

**TESTIMONY OF L. DEWITT BOOSEL**  
**ON BEHALF OF THE PENNSYLVANIA ASSOCIATION OF HOUSING AND**  
**REDEVELOPMENT AGENCIES**  
**PRESENTED BEFORE THE**  
**PENNSYLVANIA SENATE URBAN AFFAIRS COMMITTEE**  
**OCTOBER 14, 2010, HARRISBURG, PA**

Chairman Yaw, Vice Chair Argall, Minority Chairman Kitchen and members of the Committee, I would like to thank you for the opportunity to speak on the PA Housing Authorities Act.

My name is DeWitt Boesel. I am the Executive Director of the Mercer County Housing Authority and a certified public accountant with 30 plus years in Public Housing.

I am also the President of the Pennsylvania Association of Housing and Redevelopment Authorities (PAHRA), which includes 80 housing agencies, 42 redevelopment authorities, and 67 community development, non-profit and affiliated members.

The Associations' purpose is to educate, to analyze legislation and to provide a channel for the frequent exchange of experiences with operating problems in the field of housing and community development and to increase the public understanding of objectives of housing and CD agencies.

First of all I would like to emphasize the majority of authorities are well-run and high performing authorities throughout Pennsylvania contributing to the state's economy and providing much needed housing, our members take great pride and sense of responsibility to our communities.

At this point authorities have been and remain highly regulated from funding sources such as the U.S. Department of Housing and Urban Development (HUD) through an Annual Contribution Contract (ACC), which is a project based contract for the administration of services pursuant to a plan approved by HUD.

Currently housing authorities undergo significant oversight. They were created through the PA Housing Act at local levels either by the City or County. Local direction comes from a local board appointed by elected officials. Our members feel it is important to maintain local control to address local needs. Oversight comes not only from each of our housing authority boards, but also an Agency Plan prepared by each authority and submitted to HUD. An Agency Plan includes:

1. meeting consolidated plans from state plan
2. meeting consolidated plans from local plan
3. discussion with residents on proposed plan
4. 45 day review for public opinion
5. approval of housing board
6. acceptance of the plan from HUD

Additional oversight is achieved via:

1. Annual Certified Audits
2. Yearly HUD Management Assessment Sub-system (MASS)
3. Public Housing Assessment System (PHAS)
4. Section 8 Management Assessment
5. Pennsylvania Housing Finance Agency (PHFA) management review

Ongoing outside oversight and communications varies from authority to authority. There are a few authorities having multiple appointing bodies, which we see as an oversight issue. At the Mercer County Housing Authority, the county commissioners appoint the board of directors while one county commissioner acts as the liaison and attends housing authority board meetings. We send a copy of board minutes to our local HUD field office and to the county commissioners. Mercer County Housing Authority maintains an executive limitation policy and internal control policy. If these two policies are in place it becomes an effective oversight tool for the Board of Directors.

When an appointment is made to the board, most of our members attempt to orient new members on the workings of a housing authority and responsibilities between board and staff. PAHRA provides commissioner training on Board responsibility by bringing in recognized industry leaders at conferences, although training is voluntary.

In Pennsylvania there is no requirement or certification process for board members to define roles and responsibilities. Some states, such as our neighbors in New Jersey, have created a requirement that board members obtain certification. This certification program was created by, and is administered through Rutgers University.

It is important that board members understand their policy setting and oversight role is critical. It is just as important for staff to act in an ethical and professional manner.

At our work session scheduled for this week, the PAHRA Board will be discussing additional ethics trainings to be presented at our 2011 conferences, for both board and staff members.

In terms of ways to improve housing delivery and cost efficiency in Pennsylvania, we have the following recommendations:

1. **Employment Contracts:** In Pennsylvania, with the exception of five (5) authorities, all housing authorities are under State Civil Service requirements. Civil Service provides employees of Housing Authorities a layer of protection against reprisal for reporting irregularities at housing authorities. Through the passage of legislation in 2006 (Act 145 of 2006), a situation was created that allowed all housing authorities to enter into employment contracts for professional employees and thereby bypassing the Civil Service Commission process. That's why PAHRA is supporting House Bill 2590 to amend that prior action regarding employment contracts and correct an oversight in state law.
2. **Increasing the Limits for When Public Notice is to be provided for Procurement Actions:** One of the major concerns for Authorities in Pennsylvania is the current bidding limits. The \$10,000 bid limit has not changed since 1990 requiring the unnecessary use of valuable resources, taking away from project implementation dollars and thus wasting tax payer dollars. As an example in Mercer County the approximate cost to prepare a bid package and advertise, hold pre-bid meetings etc. is approximately \$2,500 to procure a \$10,000 bid. In larger metropolitan areas such as Philadelphia and Pittsburgh the cost is even greater.

PAHRA is supporting House Bill 1017 and Senate Bill 323 to increase the bid limit to \$25,000 with an escalation clause. This is still conservative given HUD's \$100,000 bid limits.

In conclusion I would like to make sure everyone understands the implications to all Pennsylvania Housing Authorities if changes are made to apply to all authorities and not limited to Philadelphia Housing Authority.

PAHRA stands ready to be an active participant in any dialog on housing law.

Mr. Chairman and Members of the Committee, present today are representatives of authorities that range from small to large and from East to West who would like to comment.

Thank you.