

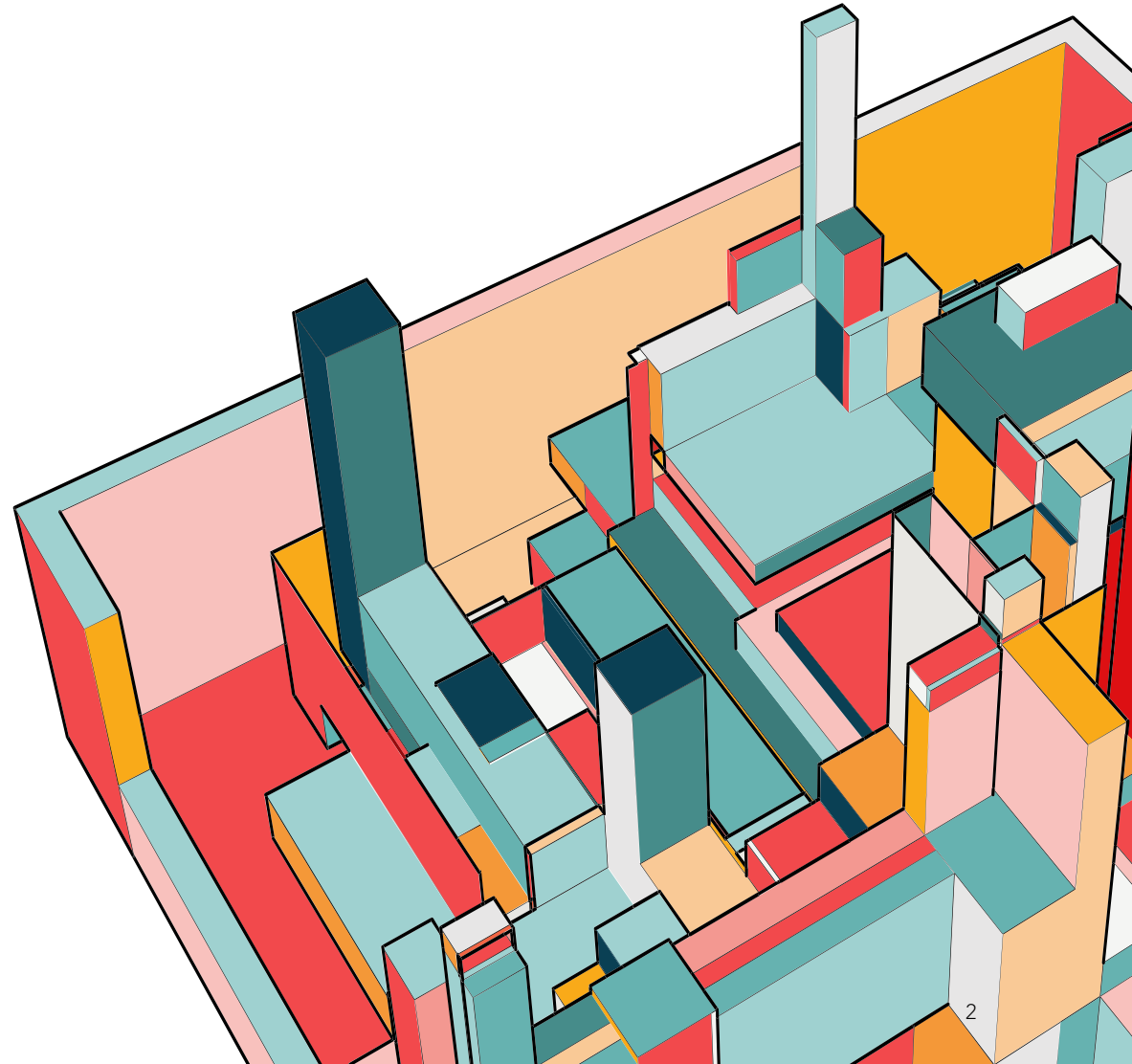


PUBLIC HOUSING ARPA FUNDS

DHCD: Bureau of Housing
Development and Construction

AGENDA

- DHCD New Staff
- ARPA Overview
- Use of Funds
- Rules of the Road
- Formula Funding
- Targeted Awards
- Temporary DHCD Staff
- Timeline
- Construction Cost Inflation
- Questions?

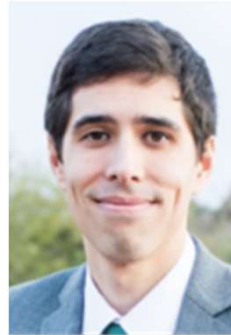


DHCD NEWBIES



CHAD HOWARD

Facilities Management
Specialist



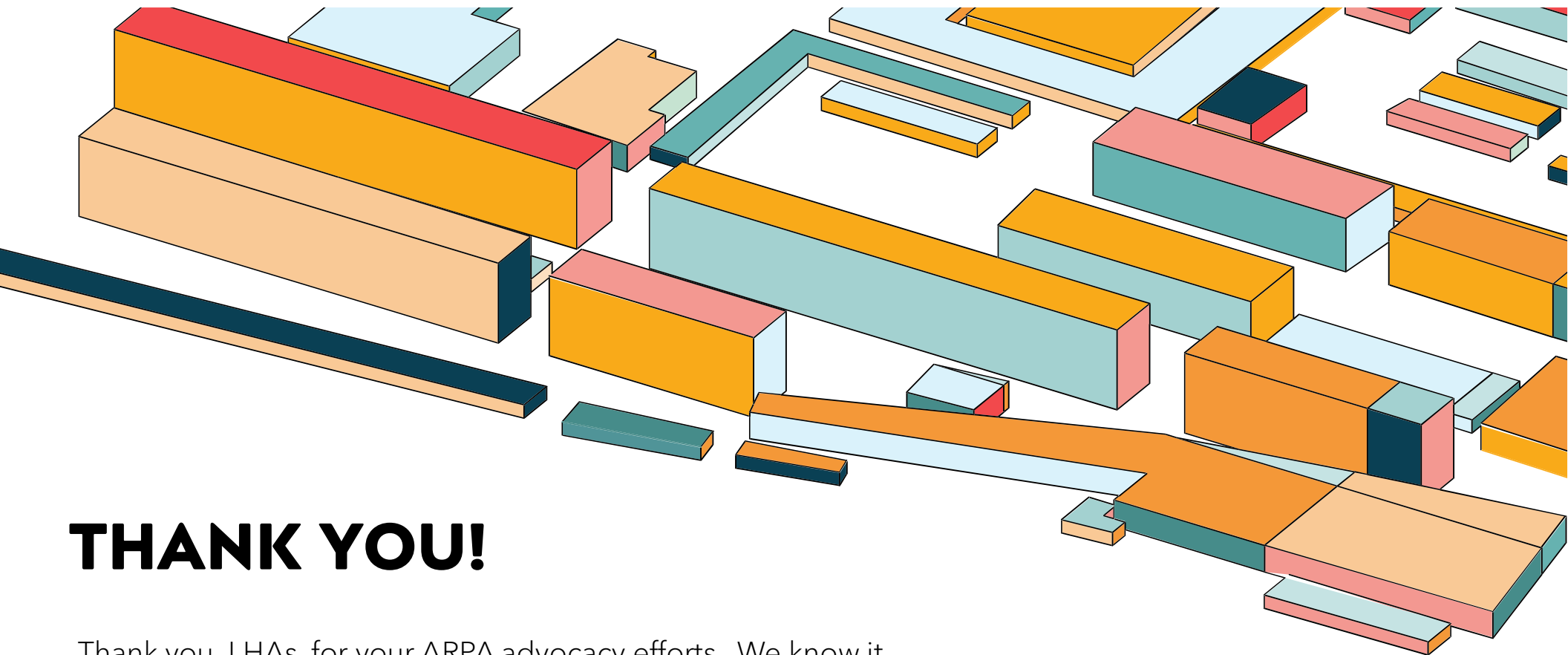
EDWARD CHIEN

Redevelopment, Real
Estate & Special
Projects Specialist



NICK MONLLOS

Capital Data and
Systems Analyst



THANK YOU!

Thank you, LHAs, for your ARPA advocacy efforts. We know it was critical in securing these funds and are grateful for your continued partnership.

ARPA OVERVIEW

What is ARPA?

Massachusetts received \$5.2 billion in federal funding from the American Rescue Plan Act (ARPA).

What happened next?

On December 13, 2021, Governor Baker signed legislation appropriating up to \$2.55 billion of the uncommitted ARPA funds, as well as \$1.45 billion in state fiscal year 2021 surplus dollars. This legislation included \$600M for housing.

What did Public Housing get?

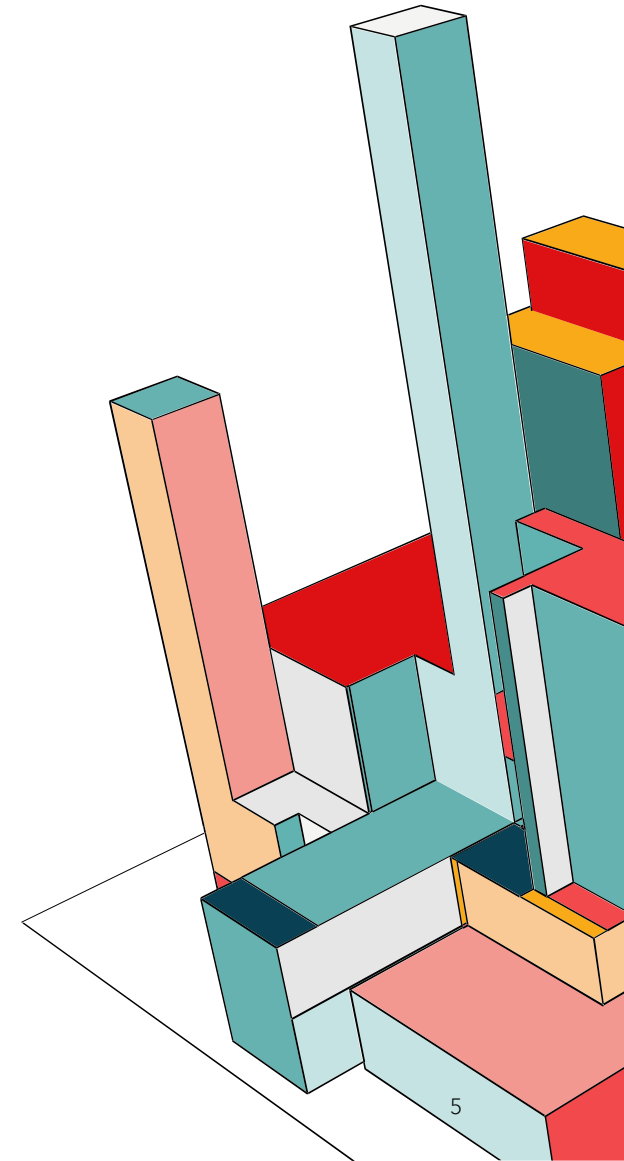
Massachusetts State-aided Public Housing was allocated \$150M for preservation and modernization

Anything else?

21 LHAs were awarded earmarks in the ARPA bill, totaling \$3,654,000 over and above the \$150M PH allocation.

What's next?

There is still \$2 Billion in unallocated ARPA funding to obligate by end of June 2024. Governor Baker's next spending bill is expected within the coming months.



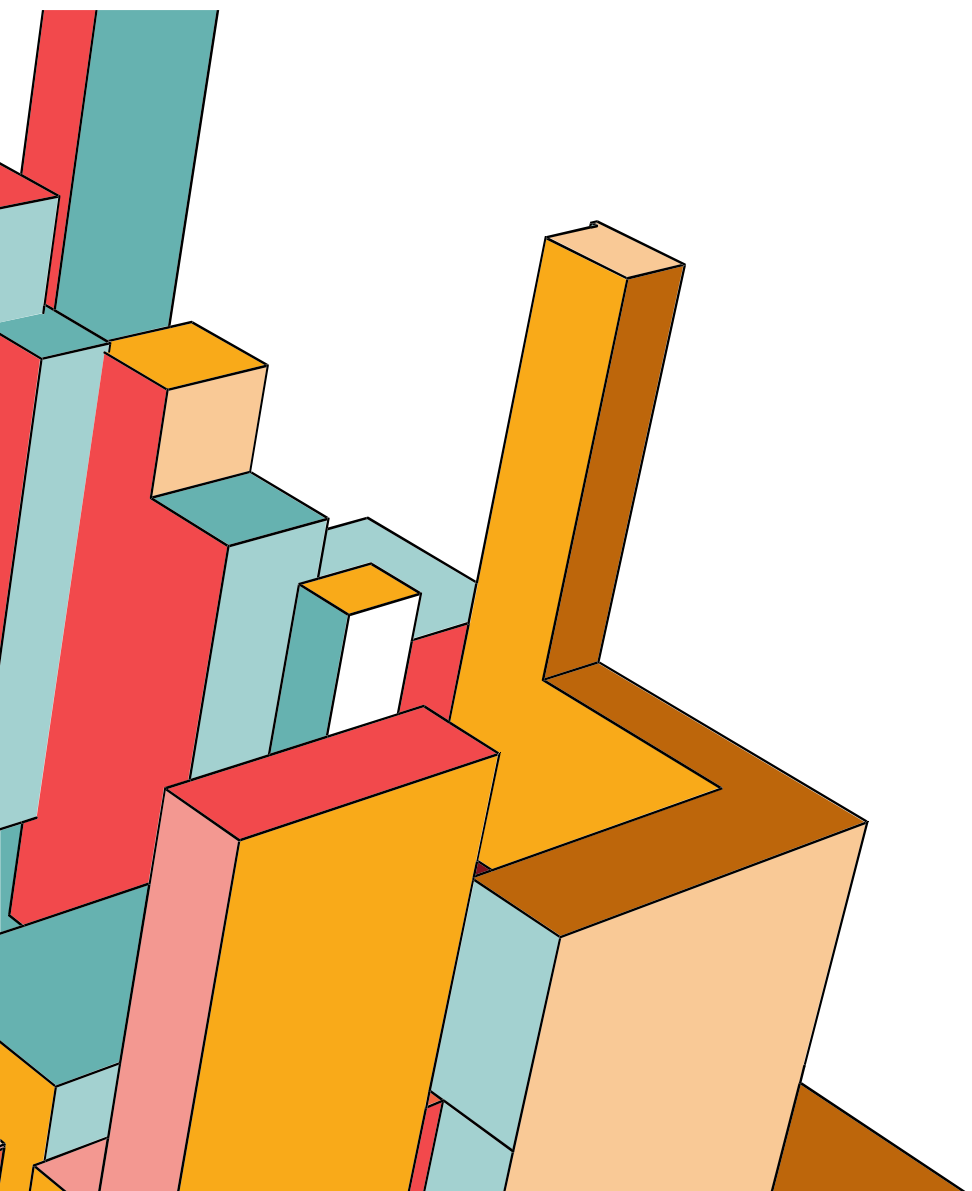
USE OF FUNDS



RULES OF THE ROAD

How are ARPA funds different from regular DHCD capital funds?

- ARPA funds come with time restrictions. Funds can cover costs incurred by December 31, 2024.
- The ARPA funds are federal funds and may come with some reporting requirements that our regular capital funding does not have. DHCD is actively working with the Office of Administration and Finance to determine what these requirements may be and will be sure to inform LHAs before funds are disbursed.
 - **DEFINITELY:** Bi-annual project progress and spending reporting
 - **MAYBE:** Workforce/labor reporting
- Despite being Federal Funds, **Davis Bacon** wages will not apply. However, as always, regular **Prevailing Wage** and other public procurement requirements will.



FORMULA FUNDING

Award amounts?

Every LHA will receive an additional formula funding award equal to the amount of their last (FY25) award.

Does this replace my next FF award?

No. You will also receive your regularly scheduled FY26 award next November! These funds are meant to **supplement** your existing and future formula funding, not replace.

How should I use it?

Same rules apply to this award as your normal formula funding. It must be spent on eligible capital expenses. Because of the time frame restrictions, we recommend putting these funds into already active (but not yet in construction) projects. This will free up regular Formula Funding for other uses, without time restrictions.

What is the process?

Guidance is coming! It will be similar to the Health and Safety awards process, not through the CIP. We will try to make it as streamlined and efficient as possible!

TARGETED AWARDS

What are “targeted awards”?

This is a new process that DHCD is using to assess the entire portfolio for the condition of particular components. The assessment allows us to catalogue the conditions, identify and prioritize the developments where the condition is most critical, and make direct funding award to address the component.

Has this been done before?

Yes! We piloted this approach with our Septic System program last year. It allowed us to identify 19 septic systems that were on the verge of failure, which we were then able to repair or replace before complete failure.

What components will be targeted?

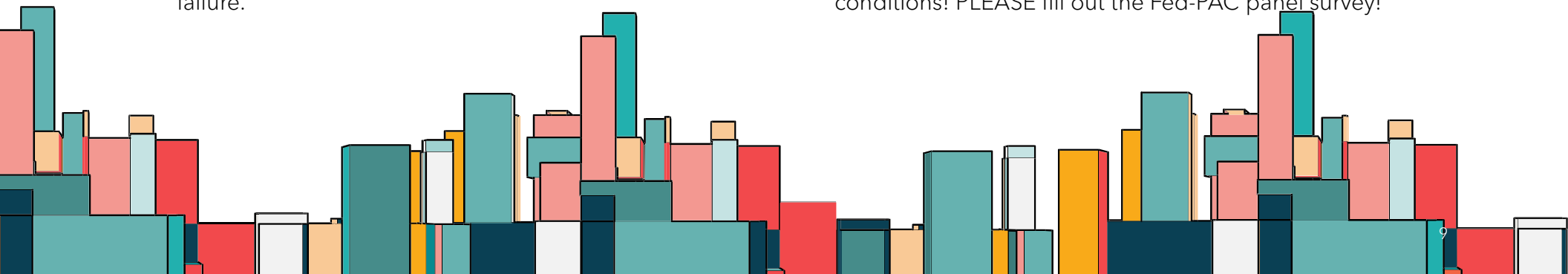
- Fire alarm systems
- Federal Pacific electrical panels
- Elevator repairs
- Accessible unit conversions

How do I access these funds?

DHCD will be assessing the portfolio and prioritizing developments based on available information. We will be using:

- CPS
- Federal Pacific Survey

Please make sure CPS is up to date and reflective of true conditions! PLEASE fill out the Fed-PAC panel survey!



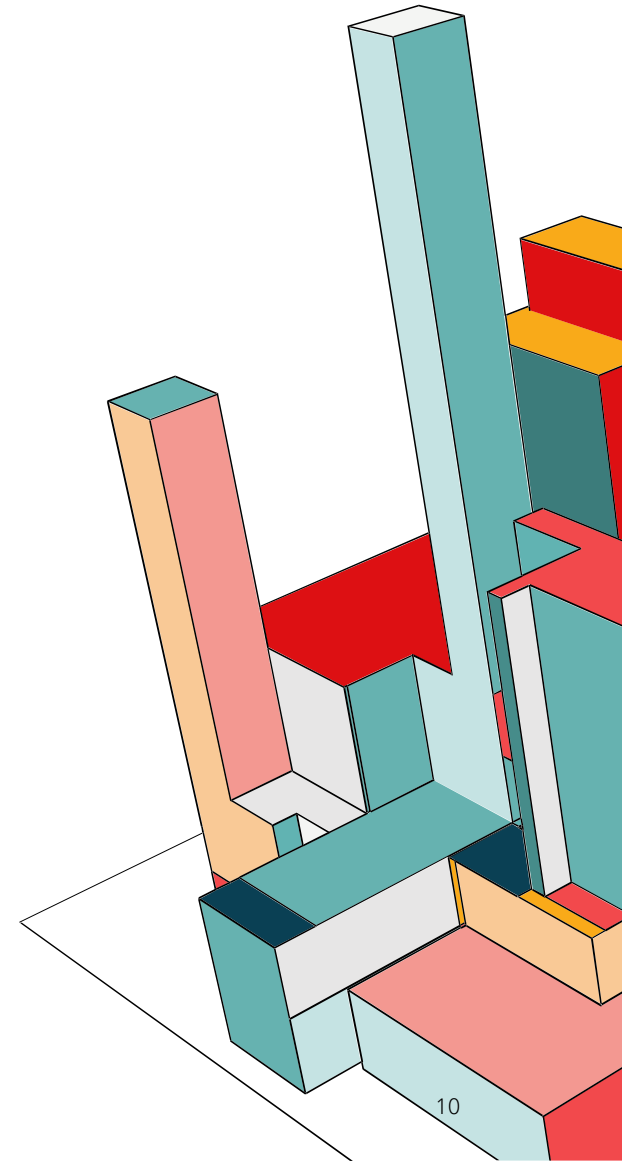
TEMPORARY DHCD STAFF

Who?

- 1 Project Manager
- 1 Architect
- 1 Electrical Engineer
- 1 Construction Advisor
- 1 Accountant

When?

- Temporary 2-year positions
- The PM and AEs will be hired ASAP
- The CA and Accountant will be hired in 1-1.5 years once most projects are into construction



TIMELINE

- DHCD is awaiting review and approval of our ARPA Compliance Plan from the Executive Office of Administration and Finance. Funds cannot be disbursed until that approval has been received. We hope to receive it within the next couple of weeks.
- Upon receipt of that approval, ARPA Formula Funding award letters will be immediately released.
- Targeted Awards will follow shortly thereafter.
 - The Federal Pacific survey deadline has been extended to Friday 4/15. Please submit!!!!

CONSTRUCTION COST INFLATION

- Covid-19 brought significant construction cost escalation to our projects.
 - Major disruptions and delays to supply chains, labor shortages, and shifts in demand drove increases.
- In June of 2021, DHCD hired a construction cost estimator to update the component costs in our estimating software. This update showed that from 2019 to 2021, construction costs increased by an average 62%.

- The chart below shows the changing construction costs on several critical building components.

Component	2019 Cost	2021 Cost	Difference
Roofing	\$10.04/sq ft	\$21.43/sq ft	+113%
Fire Pump Systems	\$55,000 each	\$125,000 each	+127%
Furnaces	\$5,340 each	\$12,000 each	+125%
Double hung Windows	\$900 each	\$1,575 each	+75%

QUESTIONS?

