



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

Charles D. Baker, Governor ♦ Karyn E. Polito, Lt. Governor ♦ Chrystal Kornegay, Undersecretary

Public Housing Notice 2016-21

To: All Local Housing Authority Executive Directors

From: Sarah Glassman, Director, Division of Public Housing & Rental Assistance

Subject: Notice of Funding Availability (NOFA) for
Modernizing Public Housing and Supporting Elders Initiative (ModPHASE)

Date: July 18, 2016

1. Overview

The Department of Housing and Community Development (DHCD) is pleased to announce that capital grants are available through the new Modernizing Public Housing And Supporting Elders (ModPHASE) initiative. ModPHASE, which is being launched in partnership with the Executive Office of Elder Affairs (EOEA), has two main objectives:

- Preserve ch.667 state public housing developments with high capital needs; and
- Facilitate partnerships between Local Housing Authorities (LHAs) and local service agencies to provide service-rich environments that allow residents to age in their community¹.

DHCD intends to spend a total of approximately \$25 M on ModPHASE capital projects that begin construction in Fiscal Years 2019, 2020, and 2021 (FY19-21). DHCD plans to make awards through competitive funding rounds, as funds become available.

ModPHASE capital grants are for improving and preserving the existing public housing stock while simultaneously expanding resident access to supportive services. In order to be considered for a ModPHASE grant, an LHA must demonstrate that its ch.667 development needs extra capital resources beyond Formula Funding and also propose a way to provide services to all residents at the development so they may age in community.

¹ The CDC defines Aging in Community as “the ability to live in one’s own home and community safely, independently, and comfortably, regardless of age, income, or ability level”.

2. Funding Availability and Grant Limits

In this first round of awards, DHCD intends to grant a total of about \$10M to eligible developments, with grants limited to a maximum amount of \$65,000 per housing unit.

3. Use of Funds

ModPHASE grants must be used for modernization/preservation projects that will successfully support the capacity for current and future public housing residents to age in their communities. While ModPHASE is targeted to elderly residents, DHCD recognizes that some residents at ch.667 developments may not be elderly, and projects funded through this NOFA should promote healthy aging of all residents. Proposed scopes may include items such as:

- a) Kitchen and bath upgrades.
- b) Major building system replacements/upgrades (e.g. electrical, fire protection, plumbing, and HVAC systems).
- c) Building envelope upgrades.
- d) Site work that alleviates health and safety hazards.
- e) MAAB/ADA compliance projects at the development.
- f) Aging in community scope items, such as:
 - i. Reasonable accommodations/partial unit accessibility upgrades (e.g. lifts, ramps, grab bars, roll in showers, automatic door openers)
 - ii. Upgrading communal space for social activities/connections/exercise/accessibility
 - iii. Office renovations to accommodate support staff on site

All work must comply with [DHCD design and construction standards](#), and DHCD strongly encourages project scopes that can sustain a development for 20 years of useful life.

ModPHASE grants may not be used for developing additional new public housing units.

IMPORTANT NOTE REGARDING SERVICES: ModPHASE grants may not be used to pay for resident service program costs. Because DHCD and EOE are not at this time providing any funding for services, LHAs are expected to leverage service delivery capacity from other resources. Services may be leveraged through a commitment from a community-based elder service agency, funded by private resources (e.g., grant from philanthropic or community-based agency), or covered by LHA-controlled funds that are not derived from state public housing capital or operating funds.

Services proposed through ModPHASE should be made available to all elderly residents – over and above those that may currently be provided to specific residents through individualized plans with service agencies. Proposed services should be identified now with a plan for them to be formally executed by the time that the capital improvements are completed (within the next 3 years).

4. Eligibility Criteria

Due to limited funding availability, DHCD is limiting the applicant pool according to the following criteria:

- a) Program: ModPHASE funds are only available for capital improvements at ch.667 developments.
- b) Unit count: Developments must have 20 or more units.
- c) Facility Condition Index (FCI): Developments must have an FCI of 15% or higher, as recorded in DHCD's Capital Planning System (CPS) as of June 20th, 2016.
- d) Past Awards: Developments are not eligible if, within the past 10 years, they were granted more than \$1M in HILAPP funds or had a project funded by a CAR award exceeding \$1M.

See **Attachment A** for a complete list of eligible developments. If an LHA believes that an eligible development has been omitted from the attached list due to error in the CPS-generated FCI calculation, then the LHA may submit an application that includes an explicit explanation of why the FCI might reasonably be adjusted.

Developments that have existing project-based Section 8 units are not eligible.

5. Competitive Evaluation Criteria

Applicants will be evaluated using a 100 point system and will be scored in the following five areas, which are listed in order of weight. Funds will only be granted to applicants that earn a minimum of 50% of the available points in all five areas:

- a) **35 Points available: Condition of development/overall capital needs**, as verified by site visits that will be performed by the DHCD Construction Advisors, Architects, and Engineers. At the site visit, the DHCD team will determine the severity of each development's condition/needs and compare it to that of other applicants. Developments with the greatest capital needs will be awarded the most points in this category.
- b) **25 Points available: Project scope**, in terms of impact and cost-effectiveness. The evaluation team will evaluate the proposed scope in terms of:
 - i. Scale of impact: Number of units that will be preserved.
 - ii. Comprehensiveness: Whether scope covers 20 years or more of capital needs.
 - iii. Cost effectiveness: Total development cost per unit and feasibility of completing work within the \$65,000/unit limit; how scope positively impacts future operating and capital budgets.
 - iv. Resident impact: How the project will positively affect resident quality of life.

c) **20 Points available: LHA's proposal to provide services** to promote aging in community. This area of application will be evaluated by EOEA.

- For properties with existing resident services (e.g. developments that participate in EOEA Supportive Housing Program), proposals must demonstrate what services are currently and in place and if/how they will be enhanced.
- For properties without existing resident services, proposals must explain the involved community partners and the proposed resources that would be leveraged to bring supportive services to the building residents.

EOEA will consider each proposal's:

- i. Leverage and feasibility: Proposals must demonstrate that the LHA can, over the next three years, expand or enhance services to elders at the development through the identification of new resources and/or linking with community partners. LHAs must submit with their application letters of support from potential partners and/or funders that will make the service expansion feasible. Proposals will be rated on the depth and breadth of services that will be available to all residents to allow them to age in community.

***Attachment B** includes a list of community-based elder service agencies and presents examples of partnerships between LHAs and elder service agencies. Submissions that propose working with other private, not-for-profit organizations may be considered. If an applicant needs assistance connecting with local service providers, please contact Emily Cooper, EOEA's Chief of Housing, at emily.cooper@state.ma.us for a referral.*

- ii. Applicant's experience: LHA's experience in implementing programs that meet the needs of elderly residents and experience effectively managing resident service programs. Proposals will be rated on the extensiveness of the LHA's past record and the LHA's demonstrated capacity in this area.

Many elderly public housing residents currently receive individualized services through a plan with a local service agency, such as an Aging Service Access Point (ASAP). Expanded services proposed through ModPHASE should include those available to all elderly residents – over and above those that may currently be provided to specific residents through individualized services plans with service agencies.

d) **10 Points available: LHA Project Management Capacity** as demonstrated by:

- i. Capital Program Benchmarks:
 - LHA effectively utilizing (spending) its awarded Formula Funding in the most recent 3 fiscal years (FY 14-16).
 - LHA submitting its CIP on time, with no errors.
- ii. Past Project Experience: Ability to complete capital projects within a reasonable time frame and manage to a budget.

- e) **10 Points available: LHA Property Management Capacity**, as demonstrated by:
- i. Vacant unit turnover time and vacancy rates, not including units with DHCD-approved waivers
 - ii. Compliance with DHCD reporting requirements, including:
 - Vacancy Reports
 - Monthly Energy Reports
 - Board Attendance Reports
 - Budget
 - Budget Certification
 - Operating Statements
 - Operating Statement Certifications
 - Lead-Based Paint Compliance Certification
 - Top 5 Highest Paid Housing Authority Salaries Certification
 - Capital Improvement Plan (CIP)
 - Quarterly Modernization Cost Reports
 - iii. Agreed Upon Procedures data, if applicable
 - iv. State Audit data, if applicable

6. Application Process and Requirements

Applications are due by 5pm on Friday, September 23rd, 2016. LHAs must submit one application package per development. An LHA may submit an application for each eligible development but should not expect more than one to be successful in a funding round. Each application must include a completed application form (***Attachment C*** and all required exhibits) and:

- a) A narrative cover letter briefly explaining why the proposed development is a strong candidate for ModPHASE. Letter must be signed by the Chair of Board of Commissioners and Executive Director (2 pages maximum);
- b) Interior and exterior photos of the property (12 maximum);
- c) Site plan (e.g. original development plan, or copy of assessor's map, etc.);
- d) A board vote of application approval, as evidenced by a certified extract from the minutes of the board meeting;
- e) A letter from the head of the tenant organization(s) or representative of tenants that demonstrates evidence of compliance with tenant participation regulations ([760 CMR 11.10](#)). If no letter can be obtained, then the LHA director may instead submit a letter certifying that tenants were offered the opportunity to be involved in setting the needs and priorities of the application.

The application (***Attachment C***) is intentionally created as a Word document so that LHAs may type responses within the answer boxes. A final version of the application should be saved as a PDF. LHAs

must email one electronic PDF copy of the application and all exhibits/attachments to: Amy Stitely (amy.stitely@state.ma.us). In the "Subject" line of the email, please write: "ModPHASE Application-Name of Housing Authority". Applicants must also submit a hard copy (one copy) to Ms. Stitely at the address below.

Amy Stitely
Director, Bureau of Housing Development and Construction
DHCD Division of Public Housing and Rental Assistance
100 Cambridge Street Suite 300
Boston, MA 02114

If you have questions about this opportunity, please send them *by email only* to [Ms. Stitely](#) by 5pm on Wednesday, July 27th, 2016. By August 5th, DHCD will issue another Public Housing Notice with answers to frequently asked questions.

After DHCD and EOEAA have reviewed all applications, LHAs must host a review team site visit and respond to any follow up questions about the application. The total review process may take up to three months, depending on the number of applicants and the complexity of proposed projects. DHCD intends to grant awards by the end of this calendar year.