



Commonwealth of Massachusetts
**EXECUTIVE OFFICE OF HOUSING &
LIVABLE COMMUNITIES**

Maura T. Healey, Governor ◆ Kimberley Driscoll, Lieutenant Governor ◆ Edward M. Augustus Jr., Secretary

PHN 2024-20 Addendum #1

2025 Public Housing Innovations NOFA Questions and Answers

1. Question #1

The NOFA says, “The PHI 2025 funding program will offer all related funding from the Divisions of Public Housing and Rental Assistance through one application. This includes but is not limited to: PHIDP funding and Massachusetts Rental Voucher Program (MRVP) and Housing Choice Voucher (HCV) project-based vouchers (PBVs).” If a project is applying to both the PHI 2025 funding round and the Winter Rental Round, should only one application apply for MRVPs and PBVs, or can both, or should requests for these vouchers only be requested in the PHI 2025 funding round?

Answer:

LHAs should apply through the PHI25 NOFA for any PBV’s (MRVP or HCV) for replacement public housing units. In cases where tax credits, soft debt, or any other subsidies allocated through the Winter Rental Round NOFA are being requested, requests to support net-new units with PBV’s should also be made through that NOFA. The one exception is for projects seeking PBV’s to support net-new units but are otherwise not requesting any subsidies through the Winter Rental Round NOFA. In those cases, all PBV’s can be requested through the PHI25 NOFA. A simple letter documenting the request for these PBV’s should be sent from the LHA to EOHLC’s Housing Development Office to ensure they are aware of the request ahead of the February deadline, but a full One-Stop application is not necessary. All else equal, EOHLC will prioritize applications that project-base an LHAs own vouchers over those requesting EOHLC-funded or administered vouchers for both PH replacement and net-new units.

2. Question #2

The NOFA says, “LHAs may request up to \$350,000 per replacement public housing unit. Note that EOHLC will consider each PBV equivalent to \$250,000 in capital awards for purposes of comparing applications. EOHLC will not release full funding until the projects have reached financial closing.” Confirming that this means if a replacement public housing unit is requesting assistance from a PBV it is eligible for another \$100,000 in funding resources? What about MRVPs, MTW HCVs, and AHVPs?

Answer:

Yes, a maximum of \$350,000 in PHIDP funding will be made available to developments that propose to replace Public Housing units. This amount is an overall maximum per public housing replacement unit and can be a combination of direct capital grant and the net-present value of the voucher (the \$250,000 figure in the NOFA). If the funding applied for is a mix of the two, the overall funding may not exceed \$350,000 on a per unit basis. The \$250,000 valuation applies to all types of project-based vouchers the same, regardless of type, MRVP, AHVP, HCV, MTW, etc. Note that vouchers for net-new affordable units do not count against this \$350,000 per unit limit.

3. Question #3

The NOFA says, “Projects must include net-new housing production, whether affordable or market rate. These new units should be funded primarily with sources outside this NOFA.” For a project considering a redevelopment plan that includes substantially renovating a portion of the existing public housing units, demolishing a portion of existing public housing units, and constructing one new building to both replace all demolished units and build net new units, is there a preference for how EOHLC wants resources applied for? For example, in the following scenario should all costs for the substantial renovation of existing units + demolishing of existing units + the portion of the new building with replacement units technically apply under the PHI Round and the net new units portion of the new building apply under the Winter Rental Round? The intent of this question is simply to ensure that the applications being simultaneously submitted for the PHI Round and the Winter Rental Round for the same project with these considerations is being submitted in the desired way for EOHLC.

Answer:

Funding to facilitate the replacement PH units should be applied for through the Public Housing Innovations NOFA, and capital funding to support the creation of net-new affordable units should be through the Winter Rental Round NOFA, regardless of the physical location of these types of units, whether in a new construction building, a renovated building, or a mix of the two.

4. Question #4

The NOFA says, “Up to 10% or \$1M, whichever is less, of final capital award may be spent on a reimbursement basis in advance of closing on predevelopment costs in mixed-finance projects, including feasibility, design, legal work, and resident engagement. All disbursements will be made at the discretion of EOHLC and EOHLC will only make the balance of the capital award available upon financial closing of the project. EOHLC may, on a case-by-case basis, allow a higher share of PHI funds to go to predevelopment if the LHA does not have a development partner.” For a project intending to apply in the anticipated PHI 2026 Round, is that project allowed to apply for funds solely to use for predevelopment in the PHI 2025 Round? If not, how might a project access funds for predevelopment from EOHLC?

Answer:

No, however, predevelopment assistance is available through our partnership with MHP. EOHLC will fund up to \$75,000 for redevelopment projects and \$35,000 for vacant land predevelopment due diligence through this program. EOHLC no longer makes separate predevelopment grants to individual Housing Authorities, but offers this option instead. You can find out more information about this program [here](#).

5. Question #5

It states in the PHI 2025 NOFA that developments which avoid the use of Low-Income Housing Tax Credits may be able to exceed the standard \$350,000 PH replacement maximum on a per unit basis. For developments that also intent to apply to the Winter Rental Round, are similar flexibilities available as they relate to \$100,000 per unit cap on new affordable units and the \$12,000 per unit limit on State Low Income Housing Tax Credits? Can minor variances from EOHLC minimum unit size requirements also be made?

Answer:

Developers seeking PHI 2025 are encouraged to avoid over-subscribed Low Income Housing Tax Credits requests. For applicants who do include LIHTC, the Winter Rental Round NOFA states that “It

is HLC's expectation that sponsors *typically will limit* their request for HLC funding subsidy to \$100,000 per affordable unit" and PHI is a form of HLC funding subsidy. This NOFA also notes exceptions to the State tax credit maximum amount will be reviewed "on a case-by-case basis" for projects that are "very large-scale and/or major-impact projects," dependent on available funding. PHI 25 respondents are encouraged to explain in their applications how these exceptions to the maximum funding limits are warranted for their projects. Minor changes from the EOHLC minimum unit sizes can be proposed as part of a strategy to reduce costs.