

Commonwealth of Massachusetts
DEPARTMENT OF HOUSING &
COMMUNITY DEVELOPMENT

Charles D. Baker, Governor ◆ Karyn E. Polito, Lt. Governor ◆ Jennifer D. Maddox, Undersecretary



DIVISION OF PUBLIC HOUSING

**Document Title: State Units Federalization
Notice of Funding Availability (“NOFA”)**

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Please note: This is a single document associated with a complete Bid (also referred to as a Solicitation) that can be found on COMMBUYS (www.COMMBUYS.com). All Bidders are responsible for reviewing and adhering to all information, forms, and requirements for the entire Bid, which are all incorporated into the Bid. Bidders may also contact the OSD Help Desk at OSDHelpDesk@mass.gov or the OSD Helpline at 1-888-MA-STATE. The Helpline is staffed from 8:00 AM to 5:00 PM Monday through Friday, Eastern Standard or Daylight Time, as applicable, except on federal, state, and Suffolk County holidays.

THIS NOTICE OF FUNDING AVAILABILITY (“NOFA”) AND ALL RESPONSES HERETO INCLUDING THE WINNING BID SHALL BECOME PUBLIC RECORD AS OF THE DATE THE CONTRACT REFERENCED HEREIN IS AWARDED, AND CAN BE OBTAINED FROM THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT PROCUREMENT UNIT BY SENDING AN EMAIL TO HCD.RAO@state.ma.us. ANY PORTIONS OF A RESPONSE THAT ARE LABELED AS CONFIDENTIAL WILL STILL BE CONSIDERED PUBLIC RECORD.

The terms of [815 CMR 2.00](#), State Grants, Federal Grant Awards, Federal Subgrants and Subsidies are incorporated by reference into this NOFA. Contract and fiscal requirement terms used in this NOFA shall have the meanings defined in [815 CMR 2.00](#).

2/27/23 Updates:

- Language updated throughout to clarify that in addition to rehabilitation projects, full redevelopment projects will be considered for funding
- Approximate maximum total funding to be awarded under this NOFA updated from \$25 million to \$35 million

I. Program Description

The following is a listing of the minimum anticipated scope of services. DHCD may elect to modify or redefine the scope of services as needed to ensure compliance with federal statutes, regulations, and other policies and requirements. DHCD may also negotiate and execute contract amendments with the awarded Respondent which DHCD reasonably determines are within the scope of this NOFA and necessary to result in best value to the Commonwealth.

The MTW Federalization Program provides a new rolling application program funding rehabilitation or redevelopment work to be conducted prior to federalization of state-aided public housing. DHCD will make awards to rehabilitate or redevelop units to the extent necessary to meet the “decent, safe, sanitary, and in good repair” (DSS/GR) standard of [24 CFR 5.703](#), REAC, and any other applicable HUD standards, with the purpose of transferring the units from the state-aided portfolio to federal subsidy and oversight. This goal is in keeping with [M.G.L. c. 121B Sec. 34](#) and will help ensure the long-term fiscal stability of the federalized units while also increasing per-unit subsidies available for the state-aided portfolio.

This program is funded through a partnership with the DHCD Division of Rental Assistance utilizing federal funds that are covered under DHCD’s Moving to Work (MTW) Agreement with the U.S. Department of Housing and Urban Development (HUD). This NOFA implements Activity 2018-9: Affordable Housing Preservation and Development Fund, a “local non-traditional” activity in the DHCD [Fiscal Year 2023 Moving to Work plan](#) as approved by HUD.

II. Project Eligibility

Local Housing Authorities (LHAs)¹ must have sufficient Faircloth authority to federalize the proposed units and HUD approval to do so. (LHAs **may apply** for MTW Federalization funds prior to receiving HUD approval for their projects, but LHAs must obtain preliminary scope approval from HUD before final award of MTW Federalization funds will be made.) LHAs should review and be aware of the full HUD process for acceptance of new developments as described at [24 CFR 905.600](#) (“Subpart F”), particularly the submission requirements itemized at [24 CFR 905.606](#).

Projects must comply with all applicable state and federal laws and regulations (including without limitation [M.G.L. c. 30B](#) and [M.G.L. c. 149](#)), with all requirements specified in DHCD’s Moving to Work Program Annual Plan, and with HUD parameters and guidelines on local non-traditional activities as set forth in [PIH Notice 2011-45](#) and/or successor notices or other HUD guidance, including, but not limited to, to the extent applicable, Davis-Bacon wages, federal Fair Housing and Equal Opportunity statutes, environmental review, HUD site and neighborhood standards and regulations, subsidy layering review and regulations, and HUD Section 3 requirements. Projects must also comply with cash management requirements outlined in [2 CFR § 200](#). Projects must meet HUD Housing Quality Standards (HQS)

¹ The term “Local Housing Authorities” as used in this NOFA also refers to “Public Housing Authorities” as used by HUD.

performance requirements (as provided in [24 CFR 982.401](#)), both at commencement of occupancy and throughout the term of the time restriction on affordable units. Recipients of MTW funding 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 (see Reporting Requirements section below).

LHAs using MTW funds for the purposes outlined in this NOFA must ensure that the rehabilitated or redeveloped units remain affordable for a specified amount of time. In general, DHCD expects that these federalized units will be affordable in perpetuity. The time restriction may vary from project to project, given the goals of an LHA, the project economics, market conditions and other factors. The following are minimum guidelines:

- 1) Units must remain affordable for a minimum of 30 years, unless otherwise approved by HUD.
- 2) If there is a loan of MTW funds to the project, the units must remain affordable for the longer of either the term of the loan or 30 years, unless otherwise approved by HUD. For a shorter term to be considered by HUD, the loan of MTW funds to the property would need to be repaid in full by the conclusion of the shortened term.

LHAs must record a use agreement, covenant, or other document acceptable to HUD on the property where the units are located, which sets forth the conditions imposed on the units. If there is an existing agreement or covenant recorded on the property related to the local, non-traditional affordable units, with HUD approval, the LHA may rely on this document rather than record its own.

Please see Attachment A: Certification of Compliance with MTW Program and Other Requirements for applicable federal requirements in addition to state requirements that apply to all public housing capital projects.

Please note that for any given housing development, an LHA may submit an application to only one of the three MTW-funded NOFAs that DCHD released simultaneously (this Federalization NOFA, [705 Repositioning NOFA](#), and [NCSR Recapitalization NOFA](#)).

III. Available Funds

A total of up to ~~A~~ approximately \$~~3525~~ million in funds ~~in total~~ may be awarded under this NOFA. An LHA may apply through this NOFA for up to \$75,000 per unit to be federalized. Actual awards made will be subject to funding availability.

Projects must be within the HUD Total Development Cost and Housing Cost Cap Limits imposed on the development of affordable units in a project. (See also HUD [PIH Notice 2010-20](#), which establishes public housing development cost limits.) All MTW funds being put into the project must be included in the TDC analysis. Projects must comply with the HUD [Cost Control and Safe Harbor Standards for Rental Mixed-Finance Development](#), dated April 2003.

DHCD will substitute a non-MTW source to fund any relocation required by this project. This non-MTW funding will count toward the \$75,000 cap on total per-unit funding through this NOFA.

If project scope includes a full redevelopment, applicant must show other sources for all project costs beyond the \$75K cap per unit federalized.²

All awards and contracts are subject to appropriation and conditional upon the availability of funds.

IV. Application Components and Process

Submitting an Application

1. Upload all required application documents (itemized below) to a file-sharing site such as Dropbox and grant access to anyone with the link
2. Email the link to dhcddesignsubmission@mass.gov with the subject “MTW Federalization Application (LHA name)”

This is a rolling program, and DHCD will review applications when submitted. DHCD will stop accepting applications after June 30, 2024, or when all funds have been committed (whichever comes first).

Bidders Conference

DHCD will hold a bidders conference for this program on Monday, October 24, from 10:30am-12pm (prevailing Eastern time). This conference will be an opportunity for potential bidders to receive an overview presentation about this NOFA and ask any clarifying questions they may have. The conference will be recorded, and the link to the recording will subsequently be attached to this bid.

Preregistration is required. To register for the bidders conference and receive the Zoom link, please go to https://us06web.zoom.us/webinar/register/WN_DKu3amo5T9eT03B0d4XjIw.

Submitting Questions

In addition to attending the bidders conference, interested parties may submit questions about this NOFA to dhcddesignsubmission@mass.gov any time before the end of day on November 18, 2022. Please include “MTW Federalization Question” in subject line. DHCD will publish a Q&A document as an addendum to this public housing notice in response to all questions submitted.

Required Application Documents

- Narrative (5 pages maximum)
 - Description of scope
 - Confirmation of existing Faircloth authority
 - Explanation of whether property will be operated as traditional HUD public housing or undergo Faircloth to Rental Assistance Demonstration (RAD) conversion
 - If part of a major redevelopment, project sources and uses budget with narrative on commitment of other sources
 - Confirmation of how current residents will be accommodated into property or portfolio once development is federalized and that no current residents will experience increased rent or loss of housing post-federalization

² For example, if an applicant proposes to redevelop a 100-unit state development as a 150-unit development with 50 new project-based HCV units, the applicants would only be eligible for up to \$7.5M (\$75K x 100 federalized units) through this NOFA.

- Evidence of consultation with affected residents to solicit input into the proposed project (cf. [24 CFR § 905.600\(c\)\(2\)](#) and [760 CMR § 11](#))
- Project timeline, including dates of necessary HUD approvals
- Detailed cost estimation and project budget (including references to CPS inventory) to bring units up to DSS/GR standard
- Confirmation that LHA will comply with MTW reporting and other requirements (see Attachment A)
- Record of Board approval to submit application

Record of HUD approval for the project is not necessary for initial submission of the application. However, final award of MTW Federalization funds will not be granted until HUD has issued preliminary scope approval to LHA. See Attachment D: HUD/DHCD Process for Federalization Projects.

DHCD reserves the right at any time to accept or reject any or all proposals in whole or in part, to take exception to these NOFA requirements or to waive any informality and to exclude any proposals for further consideration for failure to fully comply with the requirements of this NOFA. DHCD reserves the right to request additional information from Respondents during the review process and to use other available information as may be necessary to complete its review. Each Respondent shall provide any additional requested information to DHCD prior to execution of the contract.

V. Review Process

LHAs requesting more than \$5 million will participate in a mandatory pre-review meeting with DHCD.

DHCD will review submitted applications for:

- Eligibility of project scope
- Completeness of application
- Consistency with the goals of the program and of DHCD overall, including but not limited to cost effectiveness, preservation of permanent affordability, and tenant protections (including eligibility for housing of current tenants)
- Accuracy and completeness of cost estimates (to include site visit to ensure that proposed scope will be sufficient to bring units up to federal standards)

In addition to acceptability of the application components, awards will be conditioned on:

- Confirmation and approval of required scope from HUD (through site visit, review of DHCD assessment, or both)
- LHA capacity (experience working on similar projects and ability to manage this project)
- Availability of funding

Applications which pass review on the above criteria will be eligible for award. Preference will be given to proposals that have a short timeline to construction, either by virtue of being simple projects or based on proposed gap funding for larger projects that are already underway. DHCD will not fund projects where the \$75K unit max is not sufficient to complete the project and the LHA has not secured committed gap financing. As this is a rolling program, applications will not be competitively scored against one another.

It is anticipated that the selected Respondent/Bidder would be required to begin the contract on or about July 1, 2024. DHCD may elect to establish an alternative contract start date as needed.

It is anticipated that the successful Respondent/Bidder will receive an award pursuant to an award letter offering to enter into a Contract for Financial Assistance, renewable at DHCD's sole option, and subject to the availability of funding and satisfactory performance. DHCD reserves the right to extend the duration of the award and/or amend the terms of the award as necessary.

Responses to this NOFA may be reviewed and evaluated by any person(s) at the discretion of DHCD including non-allied and independent consultants retained by DHCD for the sole purpose of evaluating and analyzing responses.

VI. Environmental Review

Subsequent to initial application approval but prior to final award of MTW funds, an independent assessor shall conduct an environmental review to confirm that the site is free from adverse conditions which, per [24 CFR § 905.602\(d\)\(5\)\(7\)](#), could ultimately prevent the site from being accepted into the federal housing portfolio. Discovery of such adverse conditions that cannot be remediated within the allowable project budget shall be cause for withdrawal of DHCD approval for the project.

Projects funded as a result of this NOFA are also subject to the environmental review process as described in [24 CFR Part 58](#). **LHAs need not complete environmental review as part of their response to this NOFA.** However, DHCD recommends that applicants consider the environmental review requirements when preparing their proposals to ensure a smooth process upon notification of a funding award. Awarded projects may not proceed to construction until the environmental review process is complete.

Awarded LHAs will comply with the environmental review process as follows:

1. After receipt of award, the LHA or its contracted design consultant will prepare the Statutory Checklist included in Attachment C.
2. If the LHA believes the project is **not** categorically excluded from a full environmental assessment per the criteria at [24 CFR 58.35](#), check the box on page 2 of the Checklist for "This project is not a Categorically Excluded action" and prepare a full environmental assessment. Skip to step 6.
3. If the LHA believes the project **is** categorically excluded from a full environmental assessment, use the Worksheet on pp. 3-26 to fill out the Compliance Finding table on page 1 of the Checklist.
4. Depending on the "Yes" or "No" answer to each question on the Worksheet, the Statutory Checklist provides instructions on what, if any, environmental review steps must be taken for the project. The LHA must complete and document these steps in accordance with the instructions.
5. Upon completion of the Worksheet, the LHA checks either the first or second box on p. 2 of the Checklist depending on whether the Worksheet revealed any Compliance Findings.
6. The LHA or contracted design consultant signs the Checklist as the Preparer and submits it to DHCD for review. Leave the ERR File # blank.
7. DHCD, as the Responsible Entity, will review the LHA's Statutory Checklist and accompanying documentation or full environmental assessment. DHCD will approve the project to proceed or alert the LHA to environmental impact abatement that must first be undertaken to comply with 24 CFR Part 58.

VII. Reporting Requirements

DHCD must submit an Annual Plan to HUD each April with goals for each MTW-funded activity for the upcoming fiscal year (July 1 – June 30). In addition, DHCD must submit an Annual Report to HUD each September reporting on actual outcomes achieved during the fiscal year for each MTW-funded activity. (See copies of previous plans and reports here: <https://www.mass.gov/service-details/moving-to-work-program-mtw>)

In preparation for these Annual MTW Plans and Reports, LHAs awarded funding through this NOFA will – in collaboration with DHCD – need to track and report on the following metrics if applicable:

- Amount of funds leveraged in dollars (meaning the amount of non-MTW funds supporting the project);
- Number of new housing units made available for households at or below 80% AMI;
- Number of housing units preserved for households at or below 80% AMI; and
- Unit Months Leased (meaning the number of units occupied each month for the 12 months of the fiscal year) - see Attachment B for sample.

Awarded applicants may be required to attend an orientation session explaining MTW reporting requirements and must comply with all such requirements, whether currently existing or established post-award.

VIII. Additional Terms

Responses to this NOFA must remain in effect for at least 120 days from the date of submission.

Respondents must additionally be legally qualified to contract in Massachusetts and must not be currently subject to any state or federal debarment order. By submitting their NOFA Response, the Respondent affirms that they are not subject to any state or federal debarment order.

The successful Respondent will be required to enter into a contract with DHCD including the Commonwealth's Standard Contract Form, the applicable Commonwealth Terms and Conditions, and any other required state contract forms. Contracts issued under this NOFA shall include federal funding and may be subject to applicable state and federal compliance and review requirements. By submitting their NOFA Response, the Respondent agrees to the terms and requirements of the Commonwealth standard contract forms and to the terms of this NOFA, including its attachments.

All responses and information submitted in response to this NOFA are subject to the Massachusetts Public Records Law. All written correspondence and materials submitted to DHCD during this process, including as part of the response to this NOFA, become the property of DHCD upon their receipt and will not be returned to the submitting parties. Except as provided in the Public Records Law, all materials submitted to the DHCD are subject to release as public records. In no event shall DHCD, or any of their agents, representatives, consultants, directors, officers, or employees, be liable to an LHA for the disclosure of all or a portion of a response or related information submitted in connection with this NOFA.

This NOFA does not commit DHCD to pay any costs incurred in the preparation of an LHA's response to this NOFA or to enter into a contract for services. DHCD may (i) accept or reject any and all proposals received as a result of this NOFA; (ii) contract for some, all or none of the services offered by LHAs in response to this NOFA; (iii) negotiate with one or more of the qualified LHAs; or (iv) cancel, in part or in its entirety, this NOFA if it is in the best interest of the Commonwealth to do so.

DHCD reserves the right to make amendments to the NOFA after initial publication. Any such amendment will be posted to COMMBUYS. It is each LHA's responsibility to check COMMBUYS for any amendments, addenda or modifications to this NOFA, and any Q&A records related to this NOFA. DHCD accepts no responsibility and will provide no accommodation to LHAs who submit a response based on an out-of-date NOFA or on information received from a source other than COMMBUYS.

Bidders with disabilities or hardships that seek reasonable accommodation, which may include the receipt of NOFA information in an alternative format, must communicate such requests in writing to DHCD. Requests for accommodation will be addressed on a case-by-case basis. An LHA requesting accommodation must submit a written statement which describes the respondent's disability and the requested accommodation.

IX. COMMBUYS Instructions

While all applications seeking funding pursuant to this NOFA should be submitted to dhcddesignsubmission@mass.gov, this NOFA will be launched and managed via COMMBUYS. Instructions for log-in and use of COMMBUYS are described in <http://www.mass.gov/anf/docs/osd/forms/instructions-for-vendors-responding-to-bids.docx>. LHAs may also contact the COMMBUYS Helpdesk at COMMBUYS@mass.gov or the COMMBUYS Helpline at 1-888-MA-STATE.

LHAs are required to monitor COMMBUYS for changes to the procurement calendar for this NOFA. It is the responsibility of the prospective LHA to maintain an active registration in COMMBUYS and to keep current the email address of the LHA's contact person and prospective contract manager.

DHCD and the Commonwealth assume no responsibility if a prospective LHA's designated email address is not current, or if technical problems, including those with the prospective LHA's computer, network or internet service provider cause email communications sent to/from the LHA and DHCD to be lost or rejected by any means including email or spam filtering.