



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

Charles D. Baker, Governor ♦ Karyn E. Polito, Lieutenant Governor ♦ Jennifer D. Maddox, Undersecretary

To: All Local Housing Authority (LHA) Executive Directors
From: Ben Stone, Director, Division of Public Housing
Re: Public Housing Innovations, Round II Notice of Funding Availability
Date: June 8, 2021

Bid Amendment

Bid #: BD-21-1076-OCDDE-OCD01-62410

PHN: 2021-08

Public Housing Innovations, Round II Question and Answers

1. **Question:** Is this notice in regards to funding to build new housing units or capital improvement projects for current housing?

Answer: This NOFA is for the redevelopment of existing public housing, either through substantial modernization of existing units or demolition of existing units and replacement with new construction units. It is not for adding net-new public housing units as stand-alone projects.

2. **Question:** We would like to know if our project idea meets the overall expectation of the types of projects that may be approved. Ours is an ADA modular unit request. An existing end unit can be converted as well, rather than the addition of a modular unit. We have no ADA units in our state public housing portfolio.

Answer: No, HILAPP or Accessible Unit Initiative are a better fit for that project.

3. **Question:** The timing of this NOFA award and LIHTC awards are parallel. Some coordination between the Public Housing funding and Private housing funding would be useful and we'd be interested to know if DHCD has discussed that.

Answer: Yes, we've discussed with our partners in DHCD Housing Development and we plan to coordinate with them.

4. **Question:** The NOFA describes a possible waiver from the feasibility analysis and/or stage 2 applications. How and when do we apply for this waiver if determined that's the best course of action? Do we submit a Phase 1 application requesting a waiver for the initial grant and then submit again in Phase 2?

Answer: If you believe that your project is either a simple federalization as defined in the NOFA or that you have completed sufficient independent feasibility analysis and would not benefit from working with MHP on further analysis, please include a written request and justification as part of your Phase 1 proposal. If your project is awarded, DHCD will let you know the approved next step for your project.

5. **Question:** Can we apply with a developer at this stage. The NOFA says the following. " Proposals that include a mixed-income or mixed-finance component will be required to procure a developer partner

pursuant to a c. 30B-compliant RFP or RFQ process by time of final application.” This clearly does not state that a developer cannot be chosen prior to application. Can we clarify on this point, this NOFA is much less heavily focused on co-developer.

Answer: Applying with a properly procured developer at this stage is acceptable.

6. **Question:** The comment under Scoring Criteria that scores will be negatively impacted by use of PBVs for PHA units--despite the stated goal of reducing/ eliminating reliance on DHCD op subsidy. This section of the Scoring Criteria is confusing... It seems like bullet 1 and bullet 2 cancel each other out.

Answer: While we can appreciate the financial benefits to the project in using project based vouchers, our goal is to balance that financial benefit with the understanding that placing a PBV in a PH unit is a redundant benefit to the resident who is already paying only 30% of their income by virtue of being in public housing. The redundancy is hard for us to rationalize when the voucher could be assisting another family in need in the community, outside of public housing. Therefore, we will be allowing PBVs but scores will be negatively impacted by their inclusion as we'd like to encourage more innovative ways of creating self-sustaining developments.

7. **Question:** I have read the NOFA for the PHI II funding and I have a question about the 1:1 replacement. Would the DHCD consider a project that consisted of replacing some, but not all public housing units in addition to the development of new market/mixed income units? The actual number of public units would not decrease. Or is the DHCD only interested in proposals that would completely build new units to replace the public units?

Answer: Replacing some but not all would be fine, provided that any replacement units served similar-sized households and provided the same level of permanent affordability as the existing units. Substantial renovation of the public housing units is also an acceptable use of funds, it does not need to be new construction. NOFA funds must be spent on state-aided public housing and net new construction of affordable units would need to be funded by other sources such as debt leveraged by Project Based vouchers and/or LIHTC and soft debt applied to through the competitive “rental round”

8. **Question:** When submitting extracts of board meeting minutes with board vote in support of the Stage 1 Proposal, is it recommended that we provide the board with a complete narrative/application package at that time (we would have to present our intention to submit a proposal at our 6/17 board meeting) or a breakdown/summary of what the WHA proposes to write in the complete version of the application?

Answer: The board should review and approve of the full proposal to be submitted. You may want to consider a special board meeting if timing is difficult.

9. **Question:** For construction cost we have an estimated per unit development cost received from our consultant. Will that level of estimation suffice for Stage 1 cost estimation? Want to try and clarify the level of detail DHCD is looking for at this stage.

Answer: Yes, that level of estimation will suffice. LHAs that choose not to engage a consultant to assist with estimating at this stage could also use the CPS component costs to build out an estimate. DHCD AESU staff will review estimates for accuracy. We understand that project budgets will be “conceptual” for the Stage 1 Proposal.