



Commonwealth of Massachusetts  
DEPARTMENT OF HOUSING &  
COMMUNITY DEVELOPMENT

Deval L. Patrick, Governor ♦ Timothy P. Murray, Lt. Governor ♦ Tina Brooks, Undersecretary

## Public Housing Notice 2010-12

TO: All Local Housing Authorities

FROM: Roberta Strongin, Director, Project Magement Unit *Roberta Strongin*

RE: More Formula Funding FAQs

DATE: October 19, 2010

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Additional Frequently Asked Questions (FAQs) about the Formula Funding Program have been posted on the DHCD web-site. The newly posted FAQs appear starting with question number 26. From time to time the FAQ section of the web-site will be updated to ensure that program administrators and interested persons receive consistent and timely guidance about the Formula Funding Program. We hope that you will refer to this feature on the DHCD web-site often and find this tool to be a useful resource.

For your information the text of the recent FAQs follows:

**26. Is there a set-aside for c. 689 projects with human services sponsors other than DDS or DMH?**  
There is no set-aside for c. 689 properties with other sponsors. LHAs may use their unrestricted formula funding for work at these properties.

**27. Which Massachusetts Certified Public Purchasing Official (MCPPO) training is required for LHAs that receive AIMM (Accelerated Independent Modernization and Management) designation from DHCD?**

Unless already certified, the Chief Procurement Officer of an AIMM-designated LHA needs to complete the MCPPO Public Contracting Overview training within 12 months of the Authority's AIMM designation. This is a 3-day course that costs \$450.

**28. How do LHAs pay for MCPPO Public Contracting Overview training?**

Whether or not they intend to participate in the AIMM program, LHAs may request reimbursement of the \$450 course cost from their formula funding upon successful completion of the course by their chief procurement officer. If an LHA would like to certify another staff member as a MCPPO, the LHA can pay for the cost of the training from their operating reserves and expense the cost as extraordinary expenses. The description must state, "MCPPO Certification," and include the employee name.

### **29. What is the source of the data in CPS?**

CPS is populated with data from: the original DHCD Capital Improvement Inventory System (CIIS); other data sources here at DHCD; information provided from inspections of a representative sample of units in each development by two DHCD hired consultants; and conventional sources of construction information such as RS Means construction cost data and Commonwealth of Massachusetts Department of Labor and Workforce Development (Prevailing Wages). All data pertaining to the specifics of a particular local housing authority's (LHA) portfolio is open to correction or modification by that LHA with or without the assistance of DHCD technical staff.

### **30. How accurate is the CPS Project Information?**

The scope, schedule and budget information contained in CPS are only rough estimates based on condition assessment surveys conducted by DHCD hired consultants. Therefore, CPS project information should be used for planning purposes only. Actual scopes, schedules, and budgets need to be refined for project implementation.

### **31. If CPS underestimated the cost of a project, does that mean the LHA should have received more Formula Funding?**

No. In calculating each LHA's share of FF, we looked not at the estimated cost of each LHA's projects, but rather at the value of all the expired building components at each LHA, as a percentage of all the total statewide cost of all expired building components. That is, if the cost of the expired components was 1% of the state total, the award amount was 1% of the state's available Formula Funding (aside from some minor adjustments we made to ensure everyone got some money and the very worst developments didn't absorb too much).

We didn't use the relative project cost at each LHA to calculate FF awards because there are many unknowns in putting together the cost of a project - hidden conditions, decisions about whether to replace components that still have some useful life because it may be more efficient to do it at the same time you replace an expired component, and so on. Such factors can lead to significant cost differences even in a "simple" project like roofing. (Are the sheathing or soffits rotting? Do you need to add insulation? What about the gutters? etc.) Identifying expired building components is much simpler to do and was the fairest way to compare the relative need from building to building, and from LHA to LHA.

### **32. How should I use the CPS project information?**

CPS project information should only be used to create a Capital Improvement Plan (CIP). Project implementation needs more current, more precise and more carefully considered project figures.

CPS project information can be used as the starting point for requesting designer services but should **not** be used as the basis for a design contract.

CPS project information should **not** be used as the basis of a construction contract. Construction estimates need to be created by experienced professionals using actual project scopes and schedules and current cost data including market conditions and calendar seasons.

For the full text and listing of all Formula Funding Program FAQs please visit:

<http://www.mass.gov/Ehed/docs/dhcd/ph/formula/faq.pdf>