



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

Deval L. Patrick, Governor ♦ Timothy P. Murray, Lt. Governor ♦ Aaron Gornstein, Undersecretary

Public Housing Notice 2013-04

To: Public Housing Authority Executive Directors
From: Lizbeth Heyer, Associate Director for Public Housing & Rental Assistance
Subject: **Capital Improvements Management System (CIMS) Next Annual 5 Year Capital Improvement Plans (CIPs)**
Date: January 31, 2013

The purpose of this Public Housing Notice is to provide preparatory instructions for the planning, development, submission and implementation of the Local Housing Authority's (LHA) next annual 5 year CIP using the Capital Planning System (CPS) and Capital Improvements Management System (CIMS) software. For those LHAs with fiscal year ends of June 30, September 30 and December 31, this specific public housing notice is for informational purposes only. **LHAs with a fiscal year end of March 31 will need to act on this information immediately unless your first CIP was approved after June 30, 2012.**

The content of the notice contains the following:

1. Introduction.
2. Planning for your next CIP.
3. Technical Support & Guidance.
4. Hands on Training & Guidance
5. DHCD Review of your next annual 5 Year CIP.
6. Implementing your Capital Improvement Projects.
7. Keeping your CIP up to date.

Introduction

Congratulations and wow! This past year has been an amazing year. With your hard work and diligence, we launched the new Formula Funding (FF) program and successfully implemented over 1700 projects across 200 LHAs in support of the ongoing preservation and modernization of the state-aided public housing portfolio. Thank you.

As you continue to implement current planned projects and plan for your next annual 5 year CIP, it is ever important to maintain your diligence to keep your projects on budget and on schedule and to continually assess the physical condition of your portfolio so as to identify and prioritize your Capital Improvement needs. As you are aware, DHCD is responsible for ensuring the effective utilization of approximately 90 million dollars for state-aided public housing annually. Now that the FF program has started, in order for DHCD to continue to maintain the success of the program, and effectively utilize the annual bond cap, it is critical that each LHA take an active role in keeping its projects on schedule.

Planning for your next CIP

Each LHA should be continually thinking ahead and planning for its next CIP. If you do not already have a Capital Planning process that you employ at your LHA, attached is the “**Capital Planning Guide for LHA Annual 5 year CIP**” for you to use-(see **Appendix A** attached separately). This guide includes the following:

1. A complete listing of all LHAs and the approval date of their prior CIP
2. A schedule of **Milestone Capital Improvement Planning Tasks** and timing based on LHA fiscal year end and approval date of prior CIP.
3. An enumeration of the detailed steps to prepare for, develop and submit your next annual CIP. These include but are not limited to the following Planning tasks:
 - a. Identify when your next annual CIP is due, and notifying the LHA board and tenants accordingly.
 - b. Update your data in the Capital Planning System (CPS) and closing out CPS projects based on ALL completed projects.
 - c. Coordinate with your DHCD Project manager to ensure that all FISH (Financial Information System for Housing) projects have up to date scopes, schedules and budgets.
 - d. Conduct an Inspections review and/or a Facility Condition Assessment (FCA) of your properties to identify any new deficiencies or current deficiencies which have worsened and then update your CPS Facility Inventory components based on your findings.
 - e. Build new CPS Projects to plan for and address any new deficiencies found in your inspections review and/or assessments.
 - f. Identify, assess & plan your resources & needs
 - g. Ensure you are current on all reporting & inspections.
 - h. Sign up for a hands-on CIP District Hours work session to construct and submit your CIP.

Please read this guide and if you have any questions please contact Rick Brouillard at Richard.brouillard@state.ma.us .

Technical Support & Guidance

As you begin planning for your CIP 2013 you may need some Technical Support/Guidance for any number of matters including but not limited to the following:

1. Assessing the condition of your portfolio.
2. Defining the scope and schedule of a project.
3. Phasing Projects.
4. Prioritizing projects
5. Project cost estimating.
6. Construction materials and methods.
7. Energy Conservation Measures (ECMs) (Sustainability guidance)
8. Eligibility for DHCD Emergency and Compliance reserve funding for certain projects.
9. Guidance on Mixed Finance solutions.
10. Other

There are many Technical Support resources that are or may be available to you. Please see the Capital Planning Guide for a complete list of resources.

It is important to the ongoing success of the FF program that you leverage as many of these resources as you can so as to assist you in minimizing any delays in the CIP planning and implementation process.

Hands on Training & Guidance

Beginning on February 8th, 2013, DHCD will conduct Online GoToMeeting conference calls for the March 31 fiscal year end LHAs to review the Capital Planning Guide and the CIP planning process and take any questions you may have as you begin to plan for your upcoming CIP submission. **Please send Rick Brouillard an email at Richard.brouillard@state.ma.us to sign up for a conference call.** An e-mail invitation with instructions will be sent prior to the meeting for each conference call. The schedule of calls is as follows:

DAY	DATE	TIME
Friday	2-8-13	9:00 AM to 11:30 AM
Monday	2-11-13	1:30 PM to 4:00 PM
Friday	2-15-13	9:00 AM to 11:30 AM
Friday	2-22-13	9:00 AM to 11:30 AM
Monday	2-25-13	1:30 PM to 4:00 PM
Friday	3-1-13	9:00 AM to 11:30 AM

These online conference calls will also be announced and held prior to each of the 6/30, 9/30 and 12/31 LHA Fiscal Year Ends (FYE) as they approach.

Beginning in March 2013, DHCD will start “District Hours” Hands-On CIP work sessions at various LHA locations throughout the state in order to accommodate the 3/31 FYE LHAs. In February 2013 DHCD will send out a Public Housing Notice to all LHAs to announce the locations, dates and times for this first round of work sessions. DHCD will send a Public Housing Notice approximately 2 months prior to each LHA FYE for the 6/30, 9/30 and 12/31 LHA FYEs regarding future District Hour work sessions. When announced, as applicable to your LHA, please sign up for a District Hours work session based on your LHA’s fiscal year end.

DHCD Review of your next annual 5 Year CIP

Upon formal LHA Tenant review and Board approval of the next annual CIP, the LHA will electronically submit the CIP to DHCD for review. The DHCD Project Manager (PM) is responsible for managing the CIP through the review process. DHCD’s target review schedule is approximately 45 days from submission to approval. During this time, additional information may be required of the LHA by any of the staff disciplines or management. If additional information is required, the CIP will be sent back to the LHA for modifications. This iterative process will continue until the CIP is approved. The general review process is as follows:

1. LHA electronically submits CIP
2. DHCD PM receives CIP and gives it a cursory review for completeness – sends it back immediately if critical elements are missing – otherwise:
3. DHCD PM releases CIP for full staff review (concurrent reviews)

- a. Project Manager
 - b. Housing Management Specialist
 - c. Facility Management Specialist
 - d. Staff Architect
 - e. Staff Engineer
 - f. Staff Civil Engineer
 - g. Construction Advisor
 - h. Sustainability Program Developer
 - i. Mixed Finance Program Developer
4. DHCD PM releases CIP for management review once all staff review is complete and approved.
 - a. Technical Services Director & Housing Management Director (concurrent reviews)
 - b. Project Management Director
 - c. Housing Development & Construction Director
 5. Based on staff and management reviews, the CIP may require additional information and/or modifications in which case the DHCD PM will send the CIP back to the LHA for such information and so that the LHA can make the necessary modifications and then re-submit the CIP. This iterative process will continue until the CIP is approved.

At any given time the LHA can log onto CIMS and see the current status of their CIP.

Implementing your Capital Improvement Projects

Upon approval of your CIP by the Housing Development & Construction Director, your LHA and all DHCD staff and management will receive an email notification that your CIP has been approved. The DHCD PM will then generate a formal CIP Approval letter releasing your planned projects based on your Cap Shares and the overall status of the statewide bond cap. Once you receive your CIP Approval letter you are expected to begin the implementation of those projects as planned and manage them to completion. If we are to meet our annual bond cap spending it is critical that all LHAs manage diligently to ensure that schedules and budgets are maintained and achieved. If you need technical assistance please leverage the previously mentioned Technical Support resources outlined in the Capital Planning Guide.

Keeping your CIP up to date

Throughout the course of implementation and management of your planned projects, you may find that the scope, schedule and/or budget of one or more of your projects have changed due to any number of reasons. If and when this happens, you will need to assess the effect that the change(s) pose to your CIP. It is possible that you may have to defer or delay other projects due to changes that have occurred on certain active projects. Conversely, it is possible that you may be able to accelerate other projects based on savings you have realized on certain projects. In either case you may need to **Modify** or **Revise** your CIP in CIMS to keep it maintained and properly projecting your project performance in line with your Cap Shares. The CIMS software now has new functionality which allows the LHA to **Modify** or **Revise** the CIP if necessary. To learn about this new functionality please log onto the CIMS system as you normally would, open your CIP, navigate to the Forms page, and click on the “*Status: CIP Active-Instructions for CIP Modifications and Revisions*” in the “*CIP Views, Modifications, & Revisions*” section of the page. (see screen shot below). If your CIP is in a different status, a similar link to instructions will be present.



If you need to **Modify** or **Revise** your CIP and need assistance, please contact your DHCD PM via e-mail to discuss and if necessary they can schedule a collaborative On-Line meeting via the internet.

As we forge ahead, all of us at DHCD look forward to working with each one of the LHAs to continue the great work you are doing. Together we can make it happen.

If you have any questions, please give us a call.

Thank you.