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Operation and Implications of the U.S. Public Policy Evaluation System: A Case Study of Massachusetts Public Housing Policy (Postprint)

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Abstract

[目的/意义] Drawing on the methodology of Massachusetts' public housing evaluation system offers valuable insights for establishing and improving a scientific and rational public policy evaluation system in China. [方法/过程] The Massachusetts public housing evaluation system is characterized by its procedural, standardized, and authoritative nature. Government agencies utilize a computer-assisted system to handle ex-ante qualification review and eligibility criteria assessment, as well as ongoing construction progress evaluation. Additionally, an advisory committee composed of various stakeholders and scholars is responsible for ex-post policy effectiveness evaluation and oversees relevant departments in providing corresponding feedback. [结果/结论] The Massachusetts public housing evaluation system has played an important role in refining public housing policies issued by government agencies and enhancing both the effectiveness and targeting of these policies.

Full Text

The Operation and Enlightenment of the American Public Policy Evaluation System: A Case Study of the Massachusetts Public Housing Policy

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Abstract

[Purpose/Significance] This paper examines the Massachusetts public housing evaluation system to derive insights for establishing and improving a scientific

ically sound public policy evaluation framework in China. **[Method/Process]** The Massachusetts public housing evaluation system is characterized by its procedural, standardized, and authoritative nature. Government agencies utilize a computer-assisted system to conduct pre-qualification reviews, assess eligibility criteria, and monitor construction progress. Additionally, an advisory committee composed of various stakeholders and academics is responsible for post-implementation policy impact assessments and supervises the feedback provided by relevant departments. **[Result/Conclusion]** The Massachusetts public housing evaluation system has played a significant role in refining public housing policies issued by government agencies and enhancing policy effectiveness and targeting.

Keywords: public housing policy; evaluation system; Massachusetts

1. The Massachusetts Public Housing Management System

In the United States, definitions of public housing (or affordable housing) vary by state. Massachusetts defines public housing as housing that families earning up to 80% of the local median income can afford to rent or purchase. The Department of Housing and Community Development (DHCD), established in 1969, is the state agency responsible for the construction, financing, and management of public housing statewide. DHCD comprises four divisions: Housing Development and Construction, Policy and Programs, Special Projects, and Housing Administration, which oversee public housing development, project management, financing model innovation, and coordination with relevant agencies, respectively.

Beyond DHCD, two other types of organizations are involved in public housing operations and management. The first category consists of Regional Administering Agencies (RAAs), non-profit organizations that primarily provide consultation and application services for state and federal housing assistance programs. The second category includes Local Housing Authorities (LHAs), which supervise public housing construction, administer housing voucher programs, and expand affordable housing opportunities in their jurisdictions.

These three types of agencies have clearly defined responsibilities regarding eligibility criteria and verification information for public housing and rental subsidies.

(1) Public Housing Applications

Massachusetts updated its public housing applicant income standards in 2014. Public housing targets low-income individuals and families, including the elderly and persons with disabilities. Elderly applicants must be at least 60 years old, while disabled individuals must provide certification. LHAs are responsible for the specific verification process. Upon approval, candidates are placed on a waiting list. Generally, homeless individuals, veterans, and local residents receive priority and are placed at the top of the list. DHCD establishes maximum rent

levels for public housing statewide: for families, rent accounts for 25%-30% of household income, while for elderly and disabled residents, it represents 30% of income.

(2) State Rental Assistance Applications

Since the 1990s, Massachusetts has constructed minimal new public housing annually, shifting its focus from “bricks-and-mortar” subsidies to “people-based” rental assistance. Rental assistance programs are divided into the Massachusetts Rental Voucher Program (MRVP) and the Alternative Housing Voucher Program (AHVP). DHCD controls and manages housing voucher allocations, which fall into two categories: portable vouchers that follow tenants and can be used in any housing unit complying with state sanitary codes, and project-based vouchers tied to specific housing units.

Applicants or households must have incomes below 200% of the federal poverty line. AHVP applicants must be under 60 years old and meet eligibility criteria for elderly and disabled public housing. Either RAAs or LHAs can accept applications, which allow recipients to access rents below market-rate housing levels. Regardless of voucher type, individuals pay 35%-40% of their income toward rent, while AHVP participants pay 25%-30% of their income. The difference between the maximum rent an individual can afford and the market rent is covered by the voucher amount.

The application process for federal public housing and rental assistance is similar, though specific eligibility conditions and standards differ. Federal housing vouchers are also categorized differently, comprising the Housing Choice Voucher Program (HCVP), which can be used in any qualifying state, and project-based voucher programs. As this report primarily addresses state-level public housing program evaluation, federal public housing programs are not discussed in detail.

2. Operation of the Massachusetts Public Housing Evaluation System

The Massachusetts public housing evaluation system comprises pre-implementation, mid-implementation, and post-implementation assessments. Pre- and mid-implementation evaluations are conducted by relevant government agencies (primarily DHCD) using an advanced computer-assisted management system, demonstrating procedural and standardized characteristics. Post-implementation policy impact assessments are conducted by a specialized advisory committee composed of government officials, scholars, residents, and other stakeholders, which produces independent evaluation reports and has the authority to require timely responses from government agencies while monitoring subsequent actions.

The Massachusetts public housing evaluation system exhibits four key characteristics:

(1) Diversified Evaluation Objectives

The Low-Income Housing Tax Credit (LIHTC) and the Housing Choice Voucher Program (HCVP) currently dominate low-income family housing assistance policies nationwide. LIHTC focuses on expanding supply through market-led mechanisms, while HCVP aims to enhance household housing affordability. As the economy has evolved, U.S. housing assistance policy objectives have shifted toward correcting these two approaches to achieve poverty deconcentration and eliminate racial segregation. This represents a transition from initial housing security goals to broader objectives, including expanding resident welfare by reducing poverty concentration, increasing employment, equalizing educational opportunities, and actively pursuing economic efficiency.

Massachusetts' housing assistance system aligns with federal objectives, balancing three core goals: supplementing housing supply gaps, improving housing affordability, and reducing poverty concentration. This multi-target approach prevents policy reversals and minimizes correction costs in the future.

(2) Automated and Comprehensive Evaluation System

In 2003, Massachusetts established an automated computer system to monitor and evaluate the implementation of major public policies statewide, known as the Evaluation, Measurement and Verification (EM&V) system. Public housing evaluations are conducted through this platform. The evaluation process encompasses pre-feasibility assessment, mid-progress evaluation, and post-effectiveness assessment, with the EM&V system primarily managing government-led pre- and mid-implementation evaluations.

First, for feasibility assessments, DHCD engages qualified architecture and urban planning firms to evaluate project viability. Second, for project progress evaluations, the Urban Planning Commission tracks project advancement after construction begins. Third, resident affordability assessment constitutes the most critical component of the EM&V system. For instance, the Boston City Council mandates that 10% of newly constructed multi-unit buildings for rent or sale must be allocated to public housing. Residents' incomes must not exceed 60% of the local median income, and corresponding public housing rents must not exceed 60% of local market rents. For example, in 2015, Boston's average monthly market rent was \$2,280, approximately \$16,416 annually. If eligible families rented in the private market, housing costs would consume 52.7% of their total household income. By residing in public housing, with annual rents of approximately \$9,850, this burden would decrease to 31.6% of household income.

(3) Independence and Authority of Evaluation Agencies

The agency responsible for evaluating Massachusetts public housing is the Affordable Housing Advisory Committee (AHAC). Annually, based on local public

housing construction and management plans, AHAC submits independent evaluation reports to the state Housing and Community Development Committee and municipal councils where public housing is located.

First, AHAC identifies annual evaluation priorities based on local government public housing construction tasks. For example, Boston's 2014-2015 public housing development strategy and plan proposed "increasing affordable housing quantity, density, and affordability." Accordingly, the evaluation committee established two assessment priorities: (1) whether the Housing Trust Fund (HTF) has been enhanced, requiring \$0.01 to be deposited into the fund for every \$100 increase in city property values, which provides low-interest loans to developers constructing public housing; and (2) encouraging developers to increase housing density and construct public housing. To reduce financing costs, the HTF can lend to developers at preferential rates—for instance, if housing is affordable to families earning below 30% of the local median income, the developer's loan interest rate from the HTF can be reduced from 2% to zero; if affordable to families below 50% of median income, the rate can be reduced accordingly.

Second, to complete evaluation reports, the advisory committee solicits input from 30 randomly selected development firms, focusing on how to better attract private capital into public housing, including primary obstacles and policy demands. In 2015, developers primarily raised cost and construction issues: (1) reducing costs by urging state and municipal governments to increase infrastructure investment in public housing and improve future urban transportation accessibility near public housing areas. Under Chapter 40B, developers constructing public housing can apply for a "comprehensive permit," allowing floor area ratios 25% higher than municipal zoning regulations. However, given Massachusetts' relatively low baseline floor area ratios, developers hoped to moderately increase affordable housing density. Additionally, developers sought reductions in permit fees and sewage fees to lower construction costs. (2) Public housing construction challenges. Most municipalities face neighborhood opposition to public housing construction, reflecting the deeply entrenched American sentiment of "not in my back yard." Many development projects have failed due to strong neighborhood opposition that prevented zoning modifications. Furthermore, the numerous procedural requirements in U.S. public housing construction necessitate interactions with multiple agencies, prompting developers' requests for "one-stop" services.

Finally, the committee provides evaluation opinions. Based on the aforementioned sustainability evaluation framework, the 2015 advisory committee's assessment addressed three areas: project completion status, beneficiary demographics, and further constraints.

First, regarding project completion, Massachusetts completed 46 public housing projects in 2015, totaling 162 projects over the previous four years, creating over 10,000 housing units. Approximately 50% were new construction, with the remainder comprising renovations and rehabilitations. This distribution reflects Massachusetts' tax system, which provides lower tax subsidies for renovation and

rehabilitation projects compared to new construction, incentivizing developers to favor new public housing projects.

Second, concerning beneficiary demographics, evaluations revealed certain vacancies in Massachusetts public housing projects and an excessively high proportion of higher-income families. In previous years, low-income families typically accounted for 80% of project coverage, but recently less than 60% of public housing has been occupied by low-income families, while higher-income families have increased to 15%. Additionally, public housing projects are generally located in remote areas with poor transportation access and inadequate public amenities, increasing residents' commuting costs and reducing quality of life. In 2015, residents' average commuting time exceeded 2.5 hours, approximately one hour longer than the Massachusetts average.

Third, planning and community cultural constraints. Rigid land zoning regulations—such as requirements for minimum one-acre lots and two-car garages—make it difficult for public housing projects to comply. Moreover, influenced by the traditional American “not in my back yard” community culture, government-led public housing projects face strong opposition from neighboring residents. Extended development cycles and limited profit margins dampen developer enthusiasm for public housing projects, directly affecting occupancy timelines. In 2015, the average waiting time for occupants was 2 years and 3 months, approximately six months longer than in previous years.

(4) Evaluation Feedback Mechanism

Upon release, evaluation opinions are immediately published on the websites of DHCD, RAAs, LHAs, and related agencies, allowing all Massachusetts residents to submit further modification suggestions. After compiling these comments, the evaluation committee must respond to public feedback within a specified timeframe.

Simultaneously, evaluation reports are submitted directly to DHCD, LHAs, and local municipal councils. The evaluation committee has the authority to require these agencies to provide explicit responses to evaluation opinions and to conduct follow-up assessments of these replies.

3. Implications for China

Different national conditions and socio-political systems between China and the United States inevitably result in distinct public policy decision-making and evaluation mechanisms. However, in terms of evaluation system construction, indicator design, and procedural establishment, certain American practices can serve as valuable references for improving China's public policy evaluation system.

First, enhance the legal authority of major public policy evaluations. China's public policy evaluation work started relatively late, with central government-

level “third-party evaluation” formally launched only in 2012. Local governments have yet to implement third-party evaluations, and a standardized, institutionalized mechanism has not been established. It is recommended that the central government promptly issue public policy evaluation guidelines, detailing implementation rules regarding evaluation purposes, subjects, procedures, and feedback mechanisms to provide legal foundations and enhance the authority of major public policy evaluation efforts.

Second, emphasize systematic and objective evaluation procedures to reduce “human intervention” factors. The American public policy evaluation system features high automation and a complete indicator system, facilitating quantitative research and comparative analysis. China should establish a policy evaluation system suited to its national conditions and utilize computer network systems to automatically track pre- and mid-implementation evaluation processes. In post-implementation evaluation phases, evaluation committees composed of stakeholder representatives should produce objective and impartial evaluation reports.

Third, strengthen evaluation feedback mechanism construction and implement “re-evaluation.” Evaluations are characterized by their temporal and real-time nature, which means results based on a specific time point have inherent limitations. It is recommended that China strengthen its evaluation feedback capacity by, first, publicly soliciting social opinions—especially from affected groups—to the extent that national security is not compromised, thereby improving evaluation reports. Second, departments’ responses to problems and recommendations identified in evaluation reports should be tracked, with subsequent measures subjected to “re-evaluation.” Under U.S. law, evaluation committees have the authority to inquire about relevant departments’ implementation of evaluation recommendations.

Note: Figure translations are in progress. See original paper for figures.

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