

760 CMR 68.00: COMMUNITY INVESTMENT GRANT AND TAX CREDIT PROGRAM

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68.01: Background, Purpose and Applicability

The Community Investment Tax Credit Grant Program (CITC Grant Program) was created by St. 2012, c. 238, §§ 2 and 81; the Community Investment Tax Credit (CITC) was created by St. 2012, c. 238, §§ 29, 35, and 83. The Department of Housing and Community Development (DHCD) is the regulatory agency for these programs with respect to the process by which the CITC Grant Program and CITC awards are allocated, and is required to issue regulations to implement the programs.

The CITC Grant Program and the CITC are designed to enable local residents and stakeholders to work with and through community development corporations (CDCs) to partner with nonprofit, public, and private entities to improve economic opportunities for low and moderate income households and other residents in urban, rural, and suburban communities across the Commonwealth. CDCs accomplish this through adoption of community investment plans to undertake community development programs, policies, and activities. The CITC Grant Program is a start-up program designed to assist CDCs to develop capacity apply for and implement the CITC.

760 CMR 68.00 establishes rules, standards, and procedures for the CITC Grant Program and the CITC. The Department will award CITC grants during Massachusetts Fiscal Year 2014, and each grant will be valid for up to three years, subject to a possible one-year extension. The CITC will be available in calendar years 2014 through 2019.

68.02: Definitions

Terms used in St. 2012, c. 238, § 81 and not otherwise defined in 760 CMR 68.00 shall have the meaning set forth in St. 2012, c. 238, § 81.

Community Development - shall mean physical development, including affordable housing and commercial real estate development and preservation; community planning pertaining to physical and economic development; economic development, including business assistance and development; and asset development to build the economic capacity, mobility, and stability of low-income persons (e.g., homeownership assistance, financial education, foreclosure prevention, Individual Development Accounts (IDAs) and savings programs, and job training and creation programs).

Rural Area - shall mean a municipality with a population of less than 7,500 or a group of municipalities, 75% or more of which have populations of less than 7,500.

68.03: CITC Grant Application Process

- (1) The Department will issue a Notice of Funding Availability (NOFA) containing detailed information concerning the application process for CITC grants.
- (2) Community Development Corporations (CDCs) may apply for CITC grants as follows:
 - (a) Each application shall include a Community Investment Plan as defined in St. 2012, c. 238, § 81(a).
 - (b) An applicant may propose to use CITC grant funding to refine its Community Investment Plan. In such case, the Community Investment Plan shall include each of the elements required by St. 2012, c. 238, § 81(a), but may address some or all of those elements in a preliminary manner, so long as the plan also describes a process by which the applicant will refine each element, as will be further prescribed in the NOFA.

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(c) An applicant may propose to use grant funding to implement its Community Investment Plan.

(3) Community Support Organizations (CSOs) may apply for a CITC grant to provide technical assistance to one or more CDCs in refining or implementing their Community Investment Plans or both.

68.04: CITC Grant Amendments and Extensions

Amendments to a program funded by a CITC grant must be approved in writing by the Department.

(1) Application for Department Approval of Amendment. The application for an amendment to the program funded by a CITC grant shall be in writing in a format prescribed by the Department.

(2) Application for Department Approval of Extension. A Community Partner or CSO that anticipates that it will not be able to fully utilize its CITC grant within three years may apply in writing to the Department for a one-year extension. The application shall be in writing in a format prescribed by the Department, and must be submitted to the Department not less than 90 days prior to the expiration of the three-year grant period.

68.05: CITC Application Process

(1) The Department will issue a Notice of Funding Availability (NOFA) containing detailed information concerning the application content and process for CITC allocations to Community Partners and CSOs.

(2) At minimum, Community Development Corporation (CDC) applications for selection as a Community Partner and an allocation of CITC must:

- (a) Include a Community Investment Plan as defined in St. 2012, c. 238, § 81(a) and as further defined by the Department;
- (b) Include documentation demonstrating a strong track record of community development programs and activities to improve economic opportunities for residents; and
- (c) Include a current list identifying the CDC's board members and identifying any material changes to the organization.

(3) CSOs may apply for a CITC allocation to provide capacity building services to CDCs.

68.06: CITC Amendments and Extensions

Amendments and Extensions of CITC allocations must be approved in writing by the Department. The Department may amend a CITC allocation to reduce or increase the amount allocated.

(1) Application for Department Approval of Amendment. The application for an amendment to a CITC allocation shall be in writing in a format prescribed by the Department.

(2) Application for Department Approval of Extension. A Community Partner that anticipates that it will not be able to fully utilize its CITC allocation within three years, may apply in writing to the Department for a one-year extension. The application shall be in writing in a format prescribed by the Department, and must be submitted to the Department not less than 90 days prior to the expiration of the three-year allocation period.

68.07: Reporting and Review

(1) Each Community Partner or CSO shall submit such progress reports as may be required by the Department.

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- (2) The Department shall review the CITC grant activities of each Community Partner or CSO at least once every two years.
- (3) The Department may revoke a CITC allocation or CITC Grant award in accordance with St. 2012, c. 238, § 81(b)(3).

68.08: Records and Documents

- (1) Each Community Partner or CSO shall maintain accurate records and accounts of all activities undertaken with a CITC allocation or a CITC Grant award as prescribed by the Department.
- (2) Community Partners and CSOs shall permit Department staff or auditors engaged by the Department to examine and make copies of all records and accounts relating to the CITC allocation or CITC Grant award during all normal business hours.

68.09: Waiver

- (1) The Undersecretary of the Department of Housing and Community Development may waive, in writing, any provision of 760 CMR 68.00 not required by St. 2012, c. 238, §§ 2 and 81, provided that the Department determines that such waiver is consistent with the purposes set out in the statute and 760 CMR 68.00, and that desired relief is in the public interest.
- (2) Requests for a waiver shall be in writing to the Undersecretary, Department of Housing and Community Development, 100 Cambridge Street, Suite 300, Boston, MA 02114, and shall contain a reliable showing that the waiver meets all the requirements of 760 CMR 68.09.

REGULATORY AUTHORITY

760 CMR 68.00: M.G.L. c. 23B; St. 2012, c. 238, §§ 2 and 81.

NON-TEXT PAGE