



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

Charles D. Baker, Governor ◆ Karyn E. Polito, Lieutenant Governor ◆ Janelle L. Chan, Undersecretary

## Public Housing Notice 2019-11

To: All Local Housing Authority Executive Directors  
From: Amy Stitely, Associate Director, Division of Public Housing  
Subject: Notice of Funding Availability (NOFA) for Modernizing Public Housing and Supporting Elders Initiative (ModPHASE), 2<sup>nd</sup> Round  
Date: April 18, 2019

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### 1. Overview

The Department of Housing and Community Development (DHCD) is pleased to announce that capital grants are available through the 2<sup>nd</sup> round of the Modernizing Public Housing And Supporting Elders (ModPHASE) initiative. ModPHASE, which was developed in partnership with the Executive Office of Elder Affairs (EOEA), has two main objectives:

- Preserve ch.667 state public housing developments with high capital needs; and
- Facilitate partnerships between Local Housing Authorities (LHAs) and local service agencies to provide service-rich environments that allow residents to age in their community<sup>1</sup>.

DHCD announced four ModPHASE awards in January 2017, totaling \$17.1 M. These awards went to projects to modernize ch.667 developments in Chelsea, Gloucester, Ipswich, and Malden.

In addition to these awarded projects, DHCD intends to make awards for a total of up to \$25 M for ModPHASE capital projects that begin construction in Fiscal Years 2021, 2022, and 2023 (FY21-23). DHCD plans to make awards through competitive funding rounds, as funds become available. DHCD will award up to \$10-15 M pursuant to this NOFA, and will issue another NOFA informed by the results of the 2019 Facility Conditions Assessment (FCA) in spring 2020 to award the remainder of funds, should funding remain available.

Funding for the program will come from state bond funds authorized in the Housing Bond Bill (Chapter 99 of the Acts of 2018) as well as from the Affordable Housing Preservation and Development Fund (AHPDF). The AHPDF is funded through DHCD's Moving to Work (MTW) authority as outlined in Activity 2018-9 of the [DHCD FY2019 MTW plan](#). The AHPDF will provide capital funds to supplement awards made with state bond cap.

Funds provided through the AHPDF require adherence to certain guidelines and regulations. Units funded through the AHPDF must meet Section 8 Housing Quality Standards (HQS) throughout the term. This requires annual inspections as a responsibility of the project sponsor.

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<sup>1</sup> The CDC defines Aging in Community as "the ability to live in one's own home and community safely, independently, and comfortably, regardless of age, income, or ability level".

Sponsors must follow all applicable HUD parameters and guidelines on local non-traditional activities as set forth in PIH 2011-45 (PIH Notices) and/or successor notices issued by HUD including, but not limited to, Davis-Bacon wages, federal Fair Housing and Equal Opportunity statutes, environmental review, HUD site and neighborhood standards, subsidy layering review and regulations and HUD Section 3 requirements. Projects must also comply with cash management requirements outlined in 2 CFR §200. Recipients of AHPDF must agree to provide information requested by DHCD and/or HUD on the use of funds and compliance with the above requirements, including information required by DHCD to prepare MTW Annual Plans and Reports.

MTW funds will only be awarded to LHAs that already own and operate federally-funded public housing units, but otherwise MTW will serve as a general source for the program alongside state bond cap.

ModPHASE capital grants will support and improve the existing public housing stock while expanding resident access to supportive services. In order to be considered for a ModPHASE grant, an LHA must demonstrate that its ch.667 development needs extra capital resources beyond Formula Funding in order to preserve the property as a safe living environment and also propose a way to provide services to all residents at the development so they may age in community.

## **2. Funding Availability and Grant Limits**

In this second round of awards, DHCD intends to grant up to \$15M to two to four projects at eligible developments, with grants limited to a maximum amount of \$80,000 per housing unit. Project costs should include, in addition to construction costs, design and permitting costs as well the costs of code compliance and required accessibility improvements, though accessibility and estimated asbestos abatement costs should be broken out separately and may be funded through other award programs and will not apply to the \$80,000/unit cap.

Leverage from other funding sources such as Community Preservation Act (CPA), Community Development Block Grant, or unrestricted reserves is not required, but will be considered favorably as part of the overall project review.

Please note that DHCD will update its CPS component costs to account for inflation on July 1, before applications are due. If using CPS to create project budgets before that date, applicants should add 10% to the total cost over the CPS-calculated budget.

## **3. Use of Funds**

ModPHASE grants must be used for modernization/preservation projects that will successfully support the capacity for current and future public housing residents to age in their communities. While ModPHASE is targeted to elderly residents, DHCD recognizes that some residents at ch.667 developments may not be elderly, and projects funded through this NOFA should promote healthy aging of all residents. Proposed scopes may include items such as:

- a) Kitchen and bath improvements.
- b) Major building system replacements/improvements (e.g. electrical, fire protection, plumbing, and HVAC systems).
- c) Building envelope improvements.
- d) Site work that alleviates health and safety hazards.

e) MAAB/ADA compliance projects at the development. These may be funded in part through an additional compliance reserve/accessibility award, but need to be included in estimated project budget in application.

f) Aging in community scope items, such as:

- i. Reasonable accommodations/partial unit accessibility upgrades (e.g. lifts, ramps, grab bars, roll in showers, automatic door openers)
- ii. Improving community space for social activities/connections/exercise/accessibility
- iii. Office renovations to accommodate support staff on site

All work must comply with DHCD design and construction standards, and DHCD strongly encourages project scopes that can sustain a development for 20 years of useful life. Project budgets should also include anticipated relocation costs, if necessary. Applicants should also review the Design Guidelines for Senior Housing (attachment D) for ideas on how to make the development more amenable to service delivery and aging in place. Please submit a completed version of this attachment noting any improvements suggested in the guidelines that are included in the proposed project.

ModPHASE grants may not be used for developing net-new public housing units.

**IMPORTANT NOTE REGARDING SERVICES:** ModPHASE grants may not be used to pay for resident service program costs. Because DHCD and EOEA are not at this time providing any funding for services, LHAs are expected to leverage service delivery capacity from other resources. Services may be leveraged through a commitment from a community-based elder service agency, commitment from a local non-profit hospital, funded by private resources (e.g., grant from philanthropic or community-based agency), or covered by LHA-controlled funds that are not derived from state public housing capital or operating funds.

Services proposed through ModPHASE should be made available to all elderly residents – over and above those that may currently be provided to specific residents through individualized plans with service agencies. Proposed services should be identified now with a plan for them to be formally executed by the time that the capital improvements are completed (within the next 3 years).

#### **4. Eligibility Criteria**

Due to limited funding availability, DHCD is limiting the applicant pool according to the following criteria:

- a) Program: ModPHASE funds are only available for capital improvements at ch.667 developments.
- b) Unit count: Developments must have 20 or more units.
- c) Facility Condition Index (FCI): Developments must have an FCI of 15% or higher, as recorded in DHCD's Capital Planning System (CPS) as of June 2016.
- d) Past Awards: Developments are not eligible if, within the past 10 years, they were granted more than \$1M in in special awards funds.
- e) Developments that have existing project-based Section 8 units or have been rehabilitated through a mixed-finance redevelopment are not eligible.

*See **Attachment A** for a complete list of eligible developments.* If an LHA believes that an eligible development has been omitted from the attached list due to error in the CPS-generated FCI calculation, or that conditions have

deteriorated significantly since the 2014/15 Facility Conditions Assessment, then the LHA may submit an application that includes an explicit explanation of why the FCI might reasonably be adjusted.

DHCD will issue a new eligible development list for the ModPHASE Round 3 NOFA in Spring/Summer 2020, following the completion of the 2019 FCA.

Developments that have existing project-based Section 8 units or have been rehabilitated through a mixed-finance redevelopment are not eligible.

## 5. Competitive Evaluation Criteria

Applicants will be evaluated using a 100 point system and will be scored in the following five areas, which are listed in order of weight. Funds will only be granted to applicants that earn a minimum of 50% of the available points in all five areas:

**a) 35 Points available: Condition of development/overall capital needs**, as verified by site visits that will be performed by the DHCD Construction Advisors, Architects, and Engineers. At the site visit, the DHCD team will determine the severity of each development's condition/needs and compare it to that of other applicants. Developments with the greatest capital needs will be awarded the most points in this category.

**b) 25 Points available: Project scope**, in terms of impact and cost-effectiveness. The evaluation team will evaluate the proposed scope in terms of:

- i. Scale of impact: Number of units that will be preserved.
- ii. Comprehensiveness: Whether scope covers 20 years or more of capital needs. Whether scope includes all required code compliance and accessibility upgrades.
- iii. Cost effectiveness: Total development cost per unit and feasibility of completing work within the \$80,000/unit limit; how scope positively impacts future operating and capital budgets.
- iv. Resident impact: How the project will positively affect resident quality of life, especially the ability of seniors to age in place (referencing Attachment D).
- v. Project leverage: up to 5 points awarded for non-DHCD funds leveraged by project.

Evaluation team will also evaluate accuracy of project budget for work requested and may recommend budget and/or scope changes as necessary to stay within available funds.

**c) 20 Points available: LHA's proposal to provide services** to promote aging in community. This area of application will be evaluated by EOEA.

- For properties with existing resident services (e.g. developments that participate in EOEA Supportive Housing Program), proposals must demonstrate what services are currently and in place and if/how they will be enhanced.
- For properties without existing resident services, proposals must explain the involved community partners and the proposed resources that would be leveraged to bring supportive services to the building residents.

EOEA will consider each proposal's:

i. Leverage and feasibility: Proposals must demonstrate that the LHA can, over the next three years, expand or enhance services to elders at the development through the identification of new resources and/or linking with community partners. LHAs must submit with their application letters of support from potential partners and/or

fundere that will make the service expansion feasible. Propofals will be rated on the depth and breadth of services that will be available to all residents to allow them to age in community.

**Attachment B** presents examples of partnerships between LHAs and elder service agencies, and **Attachment E** provides a list of contacts for service providers. Submissions that propose working with other private, not-for-profit organizations may be considered.

If an applicant needs assistance connecting with local service providers, please contact Emily Cooper, EOEAs Chief of Housing, at [emily.cooper@state.ma.us](mailto:emily.cooper@state.ma.us) for a referral.

ii. **Applicant’s experience:** LHA’s experience in implementing programs that meet the needs of elderly residents and experience effectively managing resident service programs. Propofals will be rated on the extensiveness of the LHA’s past record and the LHA’s demonstrated capacity in this area.

Many elderly public housing residents currently receive individualized services through a plan with a local service agency, such as an Aging Service Access Point (ASAP). Expanded services proposed through ModPHASE should include those available to all elderly residents – over and above those that may currently be provided to specific residents through individualized services plans with service agencies.

**d) 20 Points available: LHA Management Capacity** as demonstrated by:

- i. Performance Management Review (PMR) Findings
- ii. Agreed Upon Procedures (AUP) Findings
- iii. Compliance with DHCD reporting requirements not covered by PMR:
  - Budget Submissions and Certifications
  - Board Training
  - Board Attendance

## 6. Application Process and Requirements

**Applications are due by 5pm on Friday, September 13<sup>th</sup>, 2019.** LHAs may submit no more than one application package per development, and may not submit more than one project per funding round. Each application must include a completed application form (**Attachment C** and all required exhibits) and:

- a) A narrative cover letter briefly explaining why the proposed development is a strong candidate for ModPHASE. Letter must be signed by the Chair of Board of Commissioners and Executive Director (2 pages maximum);
- b) Detailed estimated project budget, including breakdown of estimated required accessibility improvements;
- c) Interior and exterior photos of the property (12 maximum);
- d) Site plan (e.g. original development plan, or copy of assessor’s map, etc.);
- e) A board vote of application approval, as evidenced by a certified extract from the minutes of the board meeting;
- f) A letter from the head of the tenant organization(s) or representative of tenants that demonstrates evidence of compliance with tenant participation regulations (760 CMR 11.10). If no letter can be obtained, then the LHA director may instead submit a letter certifying that tenants were offered the opportunity to be involved in setting the needs and priorities of the application.
- g) Certification that LHA will report on leverage services, including usage statistics, 1 year, 3 years, and 5 years after project completion.

The application (**Attachment C**) is intentionally created as a Word document so that LHAs may type responses within the answer boxes. A final version of the application should be saved as a PDF. LHAs must email one electronic PDF copy of the application and all exhibits/attachments to: [dhcdsubmission@mass.gov](mailto:dhcdsubmission@mass.gov). In the "Subject" line of the email, please write: "ModPHASE 2 Application- Name of Housing Authority".

If you have questions about this opportunity, please send them *by email only* to Mr. Stone at [ben.stone@mass.gov](mailto:ben.stone@mass.gov) by 5pm on Wednesday, May 15<sup>th</sup>, 2019. By May 29<sup>th</sup>, DHCD will issue an addendum to this PHN with answers to frequently asked questions.

After DHCD and EOEA have reviewed all applications, LHAs must host a review team site visit and respond to any follow up questions about the application. DHCD may not visit all sites, especially for low-scoring applications, but will only award funds to projects that have had a site visit. The total review process may take up to three months, depending on the number of applicants and the complexity of proposed projects. DHCD intends to grant awards by the end of this calendar year.

## **7. Attachments**

Attachment A: Eligible Developments

Attachment B: Partnerships & Service Providers Examples

Attachment C: ModPhase application

Attachment D: Recommended Design Guidelines for Senior Housing

Attachment E: Local Service Provider Contacts