



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

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

**ANSWERS FROM THE DEPARTMENT OF HOUSING AND  
COMMUNITY DEVELOPMENT PERTAINING TO:**

**State Units Federalization Program**

**COMMBUYS Bid # BD-23-1076-OCDDE-OCD01-79289**

**Agency Document # DHCD2023-12**

Answers Issued:

December 16, 2022

NOFA Responses Due:

June 30, 2024 (rolling)

## Introduction

This document contains answers from the Department of Housing and Community Development (DHCD) pertaining to the Noticed of Funding Availability (NOFA) for the State Units Federalization Program issued on October 12, 2022. All questions submitted to [dhcddesignsubmission@mass.gov](mailto:dhcddesignsubmission@mass.gov) or posed at the bidders conference hosted virtually on October 24, 2022, have been answered herein. A recording of the bidders conference may be viewed at <https://www.youtube.com/watch?v=TlaanDsiups>.

Please note that in this document, similar questions submitted by different parties may have been grouped together, and the wording of some questions may have been changed from their submitted form in order to be clearer to a general audience.

## Questions and Answers

### **1. Do we need to have existing federal units to be eligible for this NOFA?**

Yes, you need to have sufficient Faircloth authority to federalize the proposed units, which you would only have in conjunction with an existing federal public housing portfolio.

### **2. Is there any way we can apply to this program if we do have a federal portfolio but don't currently have any available Faircloth authority?**

You must have available Faircloth authority for the proposed units to apply to this program. Depending on various factors, there may be options available to you to free up Faircloth authority. HUD's [Faircloth Limit FAQs](#) document from June 2020 provides a good starting point for information, and DHCD encourages LHAs to reach out to HUD for specific information on any particular path you are considering.

### **3. If an Authority has a HUD approved Section 18 disposition but has not closed, can they apply for this grant using the anticipated Faircloth units that will become available once the disposition process is completed?**

No. Because this is a rolling application program, the LHA should confirm sufficient Faircloth authority before applying to this NOFA.

### **4. If units require extensive rehabilitation to meet HUD DSS/GR standards, could more than \$75,000 per unit of funding be available?**

The intent of this program is to enable the federalization of units that require **moderate** repairs to meet HUD standards. Units in need of extensive rehabilitation are likely not good candidates for this program unless the LHA is able to leverage additional funds for the needed repairs.

Please also note that after acceptance into the federal portfolio, HUD will provide capital funding to the units per a formula that is based on unit age, where age is calculated from **the date of first availability** (cf. [24 CFR 905.400](#)). Accordingly, HUD will initially consider newly federalized units to have zero capital needs. The units will gradually acquire formula weight for HUD capital funding over the subsequent years.

**5. Are there any outside or other DHCD forms of funding that are not allowed to be used in conjunction with this program? E.g., can we use LIHTC and local or state ARPA?**

No forms of leveraged funding have specifically been disallowed. However, please be aware that a funding source such as LIHTC may introduce an unwieldy level of complexity for relatively small development projects. Please also note that, under the [Massachusetts Qualified Allocation Plan](#), the minimum project size for a LIHTC project is 12 units. In general, very small development projects are unlikely to score well in DHCD's competitive funding rounds for LIHTC and other non-public housing resources.