



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

Charles D. Baker, Governor ♦ Karyn E. Polito, Lieutenant Governor ♦ Chrystal Komegay, Undersecretary

## Public Housing Notice 2016-34

To: LHA Executive Directors  
From: Amy Stitely, Acting Associate Director, Division of Public Housing & Rental Assistance  
Subject: New Process for Requesting Vacant Unit Funds  
Date: November 4, 2016

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With the purpose of reoccupying vacant units as quickly as possible, DHCD is simplifying when and how to apply for funding for vacant units by:

1. Consolidating several programs into one program;
2. Eliminating the requirement for units to be vacant for 60 days before applying for funding;
3. Having one “door” for requests: whether or not the LHA is able to fund, it should submit a request to start a new project via a Capital Improvement Plan (CIP) Revision as soon as it knows a unit requiring capital improvements will become vacant;
  - Routine turnovers involving painting, cleaning and repairs – typically under \$3,500 in cost - are not capital-eligible and should be paid for from the operating budget. See [Public Housing Notice 2012-22](#) for guidance on allowable capital expenses.
4. Giving guidance about when the LHA is expected to use Formula Funding (FF) for vacant units;
5. Providing DHCD funding for all units, when needed, and establishing the same per unit maximums for most programs: \$65k/unit for c. 200, c. 705 and c. 667 congregate and standard units. C. 689 and c. 167 requests will be evaluated on a case-by-case basis; and
6. Changing the DHCD review process so we can respond to LHA requests more quickly.

### **When does DHCD expect LHAs to use FF for vacant units?**

There are different processes for projects above and below \$25,000 in estimated construction costs:

1. **If the construction cost is less than \$25,000**, DHCD expects the LHA to pay for the full cost of the project with FF.
  - To get immediate approval to go forward with your project, in your CIP Revision, fund the entire project cost with FF.
2. **If the construction cost is more than \$25,000**, DHCD expects the LHA to pay as much as its resources allow.
  - To get immediate approval to go forward with your project, in your CIP Revision, fund at least \$25,000 in FF for initial costs, select the “Other” category in question 2, and in the text box request up to \$65,000 per unit in DHCD Vacant Unit funds for c. 200, c.667 and c.705 properties. DHCD will prepare a Work Order to hire a designer and will make a determination about how much of the project’s cost it will fund at the schematic design stage, when there is a firmer scope and cost estimate and after reviewing the LHA’s other high-priority needs.

### How can you determine if you have funds for your project?

LHAs that are unsure whether they have funding to proceed as above should go into CIMS and review the Award and Spending Reconciliation chart after “Updating from FISH” to make sure the FISH project information is current.

### Current LHA Award and Spending Reconciliation

Award_Date	Base FF Awards	Award_Amt		
07/12/2011	Formula Funding Award	\$161,295.93	Base Formula Funding (FF) Awards	\$504,965.93
09/05/2013	Formula Funding Award fy2015	\$74,534.00	Special Awards (DHCD ER, CR, SUST, Special Programs)	\$0.00
07/07/2014	Formula Funding Award fy2016	\$67,606.00	Total of all Base and Special FF Awards	\$504,965.93
07/07/2014	Formula Funding Award fy2017	\$67,606.00	Total Disbursed	\$298,198.07
09/09/2015	Formula Funding Award	\$0.00	Remaining Funds Committed to FISH Projects	\$0.00
01/12/2016	Formula Funding Award fy2018	\$66,962.00	LHA ER (Emergency Reserve Balance)	\$23,900.67
05/16/2016	Formula Funding Award fy2019	\$66,962.00	Balance Not Committed to FISH Projects or LHA ER	\$182,867.19
	Total	\$504,965.93	Total of TDCs for Selected Projects Not Assigned to FISH	\$304,729.00
			Unplanned Balance After All Projects	\$-121,861.81

1. **Construction cost under \$25,000:** If the combined total of the “LHA ER” plus “Balance Not Committed” (highlighted amounts in the chart above) is greater than the this project’s total cost, then the LHA will expected to use those funds to pay the full cost of the project.
2. **Construction cost over \$25,000:** If the combined total of the “LHA ER” plus “Balance Not Committed” is greater than \$25,000, then the LHA will be expected to contribute at least \$25,000 toward the full cost of the project, with the final LHA contribution amount to be determined in the schematic design phase.

Please note that if the LHA has received a new FF award that is not yet posted in the “FF award” chart on the left, that award amount would be added to the funds available for the project. The LHA should check with its DHCD Project Manager if unsure about their available funding.

## **What if the LHA doesn't have enough FF to proceed as above or does not want to use it?**

The LHA should request the amount of Vacant Unit funds it needs in its CIP Revision. If it has FF available that it does not want to use it should explain why. Expect DHCD's review, which may include a site visit, to take up to 6 weeks.

## **Special Circumstances**

If the LHA wishes to complete a project with a construction cost greater than \$25,000 with its own forces (force account), it should make this request in its CIP revision and provide a force account proposal per [Public Housing Notice 2012-22](#) to its DHCD Project Manager and Cindy Zabriskie at [Cindy.Zabriskie@state.ma.us](mailto:Cindy.Zabriskie@state.ma.us).

Requests for use of force account, which may include a site visit, will require further review and take up to 4 weeks or 6 weeks if the LHA is also requesting funding.

If your request for Vacant Unit funds exceeds the program maximum, expect to hear back from DHCD within 6 weeks with direction as to how to treat the unit.

## **Contact**

If you have questions about this notice, please contact Roberta Strongin at [Roberta.Strongin@state.ma.us](mailto:Roberta.Strongin@state.ma.us) or at 617-573-1189.