



Commonwealth of Massachusetts
**DEPARTMENT OF HOUSING &
COMMUNITY DEVELOPMENT**

Deval L. Patrick, Governor ♦ Timothy P. Murray, Lt. Governor ♦ Aaron Gornstein, Undersecretary

PUBLIC HOUSING NOTICE 2013-14

To: All Local Housing Authorities

From: Lizbeth Heyer, Associate Director
Division of Public Housing and Rental Assistance

Re: Utilization of CPA Funds for Preservation of Existing Public Housing Units

Date: May 30, 2013

Many Housing Authorities have inquired about the potential for using Community Preservation Act ("CPA") funding for work on existing public housing units, and some confusion on this topic exists among municipalities. DHCD has reviewed the CPA statute as it applies to such work and is providing this notice to help clarify the type of activities that it believes would be appropriate for CPA funding and those activities that would not be appropriate. Please note that this guidance is advisory in nature and is not binding on your community.

Section 5(b)(2) of the Community Preservation Act, MGL chapter 44B, provides that community preservation funds may be utilized "for the acquisition, creation, preservation and support of community housing provided, however, that funds expended pursuant to this chapter shall not be used for maintenance." State public housing meets the definition of "community housing", namely, "low and moderate income housing for individuals and families, including low or moderate income senior housing."

It is important to note that both the recreational use and historic preservation provisions of the CPA provide for "rehabilitation" of those resources with CPA funds, the former through a CPA amendment signed into law in 2012. However "rehabilitation" of "community housing" is not a permitted use of CPA funds. The legislature's original intent for CPA was to spur the creation of additional affordable housing units in the Commonwealth, and with that in mind, CPA was passed with a specific prohibition on rehabilitation activities on existing community housing units (unless those units were acquired or created with CPA funds).

While activities classified as "rehabilitation" are not allowed, "preservation" work on existing community housing resources is allowed. In general, work that protects the housing structure (not residents) from future injury, harm or destruction is permitted under CPA.

Preservation Activities (appropriate for CPA funding)

Preservation is defined in Section 2 of the CPA as “protection of personal or real property from injury, harm or destruction.” The following is a partial list of activities related to existing community housing units that DHCD believes could be classified as “preservation” and funded by CPA monies:

- Building envelope and site work to preserve the structural integrity of the housing
- Roof, siding and window replacements to assure the water tightness of the housing
- Upgrading of dangerous electrical or plumbing services
- Replacement of dangerous building systems which threaten the housing units
- Installation of hard-wired smoke alarms, sprinklers and other building fire suppression systems

Rehabilitation Activities (not allowed with CPA funding)

Rehabilitation is defined in Section 2 of the CPA as “capital improvements, or the making of extraordinary repairs, to...community housing for the purpose of making such...community housing functional for their intended uses, including, but not limited to, improvements to comply with the Americans with Disabilities Act and other federal, state or local building or access codes.” The following is a partial list of activities that DHCD believes do not rise to the level of “preservation,” but are more properly described as “rehabilitation” and therefore not appropriate for CPA funding:

- Replacement of kitchen cabinets
- The installation of more energy efficient windows (if not necessary to assure the water tightness of the housing), building systems (if not necessary to assure the on-going safety of the building) or appliances.
- Improvements solely needed to comply with ADA and other federal, state or local building or access codes
- Installation of generators primarily for the comfort and safety of residents in power outages
- Repaving or repair of parking lots and walkways

Maintenance Activities (not allowed with CPA funding)

Maintenance is defined in Section 2 of the CPA as “incidental repairs which neither materially add to the value of the property nor appreciably prolong the property’s life, but keep the property in a condition of fitness, efficiency, or readiness.” The following is a partial list of common maintenance activities which would not be appropriate for CPA funding:

- Outside landscaping or tree work
- Cleaning services or other ongoing services to the housing units

- The painting and refinishing of walls and floors

Mixing CPA funding with other sources of funding

In some cases a housing authority may wish to pursue modernization projects that include both preservation work allowed by the CPA (for example, the replacement of deteriorated and leaking siding), and other work that does not meet the preservation standard (for example, exterior wall insulation). Such projects are acceptable as long as the LHA tracks the cost of the allowable scope through a reasonable means of cost estimating, and only uses CPA funding for the allowable portion of the project cost. Applicable soft costs should be fairly apportioned. The balance not covered by CPA funds may be funded by Formula Funding, operating reserves (if approved), or other allowable sources.