if it would consider assuming responsibility for the development of the Demonstration Disposition Program, including asset management, rehabilitation and construction, and disposition of properties. Under this plan, HUD would not remain in operational control of the properties but instead transfer management to MHFA. MHFA agreed to undertake this charge, but only if certain HUD administrative procedures were waived, and MHFA was allowed to institute its own procedures. Several top-level MHFA staff believed, for instance, that the federal acquisition procedures presented significant obstacles for immediate responses to emergencies. MHFA wanted to be able to provide adequate response to the short and long-range needs of the developments' residents, and had confidence that existing procedures at MHFA were efficient for this purpose.

The findings of a federal audit conducted in 1993 helped to enhance the possibility of MHFA's appointment as interim asset manager within the framework supported by the Agency. The audit report was completed by the Office of Inspector General of the Boston Office's management of HUD-owned and Mortgagee-In-Possession multifamily properties in 1993. The objective of the audit was to determine the efficiency and productiveness of the Boston Office Property Disposition Branch's administration of the Multifamily Property Disposition program, looking particularly at controls "...to assure that Project Managers are reporting collections, renting units

promptly, maintaining and repairing properties and safeguarding HUD's asset at a reasonable cost." (see, Memo, William D. Hartnett, Regional Inspector General to Marvin H. Lerman, Regional Counsel, September 1993).

The general finding of the audit indicated that the Boston Office's Multifamily Property Disposition lacked sufficient staffing for effective monitoring and managing of properties and oversight of property managers. The audit report recommended that MHFA be allowed flexibility to determine specific recommendations to the following identified problem areas: broker authorizations, lead-based paint, condition of units, repair surveys, tenant account receivables, vacancies, budget, security, contracting, security deposits, interest and sales taxes paid on utility bills, lack of management reviews, and lack of physical inspections.

By January 1994 lawyers for both sides concluded that an arrangement in the form of a cooperative agreement would make the interim asset management and related roles in the area of budgets, rehabilitation, construction, tenant relations, and property disposition, possible. The recommendation for such an arrangement was forwarded to the HUD national office and approved. On April 8, 1994, HUD Secretary Cisneros signed a "Determination and Finding" that an agreement should be made, under Section 201(1) of the National Housing Act and the Department of Housing and Urban Development Act 7(1) that would integrate the HUD-owned properties into MHFA's existing programs, policies, and procedures for management and disposition.

MHFA's qualifications to play the role of asset manager for the Demonstration Disposition Program included the following: 1) MHFA programs had financed the development of thousands of units of rental housing for low- and moderate-income families. The agency had demonstrated flexibility in its ability to handle complex financial deals with sources such as the low income housing tax credits; 2) MHFA had demonstrated a capacity to work well with for-profit and non-profit developers. MHFA was a force in developing the capacity of non-profit housing developers during the 1980's; 3) MHFA had demonstrated innovation in the development of social programming to support housing developed under its financing programs. Examples of this are its support of the Inner City Task Force and of a private security force for its projects; and 4) MHFA's fiscal stability was exemplary, and its bonding capacity reflected a relative degree of strong financial health. This record of innovation and accomplishment established a leadership role for MHFA both nationally and at the state and local levels.

Examples of earlier innovative MHFA programs include the establishment of the Technical Assistance Program (TAP), created in 1983 to help housing management employees address the problem of alcoholism and substance abuse among tenants; the establishment of Youth RAP, which offers services to children and teens with the goal of involving youth in recreational, educational, and social activities as well as bring other residents together; and also the initiation of the Minority Training Program which included courses and workshops in areas such as Minority Property Management Executive Program, Minority Appraisal and Real Estate Training Program, and Minority Business Technical Assistance Program. These are but a few of the programs sponsored by MHFA; there were many others that reflected an approach to subsidized and affordable housing as much more than simply, 'brick and mortar.'

The Demonstration Disposition Program was initiated under the Agency's administration of Marvin Siflinger as Director, and Eleanor White, as the deputy director. Under the leadership of these individuals and their team the Agency increased its involvement in the development of low income housing in inner cities. They supported the agency's work with non-profit housing developers and recognized the addition of social services and economic development as essential to reinforce the work of housing development for low-income families. Both individuals sought to involve a wide range of actors in the planning and implementation of Demonstration Disposition, including civic leaders, business owners, local government, and the foundation sector in Boston. The participatory nature of early discussions about Demonstration Disposition facilitated the identification of the concept of a resident-centered process as a key component of the emerging framework. But the level and quality of participation also encouraged the Demonstration Disposition model to be expanded from the empowerment of not only the residents but also the communities in which the selected sites were located. Thus, economic development became yet another key feature of Demonstration Disposition.

MHFA, unlike the other three state housing agencies that encountered start-up problems, was able to begin its program in a relatively timely manner. Eventually, due to programmatic delays at the three other selected sites and fiscal pressures facing HUD, MHFA was the only state housing agency participating in the federal Demonstration Disposition Program. The MHFA Demonstration Disposition Program, therefore, stands as perhaps a unique and one of the largest subsidized housing programs in the nation with a multiple focus on resident empowerment and economic development.

MHFA's New Leadership (1996)

In January 1996 Governor William Weld appointed Steven Pierce to head the agency. Mr. Pierce was previously a gubernatorial candidate and a leading member of the Republican Party in the state senate, and former Secretary for the Executive Office of Communities and Development. Initially, this appointment generated some concern because such a change might indicate a lessening commitment to Demonstration Disposition. This concern was associated with the replacement of Marvin Siflinger and resignation of some senior MHFA officers, including Deputy Director Eleanor White, one of the Agency's major advocates for integration of economic development within the framework of traditional "brick and mortar" strategies associated with public and subsidized housing. The concerns were short-lived, however, as the new Director endorsed the framework and major programmatic underpinnings of the Program. Under the Agency's new leadership several innovative initiatives were established that actually strengthened the Agency's capacity to complete the goals for the Demonstration Disposition Program.

In 1996 MHFA considered reorganization and personnel reductions in order to maintain its own fiscal solvency. Under the leadership of Steven Pierce, the agency undertook a 6 month strategic planning exercise to determine how re-organization and downsizing might be pursued effectively and in ways that would minimize adverse impact on its housing initiatives, including the Demonstration Disposition Program. This planning process and consequent decisions did result in agency personnel turnover. Despite turnover, however, the implementation of the

Demonstration Disposition Program proceeded with Agency commitment. In retrospect, the highly participatory nature of the planning involved with this Program ensured some degree of continuity and stability even within a context of agency personnel turnover and reorganization. The fact that there were processes for the sharing of information, as well as for decision-making about Program objectives and expectations among Agency staff, residents, and business representatives, and others contributed to the continual implementation of the Program.

There are several examples of programs sponsored by the Agency that reflected commitment to tenants in properties managed or held by it. Through these programs MHFA nurtured resident participation and training in activities and decisions related to their own housing. Some of these programs include the Tenant Organization Technical Assistance Loan (TOTAL) Program, Inner City Task Force (ICTF), Security Program, Tenant Assistance Program (TAP), and Youth Resident Activities Program (YRAP).

The TOTAL Program is a loan pool established by MHFA “to provide resident and nonprofit organizations short-term, low-interest redevelopment loans to purchase either HUD-foreclosed or “expiring use” properties with MHFA financing.” The funds were initially managed by the Community Economic Development Assistance Corporation (CEDAC), a nonprofit agency that focuses on tenant organizing and technical assistance for non-profit, community-based development organizations. Eventually, the funds came under the administration and management of MHFA and resident organizations. The Metropolitan Boston Housing Partnership (MBHP), and the Boston Housing Tenants Alliance, were also retained to provide resident training sessions at the developments, including how to run meetings, how to organize, and other skills for becoming an effective resident association.

In addition to YRAP, two other youth programs are available through MHFA, Striving Toward Academic Respect and Recognition (STARR) and the New Horizons Internship Program. The STARR program is a mentor program, tracking students from third through fifth grade at the Quincy E. Dickerman Elementary School in Dorchester. The New Horizons Internship Program allows high school students to experience a professional working environment by working full-time during the summer and/or part-time during the school year as interns at MHFA. The interns are matched with mentors who can help them with career and college-related issues and decisions.

The new Agency leadership, as did the previous administration, endorsed tenant’s concerns for security at the Demonstration Disposition Program sites throughout the implementation of this project. Since the beginning of the Inner City Task Force meetings, security companies were active participants in discussions about the resolution of various problems. Most of the security companies involved in any of the MHFA, HUD, or BHA developments had representatives at the meetings to provide updates regarding issues and problems raised by tenants. Other avenues that residents utilized to voice concerns regarding security included periodic meetings with agency staff, as well as surveys conducted by the Equal Opportunity Division (hereafter, also referred to as EO) of MHFA.

MHFA continued to work closely with representatives of minority-owned businesses. It jointly offered programs for M/WBEs with the Massachusetts Community Development Finance Corporation (CDFC) in the areas of bonding, finance, network, and professional development as a way to enhance the capacity of small businesses and minority-owned businesses interested in participating in the Demonstration Disposition Program. Specific programs along this line include the Minority/Women Contractor Bond Support Program, which provides financial, management, and technical assistance to small minority or women owned businesses applying for their first surety bond; and the Minority/Women Contractors' Bond Fund which provides letters of credit (necessary collateral to increase bonding capacity) to minority and women contractors participating in the Minority/Women Contractor Bond Support Program. Under this program, MHFA issued letters of credit in lieu of a performance bond for general contractors. Based on input from the Minority Developers' Association, and the Agency's MBE Linkage Committee, MHFA petitioned HUD for permission to provide select contractors with letters of credit equal to 15% of the total contract amount. This request actually represented a call for reduction in the percentage required and approved earlier by HUD (20% of the contract amount) in May 1996, as described in MHFA's Construction Contractor Scoring System and Bonding Requirements.

Other strategies and programs supported by MHFA's new leadership included enhancing the capacity of small businesses through the Minority Business Enterprise Loan Assistance Program which provides MBE's participating in the Demonstration Disposition Program with access to a \$500,000 loan pool, funded by the Community Development Finance Corporation (CDFC), Minority Enterprise Investment Corporation (MEIC), and MHFA; organizing MBE/Management Company Trade Fairs that are held in various regions throughout the state to encourage partnership between MBE vendors and owners of property management companies; and expanding the MBE Mentor Program that is available to minority vendors in the MBE Linkage Area, and which provides MBPS with direct feedback on performance and managerial practices by pairing MBPS with a management company mentor.

Appendix 4: Formative Evaluation's Performance Criteria and Findings

This section reviews and assesses the goals and objectives of the Demonstration Disposition Program in terms of specific performance criteria. The analysis is based on examination of many Agency documents as well as interviews and meetings with Agency staff and others. The section begins by listing each of the five goals, followed by the objectives determined for measuring each goal. The performance criteria utilized by the evaluation team is listed for each of the objectives. The performance criteria were determined by the Trotter Institute on the basis of review of legislative and agency documents, extensive meetings with agency representatives, and participation and presentations in meetings organized and sponsored by MHFA.

Goal I: Effective Disposition and Rehabilitation of HUD-owned Housing Units

The purpose of Goal I is to assure that disposition and rehabilitation results in quality housing using creative and cost-effective approaches to provide funds for rehabilitation and operation of projects; and in public and private partnerships and programs which improve cooperative efforts among local, state and federal entities. The objectives are based on ensuring that financing and disposition are adequate, and that rehabilitation, including the removal of hazardous waste, is thorough and complete. Five objectives and accompanying performance criteria were developed to measure this goal.

Objective 1: The disposition of all developments is achieved by September 15, 1997 (two years following the effective date of the Annual Contributions Contract (ACC) Between MHFA and HUD, September 15, 1995). In cases where HUD has granted extension(s) for a particular development, the disposition of these developments is achieved by the regulatory sunset of the Demonstration Program (currently slated for September 30, 1998), except where a revised date has been approved for a particular development by HUD.

Performance Criteria: Have the deeds been turned over to either the resident organization or a selected party (as approved by the residents by September 30, 1998)?

The projected completion date for the project is April 2001. The original expected disposition date was changed as a result of various negotiations with HUD about several crucial matters. These negotiations, described earlier in this report, had the effect of drastically slowing the progress of the Program.

Performance Criteria: Has a time line been developed and implemented according to schedule?

Maintaining a certain planned schedule has been a priority of the Agency based on the observations of the evaluation team. However, a number of obstacles not necessarily within the control of the Agency has delayed some of the planned deadlines for the completion of the Demonstration Disposition Program. As stated in the Performance Criterion, the projected completion date for the project was originally September 1998. (Completion refers to disposition of the properties to the tenants.) During the latter part of 1996, there was a significant delay while the agency negotiated with HUD on indemnification issues.

MHFA projected that each group would have arrived at the 75% level of completion of working drawings by January 1997. However, some of the projects struggled to get to the 35%

completion mark by December of 1996, and in fact, five had not done so. This cannot be explained by the indemnification issue. The reason for these delays have to do with negotiations with tenants which took longer than anticipated, and with unexpected need for new construction in some of the projects. The following Chart 6 indicates the construction start and completion dates as reported in the early summer (June) of 1999.

Chart 6: Construction Status Report for Demonstration Disposition Sites (June 1999)

Site	Construction Start Date	Est. Construction Completion
Fieldstone Apartments	7/97	Completed
Camfield Gardens Demolition and Abatement	8/97	Completed
Camfield Gardens General Construction	12/97	Completed
Sonoma, Maple, Schuyler-Phase I	8/97	Completed
Sonoma, Maple, Schuyler - Phase II & III	5/99	3/01
Washington Heights I	12/97	2/01
Washington Heights II (42-44 Regent Street)	4/98	Completed
Franklin Park II	2/98	Completed
Franklin Park I	6/98	Completed
Theroch I	7/98	12/01
Theroch II	4/98	6/01
Theroch IIB	9/97	Completed
Theroch IIC	8/98	Completed
Grant Manor	5/98	Completed
Roxse Homes	5/98	7/01
Grove Hall	8/99	12/01
Geneva	6/99	5/00
Franklin Park II (new construc)		1/02
Academy Homes II	1/00	12/02

Source: Demonstration Disposition Construction Status Report (January 8, 2001)

Performance Criteria: Has planning identified potential problems in implementation and have the problems been resolved immediately and systematically?

Planning for this Program involved many actors and continually changing situations. The Agency engaged in continual planning and utilizing feedback from planning activities to strengthen the design and implementation of the Program. This observation is relevant from the initiation of Demonstration Disposition when the Agency retained the Trotter Institute to assess the staff's preparation and understanding of the design of the Program. The Inner City Task Force and the MBE Linkage Committee served as important arenas for consideration of feedback regarding planning of various decisions and actions related to Demonstration Disposition. Planning was also a relatively open process whereby Agency staff and residents, and others, had opportunities to mold prospective decisions about major issues facing Demonstration Disposition.

Planning had to be quite flexible since Agency staff had to make numerous mid-course adjustments throughout the stages of development. For example, initially staff planned to do extensive emergency repairs. When HUD decided to reconfigure the program in 1995 to fund all repairs prior to disposition, the staff decided to wait until the construction phase to do the bulk of the repairs. The management companies were given authority to do any repairs which could not be postponed until the commencement of construction. This represented a major change from the early thinking regarding this activity, but the change was still within the mission and framework of Demonstration Disposition . Another example of how the Agency dealt with planning and subsequent need to make changes is the incorporation of a fifth major goal, rather than the original four goals, as part of Demonstration Disposition . This change is explained in detail in a later section of this report.

Performance Criteria: If the disposition has not occurred prior to September 30, 1998, what are the status and plans for any unsold developments?

Disposition of all properties did not occur prior to September 1998, as originally planned. The complexity of this undertaking, as well as the need for negotiations with HUD, and legal matters pertaining to affirmative action and the Boston Housing Consent Decree in 1989, required additional time for planning and implementing various phases of Demonstration Disposition. Delays were also the typical ones that are found in any undertaking of this size and complexity. Examples of these kinds of delays are described later in the report. But once construction of development sites were initiated the work was completed within a relatively short period of 2 years. Chart 6 shows that most of the sites were completed by 2000, or very near completion.

Objective 2: Rehabilitation meets MHFA standards for quality housing, both initially and over time, and is adequate to maintain long-term viability.

Performance Criteria: Are there adequate funds for long-term physical rehabilitation? Is the financial plan for physical development of the units appropriate?

HUD and MHFA agreed that a portion of the Demonstration Disposition funds would be used for immediate emergency repairs. Under the revised funding agreement (contained in the second amendment) with HUD which combined the capital repairs and the vision items, the priority for funding was to be given to system and structural repair. Remaining funds would be allocated for items from the resident organizations' vision plans. The budgets for each site were determined on the basis of preliminary cost estimates from the initial repair/vision plans. Each repair plan contained information about what was necessary to upgrade the developments along with a list of vision items desired by tenants. The costs for necessary repairs varied from one development to another, and the aggressiveness of the tenant "wish lists" also varied. MHFA decided that each development should be upgraded to a common base level of work, and calculated the amount of money necessary to bring each development up to that base result. Included in the base scope of work for each development were compliance with federal and

state codes, lead and other hazardous materials abatement, handicapped accessibility, upgrade of utility lines, plumbing upgrades, electrical upgrades, masonry repairs, replacement of windows/doors, roof replacement, unit reconfiguration, and a common level of vision items. As reported by Diane Georgopolus (Design and Technical) on July 2, 1999, Once the cost of the base scope of work had been determined, the remainder of the overall rehabilitation budget was then proportionately divided among the developments.

Based on the Demonstration Disposition Construction Status Report issued on June 24, 1999, the rehabilitation budgets for each development were finalized as follows:

Academy Homes II	\$42.0 million
Camfield Gardens	\$16.1 million (\$1.8 million for demolition and hazardous materials abatement, and \$14.26 million for new construction).
Fieldstone	\$2.56 million
Franklin Park	\$30.26 million (\$19.2 million for Franklin Park I, \$8.05 million for Franklin Park II rehabilitation, and \$3.0 million for Franklin Park II new construction); This includes funding from syndication proceeds on top of the funding from MHFA.
Geneva	\$6.88 million
Grant Manor	\$17.54 million
Grove Hall	\$3.2 million
Roxse	\$37.66 million
Sonoma/Maple/Schuyler	\$9.98 million
Theroch	\$16.9 million (\$7.74 million for Theroch I, \$7.88 million for Theroch II, \$837,807 for Theroch IIB, and \$452,258 for Theroch IIC)
Washington Heights	\$17.78 million (\$16.1 million for Washington Heights I and \$1.6 million for Washington Heights II)

Performance Criteria: Were inspections conducted to identify needed emergency repairs and code violations? Were all emergency repairs completed in occupied units during interim asset management?

Agency staff initially assumed that it would need to undertake a significant emergency repair program. However, inspection of the units revealed that some of the units were in better condition than anticipated. Instead of launching an emergency repair program, the agency decided to handle repair needs as part of the management of the properties. The process for determining what repairs would be needed at all the sites included tenants through several steps. Some of the procedures for involving tenants, as well as the framework utilized for inspections and consequent repairs are described on pages 18 and 19 of this evaluation report.

Performance Criteria: Was rehabilitation accomplished within established budgets?

The overall budget for Demonstration Disposition was established by HUD and MHFA based largely upon MHFA's rehabilitation experience with the Granite Properties. As discussed elsewhere in this report, the Granites rehabilitation involved similar types of buildings in the same types of areas as the Demonstration Disposition developments. MHFA originally proposed that the Demonstration Disposition program be funded at an average cost of \$110,000 per unit (based upon the Granite experience adjusted for inflation), with this figure including not only rehabilitation but also other aspects of the Demonstration Disposition program (resident

organization capacity building, security, etc.). After negotiations between MHFA and HUD, the agreement with HUD ultimately provided funding at an amount that averaged \$100,000 per unit (with the understanding that actual needs would vary by development and by units within developments), with separate provision made for the costs of hazardous material removal, demolition, relocation, and other costs.

Once the overall Demonstration Disposition funding was set, MHFA began the process of establishing budgets for the non-construction costs of the program and the allocation amounts for rehabilitation of each development. The structural and system assessments by the MHFA-hired architects played an important part in determining the rehabilitation allocations. MHFA agreed that a portion of the Demonstration Disposition funds would be used for immediate emergency repairs. Under the revised funding agreement (contained in the second amendment) with HUD which combined the capital repairs and the vision items, the priority for funding was to be given to system and structural repair. Remaining funds were allocated for items from the resident organizations' vision plans. The budgets for each site were determined on the basis of preliminary cost estimates from the combined initial repair/vision plans. Each repair plan contained information about what was necessary to upgrade the developments along with a list of vision items desired by tenants. The costs for necessary repairs varied from one development to another, and the aggressiveness of the tenant "wish lists" also varied. MHFA decided that each development should be upgraded to a common standard of quality, and calculated the amount of money necessary to bring each development up to that base result. Included in the base scope of work for each development were compliance with federal and state codes, lead and other hazardous materials abatement, handicapped accessibility, upgrade of utility lines, plumbing upgrades, electrical upgrades, masonry repairs, replacement of windows/doors, roof replacement, unit reconfiguration, and a common level of vision items. As explained by Diane Georgopoulos (July 2, 1999) and Robert Pyne (August 18, 1999), once the cost of the base scope of work had been determined, the remainder of the overall rehabilitation budget was then equally divided among the developments.

Performance Criteria: Were all necessary capital repairs and rehabilitation completed according to the agreed-upon comprehensive repair plans prior to disposition?

The MHFA and resident association agreements about the scope of repairs involved several steps. The scope of work outlined in the specifications received by potential bidders included both necessary capital repairs and vision items. In anticipation of the possibility of over-budget bids, the bid forms included two sections, the first of which was a fixed scope of work including capital repairs and other selected items, and the second of which was a listing of selected vision items for which the bidder was instructed to provide costs for each item. In those cases for which bids were over-budget, MHFA and resident associations met after the bid submission to discuss which vision items to jettison to bring the construction scope of work within budget. As a consequence, the scope of work for the final construction plans in the construction contracts included necessary capital repairs and also included vision item additions that were selected in agreement with resident associations.

As sites were completed, or approached near-completion, some concerns about the work performance of contractors were expressed. In one instance, tenants at Grant Manor, Washington Heights, and Sonoma, Schuyler, and Maples raised several complaints in a letter to MHFA officials Robert Pyne (August 11, 1999) and Shirley Abrams (June 17, 1999) about the construction work, including items like over-caulking windows, designing rooms smaller than plans specified, cracking around ceiling seams, placement of phone jacks, placement of rooms in terms of egress, and other items. MHFA reviewed all the items raised by tenants and agreed that these concerns pointed to the need for an independent review and oversight of the design and construction management process.

Objective 3: Lead paint abatement is achieved in all developments in which lead abatement was required; compliance with the Massachusetts lead paint regulations is achieved prior to disposition for all units in which children under age six reside.

Performance Criteria: Have the Massachusetts lead paint regulations for re-occupancy been complied with, and was compliance achieved prior to disposition, for all units with children under six years?

Deleading refers to the removal of lead paint from apartments and common spaces. It does not include deleading of exterior spaces, which are de-leaded during the construction process. Both, Boston's Office of Environmental Health, and the State's Department of Public Health, have accepted MHFA's reasons for deferring removal of exterior lead paint. MHFA has obtained re-occupancy certificates for delead units but will not obtain certificates of Lead Abatement compliance until the exterior lead abatement work is complete.

In the period prior to construction, deleading proceeded in three stages:

1. Identification of apartments with children under 6 years of age.
2. Deleading of apartments by licensed deleaders, in two phases. In phase one, fifty apartments to be used as relocation units were delead. This work was completed in March 1995. In phase two 200 apartments were delead. This was completed in August 1995.
3. Deleading by property managers in instances of properties newly inhabited by families with children under 6 years of age. According to MHFA, this has resulted in only a handful of properties being delead. According to the Oversight Committee Report for 9/23/95, a total of 252 apartments were delead.

Objective 4: Rehabilitation results in no net loss of units, except as required to meet the needs of the residents, including the provision of community space, the provision of accessibility for the disabled, and the elimination of illegal units.

Performance Criteria: Have the renovations resulted in no net loss in the total number of units with exceptions approved by residents and architect?

The total unit count for the Demonstration Disposition Program has been reduced by 323 units. This represents a loss of 13.2% of the original units, many which were uninhabited before the initiation of the Program. The total loss in terms of number of bedrooms is 298. This represents a loss of 6.2% of total bedrooms. A review of documents, as well as minutes of meetings, provided to the evaluator indicates that generally tenants were in agreement over loss of units. The loss occurred due to expansion of some units, planning for community spaces, and improving accessibility for people with disabilities. In the case of Geneva apartments, there appeared to be differing plans for ultimate unit counts, with the tenants presenting a plan with fewer bedrooms than MHFA. As noted above and earlier, reduction in units was implemented with the planning and support of resident associations for various reasons.

Performance Criteria: Have the developments received approval from the Boston Chapter of the NAACP in their review of the disposition plans as they pertain to the HUD Consent decree (Skinner Decision)?

In 1996 the NAACP registered concern over unit losses in Camfield Garden but gave approval for the preliminary plans according to the minutes of the Demonstration Disposition Oversight Committee meeting on March 27, 1996. The NAACP identified no issues of concern with regard to unit losses in Franklin Park I and II, Geneva Apartments, Grant manor, Grove Hall, Roxse Homes, Sonoma, Maple, Schuyler Apartments, Theroch I and II, and Washington Heights.

The dates of the NAACP letters of approval of preliminary plans are dated between October 3, 1995 for Franklin Park, Geneva, Grant manor, Grove Hall, Theroch, and Washington Heights; to March 29, 1996 for Roxse; June 7, 1996 for Camfield; October 1, 1996 for SMS. The counsel for the NAACP is careful to note the following in each of the letters; "...the views and comments provided in this letter are based only on preliminary information provided for this project and in no way constitute or substitute for the review of the Final Disposition Plan and other documents provided for under our Side Agreement on this issue." (See NAACP letter to HUD, October 3, 1995)

Objective 5: All developments meet federal and state regulations regarding accessibility requirements by the completion of the rehabilitation work.

Performance Criteria: By disposition, have all developments achieved compliance with federal and state requirements regarding accessibility, including the Americans with Disabilities Act?

The architects hired by MHFA evaluated each of the developments for their compliance with provisions of the Americans with Disabilities Act (ADA), the Massachusetts State Building Code and the Massachusetts Handicap Code. The final repair plans for each of the Demonstration Disposition sites contain any specifications needed to bring the site in compliance with these codes. The federal ADA guidelines require compliance for new construction, while the more stringent Massachusetts codes require compliance for rehabilitation of units that contain twenty or more units. Upon completion of rehabilitation each of the sites will have a walk-through review (involving MHFA staff and the general contractor) to insure that the

construction plans (including the disability code compliance items) were adhered to and completed.

Goal II: Development of Initiative That Empowers Residents

The purpose of Goal II is to assure the maximization of resident participation in decision-making, and in opportunities for ownership of this rental housing by resident associations. Additionally, the objectives for this goal are aimed at enhancing resident opportunities for effective decision-making regarding housing and community issues.

Objective 1: Viable resident organizations are formed prior to disposition at each development generally meeting the following characteristics: -meet regularly; -function democratically; -conduct outreach to all groups (including ethnic, racial, and linguistic groups) in the development; build as participatory a structure as possible; -committed to continued affordability; -independent of non-resident owners and managers; -incorporated

Performance Criteria: Were assessments made of the resident organization at each development? Did these assessments include the level to which these resident organizations: -are formally organized, that is, with legal corporation status, constitution and bylaws? -are open to all racial/ethnic/linguistic groups; groupings geographically distributed, i.e. buildings or blocks; disabled, elderly and other such groups whose concerns must be represented in the organization? -meet regularly; were meetings announced with enough notice for residents to attend and held at the most convenient times for residents? -have records either through minutes or attendance sheets documented meetings? -function democratically where all groups are encouraged to participate in discussions and decisions, and where necessary translation is provided? -have an elected leadership body that represents the interests of all racial/ethnic/linguistic groups in the development which is accountable to the resident organization? -maintain independence from management and non-resident owners? -are committed to affordability, and have assumed responsibility for their development?

MHFA and HUD sought to ensure that resident associations and residents would be capable of handling satisfactorily the administrative, management, and fiscal responsibilities that would be part of ownership of properties. The Agency, with input from the Trotter Institute, identified a number of queries or issues that needed to be satisfied in preparation for the transfer of ownership of properties at some future point, to residents. These criteria were 1) whether or not the resident organizations were formally organized with legal incorporation status, constitution and bylaws 2) the level to which the resident organizations include all racial/ethnic/linguistic groups; groupings geographically distributed, i.e. buildings or blocks; disabled, elderly and other such groups whose concerns must be represented in the resident organization 3) the level to which the resident organizations meet regularly, where meetings are announced with enough notice for residents to attend and held at the most convenient times for residents 4) the level to which the resident organizations have documented meetings through minutes and attendance sheets 5) the level to which the resident organizations function democratically where all groups participated in discussions and decisions, and where necessary translation is provided 6) the level to which the resident organizations have an elected leadership body that represents all racial/ethnic/ linguistic groups in the development which is accountable to the resident organization 7) whether the resident organizations maintain independence from management and non-resident owners, and 8) whether the resident organizations are committed to affordability, and have assumed responsibility for their development.

An initial assessment of resident associations was conducted in 1994 by CEDAC. The results of this review is provided in the following Chart 7.

Chart 7: Assessments of Resident Organizations Conducted by CEDAC

Site	Certification that assessment was completed for Intermediate Status	Meet regularly	Function in participatory modes	Conduct outreach to all groups
Camfield	10/20/94	x	x	x
Fieldstone	10/13/94	x	x	x
Franklin Park	10/18/94	x	x	x
Geneva	10/14/94	x	x	x
Grant Manor	10/14/94	x	x	x
Grove Hall	10/19/94	x	x	x
Roxse	10/21/94	x	x	x
Sonoma/Maple/Schuyler	10/20/94	x	x	x
Theroch	10/14/94	x	x	x
Washington Heights	10/20/94	X	x	x

Source: Memo (October 21, 1994) from John MacPhee to Leslie Giddings, et al., with attached "Verification of Intermediate Resident Group Status for the MHFA Demonstration Disposition Project" from CEDAC

This review represented an early one in a series of assessments conducted by MHFA since the inception of Demonstration Disposition. Due to the enormous weight implied in the role of resident associations as a result of the goal to empower residents, assessment of Resident Associations has proceeded through several stages. Originally, it was planned that the assessments would be conducted by the Community Economic Development Assistance Corporation (CEDAC). While a first round of assessments (a "Verification of Intermediate Resident Group Status") was completed by CEDAC in late 1994, the Demonstration Disposition relationship between CEDAC and MHFA ceased at the end of 1996, and the responsibility for further assessments was undertaken directly by MHFA's Asset Management department. In late 1996 and early 1997, MHFA conducted "Resident Association Assessment Reviews" of most of the resident organizations, the findings of which led to concern within MHFA and at HUD about the preparedness of the resident organizations for ownership. Following his predecessors, a new director of Demonstration Disposition Asset Management raised this as a major concern and focus in the next stages of implementation. In October 1997, Henry Mukasa hired a consultant to assist MHFA and the resident associations in the areas identified as requiring assistance. The consultant, Sylvia Wright, was eventually appointed as Coordinator for Training and Technical Assistance in July 1997. Her major responsibility included assessment, training, and technical assistance for the resident associations.

Between fall 1997 and summer 1998 the MHFA Asset Management staff conducted a systematic review of the resident organizations. This review included assessment of the levels to which resident organizations were prepared to operate effectively with regard to ten categories of activity that reflected the issues raised in earlier assessments, as well as discussions with residents. The reviews were conducted in collaboration with the resident organization, and collaborative strategies have been formed to address areas where improvement is needed. The

findings of this survey highlighted issues that the resident organizations would need to address to meet standards for ownership, and cited specific and current needs of the resident organizations for training and technical assistance.

The reports classified the level of corrective action that resident associations would need to make into three categories---"minimal", "moderate", and "significant". One resident association (Roxse) received the "minimal corrective action" rating, four (Academy Homes, Camfield Gardens, Franklin Park, and Theroch) were categorized as needing "moderate corrective action", and four (Fieldstone, Geneva, Grant Manor, and Grove Hall) were classified as needing "significant corrective action". The reports included recommendations for further training, which could be funded through either the resident organization's Capacity Building Fund or its Resident Initiative Fund.

In order to address these matters four actions were instituted: "1) the development of a mechanism for the assessment of training needs, 2) the formulation of a strategy for identifying capacity building resources and opportunities, 3) the creation of guidelines for the development of a capacity building work plan, and 4) the aggressive promotion of peer support and collaboration opportunities." An important facet of each of these areas was the direct involvement of residents in developing and implementing the capacity building process. As noted by Wright, "Recognizing the intent of the Demonstration Disposition process, this approach seemed more likely to produce residents capable of fulfilling the disposition requirements and capable of self-reliantly meeting the challenge of sustaining the ownership and operation of a multi-family property. Additionally, this approach has the advantage of forging a collaboration between the Coordinator [Wright] and the resident communities. Seemingly, a collaborative relationship potentially transforms residents from passive recipients of training services to active stakeholders in the capacity building process." (See Report by Sylvia Wright, *Training Update*, July 1998)

There are several key components to the capacity building plan that the Agency utilizes to enhance the organizational and management capacity of resident associations: first, the new plan emphasized specificity of criteria necessary for various models of ownership. Several documents were developed by Asset Management to explain requirements and expectations of various ownership models to residents. The documents, "Resident Organization Requirements for Sole-Ownership or Co-Ownership with a Majority Interest" and, "Resident Organization Requirements for Co-Ownership with a Minority Interest" consists of five sections: "Preamble", "Mission", "Regulatory", "Organizational", and "Operational". A related document, "Reflections on Capacity Building: Some Gauges for a Standard of Review", covers specific criteria related to organizational incorporation, board of directors, relationship of the resident organization to the resident community, ability to interact effectively with staff/vendors/consultants, strategic planning, financial management, information management and record keeping, fund raising and resource development, resident association administration, and property management.

Second, the capacity building plan developed an assessment instrument directly tied to these standards for disposition. According to an interview with Henry Mukasa (July 28, 1998), this

provided a consistent framework from which to measure progress over time, and provided a common instrument that could be used at all the sites, and evaluated the same way by MHFA and residents.

Third, the assessments created a baseline for future capacity building efforts, both in the information that they provided, and in the manner in which they were communicated to resident associations. The assessment conducted for the capacity building plan went far beyond the scope of prior assessments in its detail, and was also conducted in a manner designed to alleviate the worries that resident associations may have about the MHFA/resident association relationship in the capacity building process. Furthermore, rather than an "evaluation" or an "assessment", the findings of the MHFA review were compiled and given to the resident associations as a "communication report". Delivery of the report was done in person, in meetings where the findings were discussed with the resident associations.

The capacity building plan involved resident associations as active players, not only as recipients of training, but also as designers, resource locators, and decision-makers about the types of training to be undertaken. This means that the capacity building plan and activities have support and participation on the part of residents. MHFA also encouraged residents to communicate with each other across the housing sites; actually in some cases residents from a particular site served as consultants to resident associations at other sites.

Performance Criteria: Have vehicles for communication (newsletters, information brochures, training sessions, etc.) been established between the resident organizations and the residents as well as MHFA and the resident organizations?

Documents from MHFA and the Metropolitan Boston Housing Partnership indicate that resident organizations communicated with residents through newsletters, fliers, informational brochures, and correspondence. Additionally, several vehicles of communication were established between MHFA and the resident organizations. The channels of communication included:

- 1) The Inner City Task Force which met monthly from its inception in 1986 to July 1996, and then every other month, and then quarterly, after 1996 represented a key arena for residents and others to help plan and troubleshoot issues arising in the implementation of the Demonstration Disposition Program. This group included MHFA staff, residents, management company representatives, security companies, police, city officials, resident empowerment consultants, and others who had opportunities to raise any issues related to the Program.
- 2) Security Zone Meetings were held to develop, monitor, and enhance methods of providing greater security to the housing developments and the surrounding areas. These meetings were attended by MHFA staff, residents, security company employees, police, and others.
- 3) Asset Management Workgroup Meetings were held monthly to discuss issues related to property management, relocation, and eventual ownership. These meetings were open only to Asset Management staff and resident organization leaders.

4) Design Department Meetings were held on a frequent basis between MHFA Design department staff, resident leaders, architects, and others. The purpose of these meetings were to discuss the physical needs of the developments, to design general plans for rehabilitation, and to discuss issues related to the architectural and construction schedules for the developments.

5) Frequent letters between MHFA and the resident organization from and to the Asset Management, Design, Development, Equal Opportunity, and other MHFA departments

6) Workshops for resident associations on upcoming issues. Among the workshops given were presentations at each development on the goals and objectives of the Demonstration Program, training on use of management selection procedures, various Tenant Assistance Programs, and others.

Objective 2: Residents and/or their consultants have the opportunity to participate in the formation of the following: -Tenant organization assessment criteria; "Architectural vision" for the property; -Comprehensive repair plan; Relocation plan; -Selection of security company

Performance Criteria: Did residents and/or resident organizations have input into the tenant organization assessment criteria?

MHFA established a group, the Demonstration Tenant Organizing Work Group (sometimes called the Demonstration Organizing Group), for development of the tenant organization assessment criteria. Invitation letters to the first meeting were sent out on November 22, 1993 and the group held its first meeting on December 3, 1993. Documents and interviews indicate that the membership was designed to be mainly representatives of groups associated with tenant organizing and empowerment. The invitation from MHFA to the first meeting stated "the purpose of the meeting is to bring together the tenant organizing entities currently working at Disposition Demonstration sites for a discussion with MHFA about the nature and stages of the tenant organizing process". Nevertheless, MHFA did conduct outreach to residents through the working group's participating organizations, and included a welcome to further direct participation by residents in each notice to the participating groups about upcoming meetings. Representatives of at least three tenant groups reportedly took part. Minutes also indicate that drafts of the assessment criteria were shared with residents by BHTA outside the formal meetings of the Tenant Organizing Work Group. Based upon the available attendance records, the core group of participants consistently attending meetings of the Demonstration Organizing Group appear to be MHFA, BHTA, BHP, CEDAC, and the Camfield Tenants Association.

MHFA documents indicate that written feedback on drafts of the assessment criteria were submitted by MHFA's Community Services staff (January 18, 1994), BHP (February 4, 1994), and by CEDAC (February 9, 1994). In response to this feedback a revised draft was distributed to participants on February 14, 1994. According to the letter accompanying the new draft, MHFA was also responsive to the discussion within the Organizing Group; the letter states "We received three sets of [written] comments as a follow up to our last meeting; these have been incorporated into the document along with your comments from the meeting." Subsequent rounds of feedback included comments from BHTA (March 15), CEDAC (May 1) and MHFA's Community Services staff (John MacPhee--May 4). The final version of the assessment criteria

indicate that MHFA was responsive to this set of feedback also, and included insights from this feedback in the final version.

Performance Criteria: Were "Architectural Vision" pieces produced by the resident organizations' architects and incorporated (to the extent possible given budget constraints) into the comprehensive repair plans?

Architectural Vision Plans were produced by resident organizations' architects for all of the resident organizations. The utilization of the vision plans to rehabilitation planning changed in response to changes in the fiscal financing of Demonstration Disposition. Originally, and as explained earlier in this report, construction in the Demonstration Disposition program was to be done in two phases. In the first phase, MHFA was going to provide major repairs for the structural, system, and emergency needs of the developments. Such repairs potentially included work on outside masonry, roofs, windows, entrances, structural beams and joints, heating systems, plumbing systems, ventilation systems, sprinklers, hazardous materials abatement, access for handicapped tenants, and de-leading. The second phase of construction (representing the additional desires of residents above the work done in the first phase by MHFA) was going to be conducted after disposition under the purview of the new ownership entities. The Architectural Vision plans representing the tenants "vision" of amenities for their developments were originally conceived as a "wish list" for the scope of work for the second phase. Among the types of issues to be addressed in the vision plans were size of building units, community rooms, security systems, office space for the resident organization, kitchen facilities, laundry facilities, bathroom facilities, play areas, landscaping, and many other items.

Changes in the financing of the program and in the structure of the repair plans had major effects on the construction planning tasks of MHFA and residents. The change in the finance and construction plans meant that new budgetary constraints (determined by the size of the HUD FHA grant) had to be met, that planning for what had originally been two related but independent stages of repairs---planning which was by this time well underway---had to be encapsulated in one construction planning process, and that the roles of not only MHFA and residents but also other actors involved (including the MHFA architects, the resident architects, and the resident development consultants---hired under the original set of expectations about how construction would occur)---had to be redefined. The new single-construction-phase structure of the program required MHFA, the resident organizations, two sets of architects and the development consultants to all form working relationships which would lead to agreements on ultimate construction plans.

The telescoping of the process into one phase changed the utilization of the Architectural Vision Plan to the overall process. Instead of remaining a stand-alone plan for a distinct phase of construction with its own budget, the original Architectural Vision Plan became a document which ----through discussions and trade-offs---had to be folded into an overall budget and construction plan. This required both resident organizations and MHFA to assess their construction priorities with regard to the perceived priorities of the other--- such that the possibilities for each amenity were assessed in terms of the budget constraints imposed by necessary work on structures and systems, and such that ways of solving structural and system work were assessed in terms of the possibilities of stretching the available budget to

accommodate as many as possible of the desired amenities. It also meant that vision ideas would potentially be influenced by---and would also influence---what were the original Phase II ideas. Thus, in terms of the original purpose of the Vision Plans, the discussions and decisions under the new financing system can be thought of as including a vision refinement process, extending from the original Vision Plans, through months of discussion and several successive steps of resident organization sign-offs, to the final construction plans.

Early in 1995 the Design Committees were addressing both the MHFA-hired architects' capital-needs findings and the amenities contained in the resident organizations' vision plans, and incorporated a "translational" phase, in which the contents of the vision plan were consolidated into the systems/structural construction plans. The first of these meetings was held in January 1995 with members of the Camfield Tenants Organization, after the submission of this organization's vision plan. Camfield, the first of the resident organizations to complete their vision plan, subsequently met with the Design and Technical staff weekly. Meetings with design committees from other resident associations ensued as the architectural examination of the properties and resident formulation of vision plans progressed. Franklin Park and Grant Manor submitted vision plans in March 1995 while Roxse submitted one in April of this year. A total of four resident organizations had entered the Design Committee meeting stage by the time the financial negotiations between HUD and MHFA were finalized. Fieldstone, SMS, and Washington Heights submitted their vision plans in June, and Theroch in August of this year.

Geneva never submitted a vision plan as requested by MHFA. However, a detailed plan for Geneva including options such as activity areas, basketball court, site furniture, fencing, and plants had been submitted to the HUD Boston Regional Office in August, 1992 by the same architect (Domenech, Hicks, and Krockmalnic) selected two years later by the resident association as their architectural firm under Demonstration Disposition . In the absence of a vision plan submitted by the resident organization, MHFA used the previous DHK report to cull a list of "vision" items.

As mentioned earlier, the activities of the design committees can be conceptualized in part as a vision refinement process. According to Design and Technical staff, the MHFA/resident organization design committee meetings varied in frequency, averaging between one and five meetings for each development per month, with each meeting lasting approximately three to four hours. Resident organizations became increasingly familiar with blueprints and other architectural planning tools, and became comfortable with discussing the details of what they wanted in terms of schematics, and became increasingly clear about the essences of some of their vision plan items.

The development of vision refinement process included several features: 1) expanding the original concept of what features had design meaning to residents to include aspects of the original Phase I scope of repairs, 2) clarifying the goals represented by items in the resident organization vision plans, 3) architecturally envisioning new design possibilities from growing understandings of residents' issues, aspirations, and the symbolic meanings for residents contained in various design schemes, 4) resolving any differences within the group of resident representatives in the goals sought by vision plan items, 5) seeking cost efficient alternatives to

reach resident organization vision plan goals, where possible, and 6) clarifying the tradeoffs necessary to achieve various goals, and 7) prioritizing the items in the vision plans and reducing the number of items to fit the construction budgets. The original Architectural Vision Plans, therefore, provided a starting point for expression of resident desires and concerns, but---given the change in financing, the resulting consolidation of construction phases, and the scope of discussion of the design committees---the initial formal Architectural Vision Plans do not represent a final and fully developed statement of resident organization expression of choices and input into construction planning.

Performance Criteria: Were steps taken to ensure concerns and issues raised by resident organizations would be identified and incorporated into the comprehensive repair plans?

There was a significant level of resident involvement in the design of the new buildings, and the processes and issues associated with the decisions on construction plans. An example of this was the role that architects were required to perform during the designing of construction plans. The architects had three major functions in the work of the design committee: design, explanation, and (along with MHFA staff and resident association members) discussion. According to Diane Georgopoulos (Design and Technical Department), typically the MHFA architect (or the single architect if one of the single architect models was in operation) acted as the "design architect," producing a succession of increasingly detailed blueprints and other specifications. After each set of drawings was completed, they were then presented and explained to the resident organizations by the residents' architects. If the committee used one of the "single architect" models, the design and explanation roles were performed by the single architect. In addition to drawings, scale models, slides, and visits to other housing developments were utilized to discuss various options with the resident organizations.

MHFA created a systematic process for resident organizations to raise issues and concerns related to comprehensive repair. The process consisted of the following steps:

- 1) The Asset Management Department initiated a survey to ascertain the sizes of the families living in the developments, and to identify any under-housing or over-housing issues. Carried out by the housing development management companies, the survey gathered family-size information from each head of household.
- 2) MHFA provided resident organizations with funds, initially through the TOTAL loan program and later through the FHA Insurance Fund, to hire a development consultant and an architectural firm. Utilizing these resources, the resident organizations constructed an architectural vision plan (focusing on tenant concerns and desired changes), which was sent to MHFA.
- 3) Concurrently, architects hired by MHFA evaluated the status of the various systems (ventilation, plumbing, etc.) of the developments, and produced an initial Repair Plan for these systems.
- 4) MHFA reviewed each of the residents' vision plans to ascertain that it fit the available budget, the NAACP concerns, handicapped requirements, and other constraints on design. A reconciled

preliminary plan, taking into account vision issues, system repair issues, and budgetary constraints was then prepared by MHFA's architects.

5) The preliminary plans were reviewed by resident organizations and discussed in meetings attended by resident organization representatives, MHFA Design and Technical staff, and architects. Modifications within the available budget were made according to the tenant input. Once the tenants approved of the modified preliminary plans, they gave written approval for MHFA to begin preparing "working drawings".

6) The 35% working drawings were discussed in meetings between MHFA and the resident organizations, and after any modifications, submitted by MHFA to the resident organizations for their approval.

7) The 75% working drawings were discussed in meetings between MHFA and the resident organizations, and after any modifications, submitted by MHFA to the resident organizations for their approval.

8) The 100% working drawings were discussed in meetings between MHFA and the resident organizations, and after any modifications, submitted by MHFA to the resident organizations for their approval, and for tenant authorization of the bidding phase.

Performance Criteria: Were meetings held regularly with resident organizations and MHFA staff to disseminate information, solicit feedback and plan repair work?

Meetings between the Design Department and resident organizations began in January, 1995 and continued throughout the implementation of the Program. The scheduling of the meetings for specific sites varied. According to Diane Georgopoulos of the Design staff, once meetings have begun, they have been held between one and five times a month, for many months, and typically last for 3-4 hours per meeting. Typically the meetings were attended by the MHFA Design staff and the MHFA architect, the Resident Organization Design Committee and/or Board Officers, sometimes by the Resident Organization Development Consultants, and sometimes by the Resident Organization Architect. The major purpose of the meetings was to use the Vision Plans produced by tenants and their architects (which focused upon tenant concerns and "wish lists"), and the initial Proposed Repair Plan produced by MHFA's architect (which focused on building system issues), and combine the two plans into a new financially feasible construction plan.

Typically before each meeting, the MHFA architect produced drawings, which were reviewed by the tenant architect. Once the comprehensive repair plan and the preliminary designs had been agreed upon, the final translational phase drawings were sent to the resident organizations and discussions moved to what MHFA refers to as the "Construction Documents Phase." The layouts are discussed, modified if necessary, and when agreement between MHFA and the tenant organizations is reached, they are approved in writing by the resident organizations. The parties then move on to drawings of the engineering systems and specific drawing-based estimation of costs. (These are called the "75% drawings"). Again, when agreement is reached, the resident organizations sign off on the drawings. The final stage (production of "100% drawings")

integrates issues of coordination such as hazardous material removal, relocation planning, and other issues. When agreement on these drawings is reached, the tenant organizations once again sign off in writing and the documents are then used in the preparation of RFPs.

Performance Criteria: Was a relocation plan established with input from resident organizations?

The process for soliciting resident input regarding relocation included several components:

1) Using information supplied by tenants during the household survey, the MHFA Asset Management Department prepared a Relocation RFP. This document included information on the number of residents, the specific household sizes, and general information about the desired geographic scope for the relocation housing. Potential contractors were expected to draft a relocation plan, indicating how they would move people, how they would phase the move, and their ideas on the location of the relocation housing. Resident organization representatives reviewed the relocation proposals, rated each of the proposed relocation contractors, and along with MHFA, (which also scored the bidders) selected the relocation contractor. Discussion about the specifics of each plan were then discussed between MHFA, the contractor, and the resident organizations. Once a final plan was agreed upon, the resident organizations signed off on the plan. The following paragraphs give more detail about these processes and the input of residents in the relocation plans.

2) MHFA Asset Management staff began the process of relocation planning by asking the management agents to conduct a household survey. This survey consisted of a cover letter and form developed by MHFA, designed to verify family size, to ensure that both the relocation housing and the housing after construction were of appropriate size. The forms were sent to the newly selected management agents in August 1995 for distribution to all households. Once the information about household size was returned from the management agents, MHFA held a pre-bid conference on November 10, 1995 for companies interested in bidding on the relocation contracts. Representatives of thirty potential bidders attended. By the bidding deadline, December 11, twenty-one proposals from eight different companies had been received, and copies were delivered two days later to each of the presidents of the resident associations.

3) On October 18, 1995 the Asset Management staff began holding its own monthly meetings with officers (the president and the next two highest officers) of the resident groups. According to Anthony Carr the former manager of the Asset Management Department, these meetings were open only to residents and did not include any resident organization consultants. The first meeting was held at Freedom House in Roxbury and focused primarily on discussion of relocation. In November 1995, the Asset Management staff reported to the Demonstration Disposition Oversight Committee, "This forum has proven to be productive in that it allows for open and frank discussions between the residents and the asset management team on all issues that affect the residents. There will be continuing discussions on relocation as we move forward in the process."

Resident associations were not directly involved in designing the RFP, however, many resident concerns were known to MHFA through the October meetings with the resident groups and other discussions. However, the resident associations were increasingly concerned about the speed and the content of the bid process. On December 28, 1995, the president of one of these resident associations that had attended the pre-bid conference (Franklin Park) wrote to Steven Pierce "...our Organization is very troubled by the selection process for relocation agents. The process will affect every member of our development and our organization has not had a chance to have any input into the Request for Proposal process. Additionally, none of the bidders have even met with our Board or the residents to hear ideas, concerns and priorities regarding relocation..." Partially as a result of this kind of concern, the relocation process was the major agenda item for the monthly meeting between Asset Management and the tenant organization leaders on January 18, 1996. According to the Asset Management report to the Demonstration Disposition Oversight Committee, "Residents wanted to know their role in the process of selecting the Relocation Contractor and to what extent their input would be considered in the final selections". By the end of the meeting, it had been concluded that while an already established MHFA Relocation Contractor Selection Committee, composed of MHFA staff from eight departments, would score the RFP's, the eight companies would also be interviewed and rated by Resident Association representatives.

This scoring and interviewing for relocation contracts occurred in January and February 1996 and results announced in April 1996. Four contractors were selected: Consulting Diversified, Cruz Management, Gibraltar Veterans Partnership, and Peabody Properties. According to Henry Mukasa, the head of the Demonstration Disposition Asset Management group, in most cases the highest scoring company by the MHFA staff scoring and the highest ranking company by the resident association rating matched. The one exception was Franklin Park, where the residents rated Long Bay highest and MHFA staff scored Consulting Diversified highest. Residents expressed their concern about the MHFA choice (Consulting Diversified) to MHFA, HUD and other parties at a meeting on April 2, and subsequently met with Consulting Diversified to discuss issues of concern. This difference was resolved when Consulting Diversified, which won the Theroch/Franklin Park relocation, agreed to subcontract the Franklin Park part of the work to Long Bay Management Co. The following Chart 8 shows the numbers of families relocated by each housing site through June 1999. It was estimated that approximately 600 of the 881 relocated families were housed in offsite locations.

Chart 8: Number of Families Relocated (June 1999)

Site	Families Relocated
Academy Homes	102
Camfield	82
Fieldstone	55
Franklin Park	122
Geneva	20
Grant Manor	154
Grove Hall	0
Roxse	171
SMS	49
Theroch	41
Washington Heights	85
Total	881
Home Ownership Stipend	36

Source: Asset Management, HUD-MHFA Demonstration Disposition Program Resident Relocation (June 8, 1999)

The following Chart 9 shows the relocation contractors who were utilized upon the recommendation of the resident organizations.

Chart 9: Relocation Contractors for Demonstration Disposition Properties

Site	Relocation Specialist Name	Selection Date
Camfield	Cruz Management	April 1996
Fieldstone	Peabody Properties	April 1996
Franklin Park	Consulting Diversified (subcontracted to Long Bay Management)	April 1996
Geneva	Peabody Properties	April 1996
Grant Manor	Cruz Management	April 1996
Grove Hall	Peabody Properties	April 1996
Roxse	Cruz Management	April 1996
Sonoma/Maple/Schuyler	Gibraltar Veterans Partnership	April 1996
Theroch	Consulting Diversified	April 1996
Washington Heights	GVP Partners	April 1996

Source: Demonstration Disposition Oversight Committee Reports (May 1, 1996)

Performance Criteria: What measures were in place that allowed MHFA to step into the process when there was an impasse with resident organizations?

The key feature that allowed MHFA to respond to delays at the site level was the understanding of its roles from the initiation of Demonstration Disposition . It was clear from the beginning of the Program that MHFA would not be a passive partner, but rather active in the overall evolution and development of this undertaking. The communication established between the Agency and other participants helped to legitimize the role of MHFA.

There were several instances during this period when MHFA had to intervene and impose certain kinds of decisions in order to continue the progress of Demonstration Disposition towards completion.

---As of November 1994 only six of the ten developments had hired an architect. MHFA, which had hired its own architects, instructed the MHFA architects to move ahead with the repair plan, thus avoiding a potential bottleneck. All developments completed the selection of architects by January 1995.

---One of the resident organizations stated that they would not select any of the management agents who had bid on the management agent RFP and had passed the MHFA screening process. MHFA insisted that the resident organization follow the selection process and the resident organization did subsequently make a choice.

---In late 1996, based on feedback from some residents, MHFA concluded that the resident organizations were not receiving the type of empowerment services that they needed to become independent owners by the completion of the Demonstration Disposition Program. MHFA conducted an assessment of the resident organizations, intervened in the resident organization contract award process to the empowerment-building organizations (mainly BHTA and MBHP), and developed a new set of standards for the services to be provided to the resident organizations.

Performance Criteria: Did resident organizations participate in the selection of security contractor(s)?

MHFA created a security plan with input from residents, managers, law enforcement, and others. The development of this plan, the subsequent incorporation of the plan into an RFP, and the award of contracts involved a structured mechanism with at least four steps where residents and/or resident organizations could participate: design of a survey and review of findings; development of security plans; membership in security selection committees; and, feedback on a draft RFP.

1) Surveys were undertaken in 1994 in Fieldstone, Franklin Park, Grove Hall, and Sonoma/Maple/ Schuyler. The survey gathered information about residents' perceptions of changes in the level of crime on their streets, the level of worry among residents about different types of crimes during the day and at night, residents' perception of the level of problems for twenty different types of crimes, and the perception of residents' about whether various specified actions would improve security. According to an interview with Connie Tippens (December 2, 1998), MHFA decided not to do surveys in Camfield Gardens, Grant Manor, and Roxse because of the already existing extensive involvement of residents in cooperative security plans and operations, which were already advanced enough that they had received national attention (Oversight Committee Report--October 1995).

2) MHFA held meetings with residents, management and police to develop security plans.

3) RFP's were developed by MHFA based upon the security plans. The draft RFP's were distributed to all resident organizations and to the security selection committee in July, 1995 for their comments to ensure that their concerns were met in the RFP. The final RFP was issued to prospective bidders in November, 1995

4) Security selection committees comprised of residents, management agents and owner (for the non-HUD properties) representatives were formed to develop interview questions, do the actual interviewing, and to score some of the RFP criteria (MHFA scored the companies on the remaining criteria). All developments in each zone were asked to participate on the zone committees and requested to send representatives to a scoring process training session. According to information supplied by MHFA, the Zone One Security Selection Board included a tenant representative from Grant Manor, Camfield Gardens, and Roxse Homes. The Zone Two Security Selection Board included one or two tenant representatives each from Franklin Park, Sonoma/Maple/Schuyler, Washington Heights, Academy Homes, and Theroch. The Zone Three

Security Selection Board included tenant representatives from Fieldstone, Grove Hall, and Theroch. Meetings were open to other residents, and were sometimes attended by the official designees of the development as well as other residents. Score-sheet training sessions occurred on December 18, 1995, conducted by Connie Tippens and Thaddeus Miles, Director of Public Safety for MHFA. Each zone committee developed its own set of interview questions. The zone committees scored contractors submitting bids on three of the selection criteria: demonstrated capacity, performance track record, and demonstrated commitment to community policing. MHFA scored the bids on cost, MBE status, minority hiring record, community hiring record, and contract readiness. Recommendations about contract awards were prepared by the security selection committees and submitted to MHFA in January 1996 and awarding of contracts the following month.

The resulting contract with security companies articulates both general and specific expectations about the relationship between the security firms and residents/resident organizations. The contract calls for the security firm to meet weekly with the property management representative and the resident organization representative. It also calls for the chief commanding officer of the security firm to attend monthly meetings of the Zone Security Task Force (comprised of resident organization members and property management) and the MHFA Inner City Task Force (comprised of residents, property management, and others). The contract also specifies that the security firms will conduct "security-related workshops" four times a year for residents and will attend resident meetings upon request. More generally, the contract calls for the security firm to embrace and implement community policing approaches. As stated on page C-7 of the contract "In the Community Policing approach, police officers and private citizens work together to both prevent and solve area problems relating to crime, social disorder and general neighborhood deterioration. The Contractor shall work toward and implement policies and procedures which allow officers to embrace the primary focus of community policing. These policies and procedures must identify internal actions that will enable the Contractor to work in partnership with development residents, owners and management personnel in order to form effective liaisons within the neighborhoods the officers patrol and serve. The MHFA Security Program will not be successful without the active participation of Special Officers in community life and accountability to the neighborhoods they serve."

There were three security companies retained by the residents between January and March 1996 for the three zones. The fact that only two security companies were selected tended to be helpful in the development of an overall and comprehensive strategy for public safety. The two companies were New World Security, and a joint venture involving Nartoone and Wackenhut.

Performance Criteria: Were resident organizations notified in a timely manner to maximize participation and were their views solicited?

The Agency encouraged participation of residents in the creation of MHFA-based RFPs for security, management agents, and relocation contractors, and encouraged resident attendance at Linkage Committee meetings. This was the Agency's intention from the beginning of Demonstration Disposition. For example, an October 5, 1994 letter from Ned Epstein to president of resident associations, states, "As part of MHFA's overall plan to maximize resident

participation in decision-making for the HUD Demonstration Disposition program, we invite you to join a newly-formed Resident Advisory Workgroup, members of which will include the elected presidents from each resident association and others you may wish to invite (such as, fellow Board members or other residents). We plan to convene the Resident Advisory Group to meet at least four times a year. It will be a forum for resident groups to raise issues of concern as well as to clarify program-wide policies and procedures and provide input into the Agency's disposition program activities.”(Note: The Resident Advisory workgroup was never established. Its intended function was apparently folded into the Inner City Task Force).

MHFA organized several activities to ensure the qualitative input of residents. First, MHFA organized many informational meetings with tenants and tenant organizations, some dating back well before the official beginning of the Demonstration Disposition . When the project began in 1994, MHFA staff visited the housing sites to encourage resident participation in several areas. Thus, the Agency established a history of communication and information sharing from the initiation of Demonstration Disposition .

Second, residents could participate in specific decisions central to the Demonstration Disposition process: selection of security contractors, selection of management agents, creation of a repair plan, selection of an ownership structure. Documents indicate that resident organization views were solicited on these aspects of the program, and that within the time constraints of the program, residents were informed periodically and consistently regarding a range of issues. Some of the procedures and practices of the Agency for ensuring that this would occur is found in the Demonstration Disposition *Information* booklet which states, "The Demonstration will be a resident-centered process from start to finish...residents at each site - when fully organized - will determine the scope and timetable for work on their particular development, as well as the most suitable ownership structure...resident associations..will play a leading role in the Demonstration process...The Agency will also schedule on-site resident meetings, once HUD formally announces the Program, to provide informational forums involving residents and MHFA staff."

Third, MHFA provided resources, both in terms of funding and staff time, to a wide range of activities and meetings involving residents, including many workshops in the areas of planning and budgeting. Fourth, as explained later, the Agency helped to establish the Inner City Task Force and the MBE Linkage Committee as arenas for sharing information, and debating issues emerging throughout the implementation of Demonstration Disposition. Numerous documents analyzed by the evaluation team, as well as participation in many meetings, indicated that MHFA continually encouraged participation in the Inner City Task Force and then the quarterly MBE Linkage meetings.

Objective 3: Decisions of resident organizations, when made using MHFA-approved criteria and within established target dates, are implemented in the following areas: Selection of management agent; Selection of development team; Determination of type of ownership; Selection of owner

Performance Criteria: Were resident organizations trained by MHFA in the established management agent evaluation process and was it used properly? And, Did resident organizations submit a documented recommendation for the management agent?

The Request for Proposals (RFPs) for the Interim Management Agents were designed by the Tenant Organizing Work Group in early 1994, and a copy of the RFP (dated May 1994) was included in the exhibits in the MHFA/HUD Demonstration Disposition Agreement. One of the major issues discussed by this group at these early meetings was the exact power of the resident organizations in the selection process. It was recognized that significant resident organization roles were important in the selection of the management agents, not just because of the management agent selection per se, but also because this would be one of the first major decisions made in Demonstration Disposition, and thus carried symbolic significance for the concept of "resident-centered" processes. Training in the selection process was provided by MHFA. Subsequent selection of management agents by resident organizations was acceptable to MHFA, with one exception: one of the resident organizations stated that they would not select any of the management agents who had bid on the RFP and had passed the MHFA pre-selection screening process. MHFA insisted that the resident organization follow the selection process, which was ultimately complied with.

Performance Criteria: Were new resident-selected management agents in place at each development during the Interim Asset Management phase?

On April 18, 1995 all resident organizations had submitted a documented recommendation for a management agent. All developments, as illustrated in the following Chart 10, had new management agents in place by August 1, 1995. (See, Minutes of the Oversight Committee Report, April 21, 1995).

Chart 10: Resident Organization Selection of Management Agents

Development Name	Management Agent	Selection Date	Contract Date
Camfield	Cornell Mgmt. Corp / Peabody Properties	April 17, 1995	August 1, 1995
Fieldstone	Lorenzo Pitts, Inc.	April 5, 1995	August 1, 1995
Franklin Park	Long Bay Management	March 31, 1995	August 1, 1995
Geneva	Choice/Atlantic Peabody Properties	Oct/Nov 1995	August 1, 1995 July 26, 1996
Grant Manor	Sentry Property Mgmt	April 20, 1995	August 1, 1995
Grove Hall	Edwin D. Abrams (E.D.A.), Inc.	April 13, 1995	August 1, 1995
Roxse	Maloney Properties	01/12/95	August 1, 1995
Sonoma/Maple/Schuyler	Sentry Property Mgmt	April 5, 1995	August 1, 1995
Theroch	Cruz Mgmt	May 2, 1995	August 1, 1995
Washington Heights	Gibraltar Associates	April 17, 1995	August 1, 1995

Source: This information is based on Management Agreements provided to the Trotter Institute evaluation team by MHFA and the "Demonstration Disposition Entities List" (revised July 16, 1997).

Note: Geneva began interim asset management with Choice/Atlantic as their manager. In July 1996, Choice/Atlantic was removed from this role by MHFA. Peabody, which had won the contract to be the relocation contractor, was asked by MHFA to take over and serve out the remainder of the interim management contract.

Performance Criteria: Did resident organizations select a development consultant, architect, and legal counsel?

According to the Demonstration Disposition Oversight Committee Reports, all resident organizations had selected development consultants and architects by March 21, 1995, and had selected legal counsels by April 21, 1995. Resident organizations were helped in preparing for the selection process by CEDAC, which provided germane information about the RFPs and coached resident organizations in the use of the RFP process. CEDAC also provided some technical assistance to resident organization boards. They taught board members interview skills and explained how to conduct interviews, how to evaluate and select proposals, and how to negotiate contracts.

The selection of the architects, development consultants, and legal counsels by resident organizations was generally based on several factors. The residents were interested in the consultants a) previous work on urban housing developments, b) any previous work with resident groups, c) the consultants' reputations for quality work, d) any previous work in developments familiar to the residents, and e) they were also interested in the general trustworthiness of the consultants. The following Chart 11 shows the consultants, architects, and legal counsels selected by each resident organization.

Chart 11: Resident Organization Selection of Development Consultants

Development Site	Legal Counsel	Development Consultant
Camfield	Krokidas and Bluestein	Trinity Advisors
Fieldstone	Catala and Mervis	Reese Fayde & Associates
Franklin Park	Chin, Wright, and Branson; Brown, Rudnick, Freed and Gesmer	Rodger Brown of Mintz, Levin, Cohn, Ferris, Glovsky, & Popeo, P.C. / Rodger Brown of Rodger Brown Associates
Geneva	Sessa, Moore, and Quiroga	Daniel Ocasio of Urban Access
Grant Manor	Parker, Jean and Jackson	Community Builders
Grove Hall	Catala and Mervis	Trinity Advisors /Property Development Services
Roxse	Jackson and Jean Builders	Community Builders
Sonoma/Maple/Schuyler	Barnes	Trinity Advisors / Rodger Brown of Rodger Brown Associates (2000)
Theroch	Greater Boston Legal Counsel	Thomas Welch & Associates / OKM Associates
Washington Heights	Chin, Wright and Branson	Community Builders

Source: MHFA Demonstration Disposition Oversight Committee Reports and MHFA *Demonstration Disposition* Entities List (revised July 16, 1997). Note: The original Grove Hall development consultant, Patrick Lee of Trinity Advisors resigned on March 21, 1997. In June 1997 the Grove Hall resident association chose Lawrence Smith of Property Development Services as their new development consultant. In December, 1995 the Theroch resident association voted to discontinue the services of Thomas Welch and Associates. In June 1996 the resident association selected the OKM Associates/Consulting Diversified joint venture as their new development consultant.

Performance Criteria: How did resident organizations select particular ownership strategy and mode?

The eventual transfer ownership of site properties to residents could take the form of sole ownership by the resident organization; or joint ownership in partnership with either a nonprofit agency, CDC, or a limited-profit corporation. The process of ownership-determination was originally envisioned as: 1) creation of resident organizations in developments where they did not previously exist, 2) selection of interim management companies by resident organizations, 3) training and organizational development of resident organizations, 4) selection of preferred ownership mode by resident organization, and 5) formal transfer of ownership.

This planned sequence of events was modified somewhat when developments in the funding of the Program required resident associations to send in tentative selections of ownership mode in a time frame that was earlier than originally expected (by August 15, 1995). As expressed in a July 20, 1995 letter from Robert Pyne to the resident association presidents:

As you may be aware from recent meetings and press reports, we have been working to negotiate a revised Demonstration Disposition Agreement in response to HUD's Reinvention Blueprint and to secure a commitment of project-based Section 8 operating subsidies sufficient to ensure the financial viability of each of the developments in the program...To ensure that after renovations sufficient funds are available to operate the developments, HUD has also agreed to execute with MHFA a master Annual Contributions Contract (ACC). The ACC will lock-in a commitment of Section 8

project-based subsidies for fifteen years for each development. HUD will only execute the ACC, however, once each Resident Association submits to MHFA a preliminary disposition plan by August 15, 1995.

At the time of this letter and the subsequent submission of the preliminary disposition plans of the resident associations, little formal training in ownership styles or options had been offered. MHFA staff expected that many of the tentative decisions might be changed as the program proceeded. In the previously mentioned letter to resident associations, Pyne states "...both HUD and MHFA understand that this information will be preliminary and may be subject to change as resident associations make final decisions regarding their choice of an ownership structure and as they refine the scope of repairs with MHFA". Chart 5 presented earlier, shows the selections made by resident associates at the project sites.

In the first selection of ownership styles (for the preliminary disposition plans), two resident organizations decided to plan ownership of the properties in the form of "resident controlled, non-profit corporations" (Camfield and SMS). Two other developments (Grant Manor and Roxse) that had contracts with the same development consultant specified that they were interested in selecting one of three forms of ownership (a resident controlled non-profit corporation, or a limited equity cooperative, or a limited partnership with residents maintaining control over the partnership). Two resident associations (Geneva and Washington Heights) were tentatively interested in a partnership with a non-profit. Four developments (Fieldstone, Franklin Park, Grove Hall, and Theroch) indicated that they would pursue joint ventures.

Residents had opportunities to periodically re-examine their ownership choices during this period. By September 1997, Grove Hall had changed its plans from a joint venture with a for-profit developer to a partnership with a non-profit entity. Washington Heights had changed its plans from a partnership with a non-profit to a housing cooperative.

The residents seem to have based their final selection preferences of housing ownership models on the following kinds of factors: resident population characteristics, sophistication and cohesion of resident organizations, prospects for additional funding sources, level of trust about engaging in partnerships, and level of preparedness for ownership. Resident organizations, such as Camfield and Roxse, were prepared to move into sole ownership because of long histories of work and the acquisition of considerable training and experience. Elderly composition of the residents was a factor in deciding which ownership model would be selected. At Fieldstone, where the residents are predominately elderly, the residents did not want to be co-owners.

Other factors that influenced the ownership options selected by residents included the possibility of attracting external funding. As noted earlier, the use of Low-Income Housing Tax Credits require a limited partnership ownership. Thus, this was an attraction option for Franklin Park and Grant Manor. But considerations such as desire for managerial independence, as well as implications for the role and required managerial and administrative work on the part of residents, were also a significant factor in selection of ownership options.

Objective 4: Developments are sold to: -resident controlled organizations, or -joint ventures in which residents have more than a 50% interest in the partnership; or -a non-profit or for-profit developer which agrees to “phase in” resident ownership and control; or -other acceptable form of ownership proposed by the residents.

Performance Criteria: Who acquired the developments? Was it one of four types of ownership entities listed above?

At the beginning of summer of 1999 none of the housing sites were yet at the stage of disposition. Fieldstone proceeded relatively rapidly in the disposition process, and during the summer of 1999 awaited HUD approval of the ownership documents before releasing an RFP for an owner. This is the only development which chose an ownership model not involving resident organization ownership or co-ownership. The preferred ownership models selected by each development as of 1999 are provided in Chart 5 of this report.

Objective 5: Resident organizations are supported by the Agency in the following ways: Residents have information, necessary resources and technical assistance needed to make informed decisions; MHFA’s decision making process is open to resident input.

Performance Criteria: Were resident organizations aware of TOTAL (Tenant Organization Technical Assistance Loan Program) and how to access it?

MHFA designed its TOTAL Program in 1992 in order to provide loans to resident organizations for the purchase of consultant services aimed at determining the feasibility of acquiring HUD-owned multifamily properties, or such properties financed and regulated by HUD and/or MHFA. CEDAC was contracted to administer this program.

Resident organizations began accessing TOTAL funds as early as December 1993 (Theroch), and six resident organizations (Camfield, Fieldstone, Geneva, Grove Hall, Roxse, and Theroch) had been awarded funds by the time Demonstration Disposition officially began (August 15, 1994). The remaining four resident organizations accessed the program within a few months of the beginning of Demonstration Disposition. Franklin Park, Sonoma/Maple/Schuyler, and Washington Heights received their first TOTAL funds in September, and Grant Manor was awarded funds in November. By November 1994, all resident organizations had been awarded TOTAL loan funds. Almost all organizations filed applications for more than one award of funds, and the award process continued through April, 1995. The following Chart 12 shows the amount of resources utilized by housing sites and the purposes for which TOTAL resources were utilized.

Chart 12: TOTAL Loan Amounts and Purposes

Site	Amount	Purpose	Date
Camfield	\$44,000	org development, preparation of disposition plan	7-28-94
	\$103,000	development consultant, architectural, legal; organizing services.	1-10-95
Fieldstone	\$30,000	organizational development and planning	7-28-94
	\$51,777	development, architectural, legal, and organizing	4-11-95
Franklin Park	\$30,000	legal, organizing, and development services	9-22-94
	\$44,000	architectural, organizing, and development services	2-14-95
	\$85,253	architectural, project coordination, legal, and accounting services	4-11-95
Geneva	\$37,511	organizing, training, accounting, development consultant, architectural and engineering services	7-28-94
	\$43,239	architectural, project coordination, legal, and accounting services	3-23-95
Grant Manor	\$25,400	architectural and organizing services	11-01-94
	\$85,000	architectural, legal, accounting, and project coordination	1-10-95
	\$24,500		3-23-95
Grove Hall	\$30,000	resident organizing, org development and planning	7-28-94
	\$25,000		2-14-95
	\$16,800		4-11-95
Roxse	\$47,722.12	org development, education and training, legal, architectural, and development consulting services	6-2-94
	\$125,000	architectural, development, legal, organizing, and accounting services	3-23-95
Sonoma/Maple/Schuyler	\$30,000	legal, architectural and engineering services, development consultant, resident organizing	9-22-94
	\$20,000	architectural services	3-2-95
	\$38,000	architectural, legal, organizing and development services	4-11-95
Theroch	\$34,000	organizational development and fiscal management	12-02-93
	\$70,125	architectural (development and organizing)	4-95
Washington Heights	\$37,500	architectural, legal, development consulting, resident organizing, and organizational development services	9-22-94

Source: MHFA Pre-Development TOTAL Funds Report (January 24, 1995), CEDAC "MHFA/HUD TOTAL Loan Fund Status" (December 31, 1996), CEDAC "TOTAL Utilization Report" (December 31, 1996), MHFA Demonstration Disposition Oversight Committee Reports

Performance Criteria: Were appropriate technical assistance and educational/training opportunities available in organizational development to each resident organization through the residents' empowerment consultants/organizer or other appropriate means? Including: how to set up a non-profit corporation, how to run meetings and conduct outreach, conflict resolution, education about different cultures present in the development (including the elderly and the disabled), translation services, peer support (perhaps through the Inner City Task Force or the pairing of more developed resident organizations with emerging resident organizations as a sort of buddy system).

The following summaries provide information about needs related to strengthening organizations and responses to such at each housing site. Additional discussion of the review process and the resulting capacity building program initiated in collaboration between the resident associations and MHFA is described in Goal 2, Objective 1, Performance Criteria 1.

Academy Homes---United Residents in Academy Homes was described in the MHFA assessment as having "effective functioning of the Board". They had received training in leadership, board organization, board development, management, agenda setting, ownership options, housing law, computers, tenant/landlord rights, budgeting, presentations, and conflict resolution through MBHP. The association desired future training in ownership structures, financial management, accounting, bookkeeping, and stress management.

Camfield---The MHFA assessment described the Camfield Tenant Association as "focused". The association reported that it had received training during the previous year in Ownership Structures, Ownership/Syndication, Capital Needs Assessment, Property Management, Property Disposition, Managing Change in Public Housing, Organizational Development, Board Training, Programs for Senior Citizens, Computer Programming for Youths, AIDS Education, and TAP Seminars. The resident association desired further training in ownership models, developing a management plan, management company reviews, and resident selection plan/House Rules (sic). MHFA recommended additional training in budget monitoring, property management, supervisory training, time management, and financial management.

Fieldstone---At the time of the review, the Fieldstone Resident Association had not met for eight months. In the previous year, one officer had attended one training session (sponsored by the Association for Resident Control of Housing) covering aspects of ownership structures, time management, program management, financial management, and resident involvement/leadership. The MHFA review states: "The association board of directors has not received formal basic training in board duties and responsibilities...In general, board members have not demonstrated the capacity to conduct business-like board and general meetings, nor have they demonstrated the capacity to manage the day to day activities of the association. Although there are elected officers and board directors, the association lacks a representative leadership core that will keep the association organized and directed...The residents require training in all aspects of management and ownership to become viable owners" (MHFA Assessment pp. 6-8). Later the review noted that the association did not have satisfactory financial controls. The MHFA review recommended training in ownership structures, multifamily property management, resident involvement, basic business management, strategic planning/goal setting, financial management, accounting, bookkeeping, time management and priorities, computers, fundraising/grant writing, program and project management, basic negotiation/problem solving, stress management, and TAP seminars.

Franklin Park---The Franklin Park Development Tenant's Association was troubled by "a lack of residents willing to take an active role in the organization". They had received only one type of training in the previous year--a two-session workshop on syndication provided by the Metropolitan Boston Housing Partnership (BHP). The MHFA assessment stated that the resident association needed additional training in ownership, office management, asset management, resident rights and responsibilities, and a refresher workshop on Board duties and responsibilities, and also noted that at the

time of the assessment plans already existed for property management, asset management, and leadership training workshops.

Geneva---The Geneva Tenants Organization received a low rating indicating "significant corrective actions required". The MHFA report stated that in conjunction with the Boston HUD Tenants Alliance and the resident organization's development consultant (Daniel Ocasio), the GTO had received training in Multifamily Property management, ownership structures, program and project management, basic negotiation/problem solving, and had also received TAP seminars. However, the MHFA assessment noted that the GTO intended to pursue a sole ownership model in the future, and concluded that, "training in areas such as asset management, financial management, business management, basic real estate, budgeting, multi-family property management, etc, are crucial". MHFA also recommended additional training in fundraising, computer training, accounting, and bookkeeping, and noted that the financial controls of the resident association were inadequate, with past practices including "inappropriate spending practices" and an "appearance of conflict of interest".

Grant Manor---The Grant Manor Tenant Association (GMTA), received a rating of "significant corrective actions required". The GMTA had received training in board development, new board training, bylaws, computer training, fundraising/grant writing, and had received TAP seminars. The board leadership would like additional training in leadership, financial management, budgeting, and ownership structures. The MHFA assessment suggests, in addition, training in multifamily property management, hiring and monitoring staff, and accounting/bookkeeping.

Grove Hall---The Grove Hall Resident Association received one of the lowest ratings among the assessments conducted by MHFA. The assessment concludes that significant corrective actions were needed and suggested "that should the Resident Service Coordinator depart from Grove Hall apartments the Association would be nonexistent". The Resident Service Coordinator, who was the sole representative of the resident association at the meeting with MHFA staff, stated that the Grove Hall Resident Association had participated in some property management workshops conducted by BHP in the past year. However a list of the sessions and participants was not available at the time of the interview. The Resident Services Coordinator articulated need for training in financial management, property management, supervision, and leadership. The MHFA assessment states "Clearly, the residents are in need of training, motivation and organizing," and notes that "The Grove Hall Resident Association has not had the necessary Training. Additionally, the level of resident participation suggests that the association lacks depth." With regard to financial management, the MHFA assessment states "The review confirmed that the Grove Hall Resident Association needs much training and assistance in setting up financial controls and adhering to them."

Roxse---The assessment described the Roxse Tenant Council Board of Directors as "highly functional", and noted that Roxse was receiving training through their development consultant, Reese Fayde and Associates, and through information provided by their Resident Services Coordinator (who had also developed a Board Organizational Handbook). The assessment stated that since the resident association had chosen a sole ownership cooperative as their desired ownership model, the resident association should work with Sylvia Wright at MHFA to coordinate training in financial management, budgeting, accounting, asset management, basic real estate, function of cooperatives, computers, team building, conflict resolution, and mediation.

Theroch---The Theroch Residents Association received training sessions in Ownership Structures, and Financial Management from OKM Associates, in conjunction with Consulting Diversified. In addition they received a workshop in Hiring/Monitoring/Evaluating staff from Sylvia Wright (MHFA), and participated in TAP seminars. The resident association desired additional training in management, financial controls, and stress management. The MHFA assessment states "there exists a tremendous need for residents to receive training in areas that can assist them with carrying out their daily tasks. For example: Decision making, leadership, presentation skills, etc."

As an outgrowth of the resident assessments and as part of the implementation of a new capacity building plan to address the needs of resident associations, MHFA established a series of workshops for resident organizations. The workshops series, envisioned as a training "Pilot Program", was initiated through collaborative planning with resident associations. MHFA's Coordinator of Training and Technical Assistance, Sylvia Wright, reported the program was begun "in response to the urging of resident association presidents", and initially comprised ideas for seven workshops identified as needs by the resident association presidents. The seven topics selected were Stress Management, Financial Management, Computer Training, Ownership Structures, Multi-Family Property Management, Organizational Development, and Basic Negotiation. Due to time constraints, upon initial implementation of the program, only three of the workshops were available---"Basic Negotiation", "Financial Management", "Ownership Structures", and "Stress Management." This information is contained in the "Client and Entities Report" in the Demonstration Disposition Reference Book. It should be noted that both Camfield and Grant Manor had existing strong organizations. Both these developments decided to sever relationships with BHTA before the onset of the Demonstration Disposition Program. Camfield hired its own organizer, and was also the first resident organization to hire a Resident Services Coordinator. The source of this information is a telephone interview with John MacPhee in February 1998.

The topics described below were offered in formal training workshops conducted by various entities for tenant organizations and individual residents at the various Demonstration Disposition sites in 1994, 1995, and 1996. Among the workshop presenters mentioned in this listing were BHP, MHFA, CEDAC, and individual consultants. This listing of formal workshops does not represent a complete picture of the training provided to the resident organizations. Both BHTA (which served as the organizing/empowerment consultant for Geneva, Roxse, and) CEDAC reported that they generally provided training in one-on-one coaching style, rather than in formal workshops.

Camfield---Ownership options, development consultant; Security contractor selection, Dec. 18, 1995, MHFA; Tenant education, Intervention intake, MHFA (TAP)

Fieldstone---The Demo-Dispo Program, What Does it Mean: For the Residents, For the Management Companies and For the Developers May 19, 1994, Leslie Giddings (MHFA); Tenants Rights and Responsibilities, Sept. 24, 1994, MBHP; Management Role and Responsibilities, Oct. 22, 1994, MBHP; Basic Organizing, Nov. 19, 1994, MBHP; Building and Maintaining Organizations Dec. 10, 1994, MBHP; How to Run a Meeting, Jan. 21, 1995, MBHP; Cultural Awareness, Feb. 25, 1995, MBHP; Understanding Budgets, April, 29, 1995, MBHP; Security contractor selection, Dec. 18, 1995, MHFA

Franklin Park--- Tenants Rights and Responsibilities, Sept.24, 1994, MBFA; Management Role and Responsibilities, Oct. 22,1994, MBHP; Basic Organizing, Nov. 19, 1994, MBHP; Building and Maintaining Organizations, Dec. 10, 1994, MBHP;How to Run a Meeting, Jan. 21, 1995, MBHP; Cultural Awareness, Feb. 25, 1995, MBHP; Conflict Resolution, March 25, 1995, MBHP; Understanding Budgets, April 29,1995, MBHP; Communication skills-Effective Writing, May 20, 1995, MBHP; Communication Skills-Effective Speaking, June 10, 1995, MBHP; Security contractor selection, Dec. 18,

1995, MHFA; Role of a development team and How to hire a development consultant, CEDAC; tenant education, MHFA (TAP); intervention intake, MHFA (TAP); Asset Management, MBHP (Harold Nassau); Tax Syndication, Aug 21, 1996, CEDAC;

Grant Manor--- Introduction to Financial Management, Daniel Dennis CPA; Home Budgeting, Daniel Dennis CPA; Overview of Board Responsibilities & Liabilities, Daniel Dennis CPA.

Grove Hall--- Tenants Rights and Responsibilities, Sept. 24, 1994, MBHP; Management Role and Responsibilities, Oct. 22, 1994, MBHP; Basic Organizing, Nov. 19, 1994, MBHP; Conflict Resolution, March 25, 1995, MBHP; Understanding Budgets, April 29, 1995, MBHP; Communication Skills-Effective Writing, May 20, 1995, MBHP; Communication Skills-Effective Speaking, June 10, 1995, MBHP; Outreach and Recruitment in a Diverse Community, Dec., 1995, MBHP; Management Finance Reports, Sept. 17, 1996, Harold Nassau (MBHP);

Sonoma/ Maple/ Schuyler--- The Demo-Dispo Program, What Does it Mean: For the Residents, For the Management Companies and For the Developers, May 19, 1994, Leslie Giddings (MHFA); Leadership Workshop, Sept. 24, 1994, MBHP; Training on RFP, Sept. 28, 1994, CEDAC; Board training, Oct. 3, 1994; Management Committee training, Oct. 5, 1994; Consultant Selection Training, Unknown; Leadership Development Workshop, March 25, 1995; Security Contractor Selection Dec. 18, 1995, MHFA; Mini-training for Potential Building Captains;

Theroch---Security contractor selection, Dec. 18, 1995, MHFA;

Washington Heights---The Demo-Dispo Program, What Does it Mean: For the Residents, For the Management Companies and For the Developers, May 19, 1994, Leslie Giddings (MHFA); What to Look for in a Development Consultant, Oct. 5, 1994, MBHP; Management Role and Responsibilities, Oct. 22, 1994, MBHP; Interim Asset Management Selection Training, Oct. 26 and Oct. 28, 1994, MBHP; The Development Process, Nov. 14, 1994; Legal Counsel Training, Nov. 17, 1994, Robert Quinn; Roles and Responsibilities of a Board, Nov., 19, 1994; Building and Maintaining Organizations, Dec. 10, 1994, MBHP How to Run a Meeting, Jan. 21, 1995, MBHP; Conflict Resolution, March 25, 1995, MBHP; Ownership Option Workshop, Aug. 5, 1995.

This information is based on a review of workshop information and attendance sheets, and flyers, provided to the Trotter Institute evaluation team by the MBHP and other information in MHFA materials.

Performance Criteria: Did residents have opportunities to learn about different ownership strategies and models before selection?

The recent assessments of resident organizations completed by MHFA's Demonstration Disposition Asset Management staff indicates that most have had some training in ownership models. Other workshops are being planned and implemented, however, in order to ensure that residents are fully aware of the various options and their related requirements. Resident Associations were also encouraged to consider their own organizational capacities in assessing the options available to them.

Performance Criteria: Were resident organizations properly prepared to participate in or to make informed decisions pertaining to the items listed under Objectives 2 and 3?

Residents were able to participate in several training sessions and workshops directed at making them aware of issues in the following areas: 1) Tenants organization assessment criteria, 2) Selection of management agent, 3) Selection of security company, 4) Selection of development team, 5) Architectural vision for the property, 6) Timing and scope of repair work, 7) Relocation plan, 8) Determination of type of ownership, and 9) Selection of owner. Resident Associations had decision-making responsibility for the selection of the development team (development consultants, architects and legal counsel), interim management agents, security companies, and ownership style. These items are explained with additional detail below.

1) Tenant organization assessment criteria: Residents were invited in late 1993 and early 1994 to participate in the construction of the initial tenant organization assessment plans (focusing at that time on formal establishment of resident organizations). It should be noted that these initial meetings occurred before the Demonstration Disposition Program formally began. As discussed elsewhere in this report, several resident organizations participated; however, other resident organizations were still early in their formative stages and did not attend the meetings. Later in the program resident organizations played a participative role in assessing their preparedness for ownership. MHFA laid the groundwork for this ownership-preparedness assessment by conducting a review of the resident organizations in 1997-98. Subsequently, specific criteria were developed by MHFA for ownership, co-ownership with a majority interest, and co-ownership with a minority interest. These ownership possibilities were linked to a detailed set of "Gauges for a Standard of Review" prepared by MHFA. As discussed in an earlier section of this report, the "Gauges for a Standard of Review" consisted of over one hundred specific criteria/expectations divided into nine areas, focusing on organizational incorporation, board of directors, relationship of the resident organization to the resident community, ability to interact effectively with staff/vendors/consultants, strategic planning, financial management, information management and record keeping, fund raising and resource development, resident association administration, and property management. Resident organizations then worked with MHFA to identify their capacity-building needs and to develop plans to meet these needs. With these materials as background for assessments, resident organizations were prepared to participate in the collaborative assessments that occurred in 1998 and after.

2) Selection of management agent: All resident associations received training from MHFA on the selection of interim management companies.

3) Selection of security company: Resident associations' selection of security companies were made after extensive involvement of resident associations in the development of the security plan and the RFP. Thus resident organizations had a great deal of information about the intent and content of the security plans and the RFP. Resident organization representatives also attended a scoring process training session

conducted by Connie Tippens and Thaddeus Miles prior to selection of the security companies.

4) Selection of development teams: Resident associations' selection of their development teams (development consultants, architects, and legal counsel) were made with the assistance of the Community Economic Development Assistance Corporation (CEDAC) which was provided funds for this service by MHFA. The contract between CEDAC and MHFA reads (in part), "Whereas, the MHFA has provided funding to CEDAC to establish a Tenant Organization Technical Assistance Loan (TOTAL) Program to assist tenant organizations to plan the acquisition or disposition of their developments under the HUD Demonstration disposition Program... CEDAC 's specific administrative responsibilities will include...assisting TOTAL borrowers to solicit proposals from prospective providers of professional services; interview and evaluate the respondents; and negotiate the scope of services and payment and deliverable schedules between the borrower and the provider...". According to CEDAC administrators, this assistance was provided through meetings and coaching sessions with resident organization leaders, rather than organized workshops.

5) Architectural vision plans and approvals of scope of repair work: As part of the development teams, resident organizations hired their own architects to assist them in putting together an architectural vision plan. In addition, MHFA met with resident organizations and both sets of architects (resident organization-hired and MHFA-hired) in "Design Committees" to talk through the overall scope of repair work and design plans---including both vision and comprehensive repair aspects. Architects participating in the Design Committee meetings had the responsibilities not only to do design work, but also to explain the designs to residents, and to take residents' comments and incorporate them into new designs. As discussed in detail elsewhere in this report, the Design Committees worked through a number of challenges, including forming a common language for the purposes of discussion. Thus, resident organizations were prepared for participation in the sense that they had independent counsel on architectural matters, and in the sense that the structure set up by MHFA supported and encouraged the efforts of resident organizations to have a major voice in the architectural outcomes, and supported and encouraged the development of working relationships as part of the participation.

6) Relocation plan: The detailed relocation plans for each development were created by the bidders for the relocation work according to terms established in the relocation RFP, and were submitted with their bids. Formal evaluation of these plans and selections of the relocation contractors were made by MHFA, rather than resident organizations, since the relocation contractors served under contracts with MFHA. However, resident organizations were active participants in discussions leading up to the relocation RFP, and they participated in the selection interviews that MHFA had with relocation contractors.

7) Determination of type of ownership: As discussed more completely elsewhere in this report, workshops on ownership styles were available to resident organizations and in 1998 resident organizations also received from MHFA guidelines for preparedness for ownership and/or co-ownership. Discussion of preparedness for ownership was a major component of the training and technical assistance organized by MHFA for the resident associations after the 1998 resident organization review. Among other steps, MHFA developed two documents "Resident Organization Requirements for Sole-Ownership or Co-Ownership with a Majority Interest" and "Resident Organization Requirements for Co-Ownership with a Minority Interest" providing general expectations of the characteristics of resident organization for successful disposition. With the active involvement of resident organizations, parameters were developed for assessment of progress; technical assistance was made available to resident organizations in capacity building; and collaborative procedures were introduced for obtaining peer support, problem-solving and the creation of work plans to aid in capacity building. As a result of the information gathered through these mechanisms, several resident organizations changed their plans for ownership style.

Performance Criteria: Were resident organizations properly informed/trained in MHFA-approved guidelines and other state and federal criteria as appropriate?

It was in the interest of MHFA to ensure that resident organizations were provided with the legal and programmatic regulations involving their participation in decision-making about housing ownership options. This was conducted through the intensive planning indicated earlier in this report, continual channels of communication with the resident associations and residents, and the provision of technical assistance and training to the resident associations.

Objective 6: Resident organizations indicate general overall satisfaction with: -relocation process; -management agent selection process; -new owner, at time of sale; -quality of rehabilitation units, common areas, buildings, and sites.

The Trotter Institute team utilized the following queries to assess this particular objective: *Are resident organizations in each development satisfied with the dissemination of information? Do resident organizations feel that their input was listened to? Do resident organizations feel that their decisions were informed decisions? Are the resident organizations satisfied with the support of MHFA and their organizer/consultants? Do resident organizations feel prepared to take control of their development? Were resident organizations satisfied with the outcomes of the program? Why or why not? and, Were resident organizations satisfied with the process? Why or why not?* These queries are assessed on the basis of interviews and meetings described in the next section of this evaluation report, VII: The Demonstration Disposition Program in Boston: Housing Policy as Resident Empowerment and Economic Development.

Goal III: Long Term Presentation of Affordable Rental Housing

The purpose of this goal is to preserve, protect and maintain quality housing for low-income families by; incorporating superior and efficient long-term management; promoting the provision

of supportive services; and enhancing resident safety and security in their housing. This goal includes eight objectives:

Objective 1: Adequate resources are provided, and adequate mechanisms are in place at the time of disposition that: assure continued affordability through deed restrictions or other mechanisms

Performance Criteria: 1) Were MHFA's affordability standards met? Was a land use restriction agreement (and/or other documents executed to ensure long-term affordability? 2) Was a regulatory agreement and/or other documents) executed to ensure MHFA's management standards? This is assurance of an operating budget which includes TAP, resident service coordination, and security; and is sufficient to achieve the objectives under this goal, including ongoing physical maintenance of the property (estimated by MHFA to be about \$7300 per unit per year in year one); 3) Does a financial plan exist that projects revenues, expenses, and financing details as well as include specific line items for long-term maintenance, resident services, and security?

MHFA addresses long-term affordability through land use (deed) restriction agreements, and agency oversight of property management. Language addressing each of these approaches is in the MHFA regulatory agreement prepared for use in disposition. The agreement includes the granting of authority to MHFA for fifteen years to oversee and establish performance criteria regarding the quality of management and preservation of housing as affordable housing. The deed restriction includes provisions that guarantees that a certain number of units in each property “shall be maintained as housing for low- and moderate- income families.”

The following statement explains the framework utilized for maintaining affordability of the Demonstration Disposition housing units:

Upon disposition, the Operating Partnership must execute any documents required by HUD and MHFA, including a Demonstration Disposition Regulatory Agreement...which contains low income use restrictions and explains the role of MHFA and HUD in the ongoing management and operation of the development, as well as an agreement outlining the participation of the residents in the ongoing management of the development. ...In accordance with terms set forth in the regulatory Agreement ...the Operating Partnership will be eligible to receive an annual "Base" Asset Management Fee and an annual "Incentive" Asset Management Fee. Payment of these fees, however, is subject to MHFA oversight and performance criteria...

Pursuant to the Disposition Plan, and as required to maintain Very Low and Low-Income housing units at the Project, the Owner has executed a fifteen year Housing Assistance Payments contract with the Agency to provide project-based Section 8 rental assistance payments from the federal government to the Project. The Owner shall comply with the terms and conditions of (i) the HAP contract and (ii) applicable Section 8 regulations; which shall be in addition to the terms of this Agreement, and to the extent they conflict shall take precedence over this Agreement. The Owner shall do all such things necessary to maintain, preserve and extend the Section 8 rental assistance to the Project, and shall, at the end of the fifteen year period, seek and accept renewal or extension of the HAP contract. IF such Section 8 assistance is reduced or is not available, the Owner agrees to make best efforts to secure assistance

under a comparable assistance program such as the Low Income Housing Tax Credit, HOME, or any other Federal or State subsidies available, at that time as necessary to preserve, to the greatest extent possible, occupancy by Very Low and Low-Income residents at the development."(Regulatory Agreement--draft 6/14/99--p. 3)

Owner shall provide for the management of the Project in a manner reasonably satisfactory of the Agency. Any management contract entered into by Owner shall be in a form prescribed by the Agency, and shall contain a provision that it shall be subject to termination, without penalty and with or without cause, upon 30 days notice by the Owner if such termination is requested by the Agency and be terminable immediately by the Agency if Owner fails to implement such request by the Agency." (Regulatory Agreement --draft 6/14/99-- page 7)

The deed restriction includes the following language

The Grantee covenants that _ units in the Property shall be maintained as housing for low- and moderate-income families....In order to assure the continued operation of the Property and its ability to provide Very Low and Low-Income housing, the Property shall be subject to the oversight of the Massachusetts Housing Finance Agency ("MHFA" for a period of not less than fifteen (15) years from the date of this deed. Grantee covenants for itself, its successors and assigns, that such oversight by MHFA may continue, at the option of Grantor or other rental housing assistance subsidy program administrator, for an additional twenty five (25) years from the date of this deed provide that MHFA continues to serve as Contract Administrator for the Section 8 Rental Housing Assistance Payments contract to the Property, or is otherwise reasonably compensated for its oversight responsibilities by the Grantor or subsidy administrator. In furtherance of this requirement, the Grantee shall be subject to a Regulatory Agreement, recorded herewith, which shall govern the use, occupancy and operation of the Property by Grantee as an affordable housing development... (Proposed Deed Restriction--Draft 10/21/97--page 1)

As part of their partnership proposals, prospective co-owners would be asked to submit long-term financial plans and the quality of plans will be among the factors evaluated in the co-owner selection process. Financial plans include information on property management fees, administration, resident services, security, utilities, resident development fund, affordability incentive fund, and related matters.

Objective 2: Effective and efficient management is established and maintained during Interim Asset Management; all developments receive acceptable ratings on Agency reviews, including PMRs, FMRs, and/or procurement reviews, within one year of operations after the start of Interim Asset Management;

Performance Criteria: Did MHFA meet HUD's performance criteria as evidenced in earning HUD's Incentive Payment for services provided during the Interim Asset Management Phase) (which began August 1, 1995)?

MHFA met HUD's performance criteria and did earn an incentive payment for services provided during the Interim Asset Management Phase beginning August 1, 1995 through the first applicable annual period.

Performance Criteria: Has MHFA conducted annual comprehensive management reviews and physical inspections of each development to ensure performance or management agreement?

MHFA has conducted annual comprehensive management reviews and physical inspections of each development to ensure performance of management agreement, with one exception. The management review and physical inspection schedule as of February 1998 is presented for each project site in the following Chart 13.

Chart 13: Property Management Reviews Conducted by MHFA

Development	Initial PMR (completion date)	Second Year PMR (completion date)	Third Year PMR (scheduled date)	Fourth Year PMR (completion date)
Camfield	November 2, 1994	January 1996	October 15, 16, 1996	December, 1996
Fieldstone		February 15, 1996	October 9, 1996	January 20, 1998
Franklin Park	October 11, 1994	January 24, 1996	October 1, 1996	October 7, 1997
Geneva	September 21, 1994	No review conducted*	No review conducted*	February 13, 1998
Grant Manor	November 3, 1994	January 1996	October 29, 1996	December 3, 1997
Grove Hall	September 21, 1994	January 1996	October 10, 11, 1996	September 23, 1997
Roxse	October 4, 1994	January 1996	October 1, 2, 1996	January 28, 1998
Sonoma/Maple/Schuyler	September 21, 1994	January 12, 1996	September 26, 1996	October 31, 1997
Therock I & II	October 18, 1994	January 1996	September 24, 1996	September 24, 1997
Washington Heights	September 21, 1994	February 13, 1996	October 1, 1996	September 30, 1997
Academy Homes	June 26, 1997	January 7, 1998		

Source: Oversight Committee Report May 24, 1995; Memorandum from Henry Mukasa, February 26, 1998.

*Geneva did not have a property management review in these years because of a change in the property management company.

Performance Criteria: Did all development receive acceptable ratings on agency management reviews beginning one year following the start of interim asset management (August 1, 1995)?

The majority of the developments received an acceptable rating on agency management reviews beginning one year following the start of interim asset management. Those developments not receiving acceptable ratings were: (i) Academy Homes II did not meet agency standards for overall physical condition; (ii) Sonoma, Maple, Schuyler Apartment received a conditional approval for overall physical condition making into consideration the pending rehabilitation project; (iii) Washington Heights did not meet agency standards for overall management practices; and (iv) Geneva Apartments received N/A for both overall physical condition and

management practices primarily due to lack of review because of a property management change.

Objective 3: Superior and efficient long-term management is maintained while under MHFA oversight; all developments receive an acceptable rating on annual Agency PMRs and FMRs, after one year of operations following disposition.

Performance Criteria: Did all developments receive acceptable rating on annual agency PMRs and FMRs beginning one year following disposition?

All the developments except for Academy Homes II, Washington Heights and Geneva Apartments received acceptable ratings on the annual agency property management reviews. In relation to the financial management reviews, all but Geneva received acceptable rating, within notable caveat. This notable exception is in relation to the handling of the resident security deposits, and was noted as a problem at, Fieldstone, Grant manor, Grove Hall, Academy II, and Camfield Gardens, Roxse homes, Theroch I & II, and Washington Heights.

In addition, at Fieldstone Apartments there was a problem in locating some of the work orders generated by the annual unit inspections. At Franklin Park I & II a review of the operating budget indicated that the use of the miscellaneous operating/maintenance line item was excessive. At Grove Hall it was indicated that the maintenance staff must be reduced if substantiating documentation for the current staffing level is not submitted. At Academy Homes II the fiscal year 1996 work orders were still outstanding. At Theroch I & II there were problems with timely disposition of security deposits and invoices sent to MHFA.

Objective 4: Tenant Assistance Program services (for both management company staff and residents) are available at each of the developments immediately upon the start of Interim Asset Management.

Performance Criteria: Were TAP services available at all developments for both management company staff and residents at the start of Interim Asset management?

All developments were enrolled in the Tenant Assistance Program (TAP) for the program year beginning October 1, 1995, and for each subsequent year through the present. The developments were thus eligible to participate in all aspects of the TAP program, including the selection of training and tenant education programs. TAP began in 1983 as a program to address alcohol-related and other social issues within MHFA-affiliated housing developments. It is addressed to both tenants and management company staff, and is one of several innovative MHFA programs designed to preserve housing by addressing social factors that potentially interfere with successful tenancies, successful management, and therefore the preservation of the housing stock. Information about TAP program offerings is distributed to each resident association and management agent. The full list of TAP offerings includes over 20 subjects.

TAP activities include (partial list): Alcohol-Drug Abuse and Management Practice; Attitudes, Prejudices and Housing Management; Conflict Resolution Techniques and Resources; Coping with Life's Losses; Dealing with Memory Changes in Elderly Residents; Operating Safe and

Secure Housing; Tips and Skills for Working with People with Mental Illness; and, The Aging Process.

Objective 5: Service coordination is provided at each development: including HUD-funded Resident Initiative Specialists are hired and trained at each development by disposition, at the option of the resident organization; and 504/ADA disabled self-evaluation and transition plans are developed prior to disposition. Developments are in compliance to the extent that is financially feasible by the completion of the rehabilitation work.

Performance Criteria: Was the option of hiring a Resident Initiative Specialist discussed at each development? Did resident organizations participate in the selection and planning for resident initiative specialists? Were resident initiative specialists hired at all developments by disposition for all developments where the resident organizations opted to hire them?

Resident Services Coordinator positions were funded by HUD at a cost of \$32,000 per development for each position. MHFA drew up guidelines for the position in November 1994, stating that the Resident Services coordinator job was "to identify, develop, activate, and coordinate the resources needed by residents to maintain tenancy, encourage independence, and generally enhance the quality of life of residents in the housing community". Specific responsibilities included conducting a needs assessment to determine social services and other activities required by residents within the development, providing and coordinating services to residents through other agencies, and encouraging community development.

Initially it was intended that resident groups would hire the Resident service coordinators. However as implementation of Demonstration Disposition started, few of the resident organizations had the capacity to do administrative work related to payroll and supervision necessary for hiring in these positions. An alternative idea was to have the management companies hire the resident service coordinators, but residents felt uncomfortable with this arrangement. According to John MacPhee of MHFA's Community Services Department, the resident organizations optimally wanted to hire, fire, and direct these personnel with the management companies handling the payroll and paperwork. On the other hand, according to MacPhee, the management companies did not want to take on responsibilities for these positions without direct authority because of the possibility of liability in case something went wrong. This set of issues created a stalemate for most of the housing developments that lasted from the beginning of Demonstration Disposition in 1994 into the 1996 period.

In order to expedite this issue the Community Services staff developed a series of memoranda of understanding about the roles that each party would have. The understanding was specifically tailored to each development, and each arrangement was different, reflecting the concerns of each pair of resident organizations and management companies. In general, these written understandings gave the management companies more control than initially expected. Subsequently, SMS (date unknown), Grove Hall (May 6, 1996), Grant Manor (September 9, 1996), Franklin Park (September 23, 1996), Academy Homes (November 1, 1996), and Fieldstone (November 22, 1996) hired resident services coordinators. Camfield and Roxse had hired resident service coordinators before this period (Summer 1995).

In early 1997, in response to complaints from resident organizations, management companies, and Resident Services Coordinators, MHFA undertook an assessment of the Resident Services Coordinator function. The need for an assessment was set forth in an internal MHFA memo "The RSC position is not working well for the Resident Associations, the Management Companies, or for the RSCs...RSCs are not performing the tasks as specified in the scope of services/job description (November 1994 'RSC Guidelines') which was developed together in a series of meetings attended by Resident Association and Management Company Representatives...it was agreed that [the scope of services] could be modified in a limited way to address the specific needs of each development. However, in most instances, Association Boards and Management have not agreed on the scope of services for the RSC position in a clear and measurable way...The consequence has been a lack of appropriate professional supervision of the RSC position...All parties agree there is a problem..." (See, Memo to Ann Woodward from John MacPhee, February 11, 1997).

Performance Criteria: Has 504/ADA compliance been achieved at each development, which included the following: 1) tenant survey (self identification); 2) self assessment by the management company; and 3) transition plan for architectural barriers.

Each of the proposed repair plans by architects for developments did address the issue of handicap access. Tenant surveys about disabilities were administered by management agents. The self assessment by management was conducted with the assistance of consultants hired by MHFA. The transition plans for architectural barriers are designed architects.

Objective 6: Resident safety and security are enhanced by the implementation of a security program by disposition that: incorporates the security assessment and priorities of the residents; and results in a process to effectively identify and address problems/issues as they arise that includes: effective channels of communication; working relationships with various sources to solve problems; the installation and maintenance of appropriate security equipment and hardware; and resident education on ways in which they can act to increase security.

Performance Criteria: Has a plan for security been established at each development? And, does the security program include pro-active measures?

Since it took responsibility for the properties, MHFA has instituted numerous changes in the security arrangements. Initial meetings with tenants and HUD representatives revealed dissatisfaction with the security arrangements in place at the time. Some of the problems reported were the presence of untrained officers, the fact that officers did not have special police powers, and the lack of a strong collaborative and cooperative relationships with the Boston Police Department. The services of the security company, Wackenhut Security were continued but its security officers were placed under a rigorous training regimen.

In terms of planning, a major initiative which was undertaken by MHFA was to contract with Neighborhood Justice Network (NJNI) to do a needs assessment for the families in Demonstration Disposition . This assessment will be accessible to all tenants regardless of levels of English proficiency. NJNI started this process by interviewing families in 6 developments: Franklin Park I and II, Theroch I and II, Washington Heights, and SMS.

The Demonstration Disposition developments have been grouped according to the police zone in which they fall: Zone I includes Grant Manor, Camfield, and Roxse; Zone II includes Franklin Park I and II, SMS, Washington Heights, Academy Homes, and Theroch; Zone III includes Fieldstone, Grove Hall, and, Theroch.

MHFA, the tenants, and the security companies have undertaken several initiatives aimed at education and prevention. One such initiative is a series of quarterly training sessions and workshops conducted by the security companies on topics such as drug awareness, crime prevention and domestic violence. The security companies bring in experts from the Boston Police Department to discuss such concerns as forming neighborhood watch organizations.

An example of another initiative is being undertaken in Zone One, where an arrangement has been worked out with Northeastern University in which students are escorted four days a week to the university to receive tutoring. Additionally, NJN sponsors a youth outreach and summer crime prevention Initiative.

Performance Criteria: Has a method of regular communication been established between residents, security and management?

There are monthly meetings set up with residents, security companies, management companies, and MHFA. MHFA meets weekly with the security companies. Grant Manor / Roxse Homes / Camden Garden all have participated in the grant Manor/ Camfield Gardens / Roxse Homes Safety Task Force since the beginning of the Demonstration Disposition Program. Since then Wackenhut and later Naratoone/Wackenhut Security Company have been meeting regularly with management, MHFA, Boston Police Department, and others to discuss what can be done to increase security and safety of residents.

Another task force that includes Academy Homes is called Academy/Bromley/Egleston Safety Task Force, which meets monthly at the Bromley Health Community Center. At each meeting there is an update from the Boston Police Department, Bromley Health Police, and Naratoon/Wackenhutt Security Company. Other attendees include the M.B.T.A. Police and other city agencies and departments invited by the Task Force.

Through the Operation Outreach and the MHFA, Franklin Park I and II, SMS, Theroch I and II, and Washington Heights have been meeting with the participation of the Neighborhood Justice Network. Academy Homes, Fieldstone Corner, Grant Manor, and Grove Hall/Castlegate are also involved with Operation Outreach.

In zones two and three there was a need to build trust and cooperative relationships between police. In the projects in this zone it has been the norm to have weekly and bi-weekly meetings between the residents, the security companies and the management companies.

Performance Criteria: Is there communication between the security companies and residents with the Boston Police?

This communication takes several forms. The Boston police have a mandate to meet on monthly or bi-weekly with security companies. Also, police officers from the corresponding police zones come to the monthly meetings with tenants, unless otherwise requested by the tenants. MHFA's Public Safety director, Thaddeus Miles, meets frequently with representatives of the Boston Police Department. Finally, the security officers have the power to arrest in most of the properties. This was considered an important issue by residents early in the initiation and design of the Demonstration Disposition Program because effectiveness of security depended on their ability to act quickly and interact efficiently with the Boston Police Department.

Performance Criteria: Has security equipment and hardware been installed and maintained with resident organization participation?

The current security budget for the properties allows for expenditures on security sufficient to ensure extensive coverage at all of the properties, and 24-hour coverage in some of them. The security budget will be smaller after the disposition of the properties, and will not allow for such extensive deployment of security personnel. Possible solutions include the development of joint agreements between projects to share security personnel and the installation of sophisticated security systems.

This is proceeding in two phases, one already in place and one soon to be implemented. The first stage pertains to Grant Manor in the South End. Grant Manor received a grant to develop an automatic surveillance system for two South End properties. A third property, part of this collaborative effort, will get a camera system. The second phase will be the installation of hardware in the other properties.

Performance Criteria: Have security companies provided residents with safety and crime-watch education?

The two-year security contracts that began in March 1996 included a requirement to hold quarterly security workshops for residents. According to MHFA (Thaddeus Miles), the quarterly meetings were held (usually joint "zone" meetings for all developments in each security zone) with attendance at the first sets of meetings ranging as high as 60 residents. Examples of the content of the meetings include educating residents on what information to give when calling about a suspected perpetrator, how to protect one's belongings during shopping, fingerprint and photograph ID programs for small children, and others. Some of the sessions included input from the Boston Police Department Crime Watch Division. Verbal reports on the workshops were made to Thaddeus Miles, who also attended some of the workshops.

By the second year of the contract, attendance at the workshops given by the security companies decreased considerably. According to Miles, "toward the end of the second year you would be lucky to get eight residents at a meeting". In part, the decrease in attendance at the security company meetings was due to the new involvement of the Neighborhood Justice Network (NJN) with several of the housing sites. According to Miles, it had become apparent to MHFA that efforts to minimize crime needed more hands-on work with residents outside of formal workshops, more involvement of residents, and substantial attention to quality of life issues.

This was particularly important because, looking to the future, the funding for security would be reduced after disposition, and crime prevention would be increasingly dependent upon resident-maintained activities and social cohesion among residents.

After the Neighborhood Justice Network made presentations to MHFA and to resident organizations, the resident organizations at Franklin Park, Sonoma/Maple/Schuyler, Theroch, and Washington Heights voted in November 1996 to participate in NJN programs and MHFA executed a contract with NJN to those four developments (and, beginning in March 1997, to a fifth development, Grove Hall) to provide technical assistance and training in resident-led crime prevention. Accordingly, the focus of crime prevention organizing and education in Demonstration Disposition passed from the security companies to NJN. NJN and the security companies gave some joint workshops, but according to Miles, 90% of the trainings were done independently. Camfield, Grant Manor, and Roxse did not elect to join NJN in 1996 because they had previously existing extensive involvement of residents in cooperative security plans and operations, which were advanced enough that they had received national attention in 1995 (Oversight Committee Report--October 1995).

The NJN description of services states "We employ an array of tactics: organizing and sustaining block watches, working with local service providers and city agencies to close drug houses, serving as liaisons to ensure community problems are addressed by the court system and police department, holding outdoor events and rallies, and other activities." By the end of 1997, NJN had recruited, hired and trained 20 outreach workers and 75 Resident Resource captains at the four participating developments. (source: letter of support from Connie Tippens, early 1998). According to Miles, all of the outreach workers were Demonstration Disposition residents. At the end of the first year of NJN services, MHFA renewed the contract with NJN and included under the contract services to the remaining developments (Academy Homes, Camfield, Fieldstone, Geneva, Grant Manor and Roxse). According to Miles, in keeping with the goal of developing resident capacities for crime prevention, 80% of the contract goes to fund the costs of outreach workers, most of whom are residents.

In August 1999, NJN employed 48 outreach workers (including on-call staff), 40 of whom were residents, and had trained 117 Resident Resource captains. Working with residents and the resident organizations, NJN had also established a number of resident activities related to crime prevention. Among these were a discussion group for young males and a parallel discussion group for young females each of which discussed issues affecting youth, such as date-rape, drugs, and AIDS. As construction began and residents were relocated, the overall resident interest in immediate crime watch issues diminished due to the temporary dispersion of residents in many of the developments. However, VISTA volunteers are contacting residents from each development to help them stay abreast of resident organization concerns, issues and group activities. Since 1998, the security companies no longer have the clause in their contract calling for crime prevention education for residents, since these services have been provided by NJN until November 1999. During that period MHFA was engaged in re-evaluating the desirable scope of NJN services given changes in the construction schedule that delay full relocation of residents back to their apartments.

Objective 7: Resident organization satisfaction with security provision is increased: At designated points in time, satisfaction is indicated with: security services; and management company response to security issues

Performance Criteria: Are Resident Security Committees satisfied?

The security plans were developed collaboratively by MHFA staff, residents, management agents, and Boston police representatives and received the assent of the resident representatives on the security committees developing the plans. An RFP based upon the security plan was constructed by MHFA, and the draft RFP was distributed to resident organizations in July, 1995 for their comments. Part of the stipulations within the RFP called for the security forces to work closely with residents and the interim management agents in a community policing style, including weekly or bi-weekly meetings between security companies and management agents and resident associations. MHFA also initiated a "safety task force within each zone in which resident association representatives, the property management agents, property owners and interested residents will meet formally on a monthly basis with the security company, police department and MHFA to evaluate the security coverage plan, engage in collaborative problem-solving, focus on reducing crime hot-spots, coordinate zone-wide public safety initiatives and develop effective mechanisms to actively engage residents in solving the problems of crime and disorder." (Memo from MHFA to Resident Association Presidents, February 14, 1996). These institutionalized meetings became important because over the life of Demonstration Disposition, resident organizations chose to enhance the security activities through various means, including membership in the Neighborhood Justice Network crime prevention programs.

Performance Criteria: Are Inner City Task Force complaints about security addressed and corrected?

A thorough review of minutes for the Inner City Task Force meetings between 1994 and 1997 illustrate that there continual and effective responses to complaints about security. The Inner City Task Force represented an important arena for raising resident concerns, and at times developing responses to specific or general problems. A few examples of this situation include the following granting of police powers for security officers and guards; limited utilization of cameras; regular meetings with MHFA via the ICTF for reporting and discussion of resident safety concerns and responses.

Performance Criteria: Are Resident Safety committees able to communicate satisfaction or dissatisfaction on a regular basis (monthly or bimonthly meeting with management)?

At the monthly safety task force meetings, residents and resident organization representatives have expressed general and specific concerns about safety at their respective homes. Minutes from meetings show residents discussion of security issues with management, police, and security companies.

Performance Criteria: Are residents being surveyed about their satisfaction with security? And, has a log or record of complaints made by tenants of crimes or concerns been kept?

Crime data is generally kept by the Boston Police Department. But the minutes of meetings of the resident security committees and discussions with security companies and management show the record of complaints that arise, and how they are resolved. Before 1996 security companies kept records of complaints on paper, and gave oral reports at Inner City Task Force meetings, and written reports to MHFA. According to Thaddeus Miles these reports received only limited analysis, and were used primarily to confirm security company activity for payroll purposes. However, in conjunction with the new Demonstration Disposition security contracts designed by residents and MHFA which took effect in March 1996, MHFA and the new security companies began using a new incident logging and tracking software---the Incident Reporting and Investigations Software (IRIS), developed by the firm, PPM2000, specifically for security professionals. The reporting system activities established by MHFA for the implementation of the IRIS system include daily entering of information by the security firms into the computer system, and consequent daily reports to MHFA (directly to Miles), the management companies, and the resident organizations (with resident-specific names and information filtered out). The Boston Police Department does not get routine daily reports, but does get reports immediately when an arrest is made by the security personnel in the developments.

The IRIS system came pre-programmed with 36 categories for calls. Miles modified the system to include categories specifically appropriate for housing, and the resulting system reports calls representing 57 categories of crimes, complaints, and concerns, ranging from "criminal homicide" to "assist resident/mgmt". The sources of information can also be reported; the system as modified by MHFA tracks incidents according to "resident calls" (i.e., calls coming from residents) and "all calls" (including residents, management, and others). MHFA maintains the IRIS information on its computer.

Objective 8: Within 90 days of the selection of the new management agent, a process is put in place in each development to assure that appropriate action has been initiated to bring a eviction against any resident known to be involved in criminal activities within the development.

Performance Criteria: Was a specific eviction policy implemented within 90 days of the selection of a new management agent to assure the safety of it residents?

This criteria will be reviewed by MHFA afer sites have been completed in terms of construction and residents are fully settled.

Goal IV: Creation of Economic Opportunities for Businesses and Residents

The purpose of Goal IV is to create economic opportunity in the community in which the housing sites are located through the utilization of businesses with past and future commitments to that community and through the employment of residents from that community whenever possible. The major approach for accomplishing this goal includes ensuring that a substantial amount of the contracts for various kinds of business opportunities are expended on businesses located in the targeted neighborhoods; businesses that are minority and women-owned; and businesses with a commitment to hiring residents of the area. Additionally, the satisfaction of

this goal also included a comprehensive system for monitoring the progress of businesses dealing with facets of Demonstration Disposition , as well as providing technical assistance to the local and minority- and women-owned business sector involved with this Program.

The attainment of Goal IV and its related objectives required an extensive and aggressive monitoring system on the part of the Agency. To this end, the Agency's EO Division created and maintains an extensive and multi-faceted computer based information system, formally called Equal Opportunity Tracking System (EOTS). The Division maintains and provides reports on data about every contract including type of business, MBE status, source of funds for contract, the amount awarded and start / end dates, the number of work hours generated by the contract, and who was hired by location, race, and ethnicity.

The following is a general description of the monitoring activities undertaken to ensure that economic development for the targeted neighborhoods is a by-product of the Demonstration Disposition Program.

Monitoring of agency contracting performance versus goals

After invitations to bid are sent out, EO Division contacts qualified MBE general contractors to ascertain if they plan to bid. If not, EO attempts to identify any systematic cause of non-participation that has not previously been identified and addressed, thereby providing continual information about obstacles to equal opportunity to bid.

Monitoring of contractors' subcontracting performance versus goals

Goals are established by MHFA (MBE business utilization; minority hiring; WBE utilization, and women hiring) through the bid process. Before a contract is signed, EO meets with the GC and its subs to discuss reporting requirements. An "EO/AA [Affirmative Action] Contract" is executed along with the main contract. After contract signing, EO and other MHFA staff meet with the contractor and its subcontractors to review reporting requirements and hiring plans. The GC submits monthly reports on its labor force and subcontractors, including information on linkage residents, minorities, women, local subcontract amounts, MBE subcontract amounts, and WBE subcontract amounts. EO produces status reports for the GC giving observations and recommendations for enhancing goal achievement. EO produces an overall monthly report on hiring and subcontract amounts for distribution to interested parties. As needed, EO meets with contractors to discuss compliance issues. Tools used for monitoring of contractors' subcontracting performance against goals: bid/negotiation results, written reporting requirements, reporting forms, EO/AA Contract, EO status reports to GC, EO monthly report to interested parties.

Creation and monitoring of new information channels

Contractors may not be familiar with potential MBE and WBE subcontractors. When contractors pick up bid documents, EO provides the contractors with names and contact information of interested MBEs and WBEs in fields likely to be needed by the contractor. Potential MBE and WBE subcontractors may not know which contractors

are bidding, and therefore may not be able to approach a contractor to pursue a mutually beneficial business relationship. To address this issue, EO mails to MBEs and WBEs lists of the general contractors who have picked up bids. EO notifies MBE and WBE subcontractors when a contractor is selected. Both contractors and subcontractors may not be familiar with potential minority and/or local area residents, or with recruiting mechanisms that could reach such workers. Before contract execution, EO establishes meetings between the contractor and potential sources of recruitment (for example, the Greater Roxbury Workers Association) to discuss hiring opportunities. Contractors and subcontractors may not be familiar with individual residents who are interested in being employed to work on their developments or with recruiting mechanisms that could reach such workers. EO establishes ongoing meetings after contract execution between the contractor and the resident association of each development to discuss overall hiring plans and upcoming hiring opportunities. Working with resident organizations, EO compiles a list of residents seeking employment in fields needed by the contractor and provides the contractor with that list. Residents may not be familiar with hiring plans, expectations, hiring procedures, and specific job openings of contractors. EO works with resident organizations to insure that information about employment opportunities are circulated throughout the developments. Tools utilized for creation and monitoring of new information channels: bid documents, W/MBE directory, letters to MBEs and WBEs, hiring plans, lists of interested residents.

Monitoring and technical assistance pertaining to the quality of business plans

Before contract execution, contractors are required to submit a hiring plan describing potential hiring opportunities for local job seekers and development resident job seekers. Contractors may not be familiar with efficient ways of reaching goals. EO provides technical assistance to enhance plans and the implementation of these plans. Along with monthly status reports sent by EO to contractors, EO may make recommendations to improve performance toward goals. EO meets directly with contractors as needed to review goal achievement. EO regularly participates, along with other MHFA staff, in project site meetings where overall project matters, including EO goals, are discussed. EO participates in weekly MHFA working -group meetings, and bi-weekly MHFA senior executive meetings to discuss the progress at each project. Tools utilized for monitoring/technical assistance pertaining to the quality of Business Plans: hiring plan, monthly contractor reports to EO, monthly status reports from EO reports to contractor, reports for internal MHFA meetings.

Monitoring accuracy of business reports

Before contracts are awarded, if any questions are raised about whether a business is a Linkage area business (and therefore entitled to bid points for being a local business), EO checks the stated business site. As evidence for the veracity of planned utilization of specified local area subcontractors, contractors are required to include with their bids letters of intent signed by the subcontractors. Documentation of prior three-year utilization of local businesses is required as evidence for history of prior economic

development commitment to the Linkage area. EO sign-off on this documentation is required before contract execution.

EO checks accuracy of subcontractor utilization plans over the course of the project by conducting weekly monitoring visits to each site to determine the subcontractors working. EO checks accuracy of hiring data by observing and interviewing linkage area, minority, and female workers on site. Tools utilized for monitoring of accuracy/veracity: site visits, subcontractor utilization plans, subcontractor letters of intent, documentation of past local business utilization, hiring plans.

The role of monitoring on the part of MHFA and especially its EO Division was extensive, but not overly intrusive to ongoing operations. The general purpose of the monitoring was to identify early potential problems and then to provide feedback to the businesses involved with Demonstration Disposition. The following excerpts from EO's monitoring reports provide some indication of the detail and attention paid to the issue of resident hiring by the Agency. These excerpts are from EO correspondence with various businesses conducting Demonstration Disposition work:

Eastern General activities (Washington Heights I)---met with Greater Roxbury Workers Association and requested a qualified workers list from GRWA to assist in filling hiring needs. Eastern General obtained list of approximately 80 names of linkage area residents from MHFA. Announced in late January that they were hiring 2 linkage area residents. Eastern General met with MHFA and the Washington Heights Tenants Association on 4-6-98 to discuss resident concerns about hiring. Up to this point Eastern had hired 6 project residents, but was terminating them due to the end of the phase of work (first phase of demolition) for which they had been hired. The tenants association demanded that the six workers be rehired for the next phase of demolition. Eastern General agreed to try to hire some of these workers back and EO is distributing the names of the workers to other general contractors for possible hire. Eastern sent letters to its subcontractors, noting that they were significantly behind on goals, and asking that the matters be addressed. On 5-22-98, EO provided technical assistance to Eastern concerning hiring of women.

Payne/Builders (Franklin Park I)---met with GRWA, and requested a list of qualified workers. Obtained list of interested linkage area residents from MHFA. After discussion with EO, Payne/Builders increased its linkage area hiring goal from 15% to 30%. Payne/Builders met with MHFA and the Franklin Park Tenants Association on 5-13-98 to discuss possible openings. So far, three residents of the linkage area were hired by the hazardous waste subcontractor. Any necessary training costs will be covered by Payne/Builders or the subcontractor. Payne/Builders announced plans to post notices at Franklin Park about job openings and where to apply. Payne/Builders met with potential applicants from Franklin Park on 6-4-98 to discuss application processes and employer expectations. Payne has established a special time to take applications from residents---every Thursday at 1:00 p.m.

Cruz (SMS)---met with the SMS Tenants Association to discuss the Cruz hiring plan. Agreed to joint effort with MHFA to determine when subcontractors are scheduled to begin work, and when residents may need to be referred to other developments as work ends, and also agreed to further meetings with SMS Tenants Association.

Peabody (New Camfield)---met with ODF (largest subcontractor) and MHFA (on 12/22/97) to discuss projections for resident hiring. ODF stated that they plan to have 14 area residents work on the project (7 from existing staff, 7 new hires). Peabody agreed to take a proactive role with subcontractors and will meet with other subcontractors to discuss hiring. Met with Camfield Tenants Association, GRWA,

Franki Northwest (subcontractor) and MHFA (on 1/13/98) to discuss hiring. Peabody agreed to notify MHFA as new subcontractors begin work. Peabody announced the development of a Contractor Daily Workforce Report and a Local Resident Verification Form (to be completed by each worker from the Linkage Area) to be used to monitor subcontractor hiring. MHFA will use these forms as examples for other general contractors of ways in which they can monitor hiring. In early 1998, a Peabody subcontractor hired two linkage area residents. On June 16, MHFA met with Peabody to discuss progress toward resident and woman hiring goals. A list of women seeking construction employment was shared with Peabody.

C-Q Construction (Theroch II)---met with GRWA and MHFA to discuss hiring. C-Q anticipates hiring 6 laborers/carpenters. Met with subcontractors and MHFA at Theroch II to discuss hiring on 5-5-98. The employers stated that there will be new job opportunities for laborers and hazardous waste removers early in the construction. The resident association is going to recirculate the work/training survey..

Bilt-Rite (Franklin Park II)---met with subcontractors and MHFA to discuss hiring. Bilt-Rite anticipates 12-15 new resident hires for the entire construction project. Bilt Rite asked for the MHFA list of certified asbestos workers in late 1997 to give to its subcontractors doing hazardous waste. BiltRite met with MHFA, Emma Terry (president of the resident association) and five young men seeking employment on 3-16-98. Terry also handed in approximately 40 resident work/training surveys. Due to problems with required water and air quality, hazardous waste work was discontinued temporarily. Complaints about the situation were forwarded to MHFA by the Greater Roxbury Workers Association. Bilt Rite met again with MHFA and the entire Franklin Park Tenants Association on 6-2-98 to further discuss hiring. Unsuccessful applicants were at the meeting.

Long Bay (Theroch I)---met with GRWA and MHFA on 1/22/98. Met with MHFA and Theroch Tenants Association on 3-31-98 to discuss hiring plan. Copies of the LongBay employment plan were circulated to the tenant group. The Tenants Association announced that they would do outreach again to the resident community. On April 1, EO sent copies of the work/training surveys to the resident association for use in this outreach. Long Bay and its subcontractors met with MHFA at Theroch I again on 6-26-98 to review EO monitoring and reporting requirements.

Suffolk (Grant Manor)---increased its resident hiring goal from 15% to 35%. Met with MHFA and president of Grant Manor Tenants Association on 2-22-98 to discuss requirements before execution of a contract. Met again (on 3-9-98 and 3-26-98) with MHFA and the Grant Manor Tenants Association to discuss hiring procedures, potential union membership, and the hiring plan. Suffolk announced that it has established a special phone line to take hiring inquiries from residents. On 6-6-98 Suffolk met with MHFA at Roxse to discuss hiring progress at Roxse and Grant Manor. According to Suffolk a total of 32 Linkage area residents have been hired with more hires possible (by late May Suffolk had received over 200 applications from linkage area residents). On July 10th Suffolk met with MHFA and the president of the Grant Manor Tenant Association to review hiring for the construction work at Grant Manor. The parties agreed that all Grant Manor tenants seeking work will receive an initial interview and will be referred to subcontractors for additional interviews, and that EO will be notified by Suffolk of the success or failure (and the reasons for failure) of each resident applicant. Additional meetings were held between Suffolk, MHFA and tenants on July 24th and August 7th.

Suffolk (Roxse)---met with EO on 2-19-98 to discuss potential hiring. Suffolk met with Roxse Tenants Council and MHFA on 2-24-98 to discuss hiring opportunities for residents. Suffolk explained hiring processes. Suffolk met again with the RTC and MHFA on 4-6-98 to discuss hiring plans. Apparently there may be significant opportunities in hazardous material removal. By mid-May, the hazardous waste subcontractor had hired four residents, with the expectations of further openings. The subcontractor agreed to pay for training costs. Suffolk stated that it will press the unions for apprenticeship opportunities for residents. On 6-6-98 Suffolk met with MHFA at Roxse to discuss hiring progress at Roxse and Grant Manor. According to Suffolk a total of 32 Linkage area residents have been hired with more hires possible. A subsequent meeting, however, focused upon the fact that only one project

resident had been hired to work at Roxse, although eight had applied. Suffolk agreed that all Roxse applicants will get an initial interview, and will also be referred to subcontractors for interviews, and that EO will be notified of the success or failure of the applicant in getting employment along with the reasons for not being hired. In mid-July, MHFA discussed Suffolk's poor performance in MBE, WBE, female hiring and local area hiring. Suffolk stated that both subcontracting and hiring goals would improve as the project advances. On July 17, 1998, Marcia Scott, president of Roxse called EO to protest plans for ground breaking when there was still an absence of project residents on the workforce. Wilson called Suffolk and received assurances that three project residents would begin work the following week. The three residents were hired by a subcontractor. Suffolk announced that six apprenticeship positions will occur with subcontractors and it was agreed that Roxse tenants will have preference for these jobs. EO mediated a dispute about which applicants are true Roxse residents and three individuals were subsequently stricken from the list of resident job applicants.

Crosswinds (Washington Heights II)---met with MHFA on 4-17-98 to discuss hiring. Crosswinds promised to make every effort, though opportunities on this small contract will be limited.

Tara Construction (Theroch IIC)---Certified asbestos workers were hired from lists made available by EO in late 1997. announced to MHFA (on 6-4-98) that it may not be able to meet its goals for Linkage area hiring and business utilization, and requested that goals be lowered from 50% to 40% on local business utilization (due to unavailability of local businesses) and from 60% to 40% on resident hiring. MHFA discussed options with them, and on June 27th, Tara agreed to keep the 60% goal.

This kind of monitoring, and feedback to businesses and residents, would not be possible without maintenance of a sophisticated and continually growing data base, and the access of Agency staff to both businesses and residents for purposes of providing and sharing information.

Objective 1: 80% of all controllable expenditures of the Demonstration Program are expended with businesses with past and future commitments to the community to be measured at the completion of disposition.

Performance Criteria: Were 80% of controllable expenditures expended with businesses meeting at least one of the criteria for "Economic Development Contribution" as defined by the contractor scoring for construction contracts: location of bidder in the community; demonstrated commitment to the economic development of the community; proposed commitment to economic development of the community?

Two of the housing sites were able to expend at least 80% of all controllable expenditures in the area of construction with local businesses. These local businesses won contracts after review by MHFA in terms of the bidding system that included points for location in the community, and demonstrated and proposed commitment to the economic development of the community. Based on data for June 1999. Franklin Park expended approximately 23.7 million dollars (or 80% of its total controllable expenditures) on local businesses involved with construction related activities. Fieldstone expended approximately 3.1 million dollars (or 92% of its controllable expenditures) on local businesses during this same period. As noted earlier in this report, the figure for all the housing sites was 55%, or 89.6 million dollars expended on local businesses during this period. All the housing sites expended at least one third (33%) of the available controllable expenditures during this period on local businesses.

Goal V: Remedying Discrimination Against MBEs

The purpose of Goal V is to generate economic opportunities for the targeted communities by engaging minority business enterprises and ensuring that effects of historical or current public and private sector discrimination are mitigated through outreach and provision of technical assistance for MBEs. In order to help achieve this goal, a target established by the Agency with support from a wide range of participants was 30% MBE participation in all controllable expenditures.

Objective 1: 30% of “controllable expenditures” relating to the Demonstration Program are expended with Minority-owned Business Enterprises, to be measured at the completion of disposition.

Performance Criteria: Was the 30% goal met?

Chart 4, presented earlier, illustrates that the goal of 30% was substantially surpassed by the Agency after Demonstration Disposition was started. The chart also shows that while various sites utilized minority-owned business to different degrees, overall, the commitment to this sector was realized in the expenditure of construction funds.

Performance Criteria: Have appropriate procedures been established for identifying MBE’s and do these procedures include quality control mechanisms to reduce the possibility of fraudulent MBE classification?

There are three issues involved here: first, MHFA needed to be able to identify those firms that already had been officially recognized as MBEs. Second, MHFA had to address the possibility that there were some minority businesses that either had not yet received or had not sought official MBE status, but who might want to participate in Demonstration Disposition . Procedures needed to be developed to identify these firms and decisions had to be made about whether or not they would be included in the compilation of MBE goal attainment. Finally, MHFA needed to be able to identify the MBE status of joint ventures.

The Agency accomplished these activities in several ways:

1. Identifying firms with MBE certification: MHFA worked with the existing active MBE certifying agencies---SOWMBA, NEMPC, and the City of Boston. MHFA obtained from each of these agencies their certification lists, and also obtained updates as they became available. The MHFA Equal Opportunity office merged the lists, so that each firm was listed along with the type of certification (MBE, WBE, etc) and sources of certification (SOWMBA, NEMPC, City of Boston).
2. Identifying firms that had not yet received MBE certification: According to EO, SOWMBA and the City of Boston have a backlog of firms seeking certification. It can take considerable time for a business to be certified. In addition, after certification it might be even longer before the firm was included on the lists distributed by the certifying agencies, since it was not unusual for only one update to be issued per year. A potential problem existed, therefore, in the ability of the existing systems to identify

and officially recognize MBEs and WBEs in a manner that provided information to MHFA within required timeframes to ensure their participation. To deal with this issue the Equal Opportunity Division. office worked with SOWMBA, NEMPC, and the City of Boston to achieve faster processing of MBE certification for minority businesses that stated that they wanted to participate in Demonstration Disposition .

The Equal Opportunity Division also addressed the possibility that minority businesses who had not sought certification might seek Demonstration Disposition work. This could potentially lead to an undercount of MBEs, if minority-owned firms receiving work were not recognized as MBEs, and also could lead to firms not receiving work that they otherwise could have won if the firms minority status was not recognized in the contract determination processes. To address the issue MHFA worked to identify any minority business through continual outreach to MBEs. This outreach occurred through the CEO newsletter, the Linkage Committee, and numerous presentations at minority business gatherings.

3. Weekly on-site monitoring visits are conducted by EO staff to ensure sub-contractors and worker data reported by prime contractor are accurate, timely, and complete.

4. Preventing fraudulent MBE classification of joint ventures: Because of the possibility of minority business status being used as a front for non-minority businesses, the MBE integrity of joint ventures were of particular importance to MHFA. NEMPC does not certify joint ventures at all, while SOWMBA and the City of Boston had backlogs. MHFA arranged an agreement with the City of Boston so that MHFA would do all the field work for initial certification, and send in documentation and recommendations to the City of Boston to speed certification. A formal Memorandum of Understanding between MHFA and the City of Boston was signed on July 26, 1995. The agreement specifies (among other provisions) that 1) entities wishing to submit bids/proposals as MBE Joint Ventures must send in along with their bids/proposals a Joint Venture Agreement with specific material requested by MHFA; 2) The materials submitted will be reviewed by both MHFA and the City of Boston, and that MHFA will send the results of their review--including their recommendation about whether or not the Joint Venture meets the City's certification criteria--in writing to the City of Boston; 3) the final decision about issuing certification will be made by the City of Boston which can conduct additional review and investigation if it so chooses; 4) The review process, furnishing of reports and recommendations, and final decisions will be carried out "in a manner designed to assure that certification, if granted, will be issued as soon as reasonably practicable".

The agreement further specified that MHFA would monitor compliance, and if any violation was found would take corrective action according to the terms of their contract with the Joint Venture, and would notify the City of Boston of the violation. Specialized training in certification review and compliance monitoring was provided to EO staff during 1995.

Objective 2: Technical assistance programs and other resources are provided to enhance the ability of minority contractors to successfully bid on contracts in the HUD Demonstration Disposition Program.

Performance Criteria: Was a technical assistance program implemented?

The EO office considered how to expand the capacity of MBEs to take on larger projects. In conjunction with the MBE Linkage Advisory Committee, MHFA decided in early 1994 to facilitate the possibilities of MBEs forming joint ventures. Among the potential benefits of a joint venture were "a) spread risk among the joint venturers, b) spread (possibly increase) bonding capacity, c) unite special talents and abilities, d) provide a check on and assistance in estimating, e) unite contractor who has knowledge of local conditions with a contractor who lacks such knowledge, f) combine resources, equipment, labor, knowledge, and money, g) enable joint venturers to expand area of work, h) help build trust among joint venturers and encourage future business, i) in sum, enable joint venturers to accomplish something together that neither could separately, resulting in more work, more revenue" (from "Joint Ventures: Issues" Report prepared by Equal Opportunity Division).

MHFA pursued the facilitation of joint venture possibilities through two routes. The first strategy was to make MBEs more aware of the possibilities, practices, potential benefits, and potential costs of joint venturing. The second strategy was to improve the efficiency of existing procedures for the certification of joint ventures, as well as monitor to ensure that these efforts included certified MBEs and WBEs. MHFA conducted follow-up monitoring with those joint ventures that won Demonstration Disposition contracts on the basis of MBE involvement. As of December 1, 1998, ten certified joint ventures held contracts, while three of the firms have completed their contracts. A total of 27 site visits were conducted to these joint ventures. The joint ventures participating in Demonstration Disposition, some of which were actually encouraged to form by MHFA, are listed in the following Chart 14.

Chart 14: Joint Ventures Generated by the Demonstration Disposition Program (1996 to 1998)

Joint Venture	Type of Business	MBE
Cornell Management/Peabody Properties	Property Management	Tentative Certification
Cruz/Suffolk	Contractor	Certified
Cruz Electric/CWC Builders	Contractor	Certified
Domenech Hicks Krockmalnic/ Hezekiah Pratt Associates	Architecture	Certified
EMRG/JCA Joint Venture	Contractor	
Fusion (potential)	Construction	
GVC Partners (Gibraltar/VCB/Consulting Diversified)	Relocation Property Management	Certified
GVP Joint Venture (Gibraltar/VCB)	Property Management	Certified
Griffin/Wolf Constructors	Contractor	Certified
Hezekiah Pratt/Lane Frenchman	Architecture	Certified
Kaffee Kang/Mehren Freeman	Architecture	Certified
Lorenzovest	Construction	Certified
Metropolitan Welding & Construction/Metro Equipment Corp.	Construction	Certified
Naratoone/Wackenhut	Security	Certified
ODF Contracting/Peabody Construction/Ross Electrical	Contractor	Certified
PLR Mechanical/E.M. Duggan	Contractor	Certified
Payne/CWC Builders	Contractor	Certified
Ransom Design Studio/Eisenberg Haven	Architecture	Certified
Tara/Vertec	Contractor	Certified
WJT Associates	Lead Abatement	Certified
WJT Associates/Choice Properties	Construction	
Webster/Keith	Contractor	Certified

Source: "Status of Joint Venture Monitoring and Certification" (December 17, 1997) memo produced by EO Division (February 5, 1998); MHFA *Demonstration Disposition* Construction Certification Form (initial subcontractor list)

There were other programs initiated and utilized to provide technical assistance to participating businesses, including minority and women-owned businesses.

A three-part series of educational workshops on joint venturing (co-sponsored by MHFA, the Greater Roxbury Chamber of Commerce, and the Trotter Institute) was held in July, September, and October 1994. In September, 1994 MHFA and the University of Massachusetts Minority Business Assistance Center (MBAC) offered business evaluations to graduates of the MHFA/MBE Technical Assistance Course and the Contractors Seminar Series. In October

1994, MHFA and the MBAC started a course in business plan development and financing. This course was initially conceived of as a follow-up course for the graduates of the two previous major technical assistance courses. Based on written evaluations, the response from minority businesses was very positive.

The Collateral and Technical Assistance Loan Program began in November 1994. In 1994, MHFA signed an agreement with the Contractors' Association of Boston (CAB) to conduct workshops on bidding for minority contractors, to assist in estimates of the quantity of specific types of construction work needed to carry out the comprehensive repair plans when completed by MHFA and the resident associations, and to serve as a Linkage area-situated depository of technical information about Demonstration Disposition contracts. This agreement was in effect until 1996.

The *CEO Newsletter* represented an important tool for providing information to minority and women-owned businesses. The first issue of *CEO* (February 1993) contained listings of 233 potential contract opportunities with management companies. Efforts to obtain information from management companies on potential contracts continued, and in February 1994, shortly before Demonstration Disposition, the list carried 443 contract opportunities. In June, 1994 the information flow in the newsletter about potential opportunities was expanded to include a separate prominently placed chart on the status of Demonstration Disposition opportunities. Both the management contract opportunities and the Demonstration Disposition contract opportunities were broken out by trade category to help businesses quickly locate possibilities of potential interest.

Information about non-MHFA technical assistance programs was also circulated by the MHFA EO Division. A 50 page "MBE Guide to Financial and Technical Assistance"--- covering technical and financial assistance programs offered by federal, state, quasi-state, local, and private sources--- was first distributed in the summer of 1994 and was available continuously afterward at EO-sponsored events and upon request.

In 1995 MHFA held meetings with businesses to discuss the possibility of an innovative way of forming construction partnerships. This concept, which MHFA called the Construction Managers Initiative, was designed to 1) allow subcontractors to be more proactive in getting construction opportunities by forming a joint venture general contracting firm which then hires a construction manager to administer and coordinate the work, and 2) thereby increase the number of general contractor firms which might bid on Demonstration Disposition contracts. After presentation of the basic concepts by MHFA, CAB served as the organization providing follow-up for any interested businesses.

MHFA sponsored several other technical assistance initiatives. In October 1996, MHFA and CDFC inaugurated a Contractor Working Capital Loan (CWCL) Program, designed to assist firms in filling the need for working capital and equipment purchases between the date on which a contract is secured and the dates that firms actually receive payment. The announcement of this program in the CEO newsletter stated that priority would be given to firms with Linkage area contracts, and that "MHFA will provide ongoing technical assistance to loan recipients". In

October and November, 1996, MHFA sponsored a four-session seminar on Cost Estimation, in collaboration with Suffolk Construction Company. Immediately thereafter, a twelve-week seminar entitled "Business Planning Course for MBEs in the Construction Trades", and cosponsored by MBAC and the U.S. Small Business Administration was held, running from November 1996 through February 1997. Technical assistance programs were available through several initiatives, including :

MHFA partnership with management companies: The MBE/Management Mentor Program was designed to provide MBE vendors with direct feedback from management companies on their work performance with the objective of assisting the MBEs to improve their business capacity and enhance their capacity to compete statewide. Feedback was given in areas such as bidding, presentation, work quality, and payment schedule requirements.

MHFA partnership with Roxbury Community College: This program was developed in 1993-94, and was a 16-week course sponsored by the Agency and conducted by staff at RCC. Participants received training in business development and management in 49 hours of classroom training.

MHFA partnership with the Minority Business Assistance Center at UMASS-Boston: This program concentrated on technical assistance in business planning. It extended for twelve weeks and was offered each year. The programs began on March 14, 1995; October 24, 1995; and November 14, 1996. The program was free to MBEs registered through MHFA. Thirty MBEs participated in 1995-96

MHFA partnership with the Small Business Administration: This consisted of an informational meeting for minority and women-owned business designed to familiarize them with information about SBA that might help the MBE/WBEs become more competitive for construction opportunities in the Demonstration Disposition program. SBA officials, loan officers from local banks, and bonding companies presented information about the programs they offered. The meeting was held on August 31, 1995 and was attended by 96 M/WBEs.

MHFA partnership with Suffolk Construction Company: This program focused on cost estimation, and was entitled "Cost Estimating Seminar for MBEs and WBEs". The purpose of the seminar was to aid MBEs with cost-estimation practices with the goal of improving the competitiveness of such MBEs in MHFA bids. It was a four-week program, and began on October 16, 1996. Twenty MBEs completed the program.

MHFA partnership with CDFC (CATA Loan Program): Technical assistance through CATA was designed to address any issue that an entrepreneur may have in running a business, including bookkeeping, financial management, tax planning, strategic planning, and other areas. The overall concept was that providing technical assistance strengthens the entrepreneur, and thus lowers the risk associated with the loan. The exact type of assistance provided was determined through a needs assessment

conducted by CDFC hired consultants on each entrepreneur. As of the fall of 1996, nine firms had received technical assistance through this program.

MHFA partnership with CDFC (Bond Support Program): Technical assistance within the Bond Support Program focused on specific types of aid necessary to get bonds or improve bonding capacity. Assistance was provided in 1) assembling a bond application, 2) establishing a relationship with a surety company, 3) establishing and implementing control systems, and 4) managing construction contracts. As of May 1997, 41 businesses had received technical assistance through the Bond Support Program though it could not be determined how many of these were funded specifically through MHFA.

MHFA partnership with the Greater Roxbury Chamber of Commerce and the Trotter Institute Seminars on partnership techniques (joint ventures) were designed to provide minority businesses with information on the types of possible partnerships, the potential advantages of the different types, and their disadvantages. Three sessions were held on July 22, 1994; September 15, 1994; and October 14, 1994. Approximately 200 individuals attended these workshops.

MHFA Trade Fair mini-workshop series: Three hour-long workshops were offered at the April 24, 1997 MBE/Management Company/General Contractor Trade Fair. The purpose of the workshops was to provide technical assistance to M/WBEs who participated in the Trade Fair. The titles of the workshops were "Techniques on How to Successfully Market Your Business at the Trade Fair", "Perspectives from Management on What they Look for in Evaluating Vendor Bids", and "Perspectives from General Contractors on What They Look for in Evaluating Construction Bids". Nine general contractors, six management company representatives, and a marketing firm presented information in these workshops.

As a result of these kinds of efforts, it was possible for the Demonstration Disposition Program to award 55 contracts to prime contractors representing minority-owned and women-owned firms.

Performance Criteria: Has the CATA program been developed and implemented?

CATA was established in October 1994, as a partnership between MHFA, Community Development Finance Corporation (CDFC), and MEIC. The program was formed to address the problems of MBE access to capital, MBE access to high-quality technical assistance, and MBE's lack of ability to take advantage of private sector financing and larger private/public contracts. The program offered loans for capital and cashflow purposes, and also offered technical assistance to firms receiving financing. CATA was capitalized with \$250,000 each from CDFC and MEIC, for a total of \$500,000. MHFA provided a loan loss reserve, funding for administrative staff, overhead, and financial support for technical assistance experts. Under the CATA Program, loans were provided at a rate of 11% for six-month loans, and 12% for loans with a duration of greater than six months. Shortly after the inception of CATA, MEIC began

undergoing changes and stopped making loans. CDFC committed additional funding, and has been the sole provider of loan funds since that time.

Assessment of applicants for CATA involved "due diligence" background checks. This involved getting information from MHFA about why the contractor was selected, and calling places for whom the applicant had previously done work. The goal of the assessment was to assess the performance risk of the potential loan--in other words to get an answer to the question "Can the guy do the job?" Technical assistance was provided with two goals in mind, building the capacity of the businesses, and protecting the investment of CDFC and MEIC.

Performance Criteria: Has loan funding been provided for at least ten MBEs with contracts directly related to the Demonstration Program?

Marketing of the CATA Loan program was conducted through various methods. An Open House was held in November, 1994 to introduce the program. According to the MHFA CEO newsletter, over 200 business owners were in attendance. As contracts were awarded by MHFA, CDFC sent letters about CATA and application forms to the contract recipients. Information about CATA was publicized in each issue of MHFA's quarterly CEO magazine, which was sent to all MBE's on MHFA's mailing list. According to CDFC documents listing referral sources for firms inquiring about CATA and CWCL, firms became aware of the CATA and CWCL programs through Linkage meetings, the CEO newsletter, the MHFA MBE trade fair, community development corporations, Contractor Association of Boston meetings, business contacts, banks, bonding firms, and HUD. The CATA administrators stated that the Linkage meetings were the sites of their most successful recruitment for CATA because of the timing of the meetings and the focus that many of those who attended had on the Demonstration Disposition contracts. During the period 1994 to 1998, more than 60 firms made inquiries about CATA and CWCL programs and assistance. Eighteen firms have participated in the CATA program, and three in CWCL.

Objective 3: The Agency's existing MBE programs, and any enhancements, are available (though not restricted to) the Demonstration Disposition Program, including; MHFA/CDFC Minority/Women Contractors Bond Support Fund

Performance Criteria: Have contractors assisted by the program participated in the Demonstration Program during the rehabilitation phase?

The Minority and Women Contractors Bonding Assistance Program provides technical assistance and, where appropriate, financial support for minority and women-owned construction firms to obtain surety bonds needed to participate in projects financed by MHFA and other participating state agencies. Participants in the program are businesses certified (or pending certification) as MBEs or WBEs, with preference given to contractors certified by SOMWBA. In addition to support from MHFA, CDFC obtained funding for the program from the Commonwealth of Massachusetts, the MBTA, and the Massachusetts Port Authority.

Information supplied by the Community Development Finance Corporation and MHFA indicates that as of December 1998, ten firms who had received approval for either a line of credit or a letter of credit subsequently participated as contractors/subcontractors during the rehabilitation phase of the MHFA Demonstration Disposition Program. Nine of these firms were rehabilitation contractors and/or subcontractors while the tenth was a security firm whose MHFA contract began early in Demonstration Disposition and extended through the rehabilitation phase.

The Bond Support Program was designed to help firms seeking first-time bonding or increased bonding capacity. Typically, according to Jack Hubbard of CDFC, the Bond Support Program worked with bonding agents already associated with the firms. By providing a letter of credit (financed with funds originating from MHFA and/or the other program sponsors) to surety companies working with the firms' bonding agents, CDFC provided key collateral that could make the difference between receiving a bond or not. In addition, however, CDFC maintained a list of three to four surety companies that had previously demonstrated a willingness to issue bonds for contracts supported by the CDFC letter of credit, and could refer the bonding agents of the program participants to these firms. In support of these bonds, CDFC could provide up to \$150,000 in collateral, backed by cash from the sponsoring organizations. CDFC also had a consulting relationship with Able Associates, who provided initial screening of firms for the Bond Support Program, and also had the capacity to act as a bonding agent.

An early issue that arose with CATA involved the number and size of loans that would be provided. Concern was expressed by several minority business owners regarding this matter. After discussions and planning between the Agency and others, it was decided that \$50,000 was a reasonable amount for several purposes involving construction and general contracting work. This was based on the fact that MHFA intended to maximize potential contract participation by breaking up contracts into small parts. The average size for the first phase of contracts was approximately \$80,000. In the first phase, therefore, \$50,000 was sufficient to meet working capital and equipment needs for companies. It was also assumed, that while a loan size of \$50,000 did not satisfy the needs of general contractors, the general contractors had access to other sources of loans, through their relationships with downtown banks.

CDFC could also provide a line of credit of up to \$50,000. This feature of the program began in late 1995. The implementation of this line of credit was carefully monitored by CDFC, and was contract-specific, with CDFC financing and getting paid back from a given contract. The line of credit reimbursement was handled either through "dual-payee" checks (meaning that the check from MHFA was payable to the contractor and CDFC thereby assuring that CDFC would be able to get its share from the check), or through a funds control agent (an independent party to whom the check was payable who would assure that all parties including CDFC received their shares of the check).

Technical support within the Bond Support Program consisted of assistance in 1) preparing a bond application including assemblage of financial statements, information on past and current contract performance, work-on-hand schedules, references, company history, organizational chart, and resumes of company principals, 2) establishing a relationship with a surety company, 3) establishing and implementing internal accounting, financial, and management systems, and

4) managing construction contracts (bidding, cost estimation, scheduling). Businesses were expected to contribute between 35 and 50 percent of the cost of technical assistance. There were a considerable number of firms, in the range of 50 to 60 individual firms, receiving bond support program approvals for Letters of Credit or Lines of Credit. Many firms also received Bond Support Program technical assistance.

Performance Criteria: Have contractors assisted by the MHFA/CDFC Technical Assistance program participated in the Demonstration Disposition Program during the rehabilitation phase?

Annual Technical Assistance Workshops through CDFC were available to MBEs. They were co-sponsored by MEIC, the Boston Urban Bankers Forum, the Boston Empowerment Center, the Minority Business Assistance Center, and the Massachusetts Office of Administration and Finance. The first annual workshop occurred on May 4, 1995 at Morgan Memorial Goodwill Office in Roxbury. Twenty-two of the attendees provided feedback through an evaluation in which positive assessments about the workshop were shared.

A second annual Technical Assistance Workshop was held on March 21, 1996 at the Morgan Memorial site. The purpose of this second workshop was to inform M/WBEs of the importance of technical assistance for the long term survival of businesses. This workshop was attended by 100-150 MBEs and technical assistance providers. And, again, the written evaluations were very positive.

Technical assistance was also provided by CDFC in collaboration with MHFA as part of the CATA Loan Program. This aspect of CATA was designed to address any issue that an entrepreneur may have in running a business, including bookkeeping, financial management, tax planning, strategic planning and other areas. After a needs assessment, the CATA loan recipient was set up with a technical assistance expert to shore up weaknesses identified in the assessment. MHFA subsidized 65% of the cost of this technical assistance, up to \$6,000, while the business owner paid 35%.

Performance Criteria: Have MBE Business Directories been updated and distributed? And, Have MBE Technical Assistance Guides been developed and distributed? And, Have MBE Demonstration Disposition Information Packets been developed and distributed? And, Were seminars on partnership techniques provided to up to 60 MBE firms?

A MBE Technical Assistance Guide was developed in early 1994 and updated periodically thereafter. The guide was mailed to all minority and women owned businesses in the EO Roster List (estimated at more than 700 firms) and was also distributed at trade fairs, community meetings, Linkage Committee meetings, meetings with MBEs at the Contractors Association of Boston, and the at the MHFA/Minority Business Assistance Center Business Planning Seminars. Staff at EO estimated that more than 3,000 copies of the Technical Assistance Guide were distributed between 1994 and 1996.

According to the office of public relations for MHFA, over 1,000 information packets have been distributed about Demonstration Disposition since 1994. These packets were distributed to elected officials (including the US Senators and Representatives from Massachusetts, State Senators and Representatives, the Mayor of Boston, and City Councillors), appointed officials (including Federal, State, and City appointees), community leaders (including prominent religious, community, and business figures), community organizations (including resident, business, church, and other groups), every identified minority business in the state, bond companies, the media, and others. News conferences and other media-related events are scheduled to announce publicly milestones in the development of the Program. Federal, state, city officials, residents and community representatives are invited to all of these events. In addition, information about the Demonstration Disposition developments were periodically prepared for inclusion in the MHFA newsletter and Annual Report.

Various seminars and workshops on joint ventures were provided to more than 200 participants throughout the early stages of Demonstration Disposition between 1994 and 1996. The seminars were developed to provide minority businesses with information on types of partnerships, the potential advantages of such partnerships, and their disadvantages. Each of the conferences focused on assisting participants explore the feasibility of forming joint venture partnerships in order to be in better positions to bid on future contract opportunities provided through the HUD/MHFA Demonstration Disposition Program. Particular subjects covered included the legal, financial, insurance, management, and ethical issues a business would have to consider and act upon when seeking or forming a joint venture partnership. The conferences covered a range of joint ventures models, including partnerships between a) majority and minority firms, b) minority and minority firms, c) women and women firms, and d) minority and women firms.

Performance Criteria: Have appropriate procedures been established for recruitment and selection of firms for the technical assistance program?

Outreach for the CATA Loan program have been continually conducted at meetings of the MBE Linkage Committee, meetings of the Contractors' Association of Boston, meetings of the Boston chapter of the National Association of Minority Contractors, Pre-bid conferences, through an Open House attended by over 200 business owners, and through the CEO newsletter (sent quarterly to all MBE's on MHFA's MBE mailing list).

Performance Criteria: Are MBEs provided with information on upcoming potential contract opportunities?

MBEs are provided with information about upcoming Demonstration Disposition contract opportunities and contract opportunities elsewhere in MHFA. This occurred through several arenas, including:

Opportunities through management companies— All MHFA-related management companies (Demonstration Disposition and non-Demonstration Disposition) were routinely asked to submit lists of upcoming bid opportunities. These opportunities (usually about 300 at any one

time) were grouped by type of firm required (for example, accounting, masonry, pest control), and were listed in each issue of the CEO newsletter, which was sent to all businesses that asserted MBE status. A mailing list was specifically constructed for the purposes of information dissemination (the MBE Roster List). This list differed from the list of certified MBEs, since businesses did not need to be certified to get on the list and receive information. Businesses got on the list by calling in or writing in. All call-ins were asked to write a follow-up letter indicating that they were an MBE. (All uncertified call-ins were advised of the advantages of certification.)

Opportunities in MHFA-related construction--- MBEs are given information through the MBE Roster List about possible contract opportunities at several stages of the preparation for such work. Whenever there is a proposal for a new development project being readied for MHFA Board approval, a letter goes to MBEs notifying them that this project has reached Official Action Status (OAS). When the Board approves the project and commits MHFA to carrying it out, another letter goes to MBEs notifying them that the project has reached the commitment stage. When potential general contractors are approved for the projects (before the actual bid), MBEs are notified who the approved general contractors are to give the MBEs an opportunity to aggressively pursue potential openings with the general contractors. Once a bid is received, and before the agency signs a contract with a developer, the EQUAL OPPORTUNITY DIVISION staff meet with the developer and the GC in a “pre-construction conference” to discuss the achievement of MBE and WBE goals, hiring diversity goals, and reporting requirements. The developer and the GC are given a list of MBEs, and are asked to subsequently submit the names of MBEs that they expect to use. As the GC brings on subcontractors, MHFA has mini-pre-construction conferences to go over hiring goals and community goals with the subcontractors.

Opportunities in Demo-Dispo— In addition to the methods described above, which were used for both Demonstration Disposition and non-Demonstration Disposition opportunities, Linkage Committee meetings have been used to discuss upcoming opportunities in Demo-Dispo and any particular issues surrounding the planning of that work. In addition, all potential bidders on Demonstration Disposition construction are required to pre-qualify. MHFA sends a list of all the pre-qualified general contractors to all certified MBE subcontractors., thus giving the subcontractors a chance to market themselves with the general contractor before bids are submitted.

Performance Criteria: Have Network Events been held for General Contractors and Sub-Contractors?

Many public events and activities were held throughout the early and mid-stages of Demonstration Disposition to encourage and prepare minority-owned businesses to participate in Demonstration Disposition include the following:

The 1994 Boston-area MBE/Property Management Company Trade Fair occurred on April 14th, 1994. According to the CEO newsletter, it was attended by approximately 180 management company representatives and 400 MBEs.

The 1995 Boston-area MBE/Property Management Company Trade Fair was held on April 20th, 1995, at the Sheraton Tara Hotel in Braintree, co-sponsored by MHFA and the Federal Deposit Insurance Company. Approximately 140 MBEs and 115 management representatives attended. According to the Oversight Committee Report of May, 1995, a list of the management companies attending the Fair was subsequently mailed to the MBEs who participated, and a set of MBE profiles was mailed to the management companies.

On July 21, 1995 an orientation session was held for the new Interim Asset Management Phase property managers. As part of this orientation, the EO office arranged for the property managers to meet MBE firms specializing in auditing, insurance, and legal services. According to the Demonstration Disposition Oversight Committee report (8/23/95), more than 50 minority businesses were present to make presentations and distribute business cards.

The sixth annual MBE Trade Fair was held on April 23, 1996 at the Sheraton Tara Hotel in Braintree. Both management companies and general contractors were invited to attend. According to the CEO newsletter (June 1996), the Trade Fair was attended by over 350 participants.

In June 1996, the EO Division held a workshop for management company representatives in the Demonstration Disposition program who had not met MBE goals. Representatives from successful management companies gave their advice and experience, while 13 MBEs made brief presentations about their goods and services.

The seventh annual trade fair was held at the Sheraton Tara Hotel in Braintree on April 24, 1997. In addition to management companies and MBE vendors interested in business relationships with the management companies, the trade fair involved general contractors and potential MBE subcontractors. Attendance was expected to be around 400. A series of technical assistance workshops were offered in the afternoon.

The eighth annual trade fair was held at the Braintree Sheraton Tara Hotel on April 30, 1998. As it did in 1997, the trade fair involved property management companies, general contractors, minority-owned businesses and women-owned businesses. The main speaker, Jim Drazen of HUD, focused upon the importance of MBEs and WBEs for the economic future of Massachusetts. The pre-registration list included 57 management companies, and 69 exhibitors. The overall attendance for this Fair was estimated at over 500 participants, including businesses.

Performance Criteria: Has there been continued outreach by MHFA?

Continual outreach to identify and involve MBEs occurred in several ways. MHFA staff routinely updated the agency's list of MBEs with the names of certified MBEs from the City of Boston, the New England Minority Purchasing Council, and the City of Boston as these lists

became available. The CEO newsletter routinely asked its readership to help identify MBEs for inclusion on the MHFA MBE Roster list. The MBE Roster list was updated continuously as new information was received expressing interest in being on the list, or changing information already contained on the list.

MHFA also mailed correspondence and information packets to all of the MBEs on MHFA's lists (certified and uncertified). A newsletter was published (CEO) which prominently included information about Demonstration Disposition and the business opportunities associated with the program. MHFA staff (including members of the Equal Opportunity Division as well as high ranking staff from other departments) met regularly with the Linkage Committee to discuss MBE participation and to take steps to address barriers to participation. Agency staff attended numerous business meetings and made presentations to inform attendees about the Demonstration Disposition program. The Contractors' Association of Boston, an organization of minority construction companies, aided MHFA in doing outreach to its membership. EO staff also met with members of the Latino Development Enterprise Consortium (June 7th, 1995) to exchange information and ideas about enhancing Latino participation in Demonstration Disposition and other MHFA development projects. Trade fairs were held to bring together management companies and potential vendors, and general contractors with potential subcontractors. MHFA sent all certified MBE subcontractors a list of the pre-qualified general contractors so that the MBE's could market themselves to the general contractors before bids were actually submitted.

Objective 4: MBEs indicated general overall satisfaction with the outreach, technical assistance, and/or other resources provided by the Agency intended to enhance their participation in the Demonstration Program.

Performance Criteria: Were MBEs satisfied with the outreach and technical assistance provided by the Agency to enhance their participation in the Demonstration Program?

Assessment of this objective will be explained in the next section of this evaluation report since it involves a retrospective assessment on the part of MBEs. But it can be stated that MBEs had opportunities to raise issues related to outreach and technical assistance via various arenas. Based on the observations of the Trotter Institute's evaluation team, the MBE Linkage meetings show that this is an arena utilized extensively by MBE's to obtain information about available technical assistance, or raise concerns about outreach efforts on the part of MHFA. A review of articles in the Agency's TAP and CEO newsletters also shows frequent information about on-going technical assistance and outreach activities. The Equal Opportunity Division and other divisions were aggressive in responding to concerns about effective outreach either through staff meetings with the MBEs, involved, or actually examining a particular policy or practice related to the Demonstration Disposition Program. The evidence for this assessment is based on review of committee minutes, as well as observations by the evaluation team at meetings between staff and others.

Appendix 5: Chronology of Key Events (1994-1999)

August 1994

Formation of (or continued activity of existing) resident associations. Establishment of bylaws, and beginning of incorporation process of organizations. Continuation of relations with established tenant organizations such as Metropolitan Boston Housing Partnership, Boston HUD Tenant Alliance, Greater Roxbury Neighborhood Authority, United South End Settlement, and Egleston Square Neighborhood Association;

MHFA releases RFPs for management companies.

Surveys of residents undertaken by MHFA to assist in the development of security plan.

Boston Police Commissioner gives special police powers on a pilot basis to security companies at Camfield, Grant Manor, and Roxse.

August 15, 1994 Amendment to HUD / MHFA Agreement: establishes effective date of HUD/ MHFA agreement; bars MHFA from reducing units without HUD approval; revises conditions for termination of agreement;

September 1994--November 1994

MHFA completes Property Management Reviews of all developments.

September 1994

BHP begins delivering organizational development workshops for tenant groups. BHTA and CEDAC followed a coaching style and therefore had few formal workshops.

EO Office meets with SOMWBA to discuss certification process for joint ventures with minority-owned businesses

October 1994

MHFA received proposals from prospective management agents for Demonstration Disposition Program developments

EO Office begins joint venture certification the City of Boston, as well as the New England Minority Purchasing Council, although the charter of the latter organization does not recognize joint venturing..

November 1994

MHFA selects architects to work on comprehensive repair plan.

January 1995-August 1995

Residents select and hire management companies for Interim Phase. Contracts take effect on August 1.

Lead paint abatement program begins. Inspection of apartments leads to identification of 252 units needing abatement in four developments (Franklin Park, Theroch, Schuyler/Maple/Sonoma, Washington Heights). Other six developments do not require abatement. Abatement work begins in March and lasts through August.

March 1995

MHFA approves Resident Initiative Budget for Grant Manor, Roxse. This budget is designed to be used for training of Board members, office supplies/equipment, translator services, and technical support activities.

June 1995

Architectural reports propose demolition of some buildings at Roxse and Theroch.

Resident Associations begin hiring Resident Services Coordinators to address resident needs for human services. Camfield is the first association to fill the position.

July 1995

MHFA and City of Boston sign agreement addressing speedy certification and monitoring of joint ventures with minority-owned businesses

Second Amendment to HUD / MHFA Agreement: adds Academy Homes II to *Demonstration Disposition* Program; establishes the HUD General Insurance Fund as source for *Demonstration Disposition* funding; establishes procedures for locking Section 8 assistance for 15 years;

July 1995-August 15, 1995

MHFA and HUD execute a revised Demonstration Disposition Agreement, involving several changes in the financial structure of the program

Residents and their consultants develop a preliminary disposition plan for submission to HUD in order to lock in fifteen-year commitment of Section 8 funds.

Roxse fills Resident Services Coordinator position.

Grant Manor and its development consultant apply for tax credits from EOCD.

August 1995-January 1996

Meetings among MHFA, resident associations, management companies, and police are held to develop security plan. Draft RFP for security companies distributed to residents for comments. Selections of security companies occur.

MHFA and management companies conduct Resident Verification survey to determine the amount of ‘‘under housing’’ and ‘‘over housing’’ in each development.

Preliminary disposition plans receive a preliminary review by the NAACP. No issues of concern are identified in eight of the ten developments. (Roxse's unit reduction, and the need for demolition of Camfield are the two exceptions).

Architectural planning for Grove Hall (which was rehabilitated recently) is consolidated under one architect, at the suggestion of the Grove Hall resident association, who felt that given the scope of work two architects were a duplication of effort. The architect originally selected by the tenant group is retained for this consolidated work.

MHFA meets with HUD to request \$1.2 million for emergency structural repairs at Roxse.

Franklin Park resident association dismisses their architect.

Consultant recommends demolition and rebuilding of Camfield.

Asset Management Department begins monthly meetings with officers of the resident organizations to discuss relocation, organizational development, and other issues affecting residents.

The residents' architect and the MHFA architect working on Camfield form a joint venture to continue work on Camfield plans.

MHFA begins exploring financial structuring proposed by Grant Manor Tenants Association and their consultant (The Community Builders). This structure would use Low Income Housing Tax Credits awarded by the Executive Office of Communities and Development to supplement money available for construction from the FHA insurance funds. EOCD awarded Grant Manor \$8.9 million in tax credits which yielded more than \$7 million in syndication proceeds. The proceeds from the tax credits would help fund components of the residents' vision plan, provide funding for future operations, and create a reserve in case Section 8 subsidies are ended in the future.

November 1995-February 1996

MHFA and Resident Associations select relocation consultants.

Franklin Park management agent re-surveys residents regarding required unit sizes.

Theroch residents association discontinues the services of its development consultant.

Grant Manor financing plan moves forward as a determination is made that HUD can receive the tax credits awarded by EOCD and later transfer them to Grant Manor Tenants Association. This will allow the funds to be used as a supplement to construction (financing the construction of six additional units) and for subsequent use by the tenant association for other purposes.

At end of the year, Resident Services Coordinator positions had been filled only at Camfield, Roxse, and Washington Heights.

At end of the year, Resident Initiative budgets for training, office supplies/equipment, and technical support have been submitted by Camfield, Fieldstone, Franklin Park, Grant Manor, Grove Hall, Roxse, and Washington Heights. Theroch and Geneva have not yet submitted Resident Initiative budgets.

February 1996-May 1996

Camfield presents new plans (based upon demolition and new construction) to NAACP. The proposed reduction in number of units concerns the NAACP and they ask for additional justifying information. NAACP requests a minimum of 130 units, 20-30 more than those proposed by the tenant association.

March 1996

Theroch Tenants Association re-surveys residents regarding unit size requirements.

MHFA architect hired by Franklin Park resident association to resolve remaining design issues (services to be performed under existing MHFA contract, but reimbursed from resident association budget allocation).

Cost estimates for SMS associated with 35% working drawings indicate that design will run over budget. Meeting held with design committee to discuss reductions.

April 1996

MHFA announces relocation contractors.

MHFA encourages resident associations and their consultants to apply for Low Income Housing Tax Credits.

Based upon cost estimates for renovation of Geneva Apartments, architects recommend demolition of Geneva and new construction on existing foundations.

May 1996

First construction bid plans and specifications released (Fieldstone). However, bid opening is delayed pending HUD providing indemnification for MHFA.

Resident Services Coordinators hired by Grove Hall and Fieldstone.

June 1996

NAACP approves reduction in number of units at Camfield to 102.

MHFA asks all MHFA property owners in Metropolitan Boston to notify MHFA of vacant units. This is designed to identify potential sites for Demonstration Disposition Program relocation purposes.

SMS hires Resident Services Coordinator.

Fieldstone development budget approved by HUD, with exception of developer fees.

June 1996-July 1996

Boston Redevelopment Authority Inspection Services Division rejects proposed high-rise design plans for Grant Manor.

MHFA reduces MBE goal from 80% to 30% and establishes goal for local area business utilization.

June 1996-August 1996

Relocation contractors submit final relocation plans for approval by MHFA. Plans are approved for all developments except Group Two (Camfield, Grant Manor, and Roxse). Approval of plans for this group are delayed pending resolution of some relocation issues involving Roxse.

Theroch resident association chooses new development consultant (OKM Associates/Consulting Diversified Joint Venture) to replace consultant dismissed in December.

MHFA, HUD, and resident associations meet to discuss proposal from Neighborhood Justice Network to provide training to residents in five developments to increase their capacity to organize and work collaboratively around security issues affecting their developments. Four of the five resident associations (Franklin Park, SMS, Theroch, and Washington Heights) subsequently decide to participate. The fifth was not able to make a decision within the required time frame, but could be added later.

Home Ownership Assistance program presented to residents. Under this plan families were offered a \$5,250 grant toward home ownership in lieu of expenses that would have been spent on their relocation.

SMS terminates services of Metropolitan Boston Housing Partnership (MBHP), their organizing consultant.

HUD approves development budget for Camfield Gardens, Grant Manor, Roxse

MHFA meets with resident associations and security committees of Franklin Park I, II; Washington Hts; SMS; Grove Hall; and Theroch I, II to discuss establishing a security consortium through which residents from all five sites can be organized to carry out crime prevention activities. In September 1996, Neighborhood Justice Network is selected to facilitate the consortium.

June 1996 - August 1996

MHFA meets with resident associations and security committees of Franklin Park I and II, Washington Heights, SMS, Grove Hall, and Theroch I and II, to discuss establishing a security consortium through which resident from all five sites are organized to carry out crime prevention activities.

August 1996-November 1996

Third Amendment to HUD / MHFA Agreement: addresses indemnification issues; revises goals for local business and minority-business utilization; establishes local resident employment "whenever possible" as an aim of the Program

Asset Management conducts assessment of resident associations' preparedness to own properties.

HUD approves development budget for Grove Hall and Washington Heights

Franklin Park resident association hires a "value engineer" in lieu of an architect, in accordance with MHFA staff recommendations of how to proceed after Franklin Park dismissed their previous architect (September 1995). For the past year some design work was done for residents by the MHFA architect.

September 1996

Relocation/Rehousing Policy and Agreement, and Temporary Occupancy Agreements are sent from MHFA to resident organizations, management agents, and resident organization attorneys.

HUD approves development budget for Schuyler/Maple/Sonoma, and for Franklin Park (with exceptions).

Boston Civic Design Commission requests changes in the site plan for the new Camfield construction.

Camera surveillance security system is installed at Roxse.

Resident Services Coordinators hired at Grant Manor and Franklin Park.

Franklin Park I and II, Theroch I and II, SMS, and Washington Hts. decide to join security consortium to be facilitated by Neighborhood Justice Network.

October 1996

Camfield hires new Resident Services Coordinator.

MHFA begins working with Franklin Park residents association on plan to utilize Low Income Housing Tax Credits to finance construction and operating reserves.

HUD approves MHFA Home Ownership Program. Resident of Grant Manor is first person to close on a house utilizing the program.

NAACP approves plan to reduce number of units at SMS from 102 to 100.

Roxse terminates services of Boston HUD Tenants Alliance (project coordination and organizing)

MHFA requests that all rent owed for the period prior to September, 1993 be written off for all residents. HUD approves the request.

October 1996-November 1996

MHFA, HUD, CEDAC and the Franklin Park resident association work on plan to create affordable home ownership townhouses to replace two Franklin Park sites where demolition of the existing units is planned.

MHFA and HUD sign third amendment to Demonstration Disposition Agreement, resolving indemnification issues.

HUD approves expanding Demonstration Disposition Program to include Academy Homes II. Preliminary studies advocate demolition of Academy II and replacement with new development.

MHFA issues bid invitations for work on Fieldstone, SMS, and Theroch IIB.

MHFA completes Property Management Reviews of all properties. No major problems are found.

Completed assessments of resident associations by Asset Management department are mailed to resident associations.

MHFA mails material to management companies outlining their responsibilities with respect to implementation of relocation plans.

Neighborhood Justice Network begins work with Franklin Park, SMS, Theroch, and Washington Heights.

Theroch design committee prepares new design for Theroch IIC after first design cost estimates exceeded budget.

December 1996

MHFA and CEDAC terminate their Demonstration Disposition Program relationship.

MHFA Board approves a \$16 million tax-exempt loan for the Franklin Park development. These funds will be used in conjunction with "take-out" of the debt utilizing FHA insurance funds. The financial structure will allow residents to obtain Low Income Housing Tax Credits, generating funds for future operation of the development.

By end of year four development residents had purchased homes under the HUD/MHFA Home ownership Program (two from Grant Manor and two from Roxse).

January 1997

Roxse design team meets with Boston Civic Design Commission and the Boston Landmarks District Commission to present designs for approval.

MHFA releases revised bid packages for SMS and Fieldstone, containing revised specifications, a revised contractor scoring system, and material related to the Owner Controlled Insurance Program (OCIP).

February 1997

Bids received for Fieldstone, SMS, and Theroch IIB. Fieldstone and SMS bids were over-budget.

February 1997-March 1997

Financial audit of Camfield management agent to assess internal controls and adherence to MHFA Procurement Policy results in "unfavorable findings. Management is instructed to make changes by end of March 1997.

March 1997

Design and Technical staff interview general contractors who bid on Fieldstone to identify causes of over-budget bids.

In light of the results of the February bids, MHFA hires value engineers to review the plans and specifications for Grove Hall and Washington Heights and suggest modifications, if necessary, to bring construction within budget.

Grove Hall requests to join the Neighborhood Justice Network program.

Grove Hall development consultant resigns.

Resident Services Coordinators have been hired for only six of the ten developments. MHFA puts further hiring on hold and begins evaluation to assess how to proceed with the Resident Services Coordinator Program.

March 1997-April 1997

Fieldstone, Schuyler/Maple/Sonoma and Theroch IIB are rebid.

April 1997

MHFA conditionally designates Cruz Construction as winner of Fieldstone bid process, subject to negotiations to reduce the cost of work to a price acceptable to MHFA.

MHFA releases bid packages for Theroch II, and Washington Heights II.

MHFA terminates architect for Grove Hall.

Upper Roxbury Safety Task Force (Franklin Park, Theroch, SMS, Grove Hall, Washington Heights) joins with the "Academy Homes, Bromley Heath, and Egleston Square Safety Task Force".

Fieldstone development consultant submits draft co-owner RFP to MHFA for approval.

MHFA releases bid documents for Camfield demolition.

May 1997-June 1997

An Ad Hoc 'Subcommittee on Demonstration Resident Training' meets four times in order to develop recommendations for preparing residents for transfer of properties

MHFA begins bid process for Franklin Park I and Franklin Park II with notice of intent to bid.

Boston Civic Design Committee approves Grant Manor public space and high rise facade.

MHFA releases bid documents for Washington Heights I.

MHFA reports that 22 residents have purchased, or are in the process of purchasing, homes under the HUD/MHFA Home Ownership Program. Those who have purchased homes (18) include three Camfield residents, four Grant Manor residents, ten Roxse residents, and one Franklin Park resident.

June 1997

MHFA and Cruz sign \$9.97 million contract for construction of SMS.

MHFA announces conditional designation of winning bidders for Fieldstone (Cruz Construction), Washington Heights II (Crosswinds), Washington Heights I (Eastern General), and Theroch IIB (Tara-Vertec).

MHFA completes Co-Owner RFP model and sends to resident associations for review and comment.

Boston Redevelopment Authority approves rehab design for Fieldstone.

Grove Hall selects Lawrence Smith of Property Development Services, Inc. as its new development consultant.

Franklin Park hires Project Coordinator/Resident Organizer.

MHFA gives Fieldstone, Geneva, and Grant Manor approval to hire Resident Services Coordinator.

MHFA selects Dhingra Associates, Inc as the new MHFA architect for Grove Hall.

July 1997

MHFA and Duane Enterprises sign \$1.87 million contract for Camfield demolition.

Academy Homes and Franklin Park resident associations terminate organizing services provided by Metropolitan Boston Housing Partnership (MBHP).

MHFA releases Franklin Park II bid documents.

MHFA writes to resident associations whose developments include commercial tenants seeking resident association plans for its commercial spaces (should commercial tenants be temporarily relocated or permanently displaced).

MHFA hires consultant to assess resident association needs for training. Report is due in October.

July 1997-August 1997

Camfield demolition contractor (Duane Enterprises) arranges for asbestos abatement training and employment opportunities for eleven residents.

MHFA conditionally designates Bilt Rite as winner of construction bid for Franklin Park II (\$7.9 million).

MHFA mails allocation plans for Section 8 contract authority among developments to resident associations.

Academy Homes resident association hires new Project Coordinator/Resident Organizer.

August 1997

Camfield/Grant Manor/Roxse Safety Task Force is presented with an award by Boston Mayor and Police Commissioner

All Geneva tenants decide to relocate off site, ending their insistence on remaining on site during construction.

MHFA consultant contractors (two contracts) conduct financial audits of developments to assess internal controls and adherence to MHFA procurement policy.

MHFA meets with the six developments which had hired Resident Service Coordinators to discuss whether the RSC program is achieving goals. Issues of accessibility, supervision, the roles of other staff in relation to the RSC, and goals are discussed.

Franklin Park decides to displace all commercial tenants.

August 1997-September 1997

MHFA drafts HUD Deed Restrictions and an MHFA Regulatory Agreement to be included by residents in the Co-Owner RFP process.

Management agent for Washington Heights is warned about inadequate management practices. MHFA performs site visit to evaluate progress in correcting matters.

MHFA designates Payne/Builders as winner of construction bid for Franklin Park I (\$16.8 million).

MHFA releases new construction bid packages for Camfield and Grant Manor.

September 1997 - November 1997

MHFA / Equal Opportunity Division develops a centralized information system for communication between employers and potential job seekers.

MHFA / EO develops actions to help businesses meet linkage area resident hiring goals.

November 1997 - December 1997

Washington Heights I construction begins.

Camfield Gardens demolition completed

350 families relocated; 10 families use the Home Ownership Program

MHFA sponsors 3 information sessions on forming joint venture / partnerships

December 1997

Official signing for adding Academy Homes II to the Demonstration Disposition Program

January 1998 - February 1998

Camfield construction begins; Franklin Park II construction begins in February

Fieldstone residents begin relocation

Academy Homes II added as a *Demonstration Disposition* site

March 1998

Theroch II construction and Washington Heights II construction begins

April 1998

W/MBE and general contractor trade fair

May 1998-June 1998

Roxse Homes construction begins

July 1998-August 1998

Theroch I, Theroch IIC construction begins

September 1998

Camfield Gardens Tenant Association selects a new name: Camfield Estates

November 1998

454 households have been relocated;

30 households have opted to buy first time homes under the Home Buyers Program

December 1998-January 1999

Fourteen construction contracts awarded

Grant Manor and Franklin Park issue RFP for co-owner home ownership; Fieldstone issues RFP for ownership.

March 1999-April 1999

Over 600 families relocated as of this date

MHFA asset management clarified; while not having power of foreclosure, it does have authority to replace problematic management or assume Trustee role.

W/MBE and general contractor trade fair

May 1999

746 households have been relocated, and almost all in Boston;

35 residents opt for first time home purchase opportunities

Appendix 6: Interview Questions for Residents and Others

Do residents feel that the program has improved physical security and public safety in the developments?

Do residents feel that their ownership models were decided upon democratically, and with the necessary information?

Do residents feel that racial/ethnic cooperation has been increased? How have residents utilized greater communication between various racial/ethnic tenants as a result of the Program?

Have residents become involved in other civic matters? How?

What skills do residents feel they have acquired as a result of their participation in the program?

What kinds of direct/indirect services for youth and families have emerged as a result of the Program?

How will residents receive information about city services, and how to obtain more and better city services as a result of the Program?

What mechanisms have emerged to ensure the integration of linguistic minority resident population into the resident association?

What types of entrepreneurial programs have been developed for residents as a result of the Program?

Have additional public/private resources/dollars been targeted to the community as a result of the Program?

What are major concerns raised by residents? Have these concerns been resolved?

What ideas are suggested by residents for any future projects similar to the MHFA Demonstration Disposition Program?

Do residents feel that training and preparation for resident home ownership was adequate?

What have been the major accomplishments of the MHFA Demonstration Disposition Program according to residents? Weaknesses?

Do residents feel that their overall quality of life has been improved as a result of this Program?

Have we learned any lessons about public safety and how to enhance it?

How did the Demonstration Disposition Program generate greater level of organization on the part of residents; did this have an impact on other community issues?

Did residents reflect greater effectiveness in articulating the needs of their neighborhoods, and developing effective responses to community problems and issues; residents becoming more confident, and "able to participate more fully in the surrounding community?"

Was the opportunity for residents to own property enhanced? Did this increase opportunities for improving living conditions in their neighborhoods?

Was greater public safety and security in the targeted residential areas achieved?

Did social and economic opportunities for youth increase in the Demonstration Disposition Program?

Was quality of life for the communities in which the developments are located improved?

Economic Development Queries

How many, and what types of "local" businesses were utilized in the targeted communities? How many were MBEs? What is the size or capacity of the MBEs utilized?

Have the number (and what types) of MBEs and local businesses increased (in the targeted communities) as a result of the Program?

How have MBEs become involved in non_business civic matters as a result of participation in the Program? And, have MBEs and other local businesses worked with other community organizations on civic initiatives as a result of the Program?

Have the sales/receipts of MBEs increased as a result of participation in Demo Program?

Have residents of the targeted community worked for MBEs and other local businesses with contracts with MHFA?

Did local businesses under contract with the Demonstration Disposition Program participate in other housing rehabilitation projects as a result of participation in the Program?

How did business utilize available private and public loan funds to participate in the in the program?

Did MHFA loan assistance/funds help firms a) buy equipment, b) meet payroll expense, c) help with overall cash flow, or d) boost the firm's bank account in ways that facilitate bonding?

Have the capacities of MBEs increased as a result of participation in the Program?

How many jobs were created under the auspices of the MHFA Demonstration Disposition Program in the targeted communities, and what kinds of jobs were created? Were the jobs created temporary, or permanent ones?

Were employment and training opportunities for residents enhanced as a result of targeting local business participation in the Program?

How many joint ventures between MBEs and majority firms were pursued as a result of the Program?

How will joint ventures increase the capacity of local businesses and MBEs?

Did local businesses feel that specific improved facets of physical security related to the Program facilitates the likelihood of investment in the short and long_run? Has the business climate improved?

How many persons are employed with local businesses and MBEs as a result of the Program? How many are neighborhood residents? What is the racial and economic profile of employees?

Where do employees of firms associated with the Program reside?

What wage levels are paid to employees? Are employees provided with training? What type of training was provided?

What have been the major issues and problems that reduce business incentives according to local businesses and MBEs? What factors tend to enhance the business investment climate?

Did the change in goals, from 4 to 5 and focusing on a place_based strategy enhance the capacity and increase the number of small business? What has been the impact of this change on MBE's?

Appendix 7: MBE and WBE Prime Contractors Retained by Local/Non-Local Status

Contractor	MBE Code	Comm Status
A.L.A. TECHNOLOGY	MBE	Non_Local
ACADEMY II ARCHITECTS	MBE	Non_Local
ACT ABATEMENT CORP	MBE	Local
ADDGREENE COMPANY	MBE	Non_Local
ALEGRE CONSTRUCTION	MBE	Local
B D NAYAK	MBE	Non_Local
BOSTON CLEANING SERV	MBE	Local
BOSTON SECURITY SYS	MBE	Local
CATALA & MERVIS	MBE	Non_Local
CHIA MING SZE ARCH	MBE	Non_Local
CHILD SAFE DELEADING	MBE	Non_Local
CHIN WRIGHT	MBE	Non_Local
CHISHOLM WASHINGTON	MBE	Non_Local
CONSULTING DIVERSIFIED	MBE	Non_Local
CORNELL PEABODY	MBE	Non_Local
CORNELL PEABODY	MBE	Non_Local
C_Q CONSTRUCTION	MBE	Non_Local
CROSSWINDS	MBE	Local
CRUZ MANAGEMENT	MBE	Local
DANIEL DENNIS, Co.	MBE	Local
DARRYL RANKINS	MBE	Non_Local
DHINGRA ASSOCIATES	MBE	Non_Local
DOMENECH HICKS	MBE	Local
DORCHESTER MOVING CO	MBE	Local
EASTERN GENERAL	MBE	Non_Local
EMRG/VERTEC_JVT	MBE	Local
HAMLETT EXTERMI.	MBE	Local
HEZEKIAH PRATT ASSOC	MBE	Non_Local
JACK PATRICK & ASSOCS	MBE	Non_Local
JB CRUZ CONSTRUCTION	MBE	Local
JT VT PRATT/ICON	MBE	Non_Local
KEITH PETTEY CO.	MBE	Non_Local
L. WASHINGTON & ASSOC	MBE	Non_Local
LANE'S DELIVERY SERV	MBE	Local
LARRY ELLIS	MBE	Non_Local
LAWYERS MOVING CO	MBE	Non_Local
LEAD PAINT REPLACEMENT	MBE	Local
LONG BAY MANAGT CO	MBE	Local
LORENZO PITTS	MBE	Local
MCKENZIE & EDWARDS	MBE	Non_Local
MIGLIASSI/JACKSON	MBE	Non_Local
NARATOONE SEC CORP	MBE	Local
NARATOONE/WACKENHUT	MBE	Local
PARAGON DEVELOP	MBE	Local
PARKER, JEAN & JACKSON	MBE	Local
PAYNE PAINTING & DRYWALL	MBE	Local
PEC	MBE	Non_Local
PRATT/LANE FRENCHMAN	MBE	Non_Local
R BROWN & ASSOC.	MBE	Non_Local
RANSOM	MBE	Local
RDS/EHA.	MBE	Local
ROSS ELECTRICAL	MBE	Non_Local
STULL & LEE	MBE	Local
TARA CONSTRUCTION	MBE	Local
TEMP. STAFF	MBE	Non_Local
THE ARCHITECTS FORUM	MBE	Non_Local
T. F. WELCH & ASSOC.	MBE	Local
TRINITY ADVISORS	MBE	Non_Local
TSO ASSOCIATES, INC.	MBE	Local
URBAN ACCESS, INC.	MBE	Non_Local
WJT	MBE	Local

WBE Prime Contractors

Contractor	MBE Code	Comm Status
ALLSTATE	WBE	Non_Local
A. RODRIGUEZ CONST	M/WBE	Non_Local
ARCH. DELEADING	WBE	Non_Local
FORD ASSOCIATES	M/WBE	Local
GIBRALTAR VETERANS	M/WBE	Local
KANG/MEHREN FREEMAN	M/WBE	Non_Local
KROKIDAS & BLUESTEIN	WBE	Non_Local
LANETTE WILLIAMS	M/WBE	Local
LEAD BUSTERS	WBE	Non_Local
LEAD HUNTERS OF N.E.	WBE	Local
MINNIE CLARK	M/WBE	Local
NEW WORLD SECURITY	M/WBE	Local
OKM ASSOCIATES	WBE	Local
PEER CONSULTANTS, PC	M/WBE	Non_Local
PILTCH ASSOCIATES	WBE	Non_Local
REESE FAYDE ASSOC	M/WBE	Non_Local
REGINA MILLER	M/WBE	Non_Local
THE AULSON COMPANY	WBE	Non_Local
Vesper Gibbs Barnes	MWBE	Local

Appendix 8: News Articles Related to Demonstration Disposition Program (1993 - 2000)

- “Geneva Avenue Apartments Grand Opening” Boston Peoples Voice, November 10, 2000
- “Program is bridging computer divide” Boston Globe, October 5, 2000
- “Agency seeks to dump Demo Disp” South End News, September 14, 2000
- “Study blasts MHFA management of Grant Manor renovations” Bay State Banner, July 22, 2000
- “Grant Manor a success story” Letters to the Editor of South End News, July 13, 2000
- “Taken for Granted” Editorial Section of South End News, June 29, 2000
- “Grant Manor tenants ready to push disclosure” South End News, June 29, 2000
- “Grant Manor's delays placed on agency's door” South End News, June 22, 2000
- “Minorities cite mixed record on HUD program” Bay State Banner, February 17, 2000
- “Boston Project raises concerns” Boston Sunday Globe, February 13, 2000
- “MHFA receives \$9.6m HUD grant” Real Estate Section of Boston Globe, February 12, 2000
- “Washington Heights Housing Project Completed” Real Estate Section of Banker and Tradesman, January 31, 2000
- “MHFA defends record on *Demonstration Disposition* projects” South End News, January 27, 2000
- “MHFA head says *Demonstration Disposition* Prog on track, despite review” Bay State Banner, January 27, 2000
- “Housing Officials Show off rehabbed units” Boston Globe, January 21, 2000
- “HUD Launches Probe of MHFA-run Program” Bay State Banner, January 13, 2000
- “Tenants Cite Problems with MHFA Program” Bay State Banner, December 9, 1999
- “Affordable Housing Project Completed in Boston” Banker and Tradesman, December 6, 1999
- “Housing Boom closes doors to many” Boston Globe, October 3, 1999
- “Tenants Cite Problems with HUD-financed program” Bay State Banner, September 30, 1999
- “Geneva Apts be rebuilt” Bay State Banner, July 22, 1999
- “Going a Long Way To... fulfill his dream Sudbury Man Rebuilds Dorchester” MetroWest Daily News, June 18, 1999
- “Geneva Apartments Rebuilding Moves Forward” Residential Section of Banker and Tradesman, June 7, 1999
- “Minority contractors are gaining foothold,” Boston Globe, March 6, 1999.
- “HUD pilot program builds tenant ownership in Roxbury,” Banker & Tradesman, February 22, 1999.
- “HUD reshapes boston projects as models,” The New York Times, January 31, 1999.

“Agency set to reassign Grove Hall contract,” Boston Globe, December 17, 1998.

“Minority contractor became key player with government help,” The Boston Globe, October 22, 1998.

“MHFA, new alliance will work to reduce \$5 million deficit,” South End News, November 27, 1997.

“From razing to raising in Roxbury,” The Boston Globe, October 4, 1997.

“MHFA demonstrates patience,” Boston Herald, July 25, 1997.

“MHFA lays off 23, blames slow rental property sales,” Boston Globe, June 19, 1997.

“Housing rehab program awarding contracts,” Bay State Banner, June 19, 1997.

“City housing renewal plan lagging,” Boston Globe, May 30, 1997.

“Tenants, officials in agreement on HUD housing rehab program,” The Bay State Banner, January 9, 1997.

“An affirmative action by HUD,” Boston Globe, October 17, 1996.

“Goal is cut for minority contracts: state feared a court challenge to \$200m Boston housing rehab,” Boston Globe, October 11, 1996.

“Obstacles beset Hub’s \$200m overhaul of housing projects,” Boston Globe, August 28, 1996.

“Housing rehab program hit as tenants complain of relocation,” Bay State Banner, August 22, 1996.

“Minority contractors get a boost: State, U.S. set 80% as target in bidding for Boston housing initiative,” Boston Globe, May 15, 1996.

“MHFA offers MBEs tools to compete for state contracts,” The BayState Banner, April 11, 1996.

“City tenants face temporary dislocation,” Boston Globe, April 6, 1996.

“Base called unlikely spot for tenants,” The Patriot Ledger, April 5, 1996.

“New homes for old,” Boston Globe, April 5, 1996.

“Public housing at base proposed,” The Patriot Ledger, April 5, 1996.

“Sheets: homeless shelter, affordable housing not options at Squantum site,” Quincy Sun, April 4, 1996.

“*Demonstration Disposition* set to take off,” South End News, April 4, 1996.

“Security company owner hits MHFA with suit,” Bay State Banner, March 28, 1996.

“Waiting for the home to come,” South End News, March 21, 1996.

“Security firms question MHFA bidding process,” Bay State Banner, March 7, 1996.

“Taking the long way home,” Boston Globe, October 25, 1995.

“HUD, MHFA contract locks in section 8 assistance,” Boston Herald, October 13, 1995.

“Minority firms get boost from MHFA,” Bay State Banner, September 21, 1995.

“Mandela complex may go to auction,” Boston Globe, September 7, 1995.

“City rehab project takes one more step,” New England Real Estate Journal, September 1-7, 1995.

“HUD earmarks \$353 million for renovation of blighted housing,” Bay State Banner, August 31, 1995.

"A new beginning for tenants of HUD properties," South End News, August 25, 1995.

“Prosecutor says basketball star’s slaying was premeditated,” Boston Globe, August 23, 1995.

“Minority-owned firms sought by MHFA for HUD project,” Banner and Tradesman, August 21, 1995.

“Not just a quick fix,” Boston Globe, August 20, 1995.

“A vote against housing,” Boston Globe, August 8, 1995.

“Housing Partnership pact signed,” South End News, August 3, 1995.

“City gets nearly \$300m to fix subsidized units,” Boston Globe, July 28, 1995.

“Weld official didn’t speak against cuts,” Boston Globe, July 28, 1995.

“Keeping HUD’s promise,” Boston Globe, July 26, 1995.

“HUD says city housing plan still viable,” Boston Globe, July 14, 1995.

“U.S. funds HUD housing plan in jeopardy,” Boston Globe, July 13, 1995.

“Future looking better at Academy Homes,” Bay State Banner, June 29, 1995.

“Residents cheer gov’t takeover of Academy Homes project,” Boston Herald, June 27, 1995.

“HUD to take Roxbury project,” Boston Globe, June 27, 1995.

“A needed housing improvement,” Boston Globe, May 8, 1995.

“Weld, Clinton aides seek to save housing plan,” Boston Globe, April 27, 1995.

“Costly woes may doom development in Roxbury,” Boston Globe, April 26, 1995.

“So long, projects?” Barron's, February 6, 1995.

“HUD hits Roxse Inc. with suit,” Bay State Banner, December 29, 1994.

“City contracts lag for minorities,” Boston Globe, December 12, 1994.

“Politics seen in MHFA ouster,” Boston Globe, December 9, 1994.

“Weld vs. the MHFA,” Boston Globe, December 9, 1994.

“Preserve preservation,” Boston Globe, November 4, 1994.

"MBE opportunities at Mass housing agency," Bay State Banner, November 3, 1994.

"HUD turns units over to MHFA," Banker and Tradesman, September 28, 1994.

"Minority firms get contracts," Banker and Tradesman, September 28, 1994.

"MHFA awards housing contracts," Boston Globe, September 14, 1994.

"Minority firms to reap \$3.3m in housing work," Boston Globe, September 12, 1994.

"A new beginning for tenants of HUD properties," South End News, August 25, 1994.

"Housing: help or harm?" Boston Globe, August 24, 1994.

"Big firms take business slated for minorities," The New York Times, August 11, 1994.

"Boston's safer streets," Boston Globe, August 11, 1994.

"Roxse goes once, twice...sold!" South End News, June 23, 1994.

"Repossessing Roxse homes," Boston Globe, April 14, 1994.

"A brighter housing picture," Boston Globe, April 12, 1994.

"U.S. offers a reward for active tenants," Boston Globe, February 28, 1994.

"Opportunity on Dudley Street," Boston Globe, November 16, 1993.

"HUD's debt in Boston," Boston Globe, November 5, 1993.

"Housing agency's plan to sell property in deteriorating Boston neighborhoods may become a national model," Boston Globe, October 24, 1993.

"HUD audit finds millions wasted by Boston office," Boston Globe, October 18, 1993.

"HUD's horror show," Boston Globe, September 27, 1993.

"Massachusetts to be selected for national Housing Demonstration Program Which Will Spur \$100 Million Investment in Inner-City Neighborhoods," Dorchester Argus-Citizen, September 23, 1993.

"Bay State to rehab HUD housing," Boston Herald, September 15, 1993.

"A second chance for housing," Boston Globe, September 15, 1993.

"Revival on Mission Hill," Boston Globe, August 30, 1993.

"HUD planning to expand the use of state MHFA housing delivery system," Banker and Tradesman, April 21, 1993.