

THE COMMONWEALTH OF MASSACHUSETTS

Annual Consolidated Plan

Federal Fiscal Year 2023

100 CAMBRIDGE STREET
BOSTON, MA 02108



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Department of Housing and Community Development
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Executive Summary

AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

1. Introduction

The 2020 – 2024 Consolidated Plan identifies the housing and community development needs of Massachusetts and provides the framework for how Massachusetts intends to address and prioritize those needs over the next five years. The five year plan, submitted to HUD in 2020, and this 2023 Action Plan pertain to the activities of the following programs:

- Community Development Block Grant Program (CDBG)
- Emergency Solutions Grant (ESG)
- HOME Investment Partnerships Program (HOME)
- Housing Opportunities for Persons with AIDS (HOPWA)
- National Housing Trust Fund (HTF)

These programs are called formula programs because HUD distributes the funds to each state based on a statutory formula that takes into account population, poverty, incidence of overcrowded housing, and age of housing stock. Consolidated Plans must be submitted every five years; more detailed action plans are required annually.

Massachusetts expects receive just over \$70 million for the five programs in Federal Fiscal Year 2023. The Community Development Block Grant funds may only be expended in the state’s “non-entitlement” communities. These are the 314 cities and towns that are not eligible to apply for community development funding directly from HUD. Thirty-seven other communities – mostly larger cities, and Barnstable County will receive over \$103.5 million in FFY2023 in the five CPD formula programs directly from HUD, for which they submit their own consolidated plans. Funding under the other four programs may be allocated statewide, although DHCD gives priority to requests from non-entitlement communities if they have priority needs and can demonstrate the ability to address them in a manner consistent with the state’s strategy.

2. Summarize the objectives and outcomes identified in the Plan

This could be a restatement of items or a table listed elsewhere in the plan or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis or the strategic plan.

The 2020-2024 Consolidated Plan provides the framework for the Commonwealth's continuing investment to help meet the housing and community development needs of its residents and municipalities. It lays out the state's long-term objectives and the strategies by which it will achieve these objectives, using funds received from HUD under the five programs covered by the plan as well as other sources the state expects to have available. The plan identifies the state's housing and community development needs and priorities, and establishes the criteria by which projects will be selected for funding. The state's housing and community development needs were identified by citizens in a series of three public forums, a public hearing, and an analysis of socioeconomic and housing market conditions.

Four objectives were established for the Consolidated Plan. These objectives support the Commonwealth's overarching goal for all its housing and community and development efforts: to provide broad economic opportunity and a high quality of life for all Massachusetts residents. They also support HUD's complementary goals of providing decent housing, a suitable living environment and expanded economic opportunities.

The objectives of the 2020-2024 Massachusetts plan are:

- Promote strong, sustainable communities throughout the Commonwealth and address local priorities
- Preserve and create affordable rental housing options for low- and moderate-income residents.
- Reduce chronic and family homelessness through a housing-based approach, with a long-term goal of ending homelessness.
- Ensure full and fair access to housing for all residents of the Commonwealth.

The objectives also support and follow from the Commonwealth's 2019 Economic Development Plan titled "*Partnerships for Growth: A plan to enable the Commonwealth's regions to build, connect and lead*". The Partnerships for Growth plan is undergirded by four pillars:

- Respond to Housing Crisis,
- Build Vibrant Communities,
- Support Business Competitiveness, and
- Train a Skilled Workforce

3. Evaluation of past performance

This is an evaluation of past performance that helped lead the grantee to choose its goals or projects.

This Annual Action Plan represents Year 4 of the 2020-2024 Consolidated Plan. Ninety days after the close of the state's HUD program year (4/1-3/31), Massachusetts submits the annual Consolidated Annual Performance Evaluation Report (CAPER) for the programs covered by the Plan. Several non-federal efforts complement the resources available through the Con Plan.

Massachusetts has long been a leader in providing affordable subsidized housing for its residents. With state and federal resources DHCD, its affiliated quasi-public agencies, more than 240 local and regional housing authorities, and a wide array of private for-profit and nonprofit housing developers engage in an exceptionally high level of publicly assisted housing activity. Each year, more than a billion dollars of federal, state, and quasi-public funds are spent to build, renovate, preserve, maintain or subsidize affordable housing.

Progress has been made during this past two years. In January 2021, the Economic Development Bond Bill, “An Act Enabling Partnerships for Growth” was enacted. The bill included a mix of capital funding for housing programs and a series of revisions to MGL Chapter 40A, commonly known as the Zoning Act, which applies to all cities and towns in Massachusetts except Boston, which operates under its own enabling act.

Foremost are the Housing Choice provisions that make it easier to build housing in communities that want it. Housing Choice had been a top priority, and was the first significant zoning reform in decades. This legislation also includes language that will encourage multifamily zoning in 175 (177 as of January 1, 2023) MBTA communities. Final Guidelines for the “MBTA Communities” in Eastern MA that are subject to this law were issued in August 2022. The MBTA Communities are in various stages of reviewing their zoning to comply with the provisions to allow multi-family housing by right near transit stations and within their communities. DHCD awarded over \$700,00 in state funding to support TA in 14 MBTA communities, and over 80 have sought technical assistance from other agencies such as regional planning agencies and/or Massachusetts Housing Partnership.

Among the reforms are 1) changes to section 5 of the Act, reducing the number of votes required to enact certain “housing friendly” zoning ordinances and bylaws from a supermajority to a simple majority; and 2) changes to section 9 of the Act, lowering voting thresholds for issuance of certain kinds of special permits located in “smart growth” areas and include at least 10% Affordable Units.

The economic development bond bill also provided more than \$626 million in capital authorization to drive economic growth, and improve housing stability over the next five years. This includes \$50 million to neighborhood stabilization, \$50 million for transit-oriented housing development, and \$10 million in sustainable and climate resilient housing that will allow the Commonwealth. Communities will also benefit from a \$40 million authorization for the revitalization of underutilized properties and \$10 million for regional and community assistance, tools that are more important than ever for the COVID-19 recovery. Recognizing the challenges small towns face, the new rural and small town development fund will provide up to \$20 million to support municipalities on local goals.

The state increased its commitment to new housing production, challenging in an era of high costs and shrinking subsidies, and to removing barriers that stifle housing production. On the non-housing front, Massachusetts has invested heavily in its public facilities and infrastructure, including the roads, bridges, schools and libraries that are a prerequisite to sustainable housing and community development.

4. Summary of Citizen Participation Process and consultation process

Summary from citizen participation section of plan.

DHCD once again continued its track record of hardy citizen engagement, despite the ongoing challenges of the prolonged COVID-19 pandemic. As remote work continued and in person meetings and hearings were still limited as an option for most of the past year, DHCD used existing formal and informal relationships, and made better use of technology to consult with the public. There was a collective and ongoing assessment and reassessment of housing and community development needs and services by DHCD and its partners in response to the sustained economic impact of the pandemic on Massachusetts residents, especially of low and moderate income. In addition, each of the programs individually continued to engage with citizens, stakeholders, program operators, and other interested parties. This participation and consultation takes place on an ongoing basis, not solely as a perfunctory once a year event that coincides with the preparation and submission of the One-Year Action Plan. The fortunate result is a better informed citizenry and considered Action Plans and programs.

5. Summary of public comments

This could be a brief narrative summary or reference an attached document from the Citizen Participation section of the Con Plan.

TBD after public hearing and upon close of public comment period.

6. Summary of comments or views not accepted and the reasons for not accepting them

TBD after public hearing and upon close of public comment period.

7. Summary

PR-05 Lead & Responsible Agencies - 91.300(b)

1. Agency/entity responsible for preparing/administering the Consolidated Plan

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role		Name	Department/Agency
CDBG Administrator		MASSACHUSETTS	MA Dept. of Housing & Community Development
HOPWA Administrator			MA Dept. of Public Health
HOME Administrator		MASSACHUSETTS	MA Dept. of Housing & Community Development
ESG Administrator		MASSACHUSETTS	MA Dept. of Housing & Community Development
		MASSACHUSETTS	MA Dept. of Housing & Community Development

Table 1 – Responsible Agencies

Narrative

Consolidated Plan Public Contact Information

Tyler Newhall, Legislative Director and Policy Development Manager (617) 573-1102, Tyler.Newhall@mass.gov

AP-10 Consultation - 91.110, 91.300(b); 91.315(l)

1. Introduction

Provide a concise summary of the state's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies

DHCD and 18 state agencies sign on to a memorandum of understanding partnering to improve existing processes, make recommendations for new, collaborative efforts and develop a long-range action plan to meet the need for supportive housing among the Commonwealth's residents. Supportive housing helps individuals and families that are homeless or facing homelessness, institutionalized or at-risk of institutionalization, people with disabilities and the elderly. Additionally, the agencies, through an Interagency Supportive Housing Working Group, continue to assess the extent of public cost-savings generated as a result of providing permanent supportive housing and will recommend strategic reinvestments.

In addition to providing housing for families, supportive housing, which is operated in conjunction with a network of non-profit agencies across the Commonwealth, includes services such as childcare, access to job training, mental-health care and other opportunities that give participants a hand up towards stability and success.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness

Massachusetts CoC continue to collaborate and find improved methods for coordination at a statewide level. As a result, mergers are frequent; there are currently 12 CoC across the Commonwealth, including the Balance of State which is led by DHCD. As a state agency, we are invested in understanding the needs of the different regions and establishing goals and action steps that best meet the needs of the people of the Commonwealth. Specifically related to ESG funding, DHCD connects with each CoC through one-on-one meetings, surveys, and monitoring visits (for existing ESG contracts) when applicable. Since the onset of COVID, DHCD staff have been in regular communication with the CoCs about meeting the need for added temporary emergency shelter capacity to accommodate social distancing, connecting highly vulnerable persons to shelter and housing; communication with local veterans agencies, the Massachusetts Interagency Council on Housing and Homelessness (ICHH), and Executive Office of Health and Human Services (EOHHS) Youth Region Leads Staff is also ongoing. In FFY23 and beyond, DHCD will continue to work with local CoC to develop and improve policies around utilizing non-congregate settings for emergency shelter in response to communicable disease, winter

planning, and other emergencies, rapid re-housing programming, coordinated entry, and access to permanent housing (including, but not limited to permanent supportive housing.)

Describe consultation with the Continuum(s) of Care that serves the State in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS

DHCD engages regularly with the multiple CoC across the Commonwealth, including supporting the merging of CoC, either into the Balance of State or between other CoC, providing technical assistance on a variety of CoC functions, co-chairing quarterly state-wide CoC meetings, engaging in listening sessions around the procurement of our state funded homelessness systems including both entitlement and non-entitlement ESG grants, and consulting on the best use of ESG funding and COVID related stimulus funding. As a state agency, we are invested in understanding the needs of the different regions and establishing goals and action steps that best meet the needs of the people of the Commonwealth. DHCD is leading conversations between CoC Leads and their local entitlement communities and in many instances are coordinating ESG-CV and state funded services with CARES allocations by entitlement communities.

2. Agencies, groups, organizations and others who participated in the process and consultations

(see below)

Table 2 – Agencies, groups, organizations who participated

1	Agency/Group/Organization	Massachusetts Department of Public Health
	Agency/Group/Organization Type	Services-Children Services-Persons with HIV/AIDS Services-Health Other government - State
	What section of the Plan was addressed by Consultation?	HOPWA Strategy Lead-based Paint Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	MA Dept. of Public Health is responsible for the administration of the HOPWA program. Many other organizations participated through the public meetings/hearings. DHCD and DPH's Childhood Lead Poisoning Prevention Program also consult and partner regularly in a coordinated, reciprocal relationship on an ongoing basis on lead paint testing, lead safe remediation and abatement. The two agencies consult regularly to determine whether MA will pursue lead remediation funding from HUD. The most recent conversations involved utilization of a settlement from Home Depot, and the use of a trust fund established to remediate units occupied by low income families.
2	Agency/Group/Organization	Massachusetts Housing Partnership
	Agency/Group/Organization Type	Housing Services - Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Market Analysis
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The Massachusetts Housing Partnership (MHP) provides financial and technical assistance to communities, non-profits and housing authorities in the pre-development stages of affordable housing development. DHCD works closely with MHP to finance new housing, and to preserve existing affordable housing and secure long-term affordability extensions.

3	Agency/Group/Organization	MassHousing
	Agency/Group/Organization Type	Housing Quasi-public housing finance agency
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Market Analysis Program design and resource allocation
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	DHCD works closely with quasi-public agencies including MassHousing to finance new housing, and to preserve existing affordable housing and secure long-term affordability extensions. DHCD and MassHousing have also worked closely to coordinate specific roles in certain areas, with DHCD carrying out particular housing functions with MassHousing via contract, and vice versa, depending on which organization is better suited to do so.
4	Agency/Group/Organization	CEDAC
	Agency/Group/Organization Type	Housing Services - Housing Services-Persons with Disabilities Services-Education
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Non-Homeless Special Needs Market Analysis Economic Development

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Among other efforts, DHCD works closely with the Community Economic Development Assistance Corporation (CEDAC), one of its primary technical assistance partners, on several fronts. One key role is to help preserve existing affordable housing and secure long-term affordability extensions. As such DHCD meets regularly with CEDAC to assess needs, plan for and coordinate financial assistance, structure programs, and make funding awards. DHCD and CEDAC also collaborate on other community and economic development needs assessment and program development.
5	Agency/Group/Organization	Massachusetts Technology Collaborative
	Agency/Group/Organization Type	Services - Broadband Internet Service Providers Services - Narrowing the Digital Divide
	What section of the Plan was addressed by Consultation?	Economic Development Anti-poverty Strategy Broadband Access
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Both DHCD and the Massachusetts Technology Collaborative (MTC) operate under the broad umbrella of the Executive Office of Housing and Economic Development (EOHED), and through EOHED coordination it was determined that broadband issues have been assigned to the MTC. The Massachusetts Technology Collaborative, parent organization of the MA Broadband Initiative, is responsible for implementing the Last Mile program, which provides assistance to deliver high speed internet to residents and businesses in unserved communities. This program works in tandem with the Commonwealth network, the primary connection to internet hubs elsewhere in the Commonwealth as well as working with broadband internet service providers. That said, though DHCD is not involved in the administration of those programs, broadband infrastructure is eligible through the MA CDBG Program, and specifically called out in the One Year Plan.

6	Agency/Group/Organization	Massachusetts Association of Community Development Corporations
	Agency/Group/Organization Type	Housing Services - Housing Services-Employment Regional organization Membership organization
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Families with children Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	MACDC is a membership organization for Massachusetts community development corporations (CDCs). CDCs in Massachusetts implement several programs and initiatives funded by DHCD, and as we do with others, we consult regularly with MACDC on any number of program and policy issues found in the Con Plan. MACDC seeks to build and sustain a high performing and adaptive community development sector that is supported by private and public investment and sound public policies. [They] advance racial and economic equity by creating healthy communities where everyone lives in housing they can afford, benefits from economic opportunities and can fully participate in the civic life of their community. MACDC member organizations are partners in CDBG grant administration in several communities, develop housing with funding from virtually all CPD program resources, implement economic development and revitalization using DHCD resources, and are reliable partners and problem solvers when needed.
7	Agency/Group/Organization	Massachusetts Association for Community Action
	Agency/Group/Organization Type	Membership organization

	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless Economic Development Anti-poverty Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	DHCD consults with the Massachusetts Association for Community Action (MASSCAP) and its members, the designated eligible entities for the Community Services Block Grant program in regular monthly meetings as well as for ad hoc issues around anti-poverty, economic self-sufficiency, emergency assistance and other resources and services targeted for low income households and individuals. Many of their recommendations have resulted in policy and program implementation across programs.
8	Agency/Group/Organization	EOHED
	Agency/Group/Organization Type	Housing Services-Education Services-Employment Service-Fair Housing Services - Broadband Internet Service Providers Other government - State Regional organization Planning organization Business and Civic Leaders Grantee Department
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Economic Development

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	See "Partnerships for Growth" discussion in the Introduction above. EOHEd led the effort and administered the stakeholder engagement. The stakeholder engagement included a secondary level of deep dive sessions on specific subjects that informed the process and programmatic content of the Consolidated Plan, as well as operational considerations for all grants within the Secretariat.
9	Agency/Group/Organization	MA Chapter National Association of Housing & Redevelopment Officials
	Agency/Group/Organization Type	Housing PHA Services - Housing Service-Fair Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Public Housing Needs Non-Homeless Special Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	DHCD solicits feedback on policy, practice, funding needs and other issues from Local Housing Authorities (LHAs - or PHAs) and other public housing stakeholders on a regular basis, including the lead up to the preparation and submission of the Con Plan. We meet with the Mass NAHRO (Massachusetts Chapter of the National Association of Housing and Redevelopment Officials) housing committee on an approximately monthly basis to discuss policy issues (the housing committee is comprised of 15-20 LHAs). We also communicate frequently with other LHAs, and somewhat frequently with the Mass Union of Public Housing Tenants. Those meetings and other regular business interactions inform the Con Plan.

10	Agency/Group/Organization	Regional Housing Network of Massachusetts
	Agency/Group/Organization Type	Housing Services-Children Services-Elderly Persons Services-homeless Service-Fair Housing Services - Victims Regional organization
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The Regional Housing Network is made up of nine regional organizations that can address or answer questions about all types of housing problems. Tenants, landlords, prospective buyers, and homeowners can access information designed to maximize housing stability, strengthen investments, and minimize disputes. The regional administering agencies (RAAs) administer several homeless prevention programs through contracts with DHCD. As such DHCD consults regularly with the organizations, defining program guidelines, problem solving, prioritizing and continually assessing need and ultimately the program design.

Identify any Agency Types not consulted and provide rationale for not consulting

Other local/regional/state/federal planning efforts considered when preparing the Plan

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	DHCD	The goals work with one another; the priorities and funding allocation decisions are designed to optimize available funds and leverage other resources. The recent ESG procurement was co-procured with state resources to support emergency shelter, street outreach, Rapid Rehousing, Permanent Supported Housing, Triage, and Diversion, etc.
Moving to Work	DHCD	The goals work with one another; the priorities and funding allocation decisions are designed to optimize available funds and leverage other resources.

Table 3 - Other local / regional / federal planning efforts

Narrative

AP-12 Participation - 91.115, 91.300(c)

1. Summary of citizen participation process/Efforts made to broaden citizen participation Summarize citizen participation process and how it impacted goal-setting

This FFY 2023 One-Year Action Plan was issued in draft form for a 30-day public comment period beginning February 6, 2023. A public hearing will be held at 100 Cambridge St., Boston and via Zoom on March 1, 2023 to provide opportunity for the public to comment in person or remotely.

The draft Plan was made available electronically at DHCD's website, [DHCD Consolidated & Action Plans | Mass.gov](https://www.mass.gov/info-details/dhcd-consolidated-action-plans) and can be made available by calling DHCD during normal business hours at (617) 573-1100. The department encourages citizens to attend the public hearing to provide testimony verbally. Comments are also accepted via email and by submission in writing to DHCD, 100 Cambridge Street, Suite 300, Boston, MA 02114.

Additionally, staff across the five (5) CPD programs included in this One-Year Action Plan held a number of meetings as a matter of course to engage with stakeholders and solicit input on program matters on an ongoing basis.

DHCD considers formal testimony, written comment, and ongoing dialogue in considering goal-setting, program design and other related concerns.

Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	Public Hearing	Non-targeted/broad community				

Table 4 – Citizen Participation Outreach

Expected Resources

AP-15 Expected Resources – 91.320(c)(1,2)

Introduction

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	34,276,029	50,000	300,000	34,626,029	34,621,966	For a number of reasons, DHCD delayed the availability of 2022 funds and combined them with 2023 funds in a single application round due in March of 2023. This expected amount reflects what we project to have after FFY23 (assuming level funding for 2023)

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	11,086,368	4,000,000	0	15,086,368	11,000,000	It is estimated that DHCD will receive approximately \$4,000,000 in HOME program income during the 2023 program year. This estimate is based on the program income receipts that have been received in prior years during this Consolidated Plan period. Program income received in the 2023 program year will be committed to projects prior to 2023 grant year funds, as specified in greater detail in the 2023 Annual Action Plan. All prior year HOME resources have been committed to activities.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOPWA	public - federal	Permanent housing in facilities Permanent housing placement Short term or transitional housing facilities STRMU Supportive services TBRA	361,240	0	393,677	754,917	361,240	

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
ESG	public - federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	4,960,269	0	0	4,960,269	4,960,269	DHCD estimates just less than \$5,000,000 in ESG this next fiscal year which will be utilized for street outreach (shelter operations component) and Rapid Rehousing

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HTF	public - federal	Acquisition Admin and Planning Homebuyer assistance Multifamily rental new construction Multifamily rental rehab New construction for ownership	18,648,225	0	16,987,942	35,636,167	10,000,000	

Table 5 - Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

DHCD will match CDBG funding dollar for dollar, after the first \$100,000 in federal funding. Local CDBG administrators often leverage funds from other housing programs, such as federal weatherization funding, and state funded programs for lead paint and accessibility improvements. In addition, municipalities routinely use local allotment of state highway funds to combine with CDBG funds in supporting infrastructure projects. and often provide in-kind service. The CDBG Program does not currently require a match but does encourage applicants to incorporate other sources of funds into its projects.

DHCD will match ESG funding dollar for dollar, after the first \$100,000 in federal funding utilizing the state contributions for emergency shelter for individuals.

If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

CDBG funds may be used for publicly held property. This is most likely in cases of infrastructure and public facility projects such as sewer, water and drainage improvements; streetscape improvements; architectural barrier removal; and senior centers. Additionally, MA is exploring the use of state-owned land for the development of housing -- the MA Open for Business Initiative.

Discussion

In Massachusetts, DHCD is the tax credit allocating agency, through its Division of Housing Development. The Division also oversees approximately \$100 million annually in other federal and state affordable housing programs, including the federal HOME program, ensuring a coordinated approach to resource allocation.

Developers have the opportunity to apply competitively for the tax credit and DHCD's other affordable rental housing resources during regularly scheduled funding competitions. In a typical year, the Department's credit allocations, in combination with DHCD subsidy awards and other funds, generate support for about 1200 to 1500 affordable rental units, both production and preservation. DHCD has emphasized to the development community the importance of structuring projects to include units for extremely low income individuals and households, and has made project-based Section 8 allocations available to support these tenants. The Department also is encouraging developers to target the extremely low income units to individuals or families making the transition from homelessness.

DHCD is the lead agency for the preparation of both the Consolidated Plan and the state's Low Income Housing Tax Credit (LIHTC) Qualified Allocation Plan. The Qualified Allocation Plan (QAP) establishes the priorities and policies under which the state will operate and distribute funds in its federal tax credit program. In much the same manner as it does when it prepares its HUD Community Planning and Development Consolidated Plan and One Year Action Plans, DHCD considers the Commonwealth's affordable housing needs and the condition of its housing markets when it prepares its LIHTC Qualified Allocation Plan. The two plans are complementary and consistent, and the QAP is incorporated by reference into this Consolidated Plan. The QAP is available in its entirety on the DHCD website.

Annual Goals and Objectives

AP-20 Annual Goals and Objectives – 91.320(c)(3)&(e)

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator

Table 6 – Goals Summary

Goal Descriptions

1	Goal Name	Promote Strong Sustainable Communities
	Goal Description	
2	Goal Name	Preserve and create affordable rental housing
	Goal Description	HOME and HTF funds will be used to create new units of affordable housing and to preserve existing units through recapitalization.
3	Goal Name	Reduce homelessness
	Goal Description	

4	Goal Name	Access to housing opportunities
	Goal Description	

AP-25 Allocation Priorities – 91.320(d)

Introduction:

HOME, CDBG, ESG, HTF and HOPWA funds are important resources for the Commonwealth in the execution of its housing and community development agenda. CDBG, in particular, is the State's major resource to address the needs of its non-entitlement communities and non-housing community development needs, all of which are facing fiscal constraints. The Massachusetts CDBG program supports a broad range of infrastructure, accessibility and community development projects. In addition, its housing rehabilitation funds are being used in many communities to revitalize older housing in established neighborhoods.

Funding Allocation Priorities

	Promote Strong Sustainable Communities (%)	Preserve and create affordable rental housing (%)	Reduce homelessness (%)	Access to housing opportunities (%)	Total (%)
CDBG	60	25	10	5	100
HOME	0	84	16	0	100
HOPWA	0	0	0	100	100
ESG	0	0	100	0	100
HTF	0	65	35	0	100

Table 7 – Funding Allocation Priorities

Reason for Allocation Priorities

Massachusetts allocates the funds it receives from HUD under the five programs covered by this Consolidated Plan to a number of specific programs. CDBG funds focus predominantly on community development activities such as infrastructure improvements, homeowner housing rehabilitation and public social services.

ESG funds focus on Rapid Rehousing programming and street outreach to connect unsheltered people to emergency shelter, housing and mainstream resources.

How will the proposed distribution of funds will address the priority needs and specific objectives described in the Consolidated Plan?

The programs funded under CDBG, HOME, ESG, HTF and HOPWA enable the Commonwealth to equitably distribute funds to address its highest priority needs in each of the funding categories: affordable housing (including lead paint abatement), homelessness, special needs, and community development.

AP-30 Methods of Distribution – 91.320(d)&(k)

Introduction:

Methods of distribution are generally provided in summary form below, with detailed descriptions referenced and contained in the Unique Appendices section attached at the end of this Plan.

Distribution Methods

Table 8 - Distribution Methods by State Program

1	State Program Name:	CDBG Reserves
	Funding Sources:	CDBG
	Describe the state program addressed by the Method of Distribution.	<p>On occasion applications, or portions thereof, that were not funded during a competitive process, including direct technical assistance to eligible communities, may be considered by the Undersecretary of DHCD to be particularly worthy, innovative, or address an overarching local, regional, or statewide need. Such projects may be funded through the Reserves.</p> <p>Funds may also be made available for projects throughout the program year that are consistent with Massachusetts' CDBG priorities.</p>

<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>The application materials for Reserves will provide guidance to potential grantees on how to structure their applications. The Department's interest in providing Reserves funding for projects will be determined by a review of the proposed project to determine consistency with the goals and priorities cited above and that the activity is eligible, feasible and ready to proceed. Once complete, applications will be funded in the order in which they are received.</p>
<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>The CDBG FFY2023 One-Year Action is attached to this Consolidated Plan and is posted separately on DHCD's website.</p>

<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	N/A
<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	N/A

<p>Describe how resources will be allocated among funding categories.</p>	<p>An initial combined allocation of \$500,000 from FFY22/23 will be available for the Reserves component. Funds may be recaptured by or returned to DHCD at any time during the program year, or reallocated to and from program components including the Reserves component. This may result in an increase or decrease to the initial allocation.</p>
<p>Describe threshold factors and grant size limits.</p>	<p>All Projects funded under Reserves must meet, at a minimum, CDBG national objective and eligibility requirements, applicable rules and regulations, and project feasibility thresholds.</p>

	What are the outcome measures expected as a result of the method of distribution?	See the attached appendix for the FFY2023 CDBG Action Plan and program specifics.
2	State Program Name:	Community Development Fund
	Funding Sources:	CDBG
	Describe the state program addressed by the Method of Distribution.	The Community Development Fund annually awards grants to communities throughout the Commonwealth. This program helps eligible cities and towns to meet a broad range of community development needs in housing, infrastructure, downtown revitalization, and public social services. It supports CDBG-eligible activities and encourages applicants to develop coordinated, integrated and creative solutions to local problems.

<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>The Community Development Fund (CDF), representing the bulk of the state’s CDBG allocation, will be distributed through an annual competitive application process. CDF supports revitalization efforts and addresses the needs of low and moderate income residents by supporting housing as well as community and economic development activities in Massachusetts cities and towns. The combined FFY22/23 funds allocation of \$48,722,253 is available to all applicants competitively though communities with higher percentage of low and moderate income persons will have an advantage. DHCD made this calculation based on level funding from last year's 2022 allocation.</p>
<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>The CDBG FFY2023 One-Year Action is attached to this Consolidated Plan and is posted separately on DHCD's website.</p>

<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	N/A
<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	N/A

<p>Describe how resources will be allocated among funding categories.</p>	<p>All CDBG program funds will be available to eligible grant recipients based on applications for Massachusetts Community Development Block Grant funds and/or Notices of Funding Availability that will be distributed on a regular basis. These documents will make communities aware of the requirements of each particular component and will be available to allow communities adequate time to prepare grant applications for each program. DHCD is combining its FFY 2022 allocation with its FFY 2023 allocation in a single application round. More specific details are provided in the 2023 One Year Plan found in the Grantee Unique Appendices in the AD-26 Administration section of this Plan and the combined FFY22-23 application guidance located at this link: Community Development Block Grant (CDBG) Mass.gov</p>
<p>Describe threshold factors and grant size limits.</p>	<p>See attached FFY2023 CDBG One-Year Action Plan for specifics. It is proposed that a single community may receive up to \$1.35M in grant funds through the combined 2022/2023 application, for single or multiple activities. It is being initially proposed that regional applications involving two municipalities may receive a grant of up to \$1.5M but no single CDF municipality in a regional application may receive more than \$1.35M. Three or more municipalities applying can receive a max award of \$1.7M. There is a minimum grant amount of \$100,000 for the CDF. There is a minimum grant amount of \$10,000 for planning or design-only grants.</p>

	What are the outcome measures expected as a result of the method of distribution?	See the attached appendix for the FFY 2023 CDBG Action Plan and program specifics.
3	State Program Name:	Emergency Solutions Grant
	Funding Sources:	ESG
	Describe the state program addressed by the Method of Distribution.	DHCD uses our MA non-entitlement Emergency Solutions Grant to fund projects designed to conduct street outreach, and provide essential rapid re-housing services for homeless individuals across the Commonwealth.

<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<ul style="list-style-type: none"> • Must be eligible subrecipient of ESG funding per HUD guidelines. • Must propose to serve people experiencing literal homelessness or at-risk of literal homelessness. • Project must be developed and operated in consultation with the local CoC • Project must propose ESG eligible services. • Subrecipient must demonstrate ability to comply with HUD HMIS standards and produce a CAPER. • Additional criteria may be established based on consultation with stakeholders, CoC, and community need at time of procurement.
<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>N/A</p>

Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)	<p>The Commonwealth conducted a statewide procurement for ESG funds this year. Proposals were received from every region of the Commonwealth and awards were made statewide for street outreach and rapid rehousing efforts.</p>
Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)	<p>N/A</p>

<p>Describe how resources will be allocated among funding categories.</p>	<table border="1"> <thead> <tr> <th>Component</th><th>Planned Allocation</th></tr> </thead> <tbody> <tr> <td>Street Outreach</td><td>\$845,032.23</td></tr> <tr> <td>Emergency Shelter Operations</td><td></td></tr> <tr> <td>Rapid Rehousing</td><td>\$3,938,336.76</td></tr> <tr> <td>Prevention</td><td></td></tr> <tr> <td>Admin (split evenly between recipient and subrecipients)</td><td>\$176,900.01</td></tr> <tr> <td>Emergency Solutions Grant FFY23</td><td>\$4,960,269.00</td></tr> </tbody> </table>	Component	Planned Allocation	Street Outreach	\$845,032.23	Emergency Shelter Operations		Rapid Rehousing	\$3,938,336.76	Prevention		Admin (split evenly between recipient and subrecipients)	\$176,900.01	Emergency Solutions Grant FFY23	\$4,960,269.00
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Emergency Solutions Grant FFY23	\$4,960,269.00														
<p>Describe threshold factors and grant size limits.</p>	<p>N/A</p>														

	What are the outcome measures expected as a result of the method of distribution?	DHCD expects to rapidly rehousing 800 people per year and provide street outreach to 200 people per week.
4	State Program Name:	HOME
	Funding Sources:	HOME
	Describe the state program addressed by the Method of Distribution.	HOME funds are available through competitive funding rounds to housing projects that meet various readiness and feasibility criteria. Funding is available in both HOME entitlement and non-entitlement communities.

<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>Please see the attached FY23 Action Plan HOME appendix regarding housing development project selection. The program is committed to supporting the Commonwealth's affordable housing stock with sustainable housing assets throughout the state.</p>
<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>N/A</p>

<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	N/A
<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	N/A

<p>Describe how resources will be allocated among funding categories.</p>	<p>DHCD intends to continue to utilize its FY23 HOME allocation for the production and preservation of rental housing. Please see the FY23 Action Plan HOME appendix for more information.</p>
<p>Describe threshold factors and grant size limits.</p>	<p>Please refer to the FY23 Action Plan HOME appendix.</p>

	What are the outcome measures expected as a result of the method of distribution?	In general, DHCD's HOME program supports the production and preservation of rental housing units to affirmatively further fair housing and to support the housing needs of eligible residents at or below 60% of the applicable area median income. At least 20% of HOME rental units must be maintained for households at or below 50% of the applicable area median income. Please refer to the FY23 Action Plan HOME appendix for more information.
5	State Program Name:	HOPWA
	Funding Sources:	HOPWA
	Describe the state program addressed by the Method of Distribution.	The Massachusetts Department of Public Health (MDPH) Bureau of Infectious Disease and Laboratory Sciences (BIDLS) Office of HIV/AIDS (OHA) administers HOPWA funds. MDPH will use its HOPWA allocation in FY23 to fund home-based HIV/AIDS medical case management services through Victory Programs, Inc. and Commonwealth Land Trust. In addition, OHA will fund housing search and advocacy assistance through AIDS Project Worcester and Community Counseling of Bristol County.

<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>OHA conducted a statewide procurement process in State FY18. Through that procurement, OHA awarded Victory Programs and Commonwealth Land Trust funding for home-based HIV/AIDS medical case management services. OHA also awarded AIDS Project Worcester and Community Counseling of Bristol County funding for housing search and advocacy services. The procurement included language to support the allocation of State, Centers for Disease Control and Prevention, Health Resources and Services Administration Ryan White HIV/AIDS Program, and HOPWA funding for successful applicants. The procurement was conducted through a rigorous State-approved process that involved comprehensive community input and structured internal review.</p>
<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>N/A</p>

<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	<p>N/A</p>
<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	<p>As referenced above, project sponsors were selected through a statewide procurement process in State FY18. The procurement was specifically written to attract community-based organizations as applicants. The procurement also included community health centers and other HIV medical care organizations. As also mentioned above, MDPH is required to conduct procurement processes through a rigorous State-approved process that involves comprehensive community input and structured internal review. The review participants included individuals who were not employees of OHA, which manages the funds. All four project sponsors receiving HOPWA funds are community-based organizations.</p>

<p>Describe how resources will be allocated among funding categories.</p>	<p>All OHA HOPWA funds will be allocated for Supportive Services. Victory Programs and Commonwealth Land Trust will use HOPWA funds to provide home-based medical case management services that include, but are not limited to: medical care coordination, adherence support, substance use risk reduction, sexual health promotion, benefits counseling, and basic housing services. AIDS Project Worcester and Community Counseling of Bristol County will use HOPWA funds to provide housing search and advocacy services that include, but are not limited to: identification of housing options, completion and submission of housing applications, visits to potential housing units, negotiation with landlords, identification of resources and services necessary to ensure housing stabilization, and assistance with eviction prevention.</p>
<p>Describe threshold factors and grant size limits.</p>	<p>The agencies providing services through HOPWA funding have cost-reimbursement contracts. Each agency submits monthly invoices that are reviewed and monitored by OHA contract managers and fiscal staff. Agencies shall not exceed their grant limits as outlined in provider contract language.</p>

	What are the outcome measures expected as a result of the method of distribution?	<p>MDPH has adopted the outcome measures specified by the HUD HOPWA program. All programs must report on the following process measure: “assess your program’s success in enabling HOPWA beneficiaries to establish and/or better maintain a stable living environment in housing that is safe, decent, and sanitary, and improve access to care.” In addition, the home-based medical case management programs report data on the number of HOPWA clients who meet the following criteria during the reporting year:</p> <ul style="list-style-type: none"> • Has a housing plan for maintaining or establishing stable on-going housing • Had contact with a case manager/benefits counselor consistent with the schedule specified in client’s individual service plan • Had contact with a primary health care provider consistent with the schedule specified in client’s individual service plan • Accessed and maintained medical insurance/assistance • Successfully accessed or maintained qualification for sources of income • Obtained an income-producing job
6	State Program Name:	Mini Entitlement Program
	Funding Sources:	CDBG

<p>Describe the state program addressed by the Method of Distribution.</p>	<p>The CDBG Mini-Entitlement Program provides funding to municipalities that meet the three following criteria: (1) Low and moderate income percentage 40% or higher; (2) a poverty rate higher than the state average of 9.8% and (3) population over 12,000. This program helps larger non-entitlement urban communities with the highest needs improve conditions for their low- and moderate-income residents through comprehensive planning and predictable funding. Through this program, identified cities and towns can meet a broad range of community development needs in housing, business development, physical development, downtown revitalization, and public social services. It supports all CDBG-eligible activities and encourages applicants to develop comprehensive, creative solutions to local problems.</p>
<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>DHCD expects to award a total of up to \$16,500,000 from the combined FFY22/23 Mini-Entitlement Program allocations to ten (10) designated Mini-Entitlement municipalities: Amherst, Chelsea, Everett, Gardner, Greenfield, North Adams, Southbridge, Wareham, Webster, and West Springfield, with each receiving up to \$1,650,000.</p> <p>DHCD requires Mini Entitlement communities to approach CDBG projects in a comprehensive and integrated manner and is directing these communities to target their CDBG funds to particular geographic areas in order to impact and effect change within neighborhoods. Housing Rehabilitation programs may be designed to allow up to 20% of the funds to be used for emergency purposes outside the target area.</p>

<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>The CDBG FFY2023 One-Year Action Plan is attached to this Consolidated Plan and is posted separately on DHCD's website.</p>
<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	<p>N/A</p>

Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)	N/A
Describe how resources will be allocated among funding categories.	All CDBG program funds will be available to eligible grant recipients based on applications for Massachusetts Community Development Block Grant funds and/or Notices of Funding Availability that will be distributed on a regular basis. These documents will make communities aware of the requirements of each particular component and will be available to allow communities adequate time to prepare grant applications for each program.

	<p>Describe threshold factors and grant size limits.</p>	<p>The maximum grant award is up to \$825,000 from both the FFY 2022 and FFY 2023 allocations, for a combined award of up to \$1,650,000 for each of the 10 Mini-Entitlements. Mini-Entitlement applications will contain an 24-month implementation and cash flow plan for the combined 2022/2023 allocation. Mini-entitlement grantees must comply with standards for timely expenditure and available program income. FFY 22/23 Mini-Entitlement awards to Grantees that do not meet the required standards will be reduced by an amount necessary to bring the grantee into compliance.</p>
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	What are the outcome measures expected as a result of the method of distribution?	See attached Grantee Unique Appendices that include the FFY2023 CDBG Action Plan and program specifics.
7	State Program Name:	National Housing Trust Fund
	Funding Sources:	HTF

<p>Describe the state program addressed by the Method of Distribution.</p>	<p>The National Housing Trust Fund (HTF) is a federal program to support the development of affordable housing for low-income individuals and households. In Massachusetts, we have prioritized HTF funds for projects that provide service-enriched housing and housing for homeless families and individuals. Low-income individuals often face other economic challenges beyond accessing affordable housing. These include difficulties paying for food, health care, transportation, child care and other critical expenses often leading to food insecurity, untreated medical conditions, and barriers to secure job training, education and permanent employment. Permanent supportive housing can become a firm foundation from which to address other critical economic and social challenges.</p>
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<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>DHCD accepts applications for HTF funds from qualified and experienced sponsors whose projects are highly ready to proceed. Sponsors must be non-profit entities or developers partnering with non-profit entities that receive funding for supportive services from federal sources, private foundations and/or from state agencies within the Executive Office of Health and Human Services, including the Executive Office of Elder Affairs.</p> <p>Applicants must have the demonstrated capacity to develop housing and provide necessary supportive services and must be in good standing with the Massachusetts Department of Housing and Community Development (DHCD). Sponsors who lack experience in supportive housing are ineligible to apply.</p> <p>In general, the evaluation criteria for all applications will include, but will not be limited to, the following:</p> <ul style="list-style-type: none"> • Strength of the overall concept • Percentage of units to be reserved for homeless families or individuals • Strength of the development team • Appropriateness of the tenant selection plan • Evidence of market feasibility • Demonstrated need for the project • Degree of local support, including local funding commitments • Degree to which the project maximizes green building standards and sustainable design principles • Evidence of intent to create units for residents who face multiple barriers to securing and/or maintaining permanent housing • Demonstrated ability to provide effective stabilization and supportive services to establish and maintain successful tenancies • Geographic location • Degree to which project rents are affordable to ELI/VLI households • Minimum term of affordability: at least 30 years.
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<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>N/A</p>
<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	<p>N/A</p>

	Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)	N/A
	Describe how resources will be allocated among funding categories.	N/A

	Describe threshold factors and grant size limits.	See Other Program Requirements for details.
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	<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>See Other Program Requirements for details.</p>
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Discussion:

AP-35 Projects – (Optional)

Introduction:

N/A

#	Project Name

Table 9 – Project Information

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

AP-38 Project Summary
Project Summary Information

AP-40 Section 108 Loan Guarantee – 91.320(k)(1)(ii)

Will the state help non-entitlement units of general local government to apply for Section 108 loan funds?

Yes

Available Grant Amounts

Section 108 Loan Guarantees allow eligible communities to access federal loan funds for the purpose of aiding revenue-producing development activities. The Massachusetts program provides communities with a source of loan financing for a specific range of community and economic development activities. Funding is provided to the community to loan to a business or other entity. The Commonwealth guarantees repayment of the HUD loan, and pledges its future CDBG allocation as collateral. Actual funding will be provided through the sale of notes by the federal Department of Housing and Urban Development.

Loan Guarantees will be available to support the rehabilitation of, or conversion to, mixed-use or investor owner-residential buildings (5 or more units) located in downtown or commercial center areas. Residential projects should include mixed-income, affordable and market rate units. Housing unit rehabilitation will be limited to a maximum per unit CDBG cost of \$125,000. The entire building façade must be appropriately addressed, regardless of the portions of the building assisted. Section 108 loan assistance of \$1 million to \$5 million will be available for residential or mixed-use projects meeting these qualifications. For most housing project components, Section 108 loan funds plus all federal and state grants combined shall not exceed 75 percent of total actual project costs. Section 108 loans may also assist public facilities/infrastructure improvements that generate sufficient revenues and support downtown mixed-use or investor-owned, mixed-income residential projects.

This year the Commonwealth will pledge up to \$10 million in future CDBG allocations in support of these eligible activities. The minimum award is \$1,000,000 and the maximum is \$5 million. The loan amount will not be included in the \$1 million annual limit that grantees may receive from the Commonwealth's annual CDBG allocation.

Acceptance process of applications

Applicants must contact DHCD prior to submission of an application. A two-stage process for evaluating potential applications is in effect, consisting of a preliminary screening and a formal application. Applicants also need to review the evaluation criteria and the review process information found in the Economic Development Fund Application Guidance. Applications will be reviewed on a first

come, first served basis, provided that threshold criteria are met and funds are available.

Successful applicants will receive a loan from HUD, but the Commonwealth guarantees the repayment of the loan. The Commonwealth pledges its future CDBG grant funds to repay the federal government should a non-entitlement recipient of a Section 108 Loan default. DHCD will not pledge other collateral of the Commonwealth in support of proposals. Any additional security required by HUD must come from another source.

Project applications must meet all applicable criteria outlined in the CDBG One-Year Action Plan. However, the format of any final loan application will be determined by HUD.

See attached FY2023 CDBG One-Year Action Plan for specifics.

AP-45 Community Revitalization Strategies – 91.320(k)(1)(ii)

Will the state allow units of general local government to carry out community revitalization strategies?

No

State's Process and Criteria for approving local government revitalization strategies

N/A

AP-50 Geographic Distribution – 91.320(f)

Description of the geographic areas of the state (including areas of low-income and minority concentration) where assistance will be directed

Each program year, the Massachusetts's CDBG Program identifies certain communities to be Mini-Entitlement communities if they meet specific criteria pertaining to a variety of socio-economic demographic factors. Details about the specific factors are outlined in each year's Action Plan. This program helps larger non-entitlement urban communities with the highest needs improve conditions for their low- and moderate-income residents through comprehensive planning and predictable funding. These communities are required to approach CDBG projects in a coordinated and integrated manner and to target their CDBG funds to a particular identified neighborhood or target area. For the balance of the CDBG program, MA does not specifically identify any target areas within its boundaries but encourages applicants to focus activities in target areas identified by the applicant communities as having a greater level of need.

Geographic Distribution

Target Area	Percentage of Funds

Table 10 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

Though Massachusetts does not specifically identify target areas, allocating a significant portion of CDBG resources toward the areas of greatest need as described above results in the greatest potential impact of the limited funds.

Discussion

Affordable Housing

AP-55 Affordable Housing – 24 CFR 91.320(g)

Introduction:

DHCD will make HOME and HTF funding available through a competitive application process during the program year. It is estimated that these resources will create nearly 387 units of affordable housing through the respective programs, as further detailed below.

One Year Goals for the Number of Households to be Supported	
Homeless	129
Non-Homeless	258
Special-Needs	0
Total	387

Table 11 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	0
The Production of New Units	326
Rehab of Existing Units	61
Acquisition of Existing Units	0
Total	387

Table 12 - One Year Goals for Affordable Housing by Support Type

Discussion:

The HOME and HTF programs both support affordable housing rental opportunities. HTF has a focus on supportive housing for extremely low income households and HOME is used in combination with low-income housing tax credits and other state capital sources to finance affordable rental housing.

We note that the numbers above are for HOME and HTF units only, which often are within housing projects with a larger number of total units.

One year HOME goals from the allocation amount include:

187 total HOME-assisted units, of which 176 will be production and 11 will be acquisition and rehabilitation of existing units. Approximately 29 units will be for homeless/at risk of homelessness households. Approximately 158 HOME-assisted units will be for non-homeless households. We note that

the HOME-ARP funding is expected to focus on efforts to reduce homelessness.

One year HTF goals from the allocation amount include:

200 total HTF-assisted units, of which 150 will be production and 50 will be acquisition and rehabilitation of existing units. At least 100 units will be for homeless/at risk of homelessness households. The remaining units will be for other very low-income households with supportive services needs who may be at-risk for homelessness without wrap-around services.

AP-60 Public Housing - 24 CFR 91.320(j)

Introduction:

DHCD oversees approximately 43,500 units of state-aided public housing at 230 Local Housing Authorities (LHAs). The state provides these developments with both capital and operating subsidy, technical assistance, and regulatory oversight. DHCD periodically issues competitive grant funding rounds for capital projects.

Actions planned during the next year to address the needs to public housing

- DHCD will make progress on several major projects, including two mixed-income redevelopment projects that will replace 300+ public housing units and build hundreds more units of market-rate housing (one in construction, one starting construction 2023); and complete or substantially advance construction on several ModPHASE projects to rehabilitate elderly public housing.
- DHCD will oversee the continued disbursement in \$150M of federal ARPA funds for state-aided public housing modernization, including \$55M allocated by formula to the LHAs and \$95M to targeted expired components, including electrical panels, fire alarm & suppression systems, elevators, and accessible unit conversions. DHCD has obligated all ARPA funds through award letters to LHAs.
- Begin work on at least one major mixed-finance redevelopment of public housing awarded through a Notice of funding availability published in 2021.
- Make awards for state public housing modernization and repositioning projects using Moving to Work Funds, as described in DHCD's HUD-approved 2023 Moving to Work plan.
- DHCD has made capital awards to address high-risk developments and will continue implementing changes to capital planning processes to address climate-change related hazards.
- DHCD will continue to make improvements to the CHAMP online application system and provide clearer information on process to applicants, and will integrate the state-funded voucher system into CHAMP. We will also go to a "centralized determination" model for waitlist management that will save time for administrators and reduce confusion for applicant
- DHCD will continue to improve oversight of LHAs through the PMR, refining the implementation of a data-driven update to performance review that allows Department to focus more on physical conditions and Housing Authorities that require the most technical assistance.

Actions to encourage public housing residents to become more involved in management and participate in homeownership

DHCD will continue to oversee implementation of legislation that requires every LHA in a town to have a tenant board member on the board (cities have had this requirement for many years).

If the PHA is designated as troubled, describe the manner in which financial assistance will be

provided or other assistance

N/A

Discussion:

AP-65 Homeless and Other Special Needs Activities – 91.320(h)

Introduction

DHCD pursues a housing-focused approach to homelessness in advancing its vision that homelessness be rare, brief, and non-recurring.

DHCD continues to focus on diversion from family shelter to safe alternatives using the Commonwealth's HomeBASE benefit and accompanying case management services. For families needing shelter, DHCD continues to encourage providers to embrace housing-focused approaches, best practice sharing between providers, and added support for complex cases. To facilitate exits from the EA system, DHCD continues to fund the HomeBASE rapid rehousing benefit and work with other entities to expand access to subsidized housing.

With individuals, DHCD pursues various priorities including:

- Reducing discharges from upstream systems of care into the shelter system, and aiding those facilities in navigating housing resources.
- Working to identify and fund sufficient shelter capacity for individuals with no alternative to shelter, particularly outside of Boston.
- Coordinating with the Commonwealth's housing development entities, within and beyond DHCD, to expand permanent supportive housing for chronically homeless individuals.

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including:

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

DHCD will continue to communicate with the Continuum of Care lead agencies, other state departments, and municipalities statewide to understanding and assess the needs of persons experiencing homelessness in local communities. In response to COVID, DHCD is also working closely with, and funding organizations who provide street outreach services to connect people experiencing literal homelessness with immediate shelter. In order to safely provide emergency shelter to those in need, DHCD is utilizing hotels in partnership with subrecipients; hotels are being funded through state funding. Finally, DHCD will coordinate with the SAMHSA funded PATH teams across the

Commonwealth. These teams are conducting street outreach and operate statewide.

Addressing the emergency shelter and transitional housing needs of homeless persons

Goal: ensure access to safe and effective emergency shelter.

Actions: to improve access to emergency shelter, DHCD conducted system wide procurements for emergency shelter services funded through state appropriation. These procurements resulted in increased numbers of shelter beds for both individuals and households with children. Additionally, the procurements provided funding for temporary emergency shelter in congregate and non-congregate settings in preparation for winter weather. ESG and state funded street outreach services as well as state funded triage and assessment efforts were increased dramatically through these procurements, which is expected to result in more cohesive access to shelter.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

Goal: improving access to RRH resources for individuals statewide.

Action: A new RRH training has been developed for providers across Massachusetts focusing on providing individualized RRH services. DHCD utilized its procurements to increase rapid rehousing access dramatically using both state and ESG resources.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs

Goal: Increase access to homelessness prevention services statewide.

Action: In response to COVID-19, the Commonwealth has launched a statewide initiative expanding the capacity of existing homelessness prevention services as bulleted below. These services are primarily state funded, thus allowing ESG & other federal funding resources to be prioritized to households experiencing literal homelessness according to HUD's definition. Additionally, to increase access to expanded services, DHCD staff launched a training video directed to service providers on how to access

expanded services. The video is available at

<https://www.youtube.com/watch?v=XJuGJUaMnIY&feature=youtu.be>

- \$150 million commitment last fiscal year to expand the capacity of the Residential Assistance for Families in Transition (RAFT) program to provide relief to renters and landlords impacted by COVID-19;
- \$59.4 million to HomeBASE and other rapid rehousing programs for when tenants are evicted and are at risk of homelessness;
- \$9.7 million for Housing Consumer Education Centers (HCECs), the “front door” for those facing a housing emergency; and
- \$1.8 million for the Tenancy Preservation Program (TPP), to provide case management support and to act as a neutral party to help tenants and landlords come to agreement.

Goal: Increase access to services for youth and young adults experiencing homelessness.

Action: DHCD is partnering with the Massachusetts Interagency Council on Housing and Homelessness and the Executive Office of Health and Human Services (EOHHS) to provide emergency shelter and flexible, yet intensive wrap-around support services (funded through EOHHS) to young adults experiencing homelessness. To support this effort, EOHHS is connecting each emergency shelter provider with direct connections and training on the resources available to young adults through multiple state offices including the Office of the Child Advocate, Dept. of Children & Families, and Dept. of Mental Health.

Discussion

AP-70 HOPWA Goals – 91.320(k)(4)

One year goals for the number of households to be provided housing through the use of HOPWA for:	
Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family	0
Tenant-based rental assistance	0
Units provided in permanent housing facilities developed, leased, or operated with HOPWA funds	0
Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds	0
Total	0

AP-75 Barriers to affordable housing – 91.320(i)

Introduction:

Insufficient resources to meet the growing gap between the cost of creating and maintaining decent housing and the incomes of very low-income households is, of course, the primary obstacle. Building new housing has become increasingly more costly and challenging in Massachusetts, making it difficult for the private market to meet the needs even of moderate and middle-income residents. Some of the obstacles to production are unique to affordable housing, but many apply to housing development generally. The factors affecting the state's performance on housing development and rehabilitation have to do with economic and fiscal considerations, resource allocation, the state's legal and regulatory framework, and public perception and attitudes. Specific barriers include: high construction costs, including the high labor costs; high cost and relative scarcity of land available for development, especially in the eastern part of the state, and the higher costs associated with building on the marginal sites that are available; limited infrastructure in many of the Commonwealth's communities and little incentive for improving roads, water and sewer systems; complex or redundant building codes and the way that they are applied; restrictive local zoning and land use controls that severely limit multi-family uses and lengthy permitting processes; limited planning and organizational capacity at the local level. Half of the Commonwealth's 351 municipalities have fewer than 10,000 residents, and most of these have no professional planning or community development staff; and reluctance of communities to allow new residential development, especially affordable and/or multi-family housing, because of concerns related to fiscal impact, property values and "community character." Under the state constitution and "Home Rule" legislation, Massachusetts's municipalities have control over most land use decisions, and they are responsible for providing and paying for essential public services – including education – largely through the local property tax.

The ability of the State to eliminate, or even mitigate, some of these barriers is limited. For example, while materials cost roughly the same here as in other parts of the country, labor is considerably more expensive. DHCD recognizes that that expanding the supply of affordable housing is vital to the state's economic prosperity, and economic prosperity is what will boost the income and economic self-sufficiency of low-income residents.

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

DHCD and other state agencies will continue to provide TA and training for municipal officials to increase local capacity. Chapter 40B of the MA General Laws, the comprehensive permitting legislation, has historically been an important tool for building affordable housing in communities without at least 10% of the housing stock on the state's Subsidized Housing Inventory. DHCD offers workshops for

municipalities on using Chapter 40B affirmatively to shape affordable housing development, and recent regulatory changes have clarified and strengthened sections of the law.

Discussion:

DHCD also continues to engage in affirmative planning efforts with respect to fair housing opportunities for protected classes, including racial/ethnic minority groups, families with children, and persons with disabilities, through its 2019 Analysis of Impediments to Fair Housing Choice ("AI"), as well as community integration for persons with disabilities through the 2018 Olmstead Plan with the Executive Office of Health and Human Services ("EOHHS") agencies. Both documents discuss agency programs, progress towards goals, and establish further goals and actions. DHCD intends to work with partners, including the relevant EOHHS agencies, to provide future updates and will incorporate them with Consolidated Plan and/or One-Year Action Plan updates. (For AI information, see <https://www.mass.gov/service-details/analysis-of-impediments-to-fair-housing-choice-ai>; for Olmstead Plan information, see <https://www.mass.gov/orgs/commonwealth-of-massachusetts-olmstead-plan-and-update>).

DHCD continues to explore ways in which use of funds can advance equity and expand housing opportunities, and have incorporated additional information into separate programmatic One-Year Action plans.

AP-85 Other Actions – 91.320(j)

Introduction:

Dozens of programs and activities are carried out in addition to those covered by 2020-2024 Consolidated Plan and this 2023 Action Plan that support the state's broad housing and community development objectives. Through these programs, the Commonwealth will seek to create and preserve an adequate supply of housing; to expand homeownership; reduce homelessness; ensure that persons with special needs have access to appropriate services and accessible housing; and to enhance the prosperity and economic competitiveness of all regions, compatible with community and environment.

Actions planned to address obstacles to meeting underserved needs

DHCD, through its programs and partnerships, aims to be a leader in creating housing choice and providing opportunities for inclusive patterns of housing occupancy to all residents of the Commonwealth, regardless of income, race, religious creed, color, national origin, sex, sexual orientation, gender identity, age, ancestry, familial status, veteran status, or physical or mental impairment. Fair housing is embedded in all the state's housing programs and activities.

Massachusetts' fair housing policy is expressed through its Fair Housing Mission Statement and Principles[1] and the Commonwealth's Analysis of Impediments to Fair Housing Choice ("AI").[2]

DHCD seeks to promote and support activities that are consistent with the Affirmatively Furthering Fair Housing ("AFFH") goals identified in its AI, including but not limited to the following goals:

- Increase access to housing in "opportunity areas" (e.g., communities that provide access to opportunities such as high performing schools, employment, services, and healthy and safe neighborhoods)
- Invest and preserve resources to improve opportunities for a range of households in racially/ethnically concentrated areas of poverty
- Reduce local barriers to housing choice
- Expand accessibility
- Increase supportive housing

Examples of housing and community development efforts that DHCD partners and funding applicants may take in furtherance of these goals include the following:

Actions planned to foster and maintain affordable housing

MassHousing, the state's housing development finance agency, provides funding for a variety of rental housing development, home purchase and home/rental unit repair and rehabilitation programs. Other quasi-public and private public purpose agencies that also fund the production and preservation of low

and moderate income housing are MassDevelopment, the Massachusetts Housing Investment Corporation (MHIC), the Massachusetts Housing Partnership Fund (MHP), and the Community Economic Development Assistance Corporation (CEDAC). Each of these agencies contributes a specialized expertise in equity placement, lending, and/or technical assistance to support the efforts of the state's sophisticated and dedicated network of for-profit and nonprofit affordable housing developers.

A new state-funded bond program, the Neighborhood Stabilization Program provides approximately \$36 million for 5 years starting in State fiscal year 2022 for rehabilitation of small-scale home ownership and rental properties and is being implemented by MassHousing. MassHousing is also implementing a partner program available for the 26 Gateway Cities in Massachusetts to fund rehabilitation and for properties with 1 to 4 ownership units and rental properties with up to 10 units.

Actions planned to reduce lead-based paint hazards

The Massachusetts Department of Public Health Childhood Lead Poisoning Prevention Program (MACLPPP) is the lead agency for educating the public about the risks of lead and for ensuring that affected children receive appropriate intervention. The program's actions closely follow or exceed requirements in the HUD Lead-Safe Rule. During the period covered by this plan, the Commonwealth will continue implementing the Massachusetts Lead Law and the HUD Lead-Safe Rule, targeting high-risk communities.

Actions planned to reduce the number of poverty-level families

DHCD employs a multi-faceted approach to reducing the number of families living in poverty. The first is providing affordable, stable housing for low-income families. For families leaving the shelter system with an MRVP, DHCD contracts for stabilization services. DHCD is a Moving to Work agency. Through MTW, DHCD supports and implements elements of self-sufficiency programs, and intends to expand those further. Finally, DHCD encourages Community Action Agencies that receive Community Services Block Grant (CSBG) funds to offer financial self-sufficiency programs.

Actions planned to develop institutional structure

This Action Plan reflects the continuing cooperative participation of the many state agencies, municipalities, and non-profit housing and service providers whose efforts are essential to its success.

Actions planned to enhance coordination between public and private housing and social service agencies

Implementation of the Action Plan is carried out by dozens of state agencies, departments, and quasi-public entities, working collaboratively with a network of for-profit service providers and developers and

the 351 cities and towns of the Commonwealth.

Discussion:

Program Specific Requirements

AP-90 Program Specific Requirements – 91.320(k)(1,2,3)

Introduction:

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.320(k)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	50,000
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
Total Program Income:	50,000

Other CDBG Requirements

1. The amount of urgent need activities	0
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	70.00%

HOME Investment Partnership Program (HOME)

Reference 24 CFR 91.320(k)(2)

1. A description of other forms of investment being used beyond those identified in Section 92.205 is

as follows:

DHCD's forms of HOME investment fall within 92.205.

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

DHCD does not anticipate awarding new HOME project-based homebuyer funds in the coming program year and has not awarded HOME project-based homebuyer funds for a number of years, as rental projects continue to be a priority.

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

N/A

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

DHCD HOME funds support rehabilitation and general development costs associated with some preservation projects. HOME funds are not used to refinance other multifamily federal loans.

Emergency Solutions Grant (ESG) Reference 91.320(k)(3)

1. Include written standards for providing ESG assistance (may include as attachment)

The current ESG standards are attached. The standards were developed to support ESG projects selected from our recent procurement process. DHCD has updated our existing standards & aligned with updated guidance from HUD in response to the COVID pandemic. Additionally, DHCD worked with our HUD assigned TA provider (Abt Associates) to develop and implement statewide RRH standards that support ESG funded projects. Finally, DHCD subrecipients are encouraged to develop their own regional standards for providing ESG assistance in partnership with their local Continuum of Care.

2. If the Continuum of Care has established centralized or coordinated assessment system that

meets HUD requirements, describe that centralized or coordinated assessment system.

Across the Commonwealth Massachusetts has 12 continua of care. Some regions are farther along than others in the development of each coordinated entry system. Some notable coordinated entry systems include the city of Boston (which has worked to pair permanent supportive housing units to chronically homeless individuals and veterans. As well as Rapid Rehousing for long term shelter stayers, youth, and those fleeing domestic violence situations), the city of Cambridge (who has developed a coordinated access network intake for those experiencing homelessness to join eligibility pools for Permanent Supportive Housing and/or Rapid Re-Housing programs), And the Balance of State, where a Rapid Rehousing assessment has just been implemented and incorporated into HMIS along with the previous permanent supportive housing assessment. All CoC's are working to better each system and make access more equitable across the commonwealth. Each is following ESG standards reflected in federal regulations as well as best practices. They defer to the specific mechanisms within each continuum's coordinated entry system but require compliance with HUD standards.

3. Identify the process for making sub-awards and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations).

After consulting with CoCs regarding their needs and priorities for ESG funding, DHCD released a Request for Responses (RFR) for new awards. Proposals were received from every region of the Commonwealth and awards were made statewide for street outreach and rapid rehousing efforts. The procurements were conducted in compliance with the Uniform Procurement Act, [MGL.I.III.30B](#)

4. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG.

N/A

5. Describe performance standards for evaluating ESG.

DHCD expects to rapidly rehousing 800 people per year and provide street outreach to 200 people per week.

ESG Recordkeeping and Reporting - Standards for Administering Rapid Re-Housing and Homelessness Prevention Projects are contained in the ESG Section of the FFY2023 Action Plan Appendix, located in AD-25 Administration of the Consolidated Plan, Grantee Unique Appendices.

Housing Trust Fund (HTF)

Annual Action Plan
2023

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Reference 24 CFR 91.320(k)(5)

1. How will the grantee distribute its HTF funds? Select all that apply:

☒ Applications submitted by eligible recipients

2. If distributing HTF funds through grants to subgrantees, describe the method for distributing HTF funds through grants to subgrantees and how those funds will be made available to state agencies and/or units of general local government. If not distributing funds through grants to subgrantees, enter "N/A".

N/A

3. If distributing HTF funds by selecting applications submitted by eligible recipients,

a. Describe the eligibility requirements for recipients of HTF funds (as defined in 24 CFR § 93.2). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

DHCD accepts applications for HTF funds from qualified and experienced sponsors whose projects are highly ready to proceed. Sponsors must be non-profit entities or developers partnered with non-profit entities that receive support service funds from federal sources, from private foundations or sources, from the Massachusetts Executive Office of Health and Human Services, and/or from the Executive Office of Elder Affairs. Applicants must have the demonstrated capacity to develop the housing and provide necessary supportive services, and must be in good standing with the Department. Sponsors who lack experience in supportive housing are ineligible to apply.

b. Describe the grantee's application requirements for eligible recipients to apply for HTF funds. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

HTF projects must be structured as sound real estate investments as well as effective opportunities for low-income tenants who need support services. Sponsors interested receiving HTF funds must submit a pre-application to the Department through the on-line Mass OneStop+ system. Based on the information contained in the pre-application, DHCD determines whether the sponsor has the demonstrated capacity to develop the housing and provide the necessary supportive services. At the pre-application stage, DHCD also evaluates the status of necessary zoning and permitting approvals, the status of architectural documents, and the status of other funding commitments as part of its readiness

determination. Sponsors whose projects receive preliminary approval from DHCD during the pre-application process are invited to submit full funding applications. Full funding applications must be submitted through the on-line Mass OneStop+ system.

c. Describe the selection criteria that the grantee will use to select applications submitted by eligible recipients. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

In general, the evaluation criteria for all applications will include, but will not be limited to, the following:

- Strength of overall concept
- Percentage of units to be reserved for homeless families or individuals
- Strength of development team
- Appropriateness of tenant selection plan
- Evidence of market feasibility
- Demonstrated need for project in the target neighborhood
- Financial viability of the project
- Degree of local support, including local funding commitments
- Degree to which the project maximizes green building standards and sustainable development principles
- Evidence of intent to create units for residents who face multiple barriers to securing and/or maintaining permanent housing
- Demonstrated ability to provide effective stabilization and supportive services to establish and maintain successful tenancies
- Geographic location of project
- Degree to which proposed rents are affordable to ELI/VLI households
- Minimum term of affordability: at least 30 years

d. Describe the grantee's required priority for funding based on geographic diversity (as defined by the grantee in the consolidated plan). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

DHCD always encourages the creation of units for ELI individuals and families in "areas of opportunity." The Department defines an area of opportunity, in part, as a neighborhood or community with a relatively low concentration of poverty based on U.S. Department of HUD data. In addition, DHCD identifies an area of opportunity as a neighborhood or community that offers access to jobs, health care, high performing school systems, higher education, retail and commercial enterprise, and public amenities.

e. Describe the grantee's required priority for funding based on the applicant's ability to obligate HTF funds and undertake eligible activities in a timely manner. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

It is DHCD's intent to award HTF to projects that are highly ready to proceed. Further, it is DHCD's intent to award the funds to recipients with extensive experience and strong track records in the development and operation of housing with support services. Sponsor experience and capacity are critical elements in the DHCD review process for HTF. The degree of readiness of a project and its ability to move through the loan closing process to construction are also critical review components.

f. Describe the grantee's required priority for funding based on the extent to which the rental project has Federal, State, or local project-based rental assistance so that rents are affordable to extremely low-income families. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

In accordance with HUD guidance, the funds available through HTF in Massachusetts can only be used to directly support housing units for ELI individuals or households. Additionally, DHCD will typically pair HTF funds with the state's rental voucher program, known as MRVP (Massachusetts Rental Voucher Program), ensuring that HTF-assisted units will have rents that are affordable to ELI households.

g. Describe the grantee's required priority for funding based on the financial feasibility of the project beyond the required 30-year period. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

All HTF-assisted rental housing in Massachusetts must meet a 30 year affordability period.

h. Describe the grantee's required priority for funding based on the merits of the application in meeting the priority housing needs of the grantee (such as housing that is accessible to transit or employment centers, housing that includes green building and sustainable development features, or housing that serves special needs populations). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

DHCD is strongly committed to the development of housing with services for special populations, including individuals or households who are either very low-income (VLI) or extremely low-income (ELI). In Massachusetts we have prioritized HTF funds for projects that provide service-enriched housing and housing for homeless families and individuals. VLI, ELI and homeless individuals or households often face other life challenges, including difficulty in paying for food, transportation, health care, child care, and other life necessities. These highly vulnerable populations clearly need housing they can afford, but they frequently need support services as well.

i. Describe the grantee's required priority for funding based on the extent to which the application makes use of non-federal funding sources. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Historically, DHCD is willing to award subsidy to support approximately 25% of the cost of producing or preserving an affordable unit. It is the Department's long-standing practice to inform recipients that they must obtain the balance of the financing per unit from other private and/or public sources.

4. Does the grantee's application require the applicant to include a description of the eligible activities to be conducted with HTF funds? If not distributing funds by selecting applications submitted by eligible recipients, select "N/A".

Yes

5. Does the grantee's application require that each eligible recipient certify that housing units assisted with HTF funds will comply with HTF requirements? If not distributing funds by selecting applications submitted by eligible recipients, select "N/A".

Yes

6. Performance Goals and Benchmarks. The grantee has met the requirement to provide for performance goals and benchmarks against which the grantee will measure its progress, consistent with the grantee's goals established under 24 CFR 91.315(b)(2), by including HTF in its housing goals in the housing table on the SP-45 Goals and AP-20 Annual Goals and Objectives screens.

Yes

7. Maximum Per-unit Development Subsidy Amount for Housing Assisted with HTF Funds. Enter or attach the grantee's maximum per-unit development subsidy limits for housing assisted with HTF funds.

The limits must be adjusted for the number of bedrooms and the geographic location of the project. The limits must also be reasonable and based on actual costs of developing non-luxury housing in the area.

If the grantee will use existing limits developed for other federal programs such as the Low Income Housing Tax Credit (LIHTC) per unit cost limits, HOME's maximum per-unit subsidy amounts, and/or Public Housing Development Cost Limits (TDCs), it must include a description of how the HTF maximum per-unit development subsidy limits were established or a description of how existing limits developed for another program and being adopted for HTF meet the HTF requirements specified above.

Each year, in DHCD's Qualified Allocation Plan (QAP) for the Low Income Housing Tax Credit (LIHTC), the Department uses updated data to establish recommended cost limits per unit, based on project type, location, and size. The recommended cost limits per unit that apply to tax credit projects also apply to all other DHCD housing resources, including the Housing Trust Fund (HTF), HOME program, and ten state-funded bond programs. The current QAP can be found online at <https://www.mass.gov/doc/2020-2021-gap-low-income-housing-tax-credit-qualified-allocation-plan-qap/download>.

For DHCD, there is a direct correlation between the recommended cost limits per unit and the Department's commitment of subsidy per unit. Historically, DHCD has been willing to award subsidy to support approximately 25% of the cost of producing or preserving an affordable unit. However, it is important to note that, historically, DHCD has also been willing to prioritize greater subsidy support to supportive housing projects. Once DHCD has identified the amount of subsidy it will provide, it is the Department's long-standing practice to inform recipients that they must obtain the balance of the financing per unit from other private and/or public sources. DHCD intends to follow its long-standing policy on subsidy per-unit in making HTF awards.

In general, recipients should assume that DHCD typically will cap all HTF awards at approximately \$150,000- \$200,000 per unit, depending on project characteristics and at \$2,000,000 per project. This is a \$1 million increase from the prior project maximum and, will, in general, be utilized to fund projects with ten or more HTF units (ELI units). In special circumstances, DHCD may commit a maximum of \$2.5 million to a single project. DHCD would direct this level of HTF funding solely to projects with a high percentage of ELI units and to projects serving vulnerable populations including but not limited to, homeless families, chronic homeless individuals, veterans with supportive service needs, individuals in recovery from substance abuse disorder and unaccompanied homeless youth.

8. Rehabilitation Standards. The grantee must establish rehabilitation standards for all HTF-assisted housing rehabilitation activities that set forth the requirements that the housing must meet upon project completion. The grantee's description of its standards must be in sufficient detail to determine the required rehabilitation work including methods and materials. The standards may refer to applicable codes or they may establish requirements that exceed the minimum requirements of the codes. The grantee must attach its rehabilitation standards below.

In addition, the rehabilitation standards must address each of the following: health and safety; major systems; lead-based paint; accessibility; disaster mitigation (where relevant); state and local codes, ordinances, and zoning requirements; Uniform Physical Condition Standards; Capital Needs Assessments (if applicable); and broadband infrastructure (if applicable).

See attached

9. Resale or Recapture Guidelines. Below, the grantee must enter (or attach) a description of the guidelines that will be used for resale or recapture of HTF funds when used to assist first-time homebuyers. If the grantee will not use HTF funds to assist first-time homebuyers, enter "N/A".

N/A

10. HTF Affordable Homeownership Limits. If the grantee intends to use HTF funds for homebuyer assistance and does not use the HTF affordable homeownership limits for the area provided by HUD, it must determine 95 percent of the median area purchase price and set forth the information in accordance with §93.305. If the grantee will not use HTF funds to assist first-time homebuyers, enter "N/A".

Any limitation or preference must not violate nondiscrimination requirements in § 93.350, and the grantee must not limit or give preferences to students. The grantee may permit rental housing owners to limit tenants or give a preference in accordance with § 93.303(d)(3) only if such limitation or preference is described in the action plan.

See HTF One Year Action Plan, attached in Grantee Unique Appendices

12. Refinancing of Existing Debt. Enter or attach the grantee's refinancing guidelines below. The guidelines describe the conditions under which the grantee will refinance existing debt. The grantee's refinancing guidelines must, at minimum, demonstrate that rehabilitation is the primary eligible activity and ensure that this requirement is met by establishing a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing. If the grantee will not refinance existing debt, enter "N/A."

See HTF One Year Action Plan, attached in Grantee Unique Appendices

Discussion:

Attachments

FFY2023 Action Plan Appendix

- DHCD Fair Housing Action Updates
- CDBG One Year Action Plan
- 2023 Locally Held CDBG Program Income
- ESG Program Specifics, including:
 - Standards for Administering Rapid Re-housing and Homelessness Prevention Projects
 - Homeless Facilities Listing
- HOME Program Specifics
- HOPWA Program Specifics
- HTF Program Specifics

DHCD Fair Housing Action Updates

DHCD has taken numerous actions responsive to goals identified in its Analysis of Impediments to Fair Housing Choice (<https://www.mass.gov/doc/analysis-of-impediments-to-fair-housing-choice2019/download>), including through the activities highlighted below:

- Expanded DHCD’s Section 8 MTW Supportive Neighborhood Opportunity (“SNO Mass”) program for DHCD Housing Choice Voucher families with school-aged children in moving to communities with high-quality schools, parks and open space, and healthy, safe environments (<https://www.mass.gov/info-details/supporting-neighborhoodopportunity-in-massachusetts-sno-mass-program>).
 - In FY 2021, SNO Mass was expanded statewide. DHCD also revised the program benefit and instead of each participant household being eligible for up to \$4,000, the SNO Mass program now provides security deposit assistance up to one month’s contract rent, plus up to \$2,500 for other allowable pre-move and post-move expenses. This change was made to account for differences in family size and regional differences, which was causing some families to use up most of their \$4,000 on the security deposit alone, leaving very little remaining funding for other expenses.
 - As of FY23, SNO Mass increased the total landlord financial incentive amount to \$1,800 (\$1,200 upon signing a lease with a SNO Mass participant, plus an additional \$600 if the landlord: renews the initial lease with the participant; documents damages exceeding the security deposit when the first SNO Mass participant moves out; or rents to another SNO Mass participant upon turnover of the unit).
 - Despite the impacts of the pandemic, which initially slowed recruitment of staff and SNO Mass participants, as well as the availability of affordable units in Opportunity Areas, SNO Mass has a total of 16 Mobility staff across the RAAs (including coordinators and specialists) working to conduct outreach and housing search counseling along with post move counseling to families that participate in the program. Additionally, mobility staff work with landlords and internal housing staff to promote SNO Mass, locate units in the Opportunity Areas, and coordinate moves.
 - SNO Mass has helped 103 families to relocate to Opportunity Areas since June 2019 (24 of those have moved in FY23). Moreover, since June of 2019, over 1,391 families have expressed interest in SNO Mass, 807 families have attended orientations, and 610 families have attended one or more counseling meetings.
- Launched DHCD’s Moving to Work (“MTW”) Fair Housing Initiative. (<https://www.mass.gov/doc/2021-mtw-annual-report/download>). This pilot initiative utilizes MTW funding of up to \$500,000 per year for a three-year period to provide funding to fair housing enforcement agencies to investigate discriminatory practices and provide enforcement assistance for households with a housing subsidy or voucher. In the first year of this pilot, which is intended to have a systemic focus on testing and

enforcement, DHCD has contracted with the newly formed Fair Housing Alliance of Massachusetts, “FHAM” (Suffolk University Law School Housing Discrimination Testing Program, Community Legal Aid, Massachusetts Fair Housing Center, and SouthCoast Fair Housing). FHAM’s services will include working with regional administering agencies (“RAAs”) and local housing authorities (“LHAs”) to identify and investigate alleged instances of discrimination against voucher holders. The first year of the pilot has concluded and the second year will include an expansion of services to increase the number of vouchers holders served through investigation and enforcement (benchmark of at least 60 households per year) in addition to at least 1-2 systemic cases. Additionally, the second year will include development of a media campaign designed to reach and educate at least 8,000 voucher recipients, housing providers, and/or general public about discriminatory housing practices, with an emphasis on rental assistance and lead paint-based discrimination.

- Updated the Commonwealth’s Olmstead Plan progress benchmarks. DHCD has worked as co-lead in updating Olmstead Plan progress with the state’s Executive Office of Housing and Human Services, including numerous updates relating to expanded affordable and integrated housing opportunities for persons with disabilities, as well as funding to increase accessibility (<https://www.mass.gov/orgs/commonwealth-ofmassachusetts-olmstead-plan-and-update>). Highlights of Olmstead Plan related activities include:
 - As of July 26, 2022, a combined 681 units of permanent supportive housing for homeless and other vulnerable populations were funded during calendar year 2022 through the annual supportive housing round, mini round, and Winter Rental Round.
 - The DMH Rental Subsidy Program was increased in in FY21 by \$3 million and an additional 49 vouchers were leased. FY22 included an additional \$2 million in funding and a total of 2,007 individuals leased by the end of FY22. It is anticipated that an additional 200 individuals will lease in FY23.
 - During calendar year 2020, DHCD was awarded a third Section 811 PRA Grant (FY19) to fund another 72 units for individuals with disabilities (in addition to 84 units from a FY12 grant and 80 units from a FY13 grant).
 - DHCD received an additional 27 Mainstream vouchers as a result of COVID and approximately 117 total Mainstream vouchers are leased.
 - The Tenancy Preservation Program (“TPP”) preserved tenancies for 95% of households receiving TPP support, with 87% remaining in place.
 - AHVP ceiling rents were raised to 110% of FMR in FY21 and have been subsequently adjusted when FMR is updated. In FY21, DHCD also worked with disability advocates to launch a 50-voucher pilot program targeting non-elderly individuals in skilled nursing facilities. Additionally, AHVP began to pay security deposits and first month's rent for AHVP participants in FY22 (January 2022) and has committed to do so at least through the end of FY23.
 - \$23.5 million in ModPHASE funds was awarded to 7 LHAs for moderate to substantial rehabilitation projects for c. 667 state-aided public housing.

- DHCD offered training to LHAs regarding reasonable accommodations and issued a Reasonable Accommodation Policy Template for LHAs to follow in developing or amending their Policy. DHCD also provided CHAMP application training to advocates working with deaf and hard of hearing applicants.
 - DHCD intends to use \$5-7 million of ARPA funds it received for accessible unit conversion projects, although it is likely that more will be spent addressing accessibility needs through regular capital improvement projects.
 - For calendar year 2022, the Home Modification Loan Program (“HMLP”) made 139 loans serving 122 households. HMLP also made improvements to its marketing and application-related materials. Additionally, 8 grants funding accessibility for 16 units have been made through the new Accessible Affordable Housing Grant Program.
- Continued ongoing work with the state’s Interagency Council on Housing and Homelessness (“ICHH”) across state agencies to support the creation of permanent supportive housing for vulnerable populations in need of services (esp. serving households w/ disabilities and persons experiencing homelessness), including through the ICHH Committee on Supportive Housing Production and Services.
- Improved access to, and issued further guidance for, state-aided public housing programs:
 - The Common Housing Application for Massachusetts Programs (“CHAMP”) improved the ability of applicants to seek state-aided public housing statewide and provides more consistency in implementation of state priorities/preferences.
 - DHCD released further fair housing regulatory requirements/guidance for LHAs, including with respect to affirmative marketing, language access, reasonable accommodations for persons with disabilities, and domestic violence notices and resources (see PHN 2022-03: “Fair Housing Marketing Plan,” PHN 2021-21: “Language Access Plan,” PHN 2021-17, “Reasonable” Accommodation Policy,” and PNH 2020-39 “LHA Responsibilities to Victims of Domestic Violence” at <https://www.mass.gov/service-details/public-housing-admin-notices>).
- Continued promotion of reduction in land use barriers to housing development across the Commonwealth, including in locations with high performing schools, access to employment and transportation, etc. through DHCD’s administration of Chapter 40B, Chapter 40R, and the Housing Choice legislation amendments to Chapter 40A (modifying voting thresholds pertaining to certain zoning enactments or approvals, as well as requiring at least one zoning district where multi-family housing of reasonable size is permitted as of right in certain communities near transit (“MBTA communities”)), through regulations/guidance, technical assistance, as well as funding and access to state grants to communities that expand housing production through the Housing Choice Initiative (<https://www.mass.gov/orgs/housing-choice-initiative>).
- Along with the state’s quasi-public housing agencies, supported and promoted Housing Navigator (www.housingnavigator.org) to assist in furthering awareness of affordable housing opportunities across the Commonwealth.

One Year Action Plan

FFY 2023

Massachusetts
Community Development Block Grant Program



Commonwealth of Massachusetts

Maura T. Healey, Governor
Kimberley Driscoll, Lt. Governor

Department of Housing and Community Development

Jennifer D. Maddox, Undersecretary

FFY 2023 One Year Action Plan - Preface

The U.S. Department of Housing and Urban Development (HUD) requires the Commonwealth of Massachusetts, and all other Formula Grantees, to prepare a Five-Year Consolidated Plan. The state's Consolidated Plan sets forth long term priorities for the use of funds received from HUD's Community Development Block Grant (CDBG), HOME, Emergency Shelter Grant (ESG), Housing Trust Fund (HTF) and Housing Opportunities for People with AIDS (HOPWA) programs, and from other state and federal sources.

The preparation of this One Year Action Plan has considered and been informed by the development of the FFY –2020 - 2024 Five-Year Consolidated Plan. Publication of this draft Massachusetts CDBG One-Year Action Plan is taking place concurrent with the Five-Year Consolidated Plan/Annual Update public participation schedule that incorporates the HOME, ESG, HTF and HOPWA programs. DHCD posted a proposed changes memo on Wednesday November 4, 2022 and widely disseminated to interested parties and potential stakeholders thereafter. A public information session occurred on Wednesday November 16, 2022. A formal public hearing on the annual update to the One Year Action Plan will be scheduled in early 2023.

MASSACHUSETTS CDBG

ONE-YEAR ACTION PLAN FOR FEDERAL FISCAL YEAR 2023

INTRODUCTION:

This One Year Action Plan describes the proposed use of Community Development Block Grant (CDBG) funding received by the Commonwealth of Massachusetts. The CDBG Program is a significant source of federal funding administered by the Department of Housing and Community Development, supporting a variety of community development efforts to revitalize our communities, meet the housing and service needs of our low and moderate-income population, build and repair infrastructure vital to the health and safety of residents, and support business development and retention. The One Year Plan addresses the basic features of the state's CDBG program, the applicable federal regulations and requirements governing state and local administration of this program, and the state's policies, administration responsibilities, and description of the program components.

In its administration of CDBG funding, DHCD is committed to:

- Programs and funding that primarily target populations of low- and moderate-incomes, and those with special needs;
- Addressing the most urgent needs and interests of communities;
- Programs and technical assistance designed to facilitate informed decision-making about community development opportunities at the local level, and to encourage self-sufficiency of residents and communities;
- Projects that are consistent with the Commonwealth's Sustainable Development Principles; and
- Sound business practices that ensure the highest standards of public accountability and responsibility.

For FFY 2023, DHCD will continue to implement HUD's Outcome Performance Measurement System. The proposed system incorporates the following three Objectives set forth in the Housing and Community Development Act of 1974: 1) create suitable living environments, 2) provide decent housing, and 3) create economic opportunities. The system directs applicants/grantees to select an Objective coupled with one of the following three Outcomes to help define the intent of the activity: 1) availability/accessibility, 2) affordability, and 3) sustainability - promoting livable or viable communities. Therefore, for each proposed activity the applicant will select one of nine Outcome Statements. The proposed system will not change the nature of the program or its regulations. The Massachusetts CDBG Program currently asks applicants to describe the need the activity addresses, as well as the anticipated impact. This system creates a framework that allows for consistent reporting to HUD on a national level.

The One Year Action Plan is organized into the following sections:

- | | | |
|---------|----|--|
| SECTION | A. | Massachusetts CDBG Priorities |
| | B. | Eligible Municipalities |
| | C. | Eligible Projects/Use of CDBG Program Funds |
| | D. | Applicant/Project Threshold Criteria |
| | E. | Allocation of CDBG Funds to the Commonwealth |
| | F. | Availability of CDBG Program Funds |
| | G. | Evaluation Criteria for All Program Components |
| | H. | Program Sanctions |
| | I. | Citizen Participation Requirements for Applicants and Grantees |
| | J. | CDBG Program Components (description) |

A. MASSACHUSETTS CDBG PRIORITIES

The Community Development Block Grant (CDBG Program) was authorized by Congress and is funded under Title I of the Housing and Community Development Act of 1974, as amended. The Commonwealth of Massachusetts has designated the Department of Housing and Community Development (DHCD) as the state's administering agency for CDBG funding. The primary objective of the federal statute creating the CDBG Program is: "...to develop viable, urban communities by providing decent housing and suitable living environment and expanding economic opportunities principally for low- and moderate-income persons." DHCD will fund eligible projects designed to meet this objective, and that are consistent with the Commonwealth's sustainable development principles listed in Exhibit 5. DHCD encourages:

- development and preservation of affordable housing;
- proactive and coordinated planning oriented towards both resource protection and sustainable economic activity;
- community revitalization that is integral to community development;
- public social services designed to build economic security and self-sufficiency, address homelessness and workforce development; and
- local participation in community-based planning that assesses needs and identifies strategies for addressing those needs

The Act requires that at least 70 percent of CDBG assistance shall be used to support activities that directly benefit low- and moderate-income citizens of the Commonwealth. In addition, the Massachusetts CDBG Program encourages joint or regional applications so that program funds will be used to benefit a greater number of municipalities.

B. ELIGIBLE MUNICIPALITIES

There are 351 municipalities incorporated in Massachusetts. The U.S. Department of Housing and Urban Development (HUD) has designated 37 as CDBG *entitlement* communities; in general, these communities exceed 50,000 in population and receive CDBG funds directly from HUD. Any city or town **not** designated as an entitlement community by HUD may apply for and receive Massachusetts Community Development Block Grant funds. (Refer to Exhibit I for a listing of Massachusetts' entitlement communities.)

C. ELIGIBLE PROJECTS

The following projects are eligible for funding under the Massachusetts Community Development Block Grant Program:

- planning;
- housing rehabilitation and creation of affordable housing;
- economic development projects;
- efforts directed toward rehabilitation and stabilization of existing neighborhoods, commercial areas and downtowns;
- infrastructure;
- construction and/or rehabilitation of community facilities; and
- public social services

DHCD will accept applications through two distinct funds. The rules and program guidelines for these are set forth in Section J: PROGRAM COMPONENTS.

LIMITATIONS ON USE OF PROGRAM FUNDS

- ❖ **Buildings used for the general conduct of government** - Assistance related to buildings used for the general conduct of government is specifically excluded from the program by federal statute, except for the removal of existing architectural barriers to improve access for people with disabilities. Such work is permitted on municipal buildings such as city or town halls, public works structures, public safety buildings, etc.; however the use of CDBG funds is limited to the relevant barrier removal work. The funds must be directed to the removal of material and architectural barriers, which restrict the mobility, and accessibility of elderly and severely disabled adults. While all building codes must be met in a construction project, compliance with most codes cannot be considered as directly related to removing existing architectural barriers. In most instances, work required to meet these codes, even though it may be closely associated with or required in order to receive a permit for the barrier removal project, is not eligible as an ABR project under Section 105(a)(5). Applicants must include a funding commitment letter with the application to show that there is funding set-aside for the work that is ineligible for CDBG funding. All cost estimates must clearly break-out the CDBG/Non-CDBG eligible expenses.

- ❖ **Public Social Services**

Public Social Services projects are not eligible as a “stand-alone” application under the Community Development Fund or Mini Entitlement Program.

Public Social Services cannot exceed 20% of a Community Development Fund, or Mini- Entitlement grant. DHCD encourages municipalities to pursue activities that build economic security and self-sufficiency as well as Public Social Services activities that address homelessness and workforce development and seek to build social capital, increase economic mobility and enhance civic engagement. The following are Public Social Services that meet this definition:

- ABE/GED classes
- Citizenship Training
- Domestic Violence Prevention
- Earned Income Tax Credit (EITC) Counseling and Preparation
- Elder Self-Sufficiency
- English for Speakers of Other Languages (ESOL)
- Family Stabilization
- Financial Literacy
- Homebuyer Counseling and First Time Home Buyer (FTHB) programs
- Individual Development Accounts (IDAs)
- Immigrant services
- Job Training
- Job-Related Childcare Assistance
- Job-Related Transportation Assistance
- Literacy Programs and Training
- Mortgage Foreclosure Prevention Counseling
- Substance Abuse Services

In describing a requested Public Social Services activity, applicants must demonstrate that the activities have been prioritized at the local level in order to determine the request for services. Such prioritizing must demonstrate an understanding of the needs assessment undertaken by the community’s Community Action Agency and not be inconsistent with such Agency’s assessment of service needs.

Applicants may apply for no more than five Public Social Services activities.

Municipalities must demonstrate that, in accordance with Section 105(a)(8) of the Housing and Community Development Act, proposed social service activities have not been funded by the community using municipal and/or state funds within 12 months prior to the application.

DHCD will fund public social service projects that are not provided by other state or federal agencies, or are currently provided but are not available to CDBG-eligible residents in the applicant municipalities.

Applicants proposing projects for the modernization of public housing facilities must provide evidence that the project has been reviewed and approved as it is described in the application by staff of the Bureau of Public Housing and Construction at DHCD.

Planning funds may not be used to plan for public social service programs except as part of a broader community development planning project.

- ❖ **Downtown/commercial target area related projects** – Municipalities may apply for funds for downtown or commercial district related projects under the Community Development Fund or the Mini Entitlement Program. Such projects may include sign/facade programs and streetscape improvements, or other infrastructure improvements located in a downtown or commercial district delineated in the slums and blight documentation. Municipalities may also apply through the Community Development Fund and Mini Entitlement Program for funds for rehabilitation or adaptive re-use of mixed-use buildings located in downtown or commercial center areas. Applicants should contact CDBG staff prior to submitting an application for these types of projects. Funds may be used for acquisition, demolition, and building rehabilitation activities when clearly linked to economic development and jobs.

DHCD may fund projects that support physical downtown and commercial area revitalization efforts; however, municipalities may apply to Mass CDBG for downtown/commercial target area related projects in their downtown or commercial target areas only if they have satisfactorily demonstrated to DHCD that the proposed project is located in an area meeting National Objective compliance requirements set forth in the Application Guidance.

CDBG funds **cannot** be used to fund overhead costs or management salaries related to the operation of a downtown organization, nor can they be used for any organizational development for a downtown organization or committee.

- ❖ **15 Year Housing Affordability Term** – In an effort to increase the supply of affordable housing, all projects supporting the creation, preservation, and rehabilitation of rental and owner-occupied housing units must be affordable to low- and moderate- income households for a 15-year period. Forgiveness should be at least 1/15th per year. Rehabilitation assistance for owner-occupied properties must be secured by a mortgage or lien on the subject property that includes language restricting rent levels in low- and moderate- income units for a period of fifteen years. Rehabilitation assistance for investor-owned properties must be secured by a mortgage or lien, and the affordability requirements must be secured by an **Affordable Housing Restriction** [provided by DHCD] on the subject property that runs with the land, and that includes language restricting rent levels in low- and moderate- income units for fifteen years. “Owner-occupied” is defined as a property of no more than four (4) units, one of which is occupied by the owner. All other properties are considered “investor owned.”

D. APPLICANT/PROJECT THRESHOLDS

It is the responsibility of the applicant to ensure adherence to the applicable threshold(s). The following standard threshold criteria (#1 through #7) apply to all applications:

1. **Eligibility** – The project must be eligible as defined in §105(a) of Title 1 of the Housing and Community Development Act, as amended.
2. **National Objective** – Each project must meet one of three federal national objectives as defined below and in federal regulations 24 CFR 570.483:
 - a. benefit a majority of low- and moderate-income persons;
 - b. aid in the prevention or elimination of slums or blight; or
 - c. meet an urgent condition posing a serious threat to the health and welfare of the community and where other financial resources are not available to meet such needs. This objective is extremely difficult to meet and is generally limited to unexpected events such as natural disasters. Prior approval from Massachusetts CDBG must be obtained to use this national objective.
3. **Timely Expenditure** –

Mass CDBG requires that all lead applicants with open CDBG grants comply with a timely expenditure threshold. In order to apply for combined FFY 2022 and 2023 CDBG¹ funding, a municipality must demonstrate, using the most recent financial status report produced by DHCD's grant management system, at the time of submission of application for FFY2022/2023 funds that:

1. 100% of all grant funds awarded to the municipality for FFY 2019 and earlier FFYs have been fully expended;
2. 65% of all grant funds awarded to the municipality for FFY 2020 have been fully expended; and
3. for the municipality's FFY 2021 grant funds, all required procedural clearances (environmental review, special conditions and administrative services procurement(s)) have been completed.

On a case-by-case basis, DHCD reserves the right to waive strict compliance with the threshold standards for events beyond the control of applicants, which the applicants have the burden to demonstrate. Municipalities must contact their program representative to find out how to apply for a waiver. Waiver requests should be submitted no later than February 3, 2023, otherwise, it may not be considered. DHCD may at its discretion review waiver requests submitted after February 3, 2023, if the municipality demonstrates good cause for not submitting its request to DHCD by such date.

All lead applicants must meet this threshold at the time of application for all MA CDBG components. Municipalities that do not meet this threshold will be eliminated from further MA CDBG funding consideration. *Active grants* include those for which project activities have yet to be completed and payments are outstanding.

¹ CDBG includes CDF, Mini-Entitlement, and Reserves, but for the purposes of this calculation excludes CDBG-CV and Section 108 guarantees. Planning-only grants of \$50,000 or less are also excluded from this calculation.

Unexpended CDBG funds are defined as funds awarded for eligible Massachusetts CDBG program costs but not expended.

Applicants who received FFY 2021 grant funds must also submit an updated timeline for activities for that program year along with their application, noting whether an extension beyond December 31, 2023 may be necessary.

A Mini-Entitlement community that cannot meet this threshold may have its award amount reduced based on defined grant limitations.

4. **Displacement of Non-CDBG Funds** – Applicants shall certify in the application that CDBG funds will not be used to displace non-CDBG funds already appropriated by or to the community for a specific project. DHCD will reduce an award, deny a grant, or impose special conditions in a grant contract with that community to assure compliance with this requirement.

5. **Sustainable Development** – In order to receive funding a project or activity must be consistent with the Sustainable Development principles. Additional guidance on this threshold may be found in Exhibit 3. This threshold does not apply to Public Social Services, business assistance for projects not requiring construction, or projects that eliminate a public health or safety risk.

In addition, housing rehabilitation programs and public facilities projects are required to use Energy Star building performance standards. Those standards are found at www.energystar.gov. Streetlights installed as part of a road or streetscape improvement project must be “full cut-off” or “semi cut-off” fixtures.

6. **Community-Based Planning Requirement** – The Department supports municipal efforts to engage in community-based planning, conduct needs assessments, and identify strategies for addressing those needs. DHCD seeks to fund projects identified through meaningful, public community-based planning and priority setting processes. Therefore, projects must be consistent with community efforts to identify needs and engage in strategic planning for addressing those needs. *This helps to ensure that local needs have been identified and priorities determined in a comprehensive manner, and public resources are directed toward projects that address needs the community has identified as high priority.* All applicants and participants² should have engaged in a community-based planning process and be able to demonstrate project development as a result of this process. Applicants will be asked to address community planning through responses to scored questions in the application. Mini-Entitlement communities, must also be able to demonstrate project consistency with a Community Development Strategy (Strategy), (not to exceed three pages), that must be submitted with the application.

The Strategy is based on various planning documents used by a community and outlines a plan of action intended to accomplish specific community development goals that will have an impact on the community. A community's Strategy will identify the goals and objectives of community development efforts over a 3-to-5-year period and explain how the community expects to address the priorities with CDBG and non-CDBG funds.

Each activity included in a Massachusetts CDBG Mini-Entitlement application must relate to and be reflected in the Strategy.

The Strategy must be discussed in a public municipal forum, meeting, or hearing held at three (3) months prior to the submission of a Mass CDBG application.

²This includes regional applicants.

The Strategy should be forwarded to DHCD two weeks prior to the aforementioned public municipal forum, meeting or hearing. If a Strategy is found not to be adequate based on the review, DHCD will contact the Mini-Entitlement community for the community to make the necessary corrections.

- a. The CD Strategy must clearly identify the goals for community development and describe the manner in which a community will accomplish projects and activities which include, but are not limited to those in the CDBG Mini-Entitlement application. All activities in the CDBG Mini-Entitlement application must be identified in the Strategy.
- b. The Strategy must conclude with a list of projects and activities in order of the priority in which the community intends to undertake them and provide specific goals and annual timelines for accomplishing its goals.

CDBG Mini-Entitlement applications must document that a Strategy and its priority list were discussed at a separate public municipal forum, meeting or hearing, held at least three (3) months prior to the submission of a CDBG Mini-Entitlement application in order to allow for timely community input. Compliance with this requirement must be documented by copies of meeting announcements, attendance lists and minutes. Minutes must reflect that the Strategy and priority list have been presented and that discussion has occurred. Strategies are a requirement of the annual application for Mini-Entitlement communities.

7. **Outcome Performance Measurement System** – HUD issued a Final Notice on March 7, 2006 on its Outcome Performance Measurement System. Through the system HUD will collect information on activities undertaken in the following programs: HOME, CDBG, HOPWA and ESG, and aggregate that data at the national, state, and local level. The outcome measures framework contained herein will satisfy the requirements contained in the HUD notice, along with any revisions adopted by HUD.

The system incorporates the following three objectives set forth in the Housing and Community Development Act of 1974: 1) create suitable living environments, 2) provide decent housing, and 3) create economic opportunities. Beyond that, the system directs applicants/grantees to select from one of the following three outcomes to help define the intent of the activity: 1) availability/accessibility, 2) affordability, and 3) sustainability - promoting livable or viable communities.

Based on the applicant's purpose for undertaking a project or activity, the applicant will determine and state in the application what the intent of the project is with one of the nine Outcome Statements.

The system will not change the nature of the program or its regulations. The Massachusetts CDBG Program currently asks applicants to describe the need the activity addresses, as well as the anticipated impact. This system creates a framework that allows for a consistent reporting to HUD on a national level.

Each outcome category can be connected to each of the overarching statutory objectives, resulting in a total of nine groups of outcomes/objective statements under which the grantees would report the activity or project data to document the results of their activities or projects. Each activity will provide one of the following statements, although sometimes an adjective such as new, improved, or corrective may be appropriate to refine the outcome statement.

- Accessibility for the purpose of creating suitable living environments
- Accessibility for the purpose of providing decent affordable housing
- Accessibility for the purpose of creating economic opportunities
- Affordability for the purpose of creating suitable living environments
- Affordability for the purpose of providing decent affordable housing
- Affordability for the purpose of creating economic opportunities

- Sustainability for the purpose of creating suitable living environments
- Sustainability for the purpose of providing decent affordable housing
- Sustainability for the purpose of creating economic opportunities

In addition, there are certain data elements commonly reported by all programs, although each of the four programs may require different specificity or may not require each element listed below. Grantees will only report the information required for each program, as currently required. No new reporting elements have been imposed for program activities that do not currently collect these data elements. The elements include:

- Amount of money leveraged (from other federal, state, local, and private sources) per activity;
- Number of persons, households, units, or beds assisted, as appropriate;
- Income levels of persons or households by: 30 percent, 50 percent, 60 percent, or 80 percent of area median income, per applicable program requirements. However, if a CDBG activity benefits a target area, that activity will show the total number of persons served and the percentage of low/mod persons served. Note that this requirement is not applicable for economic development activities awarding funding on a “made available basis;”
- Race, ethnicity, and disability (for activities in programs that currently report these data elements)

Finally, grantees will report on several other indicators, required as applicable for each activity type. These will be established in each program component application, and within the grant management system.

HUD will combine the objectives, outcomes, and data reported for the indicators to produce outcome narratives that will be comprehensive and will demonstrate the benefits that result from the expenditure of these federal funds.

8. **Regional Applications** – Each community in a regional application must comply with the same requirements as individual municipalities in individual applications, in order to participate in a regional grant. For example, each participating municipality must have been identified and be part of the required public participation/hearing process and the community must submit all required signatures. Municipalities that fail to comply will be dropped from consideration as a regional participant and the application will be reviewed on the basis of those municipalities that have complied with the requirements. As a result, the number of participating municipalities and/or the dollar amount requested in a regional application may be reduced during the review process.

Additional threshold criteria #9 through #12 apply to specific program applications or types of projects.

9. **Public Benefit Standards** – Economic development projects that are eligible under Title I of the Housing and Community Development Act of 1974, Sections (14), (15) and (17) must meet CDBG standards of underwriting and public benefit. Eligible projects under 105(a)(2) may also be required to meet public benefit standards when undertaken for Economic Development purposes.

10. **Senior Center Projects** – Applicants for Senior Center projects must meet the following threshold requirements to have their applications reviewed and scored:

- (i) provide evidence of site control³ by the municipality, as attested to by the Mayor or Select Board/Board of Selectmen,
- (ii) provide documentation of the availability and commitment of any other funds necessary to complete the project, and

³ Evidence of site control may include but is not limited to a deed, long-term lease agreement, purchase and sale agreement, or other contract or legal document.

- (iii) provide one copy of the bid-ready plans⁴ prepared by a licensed architect or engineer, a table of contents for the bid specifications and a letter signed by the project architect or engineer attesting to the fact that a complete set of specifications has been prepared and is bid-ready (modular construction may require a lesser standard – see Project Threshold Criteria #12).

CDBG-assisted senior center projects may not receive subsequent CDBG assistance for additional construction or reconstruction until five (5) years have passed since the grant closeout date.

Senior Centers, as with other types of public facilities, may not change the use of the facility for a period of five years without prior consultation with DHCD to ensure that the change of use is consistent with federal regulations.

11. **ADA Self Evaluation Survey and Transition Plan and Architectural Barrier Removal** – All municipalities applying for CDBG funds must submit a copy of its ADA Transition Plan or provide a statement that the municipality does not have one. If a municipality does not have a current ADA Transition Plan, it will be referred to the Massachusetts Office on Disability (MOD) for execution of an MOU towards development of a Plan. All lead applicants and joint applicants that applied to the 2017, 2018, 2019, 2020 and 2021 CDBG funding rounds have met this requirement.

Regardless of the above requirement, a municipality applying for assistance with an architectural barrier removal (ABR) project must submit a copy of its locally approved Americans with Disabilities Act (ADA) Self Evaluation Survey and Transition Plan. If a municipality does not have an approved Transition Plan, it may not receive funding for an ABR project. The ADA was enacted in 1990 and requires local governments to evaluate for accessibility all of its programs and services that had not previously been reviewed under Section 504 of the Rehabilitation Act of 1973. The Act also required preparation of a Transition Plan for removal of programmatic and structural barriers to its programs and services and set forth a process for involving the community in the development of the Self Evaluation Survey and Transition Plan. Programmatic removal of barriers must be fully explored before considering CDBG funding for structural barrier removal. This requirement should be addressed in the application's project description for the ABR project. Submission of the Transition Plan is a required threshold for Architectural Barrier Removal applications. Also, the proposed project must appear in the Transition Plan.

It is the responsibility of each community to ensure that its Transition Plan is consistent with federal regulations. A community's request for Mass CDBG funding must be consistent with the priorities set forth in these locally developed documents. Municipalities may wish to contact the Massachusetts Office on Disability or the U.S. Department of Justice for specific questions regarding the ADA and the Rehabilitation Act of 1973.

Applications for Architectural Barrier Removal projects with a total construction cost of \$175,000 or more require bid-ready plans and a letter signed by the project architect or engineer attesting to the fact that a complete set of specifications has been prepared and is bid-ready in each copy of the application. Projects less than \$175,000 but more than \$25,000, require design development drawings.

Finally, when used for Architectural Barrier Removal, CDBG funds may be used only for the relevant barrier removal work (i.e. -directly related and required for ABR). CDBG funds cannot be used to address building code or local requirements that are not directly part of the removal of the architectural barrier.

⁴ Bid-ready plans and specifications are those construction documents that constitute a presentation of the complete concept of the work including all major elements of the building and site design. The bid documents shall set forth in detail and prescribe the work to be done by the construction specifications; the materials, workmanship, finishes and equipment required for the architectural, structural, mechanical, electrical and site work; and the necessary solicitation information. Drawings shall include the following: a) Site plan showing the location and type of building; b) Scale plans of the building; c) Wall sections, details, and elevations in sufficient detail to serve as a basis for a construction estimate; d) All other required architectural, civil, structural, mechanical and electrical documents necessary to complete the project.

12. **Bid-ready Plans and Specifications** - Bid-ready plans and a letter signed by the project architect or engineer attesting to the fact that a complete set of specifications has been prepared and is bid-ready are required for all public facilities and architectural barrier removal projects with a construction cost of \$175,000 or more (see definition in footnote #4). Design development drawings are required for public facilities and architectural barrier removal projects or equivalent site and landscaping plans for Playground/Park projects, with a total construction cost of more than \$25,000 but less than \$175,000.

In addition, DHCD recognizes that this requirement may be problematic for municipalities considering modular construction projects. To satisfy these concerns, in order to apply for assistance to undertake modular construction a community may instead provide DHCD with a reasonable cost estimate for the project. Detailed backup for the total costs for modular construction projects must include the cost of site preparation, off-site construction of the modular unit, and the cost of delivering and assembling the modular unit including all work necessary - including but not limited to all utility work and sub-trades - to result in the issuance of an occupancy permit. To accomplish this, the community must provide the following: the program for the building; plans, specs, and prices of comparable unit(s) from a manufacturer; evidence of the manufacturer's ability to deliver the unit during the timeframe for construction identified in the grant application; and a site plan.

13. **Project Consistency with Application** - All municipalities (including both CDF and Mini-Entitlements), upon award and subject to applicable clearances, should proceed with the projects that were submitted and reviewed as part of the application submission. DHCD reserves the right to waive this requirement if there are extenuating circumstances, such as feasibility or funding issues that were discovered post-submission. DHCD will consider the level of citizen participation and feedback from community stakeholders in determining need before approving any new proposed project. In the event that a new activity is added to a grant, it must comply with all application requirements.

14. **Housing Rehabilitation Funds – Prior Performance** -

Applicants must provide a one-page rationale, including status update of recent HR programs⁵ if applicable, to justify requested amount. The rationale should be uploaded as an attachment to the miscellaneous tab. Applicants should ensure that the amount requested does not exceed the funding required for a 24-month implementation period and that the amount of funding identified connects to an existing, defined need.

If an applicant is applying for a Housing Rehabilitation activity, DHCD reserves the right to reduce the amount requested. DHCD will consider the past performance in the management of state grants, including but not limited to CDBG, by the applicant community and its administering agency or project sponsor, including continuing prior performance issues such program extension requests, program amendments and requests to re-program past grant funds due to inability to complete the originally awarded activities. DHCD may also reduce an award based on the amount of HR funds remaining in previous grants.

<i>E. ALLOCATION OF CDBG FUNDS TO THE COMMONWEALTH</i>

DHCD intends to combine FFY 2022 and FFY 2023 allocations into a single application round and proposes the following allocation of 2022/2023 funds based on a 2022 agreement with HUD.

⁵ The status update should be organized by grant year (if multiple years of funding remain) and include original budget, commitments, expenditures, original goals, status of projects to date, reasons for any delays in implementation, revised timeline for completion and approach to resolve if delayed.

The federal Fiscal Year 2022 HUD allocation to the Commonwealth of Massachusetts is \$34,276,029. DHCD's funds are subject to availability from the federal government, which is contingent on the federal budget and appropriations process and the HUD allocation process. In addition to the HUD allocation, DHCD expects to receive approximately \$50,000 in program income, for a total of \$34,326,029 available for FFY 2022. Based on level funding, the combined 2022 and 2023 available funds are anticipated to be \$68,652,058. These funds will be distributed during the program year to eligible cities and towns in accordance with the allocation among program components outlined below. As the state does not yet have an allocation from HUD for federal Fiscal Year 2023, this chart is showing the FFY2023 allocation as level funding with FFY 2022. The breakdown by component for the 2023 allocation is consistent with 2022.

MA CDBG PROGRAM COMPONENT	Combined FFY 22/23 ALLOCATION
Community Development Fund	\$48,722,253
Mini-Entitlement Program	\$ 16,500,000
-Section 108 Loan Guarantee*	\$20,000,000
Reserves	\$ 500,000
Section 108 Loan Repayments** (No. Adams, Everett)	\$ 673,244
Administration and Technical Assistance	\$ 2,256,561
TOTAL AVAILABLE (includes \$68,552,058 allocation plus \$100,000 in program income)	\$68,652,058
<p>*Section 108 Loan Program allocation does not impact the FFY 2021 Allocation</p> <p>**Section 108 Loan Repayments are budgeted but not necessarily required. This is an "up to" amount. Amounts not required for repayment to HUD will be reallocated to other components.</p>	

Reallocation of funds among program components: During the year, DHCD may have cause to recapture earlier program year funds from non-performing grantees; or there may be small amounts of program funds from prior years that have yet to be used; or there may be opportunities to recapture program income generated by municipalities from earlier projects; or there may be extreme demand for one program component; or there may be minimal demand for one component. Funds will be reallocated depending on the timing of other components and the apparent demand for funds or to address emergency situations during the program year. When awarding those funds DHCD will use current program guidelines as established in the most recent One Year Plan. DHCD reserves the right to increase or decrease the allocation of a program component. When these cumulative changes meet the threshold criteria of an amendment, DHCD will follow the process in accordance with the State's Consolidated Plan and regulations at 24 CFR 91.505. DHCD may also have cause to fund from any allocation or resources to respond to corrective actions after program closeouts or as a result of other administrative errors.

DHCD estimates that it will receive approximately \$300,000 in funds returned from prior year activities. These funds will be allocated through the Community Development Fund. In addition, DHCD estimates that up to \$500,000 in locally held program income will be applied to activities including housing rehabilitation and infrastructure improvements.

Prior to the award of FFY 2022 and 2023 funds, DHCD may have the opportunity to transfer program income funds from NSP grantees to the State CDBG Program. It is DHCD's intent to add these funds, if they become available, to the FFY 2022 and 2023 allocation and made available to FFY 2022 and 2023 applicants. At this time, DHCD does not have an estimate of the amount of funds that may become available.

For the combined FFY 2022 and 2023 application, DHCD reserves the right to allocate funds in a manner that it deems best for the effective administration of the combined funds. For instance, this could include but not be limited to allocating funds to an application from a single year source or a combination of years. It could also include an initial allocation of a portion of the funds with a subsequent allocation at a later date. DHCD will make this determination dependent on the federal budget process and other considerations.

FFY 2022/2023 Funding Gap

Based on feedback through the FFY 2022 and 2023 One Year Plan processes, DHCD understands that some communities are concerned that they may experience a funding gap due to the delay of the FFY 2022 application in combining it with the FFY 2023 allocation. While funding is not guaranteed from one year to the next in the CDBG program, with the exception of Mini-Entitlement grantees, DHCD will accept and review requests from applicants to address possible funding gap considerations in their applications. Applicants with possible gap funding concerns should provide a concise and complete description and proposed solution(s) of the potential funding gap issue(s) including activity(ies) affected, budget and timeline considerations. This document must be labeled 2022/2023 Funding Gap and uploaded to the miscellaneous attachments link in the application. DHCD will consider the gap funding requests on a case-by-case basis and reserves the right to request additional information in making its decision.

F. AVAILABILITY OF CDBG PROGRAM FUNDS

All CDBG program funds will be available to eligible grant recipients based on application-guidance for Massachusetts Community Development Block Grant funds and/or Notices of Funding Availability. These documents will make municipalities aware of the requirements of each particular component and will be available to allow municipalities adequate time to prepare grant applications for each program. The availability of FFY 2022 CDBG program funds has been delayed and made available in combination with Massachusetts FFY 2023 CDBG allocation.

A single community may receive no more than \$1.35 million from any combination of federal FFY 2022 and 2023 Community Development Funds.

Additionally, the policy that a single community may receive no more than \$1.35 million from the Community Development Fund within two successive years is waived for FFY 2022 and FFY 2023. Applicants to the FFY 2022 and 2023 program will not have the two-year limitation applied based on FFY 2021 awards. DHCD will review the policy going forward in subsequent One Year Plans.

Listed below are application distribution dates for each program and the corresponding due dates. A Notice of Availability of Funds will be issued, as appropriate, prior to release of each Application subject to the availability of federal funds.

Program Components ⁶	Application Issued	FFY 2022/2023 Applications Due
Community Development	December 2022	Friday, March 3, 2023
Mini Entitlement Program	December 2022	Friday, March 3, 2023

G. EVALUATION CRITERIA APPLICABLE TO ALL CDBG PROGRAMS

DHCD reserves the right to incorporate any or all of the following Evaluation, Regulatory and Performance criteria in its award decisions:

Evaluation:

- solicit and verify information from any local, state or federal agencies and other entities, and based on that information, reduce, increase or deny an award to a community.
- conduct site visits for any proposed CDBG project or solicit additional information from applicants in order to confirm or clarify factual or procedural responses to application requirements such as copies of legal advertisements, minutes, survey instruments, letters, etc. Acceptance of these materials is subject to DHCD's satisfaction that the omitted material was in existence at the time of application and submission of the requested documents within a specified timeframe. Additional information regarding responses to competitive questions will not be accepted.
- reduce or increase an award to a community to assure that a grant budget is reasonable.
- fund, fully or partially, a project from other state resources.
- reduce or deny a grant, or place special conditions on a grant, based on the management capacity of the municipality or the current or proposed administering agency.
- reduce an award to a community with an uncommitted program income balance. The program income account balance in DHCD's Grant Management System must be maintained to match the bank program income account statement balances. Grantees must update the program income account on a regular basis and at a minimum quarterly. Upon award, grantees must add the committed program income funds to the cited grant activity(ies) through the grant amendment process.
- resolve tie scores in a competitive fund by applying the criteria below in the following order:
 1. Applications from municipalities that have not received funding in the prior three years;
 2. Applications for projects that increase the community's supply of affordable housing units;
 3. Regional applications;
 4. Applications for housing and/or economic development projects that are consistent with the goals of the Administration; and
 5. If scores remain tied after the application of steps #1 through 4, DHCD will conduct a lottery at which a representative from HUD will be present.

⁶ The FFY 2022/2023 applications will be operative upon their release. Actual release of funds is contingent on HUD approval of the state's One Year Plan, and will be dictated by the date the state receives HUD approval on its Plan.

Regulatory:

- ensure that at least 70 percent of CDBG assistance, as per federal statute, is used to support projects that directly benefit low- and moderate-income persons of the Commonwealth.
- ensure that no more than 15 percent of the combined FFY 2022 and FFY 2023 Massachusetts CDBG allocation is for public social service activities as per federal regulation.
- deny a grant, or a portion thereof, to ensure that no more than 20 percent of the combined FFY 2022 and 2023 Massachusetts CDBG allocation is for planning and administration as per federal regulation.
- not review an application unless signed by the municipality's Chief Elected Official.

Performance:

- reduce an award, deny a grant, or impose special conditions on a community with prior year grants with a low rate of committed or expended dollars. This includes reductions in awards for projects funded in previous rounds for which unexpended funds remain.
- reduce an award, deny a grant, or impose special conditions on a community with outstanding, major findings that are unresolved at the time application decisions are being made; or which have otherwise had a history of significant, repeat findings. These findings could have resulted from any grant program offered by DHCD.

Major findings means non-compliance with a statutory requirement which, if not satisfactorily resolved by the community, would require that the federal funds be repaid by the municipality, or result in other serious sanctions.

History of significant, repeat findings means non-compliance with statutory or regulatory requirements in more than one grant cycle, where the community may have resolved those findings but with an unacceptably slow response.

- consider the past performance in the management of state grants, including but not limited to CDBG, by the applicant community and its administering agency or project sponsor, including continuing prior performance issues such as program extension requests, program amendments and requests to re-program past grant funds due to inability to complete the originally awarded activities.

Awarding of Grants

Based on the scores produced through the review process, grant award recommendations are made to the Undersecretary of DHCD, whose decision is final. In the competitive program, grants are awarded for projects to municipalities that received the highest activity scores and which meet applicable thresholds until all available funds are distributed. DHCD reserves the right to award a grant in whole or in part, or to reject any and all proposals received.

Grievance Procedure

Within forty-five (45) days of the date of the Undersecretary's written notice of grant determinations to applicant cities and towns, any municipality aggrieved by DHCD's decision may challenge the denial of its grant by submitting a letter of appeal from the Chief Elected Official of the municipality to the Undersecretary, who shall respond no later than forty-five (45) days from the date of receipt of the municipality's appeal.

<i>H. PROGRAM SANCTIONS</i>

DHCD reserves the right to suspend or terminate grant awards made to eligible municipalities should there be instances of fraud, abuse, poor performance, misrepresentation, or extreme mismanagement, or in the event a grantee is unable to carry out a project as approved in an application. DHCD reserves the right to apply this standard to any entity involved in grant management activities on behalf of a municipality. Municipalities should be aware that in the event that a project budget is found to be inadequate to fully implement the project as approved, DHCD reserves the right to review and approve any change in project scope to make a project fundable and may opt for recapturing the funds instead of authorizing a project with a reduced scope of work. In addition, if excess funds remain from an activity, either due to budgetary reasons or because of less demand for the activity than projected, the community must return the funds or request DHCD approval to reprogram the awarded funds. In the event that a new activity is added to a grant, it must comply with all application requirements.

DHCD's preference is to approve reprogramming for the following purposes and in the following order:

- Funds will be used for eligible housing activities, including, but not limited to, housing rehabilitation, aging in place programs, code enforcement and first-time homebuyer assistance
- Other existing CDBG-funded, eligible activities

If the excess funds cannot be used consistent with these preferences, DHCD will require a detailed request describing the reprogramming and may require that the funds be returned. Requests to reprogram funds should be submitted in a timely manner, and meet all application requirements. DHCD will not be inclined to extend grants beyond a three-year period.

The community staff and Chief Elected Officials will have the opportunity to discuss possible sanctions prior to any formal action. If formal sanctions are recommended, grantees will be provided a full opportunity to appeal such decisions to the Undersecretary of DHCD before any final action is taken.

All program funds recaptured through the sanctions process will be re-programmed consistent with the procedures in (E) *Allocation of CDBG Funds* and (J) *CDBG Program Components*. Based on the significance of the issues involved in any such determination, DHCD may suspend, for a period of up to three (3) years or until final resolution is achieved, a community's eligibility to participate in any Massachusetts CDBG component. Such action will only be taken in extreme circumstances and only after all alternatives have been exhausted.

I. CITIZEN PARTICIPATION REQUIREMENTS FOR APPLICANTS AND GRANTEES

All applicants for funding under the FFY 2022 and 2023 Massachusetts CDBG Program must comply with the citizen participation requirements contained in Section 508 of the Housing and Community Development Act of 1987. DHCD expects citizen involvement in the identification of community development needs, the development of applications, program assessment and evaluation. Municipalities must include in their Massachusetts CDBG application a local citizen participation plan detailing how the community will provide:

1. citizen participation, with particular emphasis on participation by persons of low- and moderate-income, residents of slums and blighted areas and of areas in the state where CDBG funds are proposed to be used, particularly residents of a proposed target area;
2. reasonable and timely access to local meetings, information, and records relating to the grantee's proposed use of funds, and relating to the actual use of funds;
3. information on the amount of state CDBG funds available during the year; the range of eligible CDBG activities; and how activities will benefit low- and moderate-income persons;
4. technical assistance to groups representative of persons of low- and moderate-income that request such assistance in developing proposals;
5. **a minimum of 2 public hearings**, each at a different stage of the program (development and implementation), to obtain citizen views and to respond to proposals and questions at all stages of the community development program, including at *a minimum* (a) the development of needs, (b) the review of proposed activities, and (c) review of program performance. These hearings shall be held after adequate notice, at times and accessible locations convenient to potential or actual beneficiaries, and with accommodations for persons with disabilities, and allow for written comments to be submitted. In cases of joint applications, all applicant municipalities must be included in the notice and participate in the public hearing. At least one public hearing must be held prior to submittal of an application; a second must be held during the course of the grant year; both **must provide for the submission of written comments**;
6. a timely written answer to written complaints and grievances, within 15 business days of receipt where practical; and
7. the plan must also identify how all residents and beneficiaries, including minorities and non-English speaking persons, as well as persons with disabilities can be reasonably expected to participate in the program in general, and at public hearings in particular

J. CDBG PROGRAM COMPONENTS

This section briefly describes the components of the Massachusetts CDBG Program. Each program component description includes eligible uses, grant award amounts, and evaluation and award criteria. In the event of conflicting language, this One Year Action Plan takes precedence over language in all program component applications. The program components are:

1. Community Development Fund

2. Mini-Entitlement Program
3. Section 108 Loan Guarantees
4. Reserves
5. Administration and Technical Assistance by DHCD

➤ All applications to MA CDBG are submitted online and will only be accepted using DHCD's web-based system. Further details and training information will be available as application materials and details are released.

1. COMMUNITY DEVELOPMENT FUND

Program Description

The Community Development Fund (CDF) awards grants to municipalities throughout the Commonwealth. This program helps eligible cities and towns to meet a broad range of community development needs in housing, infrastructure, downtown revitalization, economic development and public social services. It supports CDBG-eligible activities and encourages applicants to develop coordinated, integrated and creative solutions to local problems. The CDF is available to all municipalities and will make all CDBG eligible activities available.

Based on level funding, from its federal FY 2023 allocation, DHCD expects to award approximately \$24,361,127 in CDF grant funds and approximately an additional \$300,000 in funds returned from prior year activities. This will make the combined FFY 2022/2023 CDF program allocation approximately \$48.7 million, depending upon Massachusetts' actual federal FY 2023 allocation.

Grant Award Amounts

DHCD proposes the following grant limits below for the FFY 2022/2023 program;

Applicants for a CDBG grant will be eligible to receive up to the following amounts based on the type of application submitted:

Category	Minimum Grant from Competitive Round:	Maximum Grant from Competitive Round:
Single Municipality	\$ 100,000	\$ 1,350,000
Two Municipalities (Regional)	\$ 100,000	\$1,500,000
Three or More Municipalities (Regional)	\$ 100,000	\$1,700,000
Planning- or Design-only grants	\$ 10,000	-----

Requirements:

1. CDF grants are **Single Year Grants** have historically been based on an 18-month implementation period. There will be a 24-month implementation period for the FFY 2022/2023 grants. For FFY 2022/2023 grants it is anticipated that the period will be from 07/01/2023 to 06/30/2025. Municipalities **must** perform due diligence regarding all critical consultations and feasibility determinations prior to an application submission.

2. Two or more municipalities may apply **regionally**. *"Regional" is not limited to geographically contiguous cities and towns.* In order to comply with federal requirements governing such applications, each participating community would:
 - enter into an inter-local agreement that will allow a lead community to conduct grant activities within other municipalities;
 - sign the joint authorization form; and
 - demonstrate in the application how the requested funds will be allocated among all participants.
3. A community may apply in either one individual CDF application or in one regional application (including as a lead applicant), or in one of each. In addition, a municipality may not receive funds for the same activity in two different applications for the combined FFY 2022/2023 round.
4. All CDBG applications must be received by DHCD's web-based application system by **Friday, March 3, 2023, at 11:59 PM**. A signed copy of the Application Cover Page must be attached in the Miscellaneous Attachments link of the application. DHCD does not require a hard copy of the cover page to be submitted by mail.

Evaluation and Award Criteria

Application review and awards will be governed by the criteria and procedures as described above (Sections A through I), and the following criteria, process rules and special requirements. Additional detail on evaluation criteria and the review process will be in the FFY 2022/2023 Application Guidance.

Each criterion is described below. Please be advised that applicants must meet a minimum threshold for **Project Feasibility -- i.e., each project must appear to be feasible to undertake and complete in the 24-month grant period, or the other criteria will not be scored.** Projects must demonstrate financial feasibility, including adequate sources available for all costs based on reasonable cost estimates and financial need. Sources and uses of funds are limited to actual documented cash/expenditures specific to the proposed project. Proposals must also demonstrate site control, major permit approval, and other information that demonstrates the project is feasible and ready to go forward upon grant award. All projects must also meet threshold consistency with the Sustainable Development Principles.

Project Need - requires applicants to document and describe the particular needs that will be addressed by each proposed project and the severity of those needs. Applicants will also be asked to describe community input into the determination of the needs and projects identified to satisfy the need. Project Need will be evaluated based on the documented severity of need and the impact the project will have on those needs, as well as, the community's efforts to include beneficiaries and other residents in the application and project development process.

Project Feasibility - requires applicants to document and describe an understanding of the permitting and project management tasks necessary for the project, the procurement processes required of the project, the status of design and site control, the availability of all necessary funds and the readiness of the project to proceed, including completeness of environmental review requirements, and completeness and reasonableness of timeline. Project Feasibility will be evaluated on the applicant's ability to demonstrate the overall readiness of the project, management capacity and the ability of the applicant to complete the project within the 24-month grant implementation period. DHCD will not deduct points for projects that do not have bid ready plans and specifications, but applicants must demonstrate that the completion of these documents is built into the 24-month activity timeline. Note, this does not include projects that have bid ready plans and specifications as a threshold requirement, such as public facilities and architectural barrier removal projects with construction costs of \$175,000 or more.

2. MINI-ENTITLEMENT PROGRAM

Program Description

Municipalities were selected to be Mini-Entitlement communities if they met the three following criteria: (1) The percentage of low- and moderate-income residents is 40% or greater; (2) a poverty rate higher than the state average of 9.8% and (3) population over 12,000. This program helps larger non-entitlement urban communities with the highest needs improve conditions for their low- and moderate-income residents through comprehensive planning and predictable funding. Through this program, identified cities and towns can meet a broad range of community development needs in housing, business development, physical development, downtown revitalization, and public social services. It supports all CDBG-eligible activities and encourages applicants to develop comprehensive, creative solutions to local problems.

DHCD expects to award up to \$16,500,000 from the combined FFY 2022/2023 Mini-Entitlement Program allocation to ten (10) designated Mini-Entitlement municipalities, listed below

Amherst
Chelsea
Everett
Gardner
Greenfield
North Adams
Southbridge
Wareham
Webster
West Springfield

DHCD requires Mini-Entitlement communities to approach CDBG projects in a comprehensive and integrated manner and is directing these communities to target their CDBG funds to particular geographic areas in order to impact and effect change within neighborhoods. Housing Rehabilitation programs may be designed to allow up to 20% of the funds to be used for emergency purposes outside the target area.

DHCD will offer technical assistance to Mini-Entitlement communities, including planning, priority setting, and project evaluation and development.

Grant Award Amounts and Requirements

Mini-Entitlement communities are eligible for an award of up to \$1,650,000 based upon prior performance including effective implementation of activities, timely expenditure of funds and performance as indicated in monitoring reports, along with, the community's ability to identify eligible, feasible activities that can be completed in a timely manner. Mini-Entitlement applications will contain a 24-month implementation plan. Mini-Entitlement grantees must comply with standards for timely expenditure and available program income (see Applicant/Project Thresholds above and 3 directly below). FFY 2022/2023 Mini-Entitlement awards to Grantees that do not meet the required standards will be reduced by an amount necessary to bring the grantee into compliance.

Mini-Entitlement communities were guaranteed an annual commitment of funds for a three-year period that ended with FFY 2021. The Mini Entitlement program and the formula to determine communities selected for the program was reevaluated for the FFY 2022/2023 program, which will be in place for the next three-year period.

Evaluation and Award Criteria

The following requirements apply to the Mini-Entitlement Program:

1. Mini-Entitlement grants are Single Year Grants have historically been based on an 18-month implementation period. There will be a 24-month implementation period for the FFY 2022/2023 grants. For FFY 2022/2023 grants it is anticipated that the period will be from 07/01/2023 to 06/30/2025. Communities must perform due diligence regarding all critical consultations and feasibility determinations prior to an application submission.
2. In accordance with the Massachusetts CDBG Priorities listed in Section A, DHCD seeks to fund projects identified through meaningful community-based planning and priority setting processes as described in SECTION D. 6. Mini-Entitlement communities will be required to submit a Community Development Strategy with the application (refer back to section D.6 for more detail)
3. Activity packets must be completed and will be scored to ensure that activities are feasible and ready to proceed at the time of award. Activities will be scored in accordance with the project feasibility question of the application as detailed above in the CDF section. Activity packets must receive a minimum 50% score of each item in the feasibility question. All FFY 2022/2023 Mini-Entitlement applications must describe how CDBG funds will be allocated; include goals and performance measures for each activity; demonstrate compliance with a federal national objective and all federal/state requirements; and provide a management plan. The project packets will be reviewed for compliance with these evaluation criteria.
4. Mini Entitlement applicants that can't comply with the timely expenditure threshold as described above will have a 2022/2023 award reduced by the amount over the threshold.
5. All activities that are eligible under Section 105(a) of Title I of the Housing and Community Development Act of 1974, as amended, will be considered for funding with the exception of organizational activities of downtown partnerships.
6. Mini-Entitlement communities may not join with other communities as joint applicants.
7. For FFY 2022/2023, Mini-Entitlement Communities will submit a list of proposed activities to DHCD within one week after the application has been made available. Applicants will provide the name of the activity, demonstration of eligibility including national objective, a brief description, proposed accomplishments and proposed budget.
8. Mini-Entitlements that can demonstrate a readiness to proceed with activities may be able to receive a grant contract in advance of the July 1, 2023 implementation period. Mini-Entitlement communities should contact program staff to discuss further if interested.
9. Mini Entitlement communities may not request funding for more than four activities in addition to public social services.
10. Mini Entitlement communities must proceed with the projects submitted in the application, subject to feasibility and grant clearance considerations. The community cannot propose a new activity to replace an already approved activity except in limited circumstances.

The town of Palmer will be guaranteed a transition grant of \$675,000 in FFY 2022/2023. The town may compete in the Community Development Fund for a full award, as allowed by the CDF rules.

All Mini-Entitlement applications must be received by DHCD's web-based application system by no later than Friday, March 3, 2023, at 11:59 PM. DHCD will accept Mini-Entitlement applications prior to the March 3, 2023 deadline. A signed PDF of the Application Cover Page must be attached in the Miscellaneous Attachments link of the application. DHCD no longer requires a hard copy of the cover page to be submitted by mail.

3. SECTION 108 LOAN GUARANTEES

Section 108 Loan Guarantees allow eligible communities to access federal loan funds for the purpose of aiding revenue-producing development activities. The Massachusetts program provides communities with a source of loan financing for a specific range of community and economic development activities. Funding is provided to the community to loan to a business or other entity. The Commonwealth guarantees repayment of the HUD loan, and pledges its future CDBG allocation as collateral. Actual funding will be provided through the sale of notes by the federal Department of Housing and Urban Development.

Loan Guarantees will be available to support the rehabilitation of, or conversion to, mixed-use or investor owner-residential buildings (5 or more units) located in downtown or commercial center areas. Residential projects should include mixed-income, affordable and market rate units. Housing unit rehabilitation will be limited to a maximum per unit CDBG cost of \$125,000. The entire building façade must be appropriately addressed, regardless of the portions of the building assisted. Section 108 loan assistance of \$1 million to \$5 million will be available for residential or mixed-use projects meeting these qualifications. For most housing project components, Section 108 loan funds plus all federal and state grants combined shall not exceed 75 percent of total actual project costs. Section 108 loans may also assist public facilities/infrastructure improvements that generate sufficient revenues and support downtown mixed-use or investor-owned, mixed-income residential projects.

Assistance to non-profit organizations for public services, capitalization of loan funds or business technical assistance, or direct assistance to individual businesses or other entities will also not be considered in Section 108.

This year the Commonwealth will pledge up to \$10 million in future CDBG allocations in support of these eligible activities.

Grant Award Amounts and Requirements

- The minimum award is \$1,000,000 and the maximum is \$5 million. The loan amount will not be included in the \$1 million annual limit that grantees may receive from the Commonwealth's annual CDBG allocation.
- In general, awards from the Section 108 Loan cannot exceed 40% of the total project costs. However, DHCD will consider guaranteeing public infrastructure projects to a percentage greater than 40% on a case-by-case basis;
- Privately owned, non-residential real estate activities where the scope exceeds exterior façade improvements must be undertaken as economic development activities and must meet CDBG underwriting criteria. These criteria limit assistance to gap financing, which may be less than the 40% program limit;
- All Section 108 applications must include evidence that the proposed project needs grant assistance to be feasible;

- DHCD is willing to consider phased projects, with the caveat that the time frame for full implementation is a maximum of five years or less;
- DHCD or HUD may disapprove applications, or approve a reduced guarantee or approve the request with conditions, such as but not limited to additional collateral and guarantees depending on the structure of the proposal; and
- Depending on the nature of the project, the community may be required to pledge its full faith and credit.

Evaluation and Award Criteria for Section 108 Applications

Applicants must contact DHCD prior to submission of an application. A two-stage process for evaluating potential applications is in effect, consisting of a preliminary screening and a formal application. DHCD staff will provide information on the evaluation and review process at the appropriate time. Applications will be reviewed on a first come, first served basis, provided that threshold criteria are met and funds are available.

Successful applicants will receive a loan from HUD, but the Commonwealth guarantees the repayment of the loan. The Commonwealth pledges its future CDBG grant funds to repay the federal government should a non-entitlement recipient of a Section 108 Loan default. DHCD will not pledge other collateral of the Commonwealth in support of proposals. Any additional security required by HUD must come from another source.

DHCD will provide guidance to applicants on how to submit preliminary and formal applications. However, the format of any final loan application will be determined by HUD.

Active Section 108 Loan Activities

Everett – \$1 million Section 108 loan for roadwork (right-of-way & construction) for the Norman St./Internet Dr. intersection and entryway into the Rivers Edge (previously Telecom City) project area. The debt service for years 1-8 (FFY 2007 – 2014) is funded with a \$1.2 million Brownfield's Economic Development Initiative (BEDI) grant.

North Adams - Massachusetts Museum of Contemporary Art (MASS MoCA): Approximate \$4.3 million loan to partially fund real estate development by the non-profit museum foundation. The \$13 million project involved rehabilitation of two buildings. This project was Phase II of the City and MASS MoCA's revitalization plan for one of North Adams' most distressed neighborhoods.

Loan Default

In the event of loan default, DHCD must be prepared to repay the Section 108 loans to HUD out of the Commonwealth's annual CDBG allocation. In addition to a pledge of future CDBG funds, collateral is provided from other sources. The possibility exists, however, that the loan defaults and will need to be repaid from the annual allocation. In FFY 2021 the potential liability, or repayment total, could be up to \$336,662 in the event of loan default.

If the loans do not default, or if there is default but the collateral is sufficient to cover the loan repayment (or a portion thereof), then DHCD will reallocate the budgeted default amount among other program components.

Please note that DHCD and HUD scrutinize Section 108 projects very carefully since any loan defaults are guaranteed by future CDBG funds and therefore could significantly affect availability of funds in future years.

4. RESERVES

An initial combined allocation of \$500,000 will be available for the Reserves component. Consistent with *Section E. ALLOCATION OF CDBG FUNDS TO THE COMMONWEALTH*, funds may be recaptured by or returned to DHCD at any time during the program year or reallocated to and from program components including the Reserves component. This may result in an increase or decrease to the initial allocation.

On occasion applications, or portions thereof, that were not funded during a competitive process, including direct technical assistance to eligible communities, may be considered by the Undersecretary of DHCD to be particularly worthy, innovative, or address an overarching local, regional, or statewide need. Such projects may be funded through the Reserves.

Funds may also be made available for projects throughout the program year that are consistent with Massachusetts' CDBG priorities, as outlined in *Section A.*, particularly those that address the Administration's goals of developing and/or preserving affordable workforce housing opportunities, infrastructure improvements in support of the development of new housing and projects that seek to return vacant and blighted properties to a viable use.

The application materials for Reserves will provide guidance to potential grantees on how to structure their applications. The Department's interest in providing Reserve's funding for projects will be determined by a review of the proposed project to determine consistency with the goals and priorities cited above and that the activity is eligible, feasible and ready to proceed. Once complete, applications will be funded in the order in which they are received.

All Projects funded under Reserves must meet, at a minimum, CDBG national objective and eligibility requirements, applicable rules and regulations, and project feasibility thresholds. Please contact Louis Martin, Associate Director of the Division of Community Services, at 617 573-1402 with any inquiries about Reserves.

5. ADMINISTRATION AND TECHNICAL ASSISTANCE BY DHCD

The Commonwealth of Massachusetts uses CDBG funds for administrative and technical assistance costs incurred by DHCD during the operation of the Massachusetts CDBG Program. As allowed by federal statute, this amount will equal three percent (3%) of the entire annual grant allocation, plus \$100,000.

Direct technical assistance will be provided to eligible municipalities for guidance relating to housing, economic development, including downtown revitalization, community development strategy and plan preparation and use, technical assistance training for non-entitlement communities, fair housing training, and additional assistance determined necessary during the program year.

During this fiscal year DHCD will continue to support and upgrade its software and reporting systems. Technical assistance will be available to municipalities for downtown revitalization planning activities.

In addition, two percent (2%) of program income generated by state CDBG grantees shall be returned to the Mass CDBG Program on a bi-annual basis.

A review of all users accessing DHCD program grant management systems shall be conducted annually to determine the accuracy of user access designations. If necessary, action shall be taken to change, revoke, or grant user access to reflect the appropriate designation.

ONE-YEAR ACTION PLAN FOR FEDERAL FISCAL YEAR 2023

EXHIBITS

1. LIST OF ENTITLEMENT COMMUNITIES IN MASSACHUSETTS
2. MUNICIPAL ELIGIBILITY TO APPLY TO COMMUNITY DEVELOPMENT FUND (CDF) IN FFY 2022/2023
3. SUSTAINABLE DEVELOPMENT PRINCIPLES
4. GUIDANCE ON MEETING THE SUSTAINABLE DEVELOPMENT THRESHOLD
5. MASSACHUSETTS FAIR HOUSING MISSION STATEMENT AND PRINCIPLES

EXHIBIT 1

LIST OF ENTITLEMENT COMMUNITIES IN MASSACHUSETTS as of Federal Fiscal Year 2022 and 2023

ARLINGTON	MALDEN
ATTLEBORO	MEDFORD
BARNSTABLE	NEW BEDFORD
BOSTON	NEWTON
BROCKTON	NORTHAMPTON
BROOKLINE	PEABODY
CAMBRIDGE	PITTSFIELD
CHICOPEE	PLYMOUTH
FALL RIVER	QUINCY
FITCHBURG	REVERE
FRAMINGHAM	SALEM
GLOUCESTER	SOMERVILLE
HAVERHILL	SPRINGFIELD
HOLYOKE	TAUNTON
LAWRENCE	WALTHAM
LEOMINSTER	WESTFIELD
LOWELL	WEYMOUTH
LYNN	WORCESTER
	YARMOUTH

EXHIBIT 2

MUNICIPAL ELIGIBILITY TO APPLY FOR CDBG PROGRAM FUNDS IN FFY 2022 and 2023

Historically, a single Community Development Fund community may receive no more than \$1.35 million from two successive years. This limit was waived for the FFY 2021 program and DHCD is waiving it again for the FFY2022/2023 program. As a result, applicants to the FFY 2022/2023 program will not be limited by FFY 2021 awards.

EXHIBIT 3

Sustainable Development Principles

The Commonwealth of Massachusetts shall care for the built and natural environment by promoting sustainable development through integrated energy and environment, housing and economic development, transportation, public health and safety, and other policies, programs, investments, and regulations. The Commonwealth will encourage the coordination and cooperation of all agencies; invest public funds wisely in smart growth and equitable development; and give priority to investments that will deliver good jobs and wages, transit access, housing, and open space, in accordance with the following Sustainable Development Principles. Furthermore, the Commonwealth shall seek, through incentives and assistance, to advance these Principles in partnership with regional and municipal governments, non-profit organizations, businesses, and other stakeholders.

1. Concentrate Development and Mix Uses

Support the revitalization of city and town centers and neighborhoods by promoting development that is compact, conserves land, reduces infrastructure and service costs, protects historic resources, integrates uses, enables pedestrian and bicycle access, and connects to transit. Encourage remediation, restoration, and reuse of existing sites, structures, and infrastructure rather than new construction on farm, forest, or other undeveloped land. Create pedestrian and bicycle friendly districts and neighborhoods that mix commercial, civic, cultural, educational, and recreational activities with open spaces and homes. Promote the creation of vibrant public spaces that facilitate strong civic and social engagement, through deliberate planning, design, construction, and management.

2. Advance Equity

Promote, through plans, regulations, and investments, equitable sharing of the benefits and burdens of development including access to housing, recreational opportunities, and transportation choices. Provide technical and strategic support for inclusive community planning and decision making to ensure social, economic, and environmental justice. Ensure that the interests of our most vulnerable populations and future generations are not compromised by today's decisions.

3. Make Efficient Decisions

Make state and local regulatory, investment, and permitting processes clear, predictable, coordinated, and timely. Ensure that zoning and other development guidelines and regulations result in projects that align with the goals of smart growth, environmental stewardship, and healthy communities. Set goals and track performance to enhance consistency with these Principles.

4. Protect Land and Ecosystems

Protect and restore environmentally sensitive lands, natural resources, productive forest and agricultural lands, critical habitats, wetlands and water resources, and cultural and historic landscapes. Increase the quantity, connectivity, quality and accessibility of open spaces and recreational opportunities.

5. Use Natural Resources Wisely

Site, design, construct, and promote developments, buildings, and infrastructure that conserve natural resources by reducing waste and pollution through efficient use of land, energy, water, and materials. Operate fleets, facilities, and other assets in a manner that reduces greenhouse gas emissions, costs, and resource consumption. Advance the use and reuse of durable, sustainable materials considering their production, transportation, use, and disposal. Protect, enhance, and restore natural infrastructure and promote ecological design.

6. Expand Housing Opportunities

Support the construction and rehabilitation of homes to meet the needs of people of all abilities, income levels, and household types. Build homes near jobs, transit, and where services are available. Encourage energy-efficient design, the use of sustainable materials, and consideration of resiliency to climate change and extreme weather. Foster the development of housing, particularly multifamily and smaller single-family homes, in a way that is compatible with the community's character and vision, while providing new housing choices for people of all means.

7. Provide Transportation Choice

Maintain and expand transportation options to enhance mobility, maximize access, promote healthy and active lifestyles, reduce congestion, minimize fuel consumption, improve air quality, reduce greenhouse gas emissions, and ensure the safety of those traveling by all modes. Prioritize rail, bus, boat, rapid and surface transit, shared-vehicle and shared-ride services, bicycling, and walking in order to increase travel by these modes. Consider climate change impacts in transportation planning, project selection, and prioritization, ensuring infrastructure resilience and provision of transportation options during extreme weather events. Distribute resources equitably. Invest strategically in existing and new passenger and freight transportation infrastructure that supports sound economic development and housing construction consistent with smart growth objectives.

8. Increase Job and Business Opportunities

Encourage businesses to locate near housing, infrastructure, and transportation options. Promote economic development through policies and programs intended to enhance the business climate in Massachusetts across industry sectors. Expand access to education, training, and entrepreneurial opportunities. Support the growth of local businesses, including sustainable natural resource-based businesses, such as agriculture, forestry, clean energy technology, and fisheries. Protect and enhance the basis of natural resource economies.

9. Mitigate and Adapt to Climate Change

Endeavor to limit and prepare for climate change. Reduce greenhouse gas emissions from buildings, electricity generation, transportation, and other sources through decreased consumption of fossil fuels. Maximize energy efficiency and renewable energy opportunities. Support energy conservation strategies, local clean power generation, distributed generation technologies, and innovative industries. Encourage ecological siting and design before mechanical solutions. Protect against hazards in order to enhance resilience and decrease vulnerability to climate change and natural disasters in the natural and built environment. Promote redundancy of critical systems and coordinated regional, state, and local resilience planning in response to climate change and extreme weather events.

10. Plan Regionally

Support the collaborative development and implementation of local, regional, state, and interstate plans that are consistent with these Principles. Foster development projects, land and water conservation, transportation and housing that have a regional or multi-community benefit. Consider the long-term ecological, economic, and social costs, benefits, and impacts to the residents and natural resources of the Commonwealth.

EXHIBIT 4

Guidelines for Project Consistency with the Commonwealth's Sustainable Development Principles

Important choices about where and how Massachusetts will grow are made every day. These decisions have profound implications. While the Commonwealth has made progress, more needs to be done to ensure that the interests of future generations are not compromised by today's decisions.

It will take our cooperative efforts to build a greater quantity and diversity of housing, develop the businesses we need to provide jobs and increase revenue, and do a better job of acting as stewards of our natural resources for future generations. The administration is interested in working in partnership with the development community and municipalities to improve our conservation and development practices. State policies, programs, and investments must encourage smart growth and development interests and municipalities must do the same. The Commonwealth has established a framework to insure a strong economic future for the state and a high quality of life for its residents by undertaking a comprehensive approach to housing and community investment in a way that respects landscape and natural resources. The administration believes that sustainable development can and should take place in all communities. To be successful, our investments must bring the housing market into equilibrium and enable the state to attract new businesses while making strategic land use choices. In order to achieve our housing and community development goals, we rely on our strategic partners to develop projects that enable us to optimize our limited natural and financial resources.

The administration has refined its 10 Principles of Sustainable Development as a way to articulate and describe this vision to our strategic partners and to guide our investment decisions. Projects seeking funding from DHCD's **Community Development Block Grant (CDBG)** programs must be consistent with the Principles of Sustainable Development in the manner described below. A community development project must adhere to Method 1, Method 2 or Method 3.

Method 1

Be consistent with **Concentrate Development and Mix Uses**. Support the revitalization of city and town centers and neighborhoods by promoting development that is compact, conserves land, protects historic resources, and integrates uses. Encourage reuse and rehabilitation of existing sites, structures, and infrastructure rather than new construction in undeveloped areas. Create pedestrian friendly districts and neighborhoods that mix commercial, civic, cultural, educational, and recreational activities with open space and homes.

In order to demonstrate consistency with this principle for Method 1, a project must:

- a. Involve the rehabilitation or redevelopment of, or improvements to, vacant or occupied, existing structures or infrastructure; or
- b. If new construction, contribute to the revitalization of a town center or neighborhood and/or be walkable to transit; the downtown; a village center; a school; a multiple activity retail, services or employment center; or be located in a municipally-approved growth center.

Method 2

Be consistent with at least five (5) of the Sustainable Development Principles, of which one must be either **Protect Land and Ecosystems** or **Use Natural Resources Wisely**.

Method 3

If a housing project involving new construction is sited on municipally owned or municipally provided land, involves municipal funding or is supported by a letter from the chief elected official of the municipality at the time of Project Eligibility or an application for funding, only four (4) of the Principles must be met, of which one must be **Concentrate Development and Mix Uses**, **Protect Land and Ecosystems** or **Use Natural Resources Wisely**. See Further Guidance below for examples of ways in which a project can be consistent with **Concentrate Development and Mix Uses** beyond the characteristics used in Method 1.

Further Guidance

Each Principle is listed below with examples of ways projects may demonstrate consistency. Projects need to satisfy only one of the examples, not all those listed; other ways to satisfy the Principles will also be considered.

Concentrate Development and Mix Uses: Support development that is compact, conserves land, integrates uses, and fosters a sense of place. Create walkable districts mixing commercial, civic, cultural, educational and recreational activities with open space and housing for diverse communities.

Examples of ways to demonstrate consistency:

- ☐ The project creates or supports mixed use that serves a diversity of needs informed by inclusive community engagement efforts.
- ☐ The project rehabilitates or redevelops existing structures or infrastructure, including rehabilitation of housing that will expand housing choice through greater accessibility or lead paint removal.
- ☐ The project involves new construction that contributes to town or center revitalization, including projects that will improve access to jobs, educational opportunities, or health and human services.
- ☐ The project is at a higher density than the surrounding area.
- ☐ The project adds new uses to an existing neighborhood that improves access to commercial, civic, cultural, educational, and recreational activities.
- ☐ The project produces multi-family housing that serves diverse household types and populations, including families with children, elders, and persons with disabilities.
- ☐ The project utilizes existing water and/or sewer infrastructure.
- ☐ The project is compact and/or clustered so as to preserve undeveloped land.

Advance Equity: Promote equitable sharing of the benefits and burdens of development. Provide technical and strategic support for inclusive community planning to ensure social, economic, and environmental justice. Ensure that the interests of future generations are not compromised by today's decisions.

Examples of ways to demonstrate consistency:

- ☐ The project involves a concerted public participation effort (beyond the minimally required public hearing), including the involvement of community members, residents/potential residents of the

development and/or key stakeholders in the equitable planning and design of the project, that is inclusive of racial/ethnic minority groups, persons with disabilities, and a range of household types and income levels.

- ☐ The project conforms to Universal Design standards and/or incorporates features that allow for “visitability”.
- ☐ The project creates affordable family housing in a neighborhood or community whose residents are predominantly middle to upper income and/or meets a regional need.
- ☐ The project targets investment in a high-poverty area and makes available affordable homeownership and rental opportunities, particularly preservation of affordable housing opportunities to prevent resident displacement.
- ☐ The project promotes diversity and social equity and improves the neighborhood.
- ☐ The project supports at least one of DHCD’s Affirmatively Furthering Fair Housing (“AFFH”) goals and/or addresses barriers identified in DHCD’s Analysis of Impediments to Fair Housing. (See list of AFFH goals and impediments/contributing factors to fair housing Issues outlined at <https://www.mass.gov/doc/analysis-of-impediments-action-steps-table-2019/download>.)

Make Efficient Decisions: Make regulatory and permitting processes for development clear, transparent, cost-effective, and oriented to encourage smart growth and regional equity.

- ☐ The project involves a streamlined permitting process, such as found in Ch. 40B, 40R or 43D.

Protect Land and Ecosystems: Protect and restore environmentally sensitive lands, natural resources, agricultural lands, critical habitats, wetlands and water resources, and cultural and historic landscapes. Increase the quantity, quality and accessibility of open spaces and recreational opportunities.

Examples of ways to demonstrate consistency:

- ☐ The project involves the creation or preservation of open space or passive recreational facilities. he project furthers equitable distribution of environmental benefits and serves Environmental Justice Populations.⁷
- ☐ The project protects sensitive land, including prime agricultural land, and/or resources from development.
- ☐ The project involves environmental remediation or clean up.
- ☐ The project is part of the response to a state or federal mandate (e.g., clean drinking water, drainage).
- ☐ The project eliminates/reduces neighborhood blight.
- ☐ The project addresses a public health and safety risk.
- ☐ The project increases the accessibility of open spaces and recreational opportunities.
- ☐ The project significantly enhances an existing community or neighborhood by restoring an historic landscape.

Use Natural Resources Wisely: Construct and promote developments, buildings, and infrastructure that conserve natural resources by reducing waste and pollution through efficient use of land, energy, water, and materials.

Examples of ways to demonstrate consistency:

⁷ Environmental Justice Policy of the Executive Office of Energy and Environmental Affairs at <https://www.mass.gov/doc/environmental-justice-policy6242021-update/download>

- ☐ The project uses alternative technologies for water and/or wastewater treatment that result in land or water conservation.
- ☐ The project uses low impact development (LID) or other innovative techniques for storm water management that result in land or water conservation.
- ☐ The project repairs or rehabilitates sewer or water infrastructure to conserve resources.

Expand Housing Opportunities: Support the construction and rehabilitation of homes to meet the needs of people of all abilities, income levels, and household types. Build homes near jobs, transit, and where services are available. Foster the development of housing, particularly multifamily and smaller single-family homes, in a way that is compatible with a community's character and vision and with providing new housing choices for people of all means.

Examples of ways to demonstrate consistency:

- ☐ The project increases the number of rental units available to residents of the Commonwealth, including rental voucher holders, other low- or moderate-income households, and families with children.
- ☐ The project increases the number of homeownership units available to residents of the Commonwealth, including low- or moderate-income households, particularly in areas impacted by disinvestment and that have lower homeownership rates.
- ☐ The project increases the number of affordable and accessible housing options for special needs populations and people with disabilities.
- ☐ The project expands the term of affordability
- ☐ The project supports at least one of DHCD's Affirmatively Furthering Fair Housing ("AFFH") goals and/or addresses barriers identified in DHCD's Analysis of Impediments to Fair Housing. (See list of AFFH goals and impediments/contributing factors to fair housing Issues outlined at <https://www.mass.gov/doc/analysis-of-impediments-action-steps-table-2019/download>.)

Provide Transportation Choice: Maintain and expand transportation options that maximize mobility, reduce congestion, conserve fuel and improve air quality. Prioritize rail, bus, boat, rapid and surface transit, shared-vehicle and shared-ride services, bicycling, and walking. Invest strategically in existing and new passenger and freight transportation infrastructure that supports sound economic development consistent with smart growth objectives.

Examples of ways to demonstrate consistency:

- ☐ The project is walkable to public transportation.
- ☐ The project reduces dependence on private automobiles (e.g., provides previously unavailable shared transportation (such as Zip Car or shuttle buses).
- ☐ The project reduces dependence on automobiles by providing increased pedestrian and bicycle access.
- ☐ For rural areas, the project is located in close proximity (i.e., approximately 1 mile) to a transportation corridor that provides employment centers, retail/commercial centers, civic or cultural destinations.

Increase Job and Business Opportunities: Attract businesses and jobs to locations near housing, infrastructure, and transportation options. Promote economic development in industry clusters. Expand access to education, training, and entrepreneurial opportunities. Support the growth of local businesses, including sustainable natural resource-based businesses, such as agriculture, forestry, clean energy technology, and fisheries.

Examples of ways to demonstrate consistency:

- ☐ The project creates or retains permanent jobs.

- ☐ The project creates or retains permanent jobs for low- or moderate-income persons.
- ☐ The project locates jobs near housing, service or transit.
- ☐ The project supports natural resource-based businesses, such as farming, forestry, or aquaculture.
- ☐ The project involves the manufacture of resource-efficient materials, such as recycled or low toxicity materials.
- ☐ The project supports businesses which utilize locally produced resources such as locally harvested wood or agricultural products.

Mitigate and Adapt to Climate Change: Maximize energy efficiency and renewable energy opportunities. Support energy conservation strategies, local clean power generation, distributed generation technologies, and innovative industries. Reduce greenhouse gas emissions and consumption of fossil fuels.

Examples of ways to demonstrate consistency:

- ☐ The project complies with EPA’s Energy Star guidelines or with a similar system.
- ☐ The project uses a renewable energy source, recycled and/or non-/low-toxic materials, exceeds the state energy code, is configured to optimize solar access, and/or otherwise results in waste reduction and conservation of resources.
- ☐ The project reuses or recycles materials from a local or regional industry’s waste stream.

Plan Regionally: Support the development and implementation of local and regional, state and interstate plans that have broad public support and are consistent with these principles. Foster development projects, land and water conservation, transportation and housing that have a regional or multi-community benefit. Consider the long-term costs and benefits to the Commonwealth.

Examples of ways to demonstrate consistency:

- ☐ The project is consistent with a municipally supported regional plan that identifies sub region, area or location, and the number and type of housing units or jobs needed that are responsive to regional needs and consistent with DHCD’s AFFH goals.
- ☐ The project supports at least one of DHCD’s Affirmatively Furthering Fair Housing (“AFFH”) goals and/or addresses the barriers identified in a regional Analysis of Impediments to Fair Housing Choice. (See list of AFFH goals and impediments/contributing factors to fair housing Issues outlined at <https://www.mass.gov/doc/analysis-of-impediments-action-steps-table-2019/download.>)
- ☐ The project has a measurable public benefit beyond the applicant community.

NOTES:

Projects that entirely serve to eliminate a public health or safety risk (e.g., demolition of a blighted structure) are exempt from the Sustainable Development threshold. In addition, CDBG-funded Public Social Service and business assistance for projects not requiring construction are also exempt. Projects seeking funding from the state’s community development programs remain subject to the specific programmatic requirements. Similarly, projects proposed under c. 40B are governed by MGL c. 40B Sections 20-23, and applicable regulations, as well as all Fair Housing Laws. Projects should also demonstrate consistency with the Commonwealth’s Fair Housing Principles, attached at the end of this document.

EXHIBIT 5

Massachusetts Fair Housing Mission Statement and Principles

The mission of DHCD through its programs and partnerships is to be a leader in creating housing choice and providing opportunities for inclusive patterns of housing occupancy to all residents of the Commonwealth, regardless of income, race, religious creed, color, national origin, sex, sexual orientation, age, ancestry, familial status, veteran status, or physical or mental impairment.

It shall be our objective to ensure that new and ongoing programs and policies affirmatively advance fair housing, promote equity, and maximize choice. In order to achieve our objective, we shall be guided by the following principles:

1. **Encourage Equity.** Support public and private housing and community investment proposals that promote equality and opportunity for all residents of the Commonwealth. Increase diversity and bridge differences among residents regardless of race, disability, social, economic, educational, or cultural background, and provide integrated social, educational, and recreational experiences.
2. **Be Affirmative.** Direct resources to promote the goals of fair housing. Educate all housing partners of their responsibilities under the law and how to meet this important state and federal mandate.
3. **Promote Housing Choice.** Create quality affordable housing opportunities that are geographically and architecturally accessible to all residents of the commonwealth. Establish policies and mechanisms to ensure fair housing practices in all aspects of marketing.
4. **Enhance Mobility.** Enable all residents to make informed choices about the range of communities in which to live. Target high-poverty areas and provide information and assistance to residents with respect to availability of affordable homeownership and rental opportunities throughout Massachusetts and how to access them.
5. **Promote Greater Opportunity.** Utilize resources to stimulate private investment that will create diverse communities that are positive, desirable destinations. Foster neighborhoods that will improve the quality of life for existing residents. Make each community a place where any resident could choose to live, regardless of income.
6. **Reduce Concentrations of Poverty.** Ensure an equitable geographic distribution of housing and community development resources. Coordinate allocation of housing resources with employment opportunities, as well as availability of public transportation and services.
7. **Preserve and Produce Affordable Housing Choices.** Encourage and support rehabilitation of existing affordable housing while ensuring that investment in new housing promotes diversity, and economic, educational, and social opportunity. Make housing preservation and production investments that will create a path to social and economic mobility.
8. **Balance Housing Needs.** Coordinate the allocation of resources to address local and regional housing need, as identified by state and community stakeholders. Ensure that affordable housing preservation and production initiatives and investment of other housing resources promote diversity and social equity and improve neighborhoods while limiting displacement of current residents.
9. **Measure Outcomes.** Collect and analyze data on households throughout the housing delivery system, including the number of applicants and households served. Utilize data to assess the fair housing impact of housing policies and their effect over time, and to guide future housing development policies.
10. **Rigorously Enforce All Fair Housing and Anti-Discrimination Laws and Policies.** Direct resources only to projects that adhere to the spirit, intent, and letter of applicable fair housing laws, civil rights laws, disability laws, and architectural accessibility laws. Ensure that policies allow resources to be invested only in projects that are wholly compliant with such laws.

Locally Held CDBG Program Income

To be included with Final Posting and Submission

Emergency Solutions Grant (ESG) Program One Year Plan

DHCD plans to use MA non-entitlement Emergency Solutions Grant to fund newly procured projects designed to support Street Outreach and provide essential rapid rehousing services for homeless individuals across the Commonwealth.

Proposed Activities and Overall Budget

Current awarded grant funded allocations to be:

Component	Planned Allocation
Street Outreach	\$816,977.51
Emergency Shelter Operations	\$0
Rapid Rehousing	\$3,804,667.19
Prevention	\$0
Admin (split between recipient and subrecipients)	\$338,624.30
Emergency Solutions Grant FFY23	\$4,960,269.00

Written Standards

DHCD, with support through HUD assigned technical assistance has implemented updated standards entitled “[Final MA ESG Written Standards and Policies and Procedures](#)”. Please see the link to review them.

The new procurement requires all ESG respondents to clearly demonstrate how the project supports HUD’s overall vision for the Emergency Solutions Grant program. Rather than utilizing ESG funding to create separate or distinct programs, DHCD and subrecipients will think strategically about how ESG funding can be leveraged with other co-procured state resources for shelter, outreach and rapid rehousing. This strategy is intended to ensure that all projects receiving ESG resources, regardless of component, will be part of a larger network of integrated homeless services.

Match FFY2022

DHCD expects to utilize state funding for emergency shelter for individuals as a match.

The MA GAA (budget) shall allocate not less than \$88M to DHCD for Homeless Individual Emergency Shelters, Rapid Rehousing and other programming. DHCD will match our FFY’23 ESG allocation with \$4,960,269.00 of these SFY23 resources which support approximately 2400 individual shelter beds which DHCD funds.

FY2023 Homeless Facilities funded with ESG

Awards are based on responses from this [procurement](#).

<u>Street Outreach Projects</u>		<u>Rapid Rehousing Projects</u>	
Agency	Project Name	Agency	Project Name
Center for Human Development, Inc.	CHD Street Outreach	Action, Inc.	Action Inc RRH
Father Bill's & MainSpring, Inc.	Street outreach	Catholic Social Services of Fall River, Inc.	Rapid Rehousing
Lynn Shelter Association, Inc.	Street outreach	Central Massachusetts Housing Alliance, Inc.	Worcester County Rapid Rehousing
Somerville Homeless Coalition	Outreach	Clinical and Support Options, Inc.	Friends of the Homeless - RTI
South Middlesex Opportunity Council, Inc.	SMOC Metrowest Outreach	Greater Lawrence Community Action	Housing Pronto
South Middlesex Opportunity Council, Inc.	SMOC Worcester - Outreach	HomeStart, Inc.	Rapid Rehousing
Steppingstone Inc.	Street Outreach	Pine Street Inn, Inc.	Rapid Rehousing
		Respond, Inc.	DV RRH
		ServiceNet, Inc.	ServiceNet RRH
		Somerville Homeless Coalition	Rapid Rehousing
		The Psychological Center, Inc.	Daybreak Rapid rehousing

HOME Investment Partnerships Act (HOME) Program

MASSACHUSETTS HOME PROGRAM

ONE-YEAR ACTION PLAN FOR FEDERAL FISCAL YEAR 2023

As the Commonwealth continues to recover from the effects of the COVID-19 pandemic, the need for ongoing HOME investment in rental housing development and preservation is as strong as ever. The Department of Housing and Community Development anticipates receiving an allocation of \$11,086,368 in HOME funds in federal fiscal year 2023 (FFY23) and DHCD estimates that it will receive an additional \$4,000,000 in program income during the FY2023 annual action plan period. DHCD plans to reserve 10 percent of the HOME allocation for administrative purposes, and award the majority of the remaining \$9,977,731 in funding through competitive funding rounds and, in certain circumstances, readiness-based rolling submissions.

In addition to these resources, we expect several of our previously funded HOME projects to request permission to refinance and to request DHCD consent to limited partnership restructuring. Upon review of project proposals, DHCD may identify an opportunity to collect either an early principal and/or early interest payment on the HOME project. Any loan payment funds collected will be treated as HOME Program Income, per 24 CFR Part 92.253.

It is DHCD's intent to commit program income to projects as it is received during the 2023 Annual Action Plan Year. All program income deposited in the local trust account will be committed to projects prior to committing funds in the HOME Investment Trust Fund Treasury account for the applicable program year, in accordance with the HOME Interim final rule effective 1/31/17. Once these funds are committed, Program Income from the local account will be disbursed before HOME funds are drawn from the Treasury for those projects funded with both HOME Program Income and HOME Investment Trust Treasury account funds. Any program income that is received during the 2023 program year that is uncommitted at the end of the 2023 program year will be carried over into the 2023 program year and committed to projects prior to HOME Investment Trust Fund Treasury account funds. DHCD anticipates that it will receive approximately \$4,000,000 in HOME program income in FFY23. This estimate is based on the program income that has been received in previous program years during this Consolidated Plan period. In general, it is difficult to precisely anticipate HOME Program Income, as our rental loans are nearly all deferred payment loans.

The new HOME Final Rule was published on July 24, 2013 and includes clarification regarding improving performance and accountability, as well as updates to property standard requirements. In recent years, there have been further notices and guidance. We have updated monitoring checklists in response to new requirements and also have updated program policies and procedures, as needed. We continue to refine program administration practices, as we receive guidance, learn of new best practices, etc. We previously incorporated the 2012/2013 allocation requirements and these requirements are reinforced by the new HOME Final Rule and subsequent notices and guidance. We will continue to refrain from committing HOME funds to any project unless DHCD certifies that it has conducted an underwriting review, assessed developer capacity and fiscal soundness and examined neighborhood market conditions to ensure adequate need. DHCD also evaluates a Community Housing Development Organization (CHDO)'s capacity and staff development experience before committing HOME funds and will not provide CHDO Reserve funds to an organization whose staff does not have development experience. We will stay mindful of pertinent commitment, completion, inspection and occupancy requirements and deadlines. Property standards requirements will continue to be updated per additional HUD guidance and in accordance with effective date requirements.

DHCD will continue to contingently award its rental funds through a competitive RFP process. Notices of Funding Availability (NOFA) are published on DHCD's website, the state's COMMBUYS site, and DHCD's listServ notifies subscribers when the NOFA or any new pertinent program information is posted. To subscribe to the listServ, anyone can send a blank email to: join-dhcd-housingdevelopment@listserv.state.ma.us. DHCD also reserves the option to make rental funds available on a rolling basis with clear readiness standards for projects that will serve low- and extremely low-income homeless families and individuals and low- and extremely low-income veterans. Homeless and veteran populations have been identified as being in need of housing with supportive services. Although projects serving these populations will have a link to services, accepting services will not be a condition of HOME unit occupancy. Preferences will cover all protected classes and will not violate non-discrimination laws. DHCD may allow a preference in HOME-assisted housing units to certain populations identified as having priority housing needs in SP-25 of the Consolidated Plan, provided that such preference does not violate state or federal fair housing law and otherwise meets the requirements detailed in 24 CFR 92.253(d). DHCD will award federal fiscal year 2023 HOME program funds and program income to the following program type: multi-family rental loans. Eligible applicants for HOME funds are municipalities, non-profit agencies (including CHDOs as defined by HUD), and for-profit developers. At this time, we anticipate that a minimum of 15 percent of the federal FY 2023 allocation will be reserved for certified CHDOs serving as owners, sponsors, or developers of rental production projects. The Undersecretary of DHCD reserves the right to consider geographic distribution in making funding decisions, including for the 15 percent CHDO set-aside. DHCD will continue to encourage CHDOs to participate in the HOME program and will provide HOME technical assistance that will be available to CHDO staff, as well as others.

Allocation of Funds

DHCD will continue its past practice of seeking to competitively award HOME funds in those areas of the Commonwealth that do not receive HOME funds as a result of entitlement community or HOME consortium designation. DHCD also will competitively award HOME funds for rental loan projects in entitlement communities that provide a match for DHCD administered HOME funds.

During FFY 2023 DHCD anticipates the following approximate amounts will be awarded through a competitive RFP process, depending upon the level of demand in each program category:

- \$9,977,731 plus the \$4,000,000 in HOME PI that is anticipated to be received during this program year
- n/a- project-based first-time homebuyer program
- n/a- purchaser-based first-time homebuyer program

Eligible HOME rental projects may be the production of newly constructed housing units or the adaptive reuse of structures to create housing units. Eligible HOME rental projects also may be preservation endeavors where an occupied property may be at the end of (e.g.) a tax credits compliance period and needs sufficient rehabilitation to bring the housing units to a stronger standard to ensure sustainability for a minimum of another 15 years. In some cases, a developer might purchase an occupied property to do rehabilitation to either preserve or create affordability. Typically, a project developer will create a new single purpose entity for any financial restructuring. With preservation proposals, DHCD reviews existing project conditions and a proposed scope of work, including a review of current/proposed management practices, as well as the proposed development and operating budgets. Operating budgets must appear feasible for a 21-year period. Typically, a capital needs assessment is part of an application submission and review; a capital needs assessment must be completed and reviewed with regard to the scope of work prior to any HOME commitment. Architects and/or construction professionals are under written contract

or agreement to DHCD to perform an assessment of the proposed scope of work to ensure that rehabilitation/construction will meet applicable property standards for at least 15 years. Preservation projects involving the refinancing of existing debt must have rehabilitation as the primary eligible activity, with a minimum of approximately \$30,000 in rehabilitation work/unit. Preserving existing units, as well as creating additional units on the site are eligible. Preservation involving the refinancing of existing debt would follow the same HUD HOME minimum periods of affordability referenced in the chart below and state-wide projects are eligible. HOME funds cannot be used to refinance multifamily loans made or insured by any federal program, including the CDBG program.

Evaluation Criteria for HOME Projects

DHCD will continue to competitively and contingently award HOME funds for Rental Loan activities. Certain rental submissions may be assessed on a rolling basis. HOME entitlement communities must provide a match for projects seeking DHCD-administered HOME funds.

The following criteria are used to evaluate projects:

- strength of overall concept
- strength of development team, including demonstrated capacity and evidence of good standing
- demonstrated need for project in the target neighborhood
- evidence of marketability and affirmative fair marketing plan included in proposal
- adherence to sustainable development principles
- suitable site and design, including appropriateness with regard to green building standards and increased accessibility
- appropriate scopes of rehabilitation or construction
- appropriate efforts to address energy conservation
- appropriate total development costs for properties included in proposal
- financial viability and sustainability of the project, including evidence of minimal, yet sufficient, utilization of HOME assistance
- degree of local support, including local funding commitments
- evidence of readiness to proceed
- evidence of satisfactory progress on previously funded projects.
- adherence to the general requirements of DHCD's current Qualified Allocation Plan, including adherence to promoting greater diversity in the affordable housing industry among M/WBE firms.
- CHDO-sponsored projects

The following terms and conditions apply to all HOME competitively awarded multi-family rental projects:

Terms and Conditions: Multi-Family Rental Projects	
Eligible Borrowers	For profit developers; non-profit developers; non-profit organizations designated as CHDOs; municipalities in cooperation with any of the above. Development teams must demonstrate effective capacity.
Eligible Activities	Acquisition and/or rehabilitation of existing structures for multi-family rental use, including distressed or failed properties, or the new construction of multi-family rental projects. Minimum project size of 5 HOME-assisted units.

Terms and Conditions: Multi-Family Rental Projects	
Maximum Loan Amount	Typically, DHCD will award up to \$750,000 to \$1,000,000 per project and up to \$95,000 per HOME-assisted unit in HOME entitlement/consortium communities. In non-entitlement or non-consortium communities, the maximum loan is up to \$100,000 per HOME-assisted unit. We reserve the option to increase the per unit amounts for family projects located in gateway communities or areas of opportunity. We also reserve the option to increase the per unit amounts for projects sponsored by certified CHDOs.
Match Requirement	Projects located in HOME entitlement or consortium communities should include a commitment of local funds. Local match also will be anticipated in CPA communities. If an application is submitted without a match, it may not be scored. In general, preference will be given to applications with full match commitments.
Cost/Fee Limits	Projects with Total Development Costs in excess of \$200,000 per unit may not be scored. Developer Fee + overhead may not exceed 12.5% of a project's Total Development Cost (with the exception of applicants also seeking LIHTC, which follow QAP guidance).
Security	All HOME loans will be secured by a mortgage on the property. HOME funds are often subordinate to other loans; the subordinate position will depend upon the financial structure of the deal.
Affordability	All units receiving HOME assistance must be occupied by households earning no more than 60% of the area median income and affordable to households earning 65% of the area median income. At least 20% of the HOME units must be occupied by and affordable to households earning no more than 50% of area median income. The minimum HUD HOME period of affordability must be met, with an extended local period of affordability.
Holdback Feature	DHCD provides HOME funds through a simple requisition process and holds back a minimum of 10% of the HOME award until the project is substantially complete.
Term of Loan	Typically, loans will be for 30 years. During the final year of a loan, the owner may request an extension of up to 30 years in order to maintain the affordability of the housing. Typically, HOME funds are structured as repayable deferred loans; in some cases, DHCD may require regular payments from a project's cash flow.
Recourse	The loans will be non-recourse.

Terms and Conditions: Multi-Family Rental Projects	
Interest Rate	Generally, DHCD HOME loans are deferred payment loans with zero percent interest rates. DHCD reserves the right to assign a higher rate of interest to any HOME loan. HOME loans to projects receiving allocations of Low Income Housing Tax Credits are typically made at the Applicable Federal Rate (or higher) as required by the Tax Credits program.
Debt Coverage Ratio	DHCD expects HOME projects to have minimum debt coverage ratios of approximately 1.15 in year one.
Environmental	An ASTM Phase One environmental site assessment must be completed and submitted for each property within the project, either with the application or as part of the loan closing. All HOME projects are subject to the applicable requirements of 24CFR Part 58.
Lead Paint Requirements	HUD Federal lead-based paint regulations at 24 CFR Part 35 apply to all projects that are awarded HOME monies.
Section 3 and M/WBE Requirements	All HOME projects must meet Section 3 and M/WBE provisions; specifically, projects must meet the requirements of the new Section 3 Rule at 24 CFR Part 75, the Department's M/WBE requirements in the QAP, and DHCD's corresponding reporting guidelines
Energy Star, Sustainability and Other Green Measures	All new construction must meet applicable Energy Star or comparable/better standards. Any rehabilitation must meet Energy Star standards to the greatest extent feasible for the project. DHCD also expects projects to consider greening and sustainability to the maximum extent possible; all proposals must follow the guidelines as outlined in the Commonwealth's Qualified Allocation Plan.
Accessibility for Persons with Disabilities	For the new construction of any units or the substantial rehabilitation of 15 or more units of multi-family housing, Section 504 requires that 5% of the units (but not less than 1 unit) be accessible to individuals with mobility impairments and an additional 2% of the units (but not less than 1 unit) be accessible to individuals with sensory impairments. For moderate rehabilitation of 15 or more units, Section 504 also requires to the maximum extent feasible that the units be accessible to and usable by individuals with disabilities.
Good Standing at DHCD	Applicants for HOME funds, including all members of their development teams, must be in good standing with DHCD with respect to other DHCD-assisted projects.
Application Fees	The application fee for non-profit developers is \$450 per project; the fee for for-profit developers is \$1,250 per project. For projects seeking DHCD tax credits, only the tax credit application fees apply.

While we do not anticipate accepting project-based ownership project applications, the following criteria are used to evaluate first-time homebuyer projects:

- strength of overall concept
- strength of development team, including demonstrated capacity and evidence of good standing
- demonstrated need for project in the target neighborhood
- adherence to sustainable development principles
- suitable site and design, including attention to green building standards and increased accessibility
- appropriate scopes of rehabilitation or construction
- appropriate efforts to address energy conservation
- appropriate total development cost for properties included in proposal, including evidence of minimal utilization of HOME assistance
- appropriate sales prices and affordability analyses included in proposal
- evidence of marketability and buyer selection plan included in proposal
- degree of local support, including local funding commitments
- evidence of readiness to proceed
- evidence of satisfactory progress on previously funded projects.

First-time Homebuyer Resale or Recapture Provisions and Resubordination Policies

DHCD does not anticipate awarding new HOME purchaser-based or project-based homebuyer funds in the coming program year, as the smaller HOME allocation has limited our ability to extend the DHCD program beyond rental housing.

We will submit a Consolidated/Action Plan amendment proposal if we pursue the use of HOME funds with any new project-based or purchaser-based ownership activity and will present proposed restriction documents for HUD approval.

In general, DHCD will resubordinate the HOME restriction to existing HOME first-time homebuyers when a proposed loan product is conforming, at a competitive interest rate, and in an amount that is no more than 90% loan-to-value and with ratios acceptable to DHCD. DHCD also typically consents if a homeowner is looking to reduce an interest rate and is not taking cash out of the transaction, even if the LTV exceeds 90% but is less than 100%. The existing HOME first-time homebuyer portfolio is minimal, as many units have passed the maturity date of HOME restrictions and we haven't added new HOME ownership units in many years.

Eligible Applicants for HOME Funding

PROGRAM COMPONENT	ELIGIBLE APPLICANTS
Rental Production	Community Housing Development Organization (CHDO) Non-Profit Developer For-Profit Developer Municipal Entity in Partnership with Non-Profit or For-Profit Developer

HOME Match

Available resources for the HOME match continue to be the state-funded Massachusetts Rental Voucher Program (MRVP) and the state's Housing Stabilization Fund (both described in this section of the plan). We expect to have sufficient MRVP expenditures to use that single source in our MATCH report for this

year. Annual expenditures through this program alone is approximately \$97.5 million. Since states are permitted to “bank” match, that expenditure level will constitute match -- calculated at 25 cents (\$0.25) on the HOME dollar (\$1.00) -- for many years.

HOME Technical Assistance

In the coming year, we will continue to offer HOME technical assistance directly from DHCD HOME staff and through our HOME compliance monitoring contractor. Typically, we proactively share program updates and work with developers and property managers to clarify program requirements. Both the listserv and our website are effective ways to convey HOME program news, as are our standard pre-HOME loan closing business meetings and pre-and post-funding round information sessions, funding round debrief calls, memos and letters.

Historically, DHCD successfully administered four HOME Technical Assistance grants; in 2013, we closed out the fourth grant. DHCD does not anticipate an additional TA grant during the 2023 HOME program year.

HOME Performance Measures

In accordance with CPD Notice 03-09, DHCD’s HOME program has been collecting data for quantifiable performance measurement. Representatives from Massachusetts participated with the national workgroup which developed the HUD Outcome Performance Measurement System, as outlined in the Federal Register, June 10, 2005. HOME staff project managers attended HUD-sponsored performance measurement training in the summer of 2006. The following of the Commonwealth’s housing and community development objectives remain a primary focus of the HOME program:

1. Develop and maintain an adequate supply of safe, decent housing that is affordable and accessible to residents with a range of income levels and household needs.

DHCD’s HOME activities generally fall under the HUD objective:

- Provide decent affordable housing.

In general, the HUD outcome for our activities is:

- Affordability.

To meet these objectives and generate this outcome, DHCD provides funding for rental production and rental rehabilitation. DHCD has been incorporating the following primary performance measures for each funding type:

Rental Production

- Number of affordable units produced for each income category
- Amount of money leveraged for the rental activity
- Number of units for households at or below 30% of area median income
- Number of units for elderly households
- Number of minority households assisted
- Number of children under age 6 within HOME-assisted units
- Number that are accessible under Section 504
- Number of units that meet the IECC energy standards
- Of the units meeting IECC standards, the number meeting Energy Star (or similar) standards

- Number of units for formerly homeless households and formerly chronically homeless households
- Number of units for former residents of public housing
- Number designated for persons with HIV/AIDS

Rental Rehabilitation

- Number of affordable units preserved for each income category
- Number of minority households assisted
- Number of children under age 6 within HOME-assisted units
- Amount of money leveraged for the rental activity
- Number of units for households at or below 30% of area median income
- Number of units for elderly households
- Number that are accessible under Section 504
- Number of units that meet the IECC energy standards
- Of the units meeting IECC standards, the number meeting Energy Star (or similar) standards
- Number of units brought to lead safety standards
- Number of years of extended affordability
- Number of units for formerly homeless households and formerly chronically homeless households
- Number of units for former residents of public housing
- Number designated for persons with HIV/AIDS

We also ask for narrative data regarding HOME residents in new or older HOME projects to better learn how HOME units make an impact in the lives of low-income individuals and families. DHCD pursues ongoing data collection through compliance monitoring and via the Massachusetts legislation regarding tenant data collection. We expect that DHCD's HOME Program's performance measurement standards will further evolve, as our experience with the initiative matures.

Housing Opportunities for Persons with AIDS (HOPWA) Program MASSACHUSETTS HOPWA PROGRAM FOR FISCAL YEAR 2023

The Massachusetts Department of Public Health (MDPH) Bureau of Infectious Disease and Laboratory Sciences (BIDLS) Office of HIV/AIDS (OHA) administers HOPWA for the “balance of state.” In fiscal year 2023, MDPH HOPWA resources will fund Support Services provided by AIDS Project Worcester, Commonwealth Land Trust, Community Counseling of Bristol County, and Victory Programs.

AIDS Project Worcester, Inc. is an AIDS Service Organization (ASO) in Central Massachusetts that provides a comprehensive range of services for persons living with HIV/AIDS and those at greatest risk for the disease. Community Counseling of Bristol County, Inc. is a behavioral health provider located in Taunton, Massachusetts that offers HIV/AIDS support services to individuals in the Southeastern region of Massachusetts. Both AIDS Project Worcester and Community Counseling of Bristol County will use HOPWA resources to support HIV Housing Search and Advocacy Services. These services will help enable low-income individuals with HIV to access and maintain safe, stable, and affordable housing that will support ongoing retention in HIV medical care.

Commonwealth Land Trust is a non-profit organization based in Boston that owns and manages affordable housing in the Greater Boston area and the city of Lawrence, Massachusetts. The agency provides on-site case management services to many of Massachusetts’ most vulnerable residents, including individuals living with HIV/AIDS. Victory Programs is a multi-service organization that provides housing and services to homeless individuals and families who may have substance use disorders and/or chronic health issues such as HIV/AIDS, hepatitis C and mental illness. Both agencies will use HOPWA resources to provide Medical Case Management (MCM) services to individuals with HIV/AIDS who live in their wide networks of housing programs throughout Greater Boston and the Northeast region of Massachusetts. HIV/AIDS MCM services include medical care coordination, social service coordination, adherence support, substance use risk reduction, sexual health promotion, benefits counseling, and basic housing services. These services are intended to help individuals living with HIV access and maintain engagement in ongoing HIV medical care and treatment in order to maximize health outcomes, prevent acquisition of other commonly co-occurring infectious diseases, and reduce potential transmission of HIV to others. MCM is provided in a home-based setting when it is determined that issues including, but not limited to, substance use, mental health, and medical care needs could make it more likely for clients to fully benefit from these services in their residences.

OHA awarded all four agencies funding for Support Services during a statewide procurement. This procurement included language to support the allocation of State, Ryan White Treatment Modernization Act, and HOPWA funding to successful applicants. Vendor selection involved a comprehensive community and internal review process, and as successful applicants, these agencies initiated their new OHA contracts on November 1, 2017. OHA conducts thorough oversight of all of its contracts. Monitoring mechanisms include, but are not limited to, annual work plans, annual reports, monthly contract management calls, review of monthly client data submissions, and ongoing fiscal monitoring.

Housing Opportunities for Persons with AIDS (HOPWA) Program

The Massachusetts Department of Public Health (MDPH), Bureau of Infectious Disease and Laboratory Sciences (BIDLS), Office of HIV/AIDS (OHA) is responsible for the administration of “balance of state” HOPWA funds. In FFY 2023, the state anticipates receiving \$361,240 as a formula grantee. MDPH will use these resources to fund home-based HIV/AIDS Medical Case Management services and HIV Housing Search and Advocacy Services. Additional information about the state’s use of state HOPWA funds can be obtained by calling the Massachusetts Department of Public Health Office of HIV/AIDS at (617) 624-5300.

Geographic Distribution of Funds for the HOPWA Programs

MDPH utilizes its resources to support the provision of Supportive Services primarily in Greater Boston, the Central Region, and the Southeast region of Massachusetts.

**MASSACHUSETTS DEPARTMENT OF
HOUSING AND COMMUNITY DEVELOPMENT**

National Housing Trust Fund (HTF)

ALLOCATION PLAN

FY 2023

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ATTACHMENTS

Attachment A – DHCD and Supportive Services

Attachment B – HTF Rehabilitation Standards

Attachment C – Uniform Physical Condition Standards for Multifamily Housing
Rehabilitation - August 2016

NATIONAL HOUSING TRUST FUND Allocation Plan

**Massachusetts Department of Housing and Community Development
January 2023**

I. Background and Purpose of the National Housing Trust Fund (HTF)

The National Housing Trust Fund (HTF) is a federal program to support the development of affordable housing for low-income individuals and households. The HTF will be funded annually with certain proceeds available from two government-sponsored entities – the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac). The U.S. Department of Housing and Urban Development (HUD) will administer the HTF at the federal level and will distribute trust funds to participating states in accordance with an established formula. Each participating state must identify one qualified housing agency to allocate the funds made available through HTF. In addition, each state must prepare and submit for HUD approval an allocation plan outlining the process it intends to follow to distribute the HTF monies. The HTF allocation process must be referenced both in the state's Consolidated Plan (within the annual action plan) and in the state's Qualified Allocation Plan (QAP) governing the administration of the Low Income Housing Tax Credit Program (LIHTC). The National Housing Trust Fund Interim Rule can be found at 24 CFR Parts 91 and 93.

In 2016, Governor Charles D. Baker identified the Department of Housing and Community Development (DHCD) as the allocating agency for the HTF in the Commonwealth of Massachusetts. The state has not appointed subgrantees for HTF and will continue to distribute funds directly to recipients, defined as “organizations, agencies, or other entities that receive HTF funds to undertake an eligible project.”

It is DHCD's intent to award HTF funds as rapidly and efficiently as possible. Given the amount of HTF currently available and the critical need in Massachusetts for housing with services, DHCD will continue its practice, established in 2016, of awarding HTF exclusively to housing with services.

II. HTF and Supportive Housing in Massachusetts

DHCD has a long and successful history of providing federal and state funds to service-enriched housing – typically defined as units in multifamily rental projects with appropriate services available to tenants who need them. DHCD is strongly committed to the development of housing with services for special populations, including individuals or households who are either very low-income (VLI) or extremely low-income (ELI). Individuals or households are defined as VLI if their incomes are less than 50% of area median income (AMI). Individuals or households are defined as ELI if their incomes are less than 30% of AMI.

VLI and ELI individuals or households often face other life challenges, including difficulty in paying for food, transportation, health care, child care, and other life necessities. Some

VLI or ELI individuals or households face further special challenges. Low-income homeless veterans frequently cope with difficult medical challenges, including substance abuse, post-traumatic stress disorder, and difficulty in accessing necessary services. Frail seniors who are VLI or ELI may live in apartments or houses that are not suitable for persons with mobility issues and service needs. At the other end of the age spectrum, young adults who are aging out of state foster care systems often are VLI or ELI and face significant life challenges. Almost by definition, they have very limited support systems and are particularly vulnerable to substance abuse and homelessness.

These highly vulnerable populations clearly need housing they can afford, but they frequently need support services as well. No housing program – federal, state, or local – can ever address all the life challenges encountered by people with very low or extremely low incomes. But the Housing Trust Fund offers agencies such as DHCD the opportunity to award capital dollars to produce deeply affordable units in combination with other resources to help fund services for new HTF residents. DHCD has the ability to help fund these support services through the state’s rental voucher program, known as MRVP (Massachusetts Rental Voucher Program). The Department currently plans to set aside MRVP vouchers in support of HTF units in 2023. Each voucher that DHCD awards will include up to \$1,500 annually in service funding for these units, in order to help provide supportive services including but not limited to:

- Job search and training
- Financial literacy and planning
- Self-sufficiency training and coaching
- Counseling
- Parenting classes
- Early education and childcare services
- Mental health and addiction treatment
- Adult education and GED
- Skills training, etc.

Like in its prior HTF allocations, DHCD will prioritize HTF funds for projects that will provide service-enriched housing and housing for homeless families and individuals. The tenant selection preferences for each project will be evaluated as part of DHCD’s competition for HTF funds. As indicated below, in the evaluation process, DHCD will give priority to projects with tenant selection plans that include some of the following criteria:

- Preference for homeless families
- Preference for homeless individuals
- Preference for veterans
- Preference for persons with disabilities
- Preference for other vulnerable populations, such as the frail elderly

Recipients should note that DHCD has certain standards for the support services to be delivered to tenants in supportive housing units. It is the Department’s expectation that

recipients of projects seeking HTF in Massachusetts will adhere to DHCD's standards and policies for services and service delivery, appended to this document as Attachment A.

III. Eligibility Requirements

To be eligible for HTF, sponsors must be non-profit entities or developers partnered with non-profit entities that receive support service funds from federal sources, from private foundations or sources, from the Executive Office of Health and Human Services, and/or from the Executive Office of Elder Affairs. Eligible recipients will have the opportunity to apply for HTF, as well as certain state bond funds and MRVPs, a special competition to be held in 2023. DHCD intends to commit its full allocation of HTF through this competition, however, it may be necessary to make HTF resources available in other rental competitions held by the department throughout the year. DHCD further anticipates allocating at least half of its HTF to units reserved for individuals or households making the transition from homelessness, as reflected in project tenant selection plans and affordable fair housing marketing plans.

Interested sponsors should note that DHCD will award HTF as subordinate debt and will close all HTF assistance through the MassDocs process.

IV. Application Requirements

The Department will issue a Notice of Funding Availability (NOFA) for the HTF and several additional DHCD resources. Consistent with DHCD's past practice, the NOFA will include the deadlines by which sponsors interested in HTF must submit their pre-applications for DHCD review. The full funding competition for HTF and other DHCD monies will be invitation-only. Those sponsors whose pre-applications are approved by DHCD will be invited to submit full funding applications for HTF and other DHCD resources. The deadline for invitation-only, full funding applications will be included in the NOFA. Both pre-applications and full funding applications (OneStop+ applications) must be submitted through DHCD's online OneStop+ Intelligrants system.

V. Selection Criteria

In general, the evaluation criteria for all applications will include, but will not be limited to, the following:

- Strength of overall concept
- Percentage of units to be reserved for homeless families or individual
- Strength of development team
- Appropriateness of tenant selection plan
- Evidence of market feasibility
- Demonstrated need for project in the target neighborhood
- Financial viability of the project
- Degree of local support, including local funding commitments
- Degree to which the project maximizes green building standards and sustainable development principles

- Evidence of intent to create units for residents who face multiple barriers to securing and/or maintaining permanent housing
- Demonstrated ability to provide effective stabilization and supportive services to establish and maintain successful tenancies
- Geographic location of project
- Degree to which proposed rents are affordable to ELI/VLI households
- Minimum term of affordability: at least 30 years

It is DHCD's intent to award HTF and state resources to projects that are highly ready to proceed. Further, it is DHCD's intent to award the funds to recipients with extensive experience and strong track records in the development and operation of housing with support services. Sponsor experience and capacity will be critical elements in the DHCD review process. The degree of readiness of a project and its ability to move through the loan closing process to construction also will be critical review components. It is the Department's expectation that projects receiving HTF and/or state resources during the 2023 HTF competition will proceed to construction during 2024.

VI. Eligible Activities and Certification

In accordance with HUD guidance, the funds available through HTF can only be used to directly support housing units for the target income groups (VLI and ELI individuals or households). HTF units can be included in projects that also serve higher income level tenants, but the HTF monies can only support the HTF-designated units. All HTF-assisted rental housing must meet a 30 year affordability period.

HTF funds may be used for the production or preservation of affordable housing through the acquisition, new construction, reconstruction and/or rehabilitation of non-luxury rental housing with suitable amenities. All HTF applications must include a description of the eligible activities to be conducted with HTF funds. Funds may be used to support:

- Real property acquisition
- Site improvements and development hard costs
- Related soft costs
- Demolition
- Financing costs
- Relocation assistance

Additionally, HTF funds may be used to refinance existing debt secured by rental housing units that are being rehabilitated with HTF funds. Refinancing may be permitted in order to reduce interest or other payments on primary debt when the added revenue will enable the project to remain solvent, increase contributions to replacement reserve, or reduce costs to a state agency that pays some or all of operating costs. Refinancing may also be permitted in order to create an increase in debt that enables essential improvements such as life-safety systems or accessibility. Such improvements must

enhance safety and quality of life for the residents. Refinancing costs are only permitted when:

- Rehabilitation is the primary eligible activity
- Refinancing is necessary to reduce the overall housing cost and to make the housing more affordable and is proportional to the number of HTF-assisted units in the rental project; and
- The rehabilitation cost attributable to the HTF units is greater than the amount of debt to be refinanced that is attributable to the HTF units.

HUD requires that each recipient of an HTF award certify the number of HTF units by income group. In addition, recipients must certify that:

- All tenants in HTF-assisted units meet the income limits as required by program guidelines
- The recipient will comply with rent limits, determined to be no more than 30% of 30% of area median income.

VII. Maximum Per-Unit Subsidy Amount

The U.S. Department of HUD requires all HTF allocating agencies to establish maximum per-unit subsidy limits for all projects that include HTF assistance. The HUD guidance on establishing per-unit limits gives allocating agencies the option of developing and implementing new per-unit subsidy limits or using per-unit limits established for other federal programs, such as the Low Income Housing Tax Credit program (LIHTC).

The Massachusetts Department of Housing and Community Development has served as the allocating agency for the LIHTC and the federal HOME program for over 24 years and maintains an extensive database of multifamily rental projects funded through federal and state resources. The database currently contains information on more than 5,000 multifamily projects with 40,000 units and is updated with each new DHCD funding award or modification to an existing project. The information contained in the data base has been invaluable to DHCD in the development of numerous affordable housing policies. For example, during the past decade, the Department has been engaged in an ongoing effort to better manage the cost of developing affordable housing in Massachusetts. The information contained in the data base has helped DHCD make various determinations relative to appropriate project costs. Using the database and working with its quasi-public affiliate, the Massachusetts Housing Partnership, DHCD regularly updates statistics on cost. Each year, in DHCD's Qualified Allocation Plan (QAP) for the Low Income Housing Tax Credit (LIHTC), the Department uses the updated data to establish recommended cost limits per unit, based on project type, location, and size. The recommended cost limits per unit that apply to tax credit projects also apply to all other DHCD housing resources, including the HOME program and ten state-funded bond programs. The recommended cost limits per unit also apply to the Housing Trust Fund.

DHCD maintains different per-unit cost limits depending on the size of the project as defined by the bedroom mix. DHCD categorizes projects that primarily feature studios and one-bedroom units as “smaller” projects. Projects with a significant number of two- and three-bedroom units are characterized as “larger” projects. In every region of the state, recommended cost limits are lower for smaller projects than for larger.

For DHCD, there is a direct correlation between the recommended cost limits per unit and the Department’s commitment of subsidy per unit. Historically, DHCD is willing to award subsidy to support approximately 25% of the cost of producing or preserving an affordable unit. It is the Department’s long-standing practice to inform recipients that they must obtain the balance of the financing per unit from other private and/or public sources. DHCD intends to follow its long-standing policy on subsidy per-unit in making HTF awards. However, smaller highly supportive projects may need more state assistance to achieve feasibility. If a recipient seeks other DHCD resources in addition to HTF, as many are expected to do, the amount of HTF may be reduced below the typical limit as DHCD awards other sources to the project. In general, recipients should assume that DHCD typically will cap all HTF awards at approximately \$125,000 to \$150,000 per unit, depending on project characteristics and up to \$2,000,000 per project. This is a \$1 million increase from the prior project maximum and, will, in general, be utilized to fund projects with ten or more HTF units. In special circumstances, DHCD may commit a maximum of \$2.5 million to a single project. DHCD would direct this level of funding solely to projects with a high percentage of ELI units and to projects serving the most vulnerable populations including but not limited to, homeless families, chronic homeless individuals, veterans with supportive service needs, individuals in recovery from substance abuse disorder and homeless unaccompanied youth.

VIII. Additional Information

Sponsors of potential HTF projects for 2023 should note the following:

- *In order to fund as many HTF units as possible, DHCD typically will cap the amount of HTF per eligible unit. Details on per-unit caps are included in the previous section of this plan. However, as previously indicated, recipients also may seek certain additional state resources to complete their financing packages. Overall, recipients should assume that DHCD will cap all Department assistance, other than state rental assistance, at \$150,000 per HTF unit, inclusive of the HTF per-unit cap.*
- *In order to support multiple projects with HTF units, DHCD typically will cap the amount of HTF per project at \$2,000,000.*
- Priority will be given to applicants who propose rents that are affordable to ELI households through the use of project-based rental assistance or other means such as cross subsidization of rents within the project. DHCD will set aside MRVP vouchers to be available to HTF applicants in 2023.

- During the HTF competition, DHCD will consider both new construction and preservation/rehabilitation projects for HTF. Design and scope of work standards apply to both types of projects. Sponsors who previously have received DHCD assistance on affordable housing projects are familiar with DHCD's various standards. The design and scope standards are delineated in the Department's annual Qualified Allocation Plan (QAP) for the Low Income Housing Tax Credit. Standards also are delineated in the document entitled, "HTF Rehabilitation Standards" and included within this document as Attachment B. DHCD's architects will review the design and scope components of all applications for HTF and state resources.
- The Department believes that there is a need for supportive housing units in every region of the state. However, in Massachusetts, the number of homeless and extremely low income families and individuals is greatest in the City of Boston and the surrounding metropolitan area. In DHCD's view, this area would be well served by HTF projects. In addition, DHCD always encourages the creation of units for ELI individuals and families in so-called "areas of opportunity." The Department defines an area of opportunity, in part, as a neighborhood or community with a relatively low concentration of poverty based on U.S. Department of HUD data. In addition, DHCD identifies an area of opportunity as a neighborhood or community that offers access to jobs, health care, high performing school systems, higher education, retail and commercial enterprise, and public amenities.

Additionally, sponsors interested in seeking HTF to support eligible units within their projects should review all the following materials related to HTF or to DHCD's recent rental rounds:

- The HUD interim rule for HTF at <https://www.gpo.gov/fdsys/pkg/FR-2015-01-30/pdf/2015-01642.pdf>
- *DHCD's Qualified Allocation Plan (QAP) for LIHTC* (<https://www.mass.gov/doc/2022-2023-qap/download>).
- *DHCD's NOFA for the Winter Rental funding competition* (posted at
- For additional information on this allocation plan, please contact Catherine Racer or Bronia Clifton at DHCD at Catherine.Racer@mass.gov and Bronia.Clifton@mass.gov.

ATTACHMENT A

DHCD and Support Services

ATTACHMENT A

DHCD and Support Services

The standards and policies described below apply to services to be funded through the HTF as well as other DHCD sources.

Support services for individuals or families living in service-enriched housing units must be based on an individualized and detailed assessment of the individual or family's strengths and areas of needed support and improvement. In order for the assessments to be effective, the service provider must be experienced at individual or family outreach and engagement. As part of any application to DHCD for supportive housing (SH) funds, the recipient is expected to describe the method to be used to prepare individual or family assessments.

DHCD will give preference in funding decisions to qualified applicants who intend to create SH units for individuals or families who face multiple barriers to securing permanent housing. Multiple barriers may include poor credit, prior evictions, past criminal offenses, poor rental history, and multiple shelter placements.

Effective stabilization and case management should assist an individual or family in maintaining a successful tenancy and increasing self-sufficiency. After an initial assessment of each tenant household, the service provider will develop an individualized service plan with measurable goals and objectives. The service plan should address the following: 1) maintaining a successful tenancy; 2) securing quality childcare, education, healthcare and recreational activities for any children in the household, 3) securing or improving adult education attainment and employment; 4) improving and maintaining behavioral and physical health; 5) improving financial and asset management skills; and 6) improving community connections.

The entity providing stabilization services and case management must document the individual or family's initial assessment and work plan and also must track and document the individual or family's engagement and progress toward the goals and measures outlined in the work plan. The services to be provided as well as the reporting requirements are subject to further DHCD guidance.

If the service provider is a different entity from the owner of the property receiving DHCD funds, the provider and the owner should have a successful record of previous collaboration and should provide DHCD with documentation (such as an MOU) of their previous work together.

Persons with disabilities will not be required to accept any medical or disability related services, although exceptions may apply to treatment for people with addictions.

ATTACHMENT B

HTF REHABILITATION STANDARDS

ATTACHMENT B
HTF REHABILITATION STANDARDS

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ATTACHMENT B

HTF REHABILITATION STANDARDS

In May 2016, the U.S. Department of HUD issued Frequently Asked Questions (FAQs) on the rehabilitation standards to be established by state allocating agencies for rental or homebuyer housing with HTF assistance. Although the Massachusetts Department of Housing and Community Development (DHCD) has had extensive experience in establishing and implementing rehabilitation standards for programs including HOME and the Low Income Housing Tax Credit, DHCD has modified its existing rehabilitation standards in order to conform as closely as possible to the guidance published by HUD in the May 2016 FAQs.

All recipients of multifamily rental projects seeking HTF assistance must ensure that their projects conform to all the rehabilitation standards identified in this memorandum.

I. Health and Safety In Occupied Rehabilitation Projects

As part of the funding application to DHCD, each recipient of an occupied project must provide a narrative describing the existing condition of the property and must identify any life-threatening deficiencies and a plan for addressing such deficiencies prior to commencement of renovation activities. The recipient must describe how residents who will remain in structures under renovation will be assured of safe egress, protection from fire hazards, noxious fumes, exposure to hazardous materials, and loss of security for themselves and their possessions. This narrative is a mandatory requirement for occupied rental projects whose recipients are seeking HTF. The narrative will be reviewed by DHCD's architects as well as other Department staff, and DHCD will conduct an inspection of the property prior to making a funding decision.

Certain health and safety issues must be addressed immediately when a unit is already occupied. These items include:

- Air Quality - Propane/Natural Gas/Methane Gas Detected
- Blocked Egress/Ladders
- Electrical Hazards - Exposed Wires/Open Panels
- Electrical Hazards - Water Leaks on/near Electrical Equipment
- Emergency Fire Exits - Emergency/Fire Exits Blocked/Unusable
- Missing Outlet Covers
- Missing/Damaged/Expired Extinguishers
- Misaligned Chimney/Ventilation System
- Outlets/Switches/Cover Plates - Missing/Broken
- Smoke Detector - Missing/Inoperable
- Windows - Security Bars Prevent Egress

For a complete list of health and safety requirements, please see Attachment D.

II. Major Systems

The HUD FAQs from May 2016 identify major systems as structural support; roofing; cladding and weather proofing (e.g., windows, doors, siding, gutters); plumbing; electrical; heating, ventilation, and air conditioning. As part of the application to DHCD for HTF, each recipient – regardless of the size of the project – must commission a capital needs study to be performed by a third party entity acceptable to DHCD. The capital needs study must address all major systems as defined by HUD as well as other components of the proposed project including fire suppression and/or detection, security, tel/data, stormwater management systems, basic livability requirements mandated by the Massachusetts State Sanitary Code, as well as requirements of the Massachusetts Architectural Access Board and applicable Federal accessibility standards. In addition, each recipient's architect must complete a systems checklist identifying each major system, its current condition, the proposed scope of rehabilitation, and the expected useful life of the system following rehabilitation. DHCD's reviewing architects will evaluate the capital needs assessment as well as the systems checklist and all other components of the recipient's design and scope submission.

The term of affordability for all DHCD-funded HTF projects will be at least 30 years. If DHCD and its reviewing architects conclude that the useful life of one or more major systems in the proposed project does not meet the minimum period of affordability, the Department will require the recipient to establish an appropriately-funded replacement reserve. If the project is funded, the Department will monitor the performance of the various systems over time and the recipient's response to systems deficiencies. Every DHCD-funded HTF project must meet health and safety standards as well as all applicable code requirements throughout the term of HTF affordability.

III. Energy Conservation and Green Design

DHCD has a long history of encouraging and requiring recipients of affordable housing projects to incorporate energy conservation measures and other thoughtful approaches to green design into their projects. Recipients of rehabilitation projects seeking HTF will be required to provide information on energy efficiency and green design in their applications to DHCD, in particular, aspects of developments that exceed requirements of the base Massachusetts Building Code, or the "Stretch Code" if adopted by the locality

- The project recipient must address how the site layout and site design adequately address environmental issues; vehicular and pedestrian circulation, parking needs; stormwater management; trash management, appropriate open space requirements; landscaping, outdoor amenities appropriate for the target population, accessibility to public ways and common amenities, visitability, etc.
- The project recipient must address whether the project complies with energy efficient building envelope guidelines such as EPA's Energy Star standards (including regular quality control inspections during construction), for appliance and light fixture selection as well as air sealing and insulation measures.

- The project recipient must address how the project will incorporate materials and equipment consistent with promoting a healthful interior environmental quality, including mechanical ventilation measures to provide fresh air, control humidity, exhaust bathrooms and kitchens, and generally promote good indoor air quality.
- The project recipient must confirm that the project will provide interior CO detectors as mandated by state regulations.
- The project recipient must confirm that the proposed project, at a minimum, will conform to state and local code-mandated regulations for water conservation (low flush volume. toilets, low-flow faucet and showerhead devices, etc.) as well as storm water management. The recipient should identify all water conservation measures that go beyond state/local regulations.
- The project recipient must confirm that there will be sufficient construction oversight, building envelope testing, and building system commissioning to ensure that all systems are properly installed, adjusted, and meet all specified performance criteria. .
- The project recipient must confirm that he/she has employed effective cost management techniques in the design process, including but not limited to Integrated Project Delivery methods, and significant involvement by contractors or other cost estimation professionals early on, and throughout the design process. In rehabilitation (as in new construction), DHCD strongly prefers project designs that incorporate site planning, exterior envelope, detailing, and mechanical system technologies to achieve energy efficiency. DHCD strongly encourages demolition and rehabilitation processes that result in waste reduction and conservation of resources. DHCD also encourages the use of building materials that are local in origin and durable and that incorporate recycled content. DHCD also strongly encourages recipients to avoid the use of toxic materials.

IV. Lead-Based Paint

Recipients of rehabilitation projects seeking HTF from DHCD must conform to all applicable provisions of 24 CFR Part 35 regarding lead-based paint. Recipients also must conform to all Massachusetts laws and regulations, as well as EPA requirements regarding lead-based paint, including protection of workers who may be exposed to lead paint during the construction process. .

V. Accessibility

Recipients of all rehabilitation projects seeking HTF must conform to all accessibility requirements of 24 CFR Part 8 (<http://www.ecfr.gov/cgi-bin/text-idx?rgn=div5&node=24:1.1.1.1.8>) implementing Section 504 of the Rehabilitation Act of 1973) and Titles II and III of the Americans with Disabilities Act implemented at 28 CFR Parts 35 and 36)

For “covered multifamily dwellings”, as defined at 24 CFR 100.205 (http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title24/24cfr100_main_02.tpl), DHCD will require recipients to meet the design and construction requirements at 24 CFR 100.205.

In addition, recipients must conform to any and all applicable Massachusetts laws and regulations regarding accessibility, including, in renovation projects, obtaining all necessary variances from the Massachusetts Architectural Access Board. Recipients must complete the DHCD accessibility checklist appended to this memorandum.

VI. Disaster Mitigation

Recipients must ensure that projects conform or exceed all federal and state requirements and best practices to mitigate the potential impact of disasters or disruptions, such as extended power outages, earthquakes, hurricanes, floods, and wildfires in accordance with state or local codes, ordinances, and requirements. Recipients shall submit a “resiliency narrative” that describes all such measure incorporated into the project.

VII. State and Local Codes

All recipients seeking HTF from DHCD must meet all applicable Massachusetts state and local codes, ordinances, and requirements including but not limited to the following:

- Local Zoning Ordinances
- Massachusetts State Building Code
- National Electrical Code
- Massachusetts Fuel Gas and Plumbing Code
- Massachusetts Fire Regulations
- Massachusetts Elevator Regulations
- Massachusetts Sanitary Code
- Massachusetts Department of Public Health Requirements
- Massachusetts Historic Commission Regulations
- U.S. Department of Energy Regulations
- Massachusetts Department of Environmental Protection Regulations
- HUD Rehabilitation Guidelines
- HUD Section 8 Housing Quality Standards
- Americans with Disabilities Act
- Massachusetts Architectural Access Board Regulations
- Local, State and Federal Requirements Related to Sewage/Septic Systems
- Requirements for Housing Trust Fund Environmental Provisions

VIII. Uniform Physical Condition Standards (UPCS)

DHCD will require all recipients to ensure that HTF-assisted housing will be decent, safe, sanitary, and in good repair as described in 24 CFR 5.703 (<http://www.ecfr.gov/cgi-bin/text-idx?rgn=div5&node=24:1.1.1.1.5>). As it monitors HTF-assisted projects, DHCD will include the UPCS inspectable items and observable deficiencies for the site, building exterior, building systems (multifamily housing only), common areas (multifamily housing only), and units identified on the following. Recipients should review the HTF FAQ appendices: Uniform Physical Condition Standards for Multifamily and Single Family Housing Rehabilitation (/onecpd/assets/File/HTF-FAQ-Appendices-UPCS-for-Multifamily-and-Single-Family-Housing-Rehabilitation.pdf) as well as Attachment E to the HTF Allocation Plan, Uniform Physical Condition Standards for Multifamily Housing Rehabilitation - August 2016.

IX. Additional DHCD Standards for Multifamily Rehabilitation Projects

As indicated, the Department has maintained design and scope standards for multifamily rental rehabilitation projects for many years. DHCD encourages recipients of multifamily rental projects to follow its standards as closely as possible and to discuss their projects -- prior to submission -- with Department staff.

Overall Unit Size:

- SRO: 120 square feet (sf)
- Enhanced SRO: 175 sf (includes food preparation area and bathroom)
- One-bedroom unit: 600 sf (or applicable HUD program standards; for example for Section 202)
- Two-bedroom unit: 850 sf
- Three-bedroom unit: 950 sf
- Four- or more bedroom unit: 1,100 sf

Minimum Room Size:

Rooms in rehabilitation projects shall meet the following minimums (including a dimensional minimum):

- Primary bedrooms: 120 sf (10.5 ft.)
- Secondary bedrooms: 100 sf (9.5 ft.)
- Living room: 150 sf (12 ft.)
- Dining room: 100 sf (10 ft.)
- Living/dining room combo: 200 sf (12 ft.)
- Full bathroom: 40 sf (5 ft.)

If a room has a sloped ceiling, any portion of the room measuring less than 5 feet from the finished floor to the finished ceiling shall not be included in the measurements of the floor area.

Closets and storage cannot be included in the measurement of the floor area.

Kitchen:

The size of the unit should determine the amount of counter space to be provided:

	<i>counter space length</i>	<i>minimum circulation width</i>
• One-bedroom unit	6 linear feet	4 feet
• Two-bedroom unit	8 linear feet	4 feet
• Three or more bedroom unit	10 linear feet	4 feet

The minimum total linear feet of counter cannot include the space occupied by the sink, stove, and refrigerator.

Bathrooms:

The number of bedrooms within the unit determines the number of bathrooms:

• One-bedroom unit	One bathroom
• Two-bedroom unit	One bathroom
• Three bedroom unit	One-and-a-half bathrooms (minimum)
• Four or more bedroom units	Two bathrooms

Reusable and Sustainable Material Use:

Recipients are asked to:

- Use fewer building materials thorough advanced framing techniques or other systems approach to building construction.
- Use recycled content such as:
 - High fly ash content concrete in foundations, wall systems and finish floors.
 - Cementitious siding or stucco with high fly ash content.
- Composite framing such as engineered joists instead of dimensional lumber:
 - Light-gauge steel in whole house or interior walls. (Verify that thermal bridging is avoided if steel is used in exterior walls.)
 - Rapidly renewable resource materials for flooring and finishes, such as wheat straw board.
 - Insulation made of renewable, easily recyclable material or recycled content such as recycled newspaper (cellulose), soy-based foam, cotton fiber, or other when appropriate.
- Use locally available building materials, such as:
 - Locally produced masonry
 - Recycled lumber or locally milled timber or Forest Stewardship Council (FSC) certified lumber or other recycled materials.

- Recycled aggregate from demolition of existing site work or structure or nearby source.

Energy Efficiency:

Recipients are asked to:

- Use properly sized and designed sealed combustion boilers or furnaces and distribution systems or other low-energy use heating.
- Use tankless water heaters, indirect water heaters, sealed combustion water heaters, or solar hot water heaters.
- Specify LED fixtures.
- Specify insulation as required by Energy Star standards and above code where feasible and contributing to significant energy savings.
- If possible, avoid or minimize air-conditioning with natural ventilation or other passive cooling strategy. Ensure that adequate cooling is included in all elderly developments.
- Consider renewable energy sources such as solar thermal collectors, photovoltaics (or pre-wire and provide adequate roof structure so that systems can be added when feasible), or wind turbines, using research grants and rebates when possible.

Indoor Environmental Quality – Healthy Buildings:

Recipients are asked to:

- Detail building envelope to shed water with adequate flashing and a continuous drainage plane (rain-screen). Design walls to be able to dry to the interior, exterior, or both as appropriate.
- Provide operable windows with screens to take advantage of natural cross-ventilation when possible.
- Provide continuously running, dual-speed exhaust fans in all bathrooms.
- Provide kitchen range hoods that are ducted to the outdoors, preferably exhausted at roof level.
- Use air sealing techniques during construction to compartmentalize units to minimize unwanted air transmission.
- Provide mechanical ventilation to remove excess moisture and indoor pollutants from living spaces and to provide an adequate amount of outside air, preferably individually supplied to each dwelling unit.
- Specify sealed combustion boilers, furnaces, and water heaters.
- Use only low volatile organic compound (VOC) paints, sealants, and finishes.
- Use paperless gypsum board or cement board substrates at all damp areas.
- Install flooring with low or no off-gassing such as concrete, ceramic tile, FSC certified wood flooring, linseed-oil based resilient flooring, or bamboo with

low urea formaldehyde content. If wood flooring is finished on site, use low VOC water-based polyurethane finish.

- Minimize the use of carpeting, which can hold dirt, mold, and other allergens. If carpeting is necessary, specify carpet with low VOCs recyclable fiber and backing content. If available, install carpeting that can be recycled.
- Install carbon monoxide detectors in living areas as well as garages.
- Perform fresh air flushing before occupancy.
- Educate tenants or owners by providing user manuals on use of systems, their required maintenance such as changing of filters and batteries. Use filters that remove allergens in forced-air units.
- Protect onsite building materials from rain during construction to prevent mold growth.
- Design wall and ceiling assemblies to mitigate impact sound and air-borne sound transmission between units, preferably at a level that exceeds building code requirements. .

Additional Design Considerations for Multifamily Rehabilitation Projects:

Recipients should note:

- Rehabilitation projects funded with federal funds must be demonstrably improved in order to mitigate the impact of potential natural disasters or service disruptions (e.g., significant power outages, earthquakes, hurricanes, floods) in accordance with applicable state and local ordinances.
- Kitchens must be designed with a pantry or broom closet.
- All applicable appliances must be Energy Star* rated.
- Range hood vented to outdoors.
- Garbage disposal, ¾ HP minimum.
- 30" range with self-cleaning oven.
- Dishwasher, if the unit includes a full kitchen and is larger than one-bedroom.
- Refrigerator sized for maximum energy savings.
- Storage space within units or in central storage spaces should be provided wherever possible.
- The design should optimize the use of space. Unit size and layout should maximize efficiency and minimize circulation (hallways), provide spacious furnishable main living areas and provide adequate storage.
- For all buildings under rehabilitation, designs shall include durable, low maintenance, energy efficient systems and materials. Electric heat is not acceptable.
- Cementitious siding materials, such as Hardi-plank or Cem-plank is the preferred exterior siding, as opposed to vinyl cladding for residential buildings.

- Specifications should include fiberglass/asphalt roofing shingles with a minimum of a 25-year warranty or light-colored TPO membrane for flat roofs. All pitched roofs must have a ridge and soffit venting system when appropriate.
- Window guards, window sash limiters, and heavyweight screening must be installed in windows of housing units where a child age 6 or under may live or regularly visit.
- Painted finishes should have a one-coat primer and two finish coats.
- Bathroom floors must be tiled with a floor grade, non-slip glazed or unglazed ceramic tile or sheet vinyl. VCT is not approved for bathrooms. If carpeting is installed, 26 oz. minimum fabric face weight per square yard is the standard. Specify carpet with low VOCs and recyclable fiber and backing content. If available, install carpeting that can be recycled.
- Stacked plumbing with suitable shut-offs to facilitate maintenance is strongly recommended in order to reduce material and construction costs, centralize water supply and drain lines.
- All outdoor mechanical equipment should be located and installed so that it cannot be seen from the surrounding street. Special attention must be given to adhere to all standards promulgated to prevent excessive noise or other kinds of annoyance from any mechanical equipment.
- As previously indicated, if the useful life of one or more major systems (including structural support, roofing, cladding, weatherproofing, plumbing, electrical and HVAC) is less than the applicable period of affordability, the recipient must ensure that a replacement reserve is established to replace systems as needed.

Any proposed deviations from design recommendations should include a narrative describing why an alternative approach/material is preferred.

X. Required Architectural Submission (Multifamily Rental Rehabilitation Projects)

This section outlines the type of drawings and other documentation that recipients must submit for rehabilitation projects that fall within these guidelines. DHCD requires that an architect and/or construction cost estimator prepare the plans and construction budgets for each project.

Site Plan: Indicate the location of the building, property lines, access to the building from the street, landscape, curb cuts, driveways, orientation (north arrow), at an appropriate scale.

Existing Floor Plan: Include plans for each floor, including basement and roof. Drawings should be drawn at an appropriate scale. The existing floor plans should include the following information:

- Structural elements such as existing bearing walls, columns (indicate this with a note or graphically, e.g.: shade in the structural walls).

- Direction of floor joists if structural changes are being made.
- Existing plumbing, ventilation chase, fireplaces and any other information that affects design.

Proposed Floor Plans: Drawings should address changes of layout, removal of walls or structural elements, or any other changes. The proposed floor plans should include the following information:

- Unit Floor Area (i.e., the total area within the unit exterior walls).
- Room Areas (i.e., the area within the perimeter wall of the room excluding storage and closet space).
- Critical overall and interior dimensions.
- Vertical structural elements.
- Wall thickness to scale.
- Location and size of windows, indicating the window-sill height (measured from the finished floor).
- Ceiling heights.
- Location of mechanical equipment, meters, and electric service panels.
- Location of water, gas, sewer, and electric services.
- In the case of attic renovation, drawings should be provided indicating ceiling heights, knee wall heights, dormers location, etc.
- All units should be built with internet connectivity, COAX cable for TV and CAT5e or better for tel/data.

Elevations: Drawings should include all elevations impacted by the scope of work. .

XI. Landscaping Guidelines

This section outlines suggestions for site improvements and landscaping for projects that all under these guidelines.

Site Design:

- Where possible and feasible, provide usable areas such as the following where the community can meet and gather:
 - Safe play areas for children in multifamily developments.
 - Community garden areas, including planters for vegetables, herbs, flowers. .
 - Semi-public open spaces.
 - Patios, front yards, porches, or balconies to encourage community interaction and provide eyes-on-the-street surveillance.
- Provide for alternative transportation, e.g., bike paths and storage, pedestrian links, car shares.
- Provide all required accessible routes of travel, and in general, avoid use of stairs, wherever the terrain permits.

Prioritize pedestrian over vehicular traffic and use traffic calming devices. Incorporate attractive well-lit pedestrian paths wherever possible

Site Demolition and Clearing:

- Remediate all hazardous materials such as asbestos (ACMs), lead (LCMs), PCB's, VOC's, Arsenic, etc. carried out in accordance with all applicable local, state and federal regulations.
- Provide a summary and accurate estimate of the site remediation plan, if applicable, along with grading plans.

Tree/Shrub Pruning and Removal:

- Remove trees that originate at foundation wall of building or present a hazard to the structure.
- Remove dead trees.
- Trim stump to below grade.
- Prune back branches that overhang roof or brush walls of building.
- Prune branches that may threaten utility connections.
- Clean up and properly dispose of brush and wood.
- Remove shrubs that are diseased, those that obstruct walkways, drives and pathways, and those that obstruct windows.

Grading: Restore grade to include, when appropriate, a 6" minimum deep planting bed of clean loam/topsoil. New grade should slope away from buildings and fit the existing neighboring grades, particularly at street or sidewalk. Grades for usable lawn areas should not exceed twenty percent. The grade across paved areas should not exceed four percent, or any applicable maximum slope required by accessibility or applicable site engineering standards.

Paving, Fencing and Walls:

- Restore walks and driveways to good condition.
- Fences should generally never exceed a height of 6 feet. Material and style should be appropriate to surrounding neighborhood.

Lawns:

- Sod or seed new lawns. If seeded, pegged cloth or salt hay should be used to prevent erosion on slopes in excess of six percent. If lawn area is shady, seed or sod should include appropriate mix of fescues or other low-maintenance grasses, which will tolerate shade.
- Require general contractor to maintain all lawns throughout applicable warranty periods.

Plantings: Select hardy, maintainable, regional stock. All plantings should be placed in a manner that enhances the appearance of the property and is in keeping with the surrounding neighborhood.

All recipients and/or other development team members should contact DHCD staff in advance of submitting applications for HTF assistance. DHCD staff members are available to answer questions on rehabilitation standards as well as other aspects of HTF.

ATTACHMENT C

MA DHCD HTF

Uniform Physical Condition Standards for Multifamily Housing Rehabilitation August 2016

MA DHCD HTF Rehab Standards Appendix E: Uniform Physical Condition Standards for Multifamily Housing Rehabilitation - August 2016

NOTE: Deficiencies highlighted in blue are life-threatening and must be addressed immediately, if the housing is occupied.

Requirements for Site	
Inspectible Item	Observable Deficiency
Fencing and Gates	Damaged/Falling/Leaning
	Holes
	Missing Sections
Grounds	Erosion/Rutting Areas
	Overgrown/Penetrating Vegetation
	Ponding/Site Drainage
Health & Safety	Air Quality - Sewer Odor Detected
	Air Quality - Propane/Natural Gas/Methane Gas Detected
	Electrical Hazards - Exposed Wires/Open Panels
	Electrical Hazards - Water Leaks on/near Electrical Equipment
	Flammable Materials - Improperly Stored
	Garbage and Debris - Outdoors
	Hazards - Other
	Hazards - Sharp Edges
	Hazards - Tripping
	Infestation - Insects
	Infestation - Rats/Mice/Vermin
Mailboxes/Project Signs	Mailbox Missing/Damaged
Signs Damaged	
Parking Lots/Driveways/Roads	Cracks
	Ponding
	Potholes/Loose Material
Play Areas and Equipment	Settlement/Heaving
	Damaged/Broken Equipment
	Deteriorated Play Area Surface
Refuse Disposal	Broken/Damaged Enclosure-Inadequate Outside Storage Space
Retaining Walls	Damaged/Falling/Leaning
Storm Drainage	Damaged/Obstructed
Walkways/Steps	Broken/Missing Hand Railing
	Cracks/Settlement/Heaving
	Spalling/Exposed rebar
Requirements for Building Exterior	
Inspectible Item	Observable Deficiency
Doors	Damaged Frames/Threshold/Lintels/Trim
	Damaged Hardware/Locks
	Damaged Surface (Holes/Paint/Rusting/Glass)
	Damaged/Missing Screen/Storm/Security Door
	Deteriorated/Missing Caulking/Seals
	Any door that is not functioning or cannot be locked because of damage to the frame, threshold, lintel or trim
	Any door that does not function as it should or cannot be locked because of damage to the door's hardware
	Any door that has a hole or holes greater than 1 inch in diameter, significant peeling/cracking/no paint or rust that affects the integrity of the door surface, or broken/missing glass
	Any screen door or storm door that is damaged or is missing screens or glass--shown by an empty frame or frames or any security door that is not functioning or is missing
	The seals/caulking is missing on any entry door, or they are so damaged that they do not function as they should
	Type and Degree of Deficiency that must be addressed
	Fence or gate is missing or damaged to the point it does not function as it should
	Hole in fence or gate is larger than 6 inches by 6 inches
	An exterior fence, security fence or gate is missing a section which could threaten safety or security
	Runoff has extensively displaced soils which has caused visible damage or potential failure to adjoining structures or threatens the safety of pedestrians or makes the grounds unusable
	Vegetation has visibly damaged a component, area or system of the property or has made them unusable or impassable
	There is an accumulation of more than 5 inches deep and/or a large section of the grounds more than 20% is unusable for its intended purpose due to poor drainage or ponding
	Sewer odors that could pose a health risk if inhaled for prolonged periods
	Strong propane, natural gas or methane odors that could pose a risk of explosion/fire and/or pose a health risk if inhaled
	Any exposed bare wires or openings in electrical panels (capped wires do not pose a risk)
	Any water leaking, puddling or ponding on or immediately near any electrical apparatus that could pose a risk of fire, electrocution or explosion
	Flammable materials are improperly stored, causing the potential risk of fire or explosion
	Too much garbage has gathered more than the planned storage capacity, or garbage has gathered in an area not sanctioned for staging or storing garbage or debris
	Any general defects or hazards that pose risk of bodily injury
	Any physical defect that could cause cutting or breaking of human skin or other bodily harm
	Any physical defect in walkways or other travelled area that poses a tripping risk
	Evidence of infestation of insects-including roaches and ants-throughout a unit or room, food preparation or storage area or other area of building substantial enough to present a health and safety risk
	Evidence of rats or mice--sightings, rat or mouse holes, or droppings substantial enough to present a health and safety risk
	Mailbox cannot be locked or is missing
	The project sign is not legible or readable because of deterioration or damage
	Cracks that are large enough to affect traffic ability over more than 5% of the property's parking lots/driveways/roads or pose a safety hazard
	3 inches or more of water has accumulated making 5% or more of a parking lot/driveway unusable or unsafe
	Potholes or loose material that have made a parking lot/driveway unusable/unpassable for vehicles and/or pedestrians or could cause tripping or falling
	Settlement/heaving has made a parking lot/driveway unusable/unpassable or creates unsafe conditions for pedestrians and vehicles
	More than 20% of the equipment is broken or does not operate as it should or any item that poses a safety risk
	More than 20% of the play surface area shows deterioration or the play surface area could cause tripping or falling and thus poses a safety risk
	A single wall or gate of the enclosure has collapsed or is leaning and in danger of falling or trash cannot be stored in the designated area because it is too small to store refuse until disposal
	A retaining wall is damaged and does not function as it should or is a safety risk
	The system is partially or fully blocked by a large quantity of debris, causing backup into adjacent areas or runoffs into areas where runoff is not intended
	The hand rail is missing, damaged, loose or otherwise unusable
	Cracks, hinging/biting or missing sections that affect traffic ability over more than 5% of the property's walkways/steps or any defect that creates a tripping or falling hazard
	More than 5% of walkways have large areas of spalling--larger than 4 inches by 4 inches--that affects traffic ability

Fire Escapes	Missing Door Blocked Egress/Ladders Visibly Missing Components	Any exterior door that is missing Stored items or other barriers restrict or block people from exiting Any of the functional components that affect the function of the fire escape—one section of a ladder or railing, for example—are missing
Foundations	Cracks/Gaps	Large cracks in foundation more than 3/8 inches wide by 3/8 inches deep by 6 inches long that present a possible sign of a serious structural problem, or opportunity for water penetration or sections of wall or floor that are broken apart
Health and Safety	Spalling/Exposed Rebar Electrical Hazards - Exposed Wires/Open Panels Electrical Hazards - Water Leaks on/near Electrical Equipment	Significant spalled areas affecting more than 10% of any foundation wall or any exposed reinforcing material—rebar or other Any exposed bare wires or openings in electrical panels (exposed wires do not pose a risk) Any water leaking, puddling or ponding on or immediately near any electrical apparatus that could pose a risk of fire, electrocution or explosion
	Emergency Fire Exits - Emergency/Fire Exits Blocked/Unusable Emergency Fire Exits - Missing Exit Signs Flammable/Combustible Materials - Improperly Stored	The exit cannot be used or exit is limited because a door or window is nailed shut, a lock is broken, panic hardware is chained, debris, storage, or other conditions block exit Exit signs that clearly identify all emergency exits are missing or there is no illumination in the area of the sign Flammable materials are improperly stored, causing the potential risk of fire or explosion
	Garbage and Debris - Outdoors Hazards - Other Hazards - Sharp Edges Hazards - Tripping	Too much garbage has gathered more than the planned storage capacity or garbage has gathered in an area not sanctioned for staging or storing garbage or debris Any general defects or hazards that pose risk of bodily injury Any physical defect that could cause cutting or breaking of human skin or other bodily harm Any physical defect in walkways or other travelled area that poses a tripping risk
	Infestation - Insects Infestation - Rats/Mice/Vermis Broken Fixtures/Bulbs Damaged Soffits/Fascia Damaged Vents Damaged/Clogged Drains Damaged/Torn Membrane/Missing Ballast Missing/Damaged Components from Downspout/Gutter Missing/Damaged Shingles Ponding	Evidence of infestation of insects-including roaches and ants-throughout a unit or room, food preparation or storage area or other area of building Substantial enough to present a health and safety risk Evidence of rats or mice-sightings, rat or mouse holes, or droppings substantial enough to present a health and safety risk 10% or more of the lighting fixtures and bulbs surveyed are broken or missing Soffits or fascia that should be there are missing or so damaged that water penetration is visibly possible Vents are missing or so visibly damaged that further roof damage is possible The drain is damaged or partially clogged with debris or the drain no longer functions Ballast has shifted and no longer functions as it should or there is damage to the roof membrane that may result in water penetration Drainage system components are missing or damaged causing visible damage to the roof, structure, exterior wall surface, or interior Roofing shingles are missing or damaged enough to create a risk of water penetration Evidence of standing water on roof, causing potential or visible damage to roof surface or underlying materials
Walls	Cracks/Gaps Damaged Chimneys Missing/Damaged Caulking/Mortar Missing Pieces/Holes/Spalling Stained/Peeling/Needs Paint	Any large crack or gap that is more than 3/8 inches wide or deep and 6 inches long that presents a possible sign of serious structural problem or opportunity for water penetration Part or all of the chimney has visibly separated from the adjacent wall or there are cracked or missing pieces large enough to present a sign of chimney failure or there is a risk of falling pieces that could create a safety hazard Any exterior wall caulking or mortar deterioration that presents a risk of water penetration or risk of structural damage Any exterior wall deterioration or holes of any size that present a risk of water penetration or risk of structural damage More than 20% of the exterior paint is peeling or paint is missing and siding surface is exposed thereby exposing siding to water penetration and deterioration
Windows	Broken/Missing/Cracked Panes Damaged Sills/Frames/Lintels/Trim Damaged/Missing Screens Missing/Deteriorated Caulking/Seals/Glazing Compound Peeling/Needs Paint Security Bars Prevent Egress	Any missing panes of glass or cracked panes of glass where the crack is either greater than 4" and/or substantial enough to impact the structural integrity of the window pane Sills, frames, lintels, or trim are missing or damaged, exposing the inside of the surrounding walls and compromising its weather tightness Missing screens or screens with holes greater than 1 inch by 1 inch or tears greater than 2 inches in length There are missing or deteriorated caulk or seals—with evidence of leaks or damage to the window or surrounding structure More than 20% of the exterior window paint is peeling or paint is missing and window frame surface is exposed thereby exposing window frame to water penetration and deterioration The ability to exit through egress window is limited by security bars that do not function properly and, therefore, pose safety risks
Requirements for Building Systems		
Inspectable Item		
Domestic Water	Observable Deficiency Leaking Central Water Supply Missing Pressure Relief Valve Rust/Corrosion on Heater Chimney Water Supply Inoperable Blocked Access/Improper Storage Burnt Breakers	Leaking water from water supply line is observed There is no pressure relief valve or pressure relief valve does not drain down to the floor The water heater chimney shows evidence of flaking, discoloration, pitting, or crevices that may create holes that could allow toxic gases to leak from the chimney There is no running water in any area of the building where there should be One or more fixed items or items of sufficient size and weight impede access to the building system's electrical panel during an emergency Carbon residue, melted breakers or arcing scars are evident
Electrical System		

	Evidence of Leaks/Corrosion	Any corrosion that affects the condition of the components that carry current or any stains or rust on the interior of electrical enclosures, or any evidence of water leaks in the enclosure or hardware
	Frayed Wiring	Any nicks, abrasion, or fraying of the insulation that exposes any conducting wire
	Missing Breakers/Fuses	Any open and/or exposed breaker part
	Missing Outlet Covers	A cover is missing, which results in exposed visible electrical connections
Elevators	Not Operable	The elevator does not function at all or the elevator doors open when the cab is not there
Emergency Power	Auxiliary Lighting Inoperable (if applicable)	Auxiliary lighting does not function
Fire Protection	Missing Sprinkler Head	Any sprinkler head is missing, visibly disabled, painted over, blocked, or capped
	Missing/Damaged/Expired Extinguishers	There is missing, damaged or expired fire extinguisher on any area of the building where a fire extinguisher is required
Health & Safety	Air Quality - Mold and/or Mildew Observed	Evidence of mold or mildew is observed that is substantial enough to pose a health risk
	Air Quality - Propane/Natural Gas/Methane Gas Detected	Strong propane, natural gas or methane odors that could pose a risk of explosion/ fire and/or pose a health risk if inhaled
	Air Quality - Sewer Odor Detected	Sewer odors that could pose a health risk if inhaled for prolonged periods
	Electrical Hazards - Exposed Wires/Open Panels	Any exposed bare wires or openings in electrical panels (capped wires do not pose a risk)
	Electrical Hazards - Water Leaks on/near Electrical Equipment	Any water leaking, puddling or ponding on or immediately near any electrical apparatus that could pose a risk of fire, electrocution or explosion
	Elevator - Tripping	An elevator is misaligned with the floor by more than 3/4 of an inch. The elevator does not level as it should, which causes a tripping hazard
	Emergency Fire Exits - Emergency/Fire Exits Blocked/Unusable	The exit cannot be used or exit is limited because a door or window is nailed shut, a lock is broken, panic hardware is chained, debris, storage, or other conditions block exit
	Emergency Fire Exits - Missing Exit Signs	Exit signs that clearly identify all emergency exits are missing or there is no illumination in the area of the sign
	Flammable Materials - Improperly Stored	Flammable materials are improperly stored, causing the potential risk of fire or explosion
	Garbage and Debris - Indoors	Too much garbage has gathered-more than the planned storage capacity or garbage has gathered in an area not sectioned for staging or storing garbage or debris
	Hazards - Other	Any general defects or hazards that pose risk of bodily injury
	Hazards - Sharp Edges	Any physical defect that could cause cutting or breaking of human skin or other bodily harm
	Hazards - Tripping Hazards	Any physical defect in walkways or other travelled area that poses a tripping risk
	Infestation - Insects	Evidence of infestation of insects-including roaches and ants-throughout a unit or room, food preparation or storage area or other area of building
	Infestation - Rats/Mice/Verm in	Substantial enough to present a health and safety risk
HVAC	Boiler/Pump Leaks	Evidence of water or steam leaking in piping or pump packing
	Fuel Supply Leaks	Evidence of any amount of fuel leaking from the supply tank or piping
	General Rust/Corrosion	Significant formations of metal oxides, significant flaking, discoloration, or the development of a noticeable pit or crevice
	Misaligned Chimney/Ventilation System	A misalignment of an exhaust system on a combustion fuel-fired unit (oil, natural gas, propane, wood pellets etc.) that causes improper or dangerous venting of gases
Roof Exhaust System	Roof Exhaust Fan(s) Inoperable	The roof exhaust fan unit does not function
Sanitary System	Broken/Leaking/Clogged Pipes or Drains	Evidence of active leaks in or around the system components or evidence of standing water, puddles or ponding-a sign of leaks or clogged drains
	Missing Drain/Cleanout/Manhole Covers	A protective cover is missing
Requirements for Common Areas		
Inspectable Item		
Basement/Garage/Carport	Baluster/Side Railings - Damaged	Any damaged or missing balusters or side rails that limit the safe use of an area
Closet/Utility/Mechanical	Cabinets - Missing/Damaged	10% or more of cabinet, doors, or shelves are missing or the laminate is separating
Community Room	Call for Aid - Inoperable	The system does not function as it should
Halls/Corridors/Stairs	Ceiling - Holes/Missing Tiles/Panels/Cracks	Any holes in ceiling, missing tiles or large cracks wider than 1/4 of an inch and greater than 11 inches long
Kitchen	Ceiling - Peeling/Needs Paint	More than 10% of ceiling has peeling paint or is missing paint
Laundry Room	Ceiling - Water Stains/Water Damage/Mold/Mildew	Evidence of a leak, mold or mildew-such as a darkened area-over a ceiling area greater than 1 foot square
Lobby	Countertops - Missing/Damaged	10% or more of the countertop working surface is missing, deteriorated, or damaged below the laminate ---not a sanitary surface to prepare food
Office	Dishwasher/Garbage Disposal - Inoperable	The dishwasher or garbage disposal does not operate as it should
Other Community Spaces	Doors - Damaged Frames/Threshold/Lintels/Trim	Any door that is not functioning or cannot be locked because of damage to the frame, threshold, lintel or trim
Patio/Porch/Balcony	Doors - Damaged Hardware/Locks	Any door that does not function as it should or cannot be locked because of damage to the door's hardware
Restrooms	Doors - Damaged Surface (Holes/Paint/Rust/Glass)	Any door that has a hole or holes greater than 1 inch in diameter, significant peeling/cracking/no paint or rust that affects the integrity of the door surface, or broken/missing glass
Storage	Doors - Damaged/Missing Screen/Storm/Security Door	Any screen door or storm door that is damaged or is missing screens or glass-shown by an empty frame or frames or any security door that is not functioning or is missing
	Doors - Deteriorated/Missing Seals (Entry Only)	The seals/caulking is missing on any entry door, or they are so damaged that they do not function as they should
	Doors - Missing Door	Any door that is missing that is required for the functional use of the space
	Dryer Vent - Missing/Damaged/Inoperable	The dryer vent is missing or it is not functioning because it is blocked. Dryer exhaust is not effectively vented to the outside

Electrical - Blocked Access to Electrical Panel	One or more fixed items or items of sufficient size and weight impede access to the building system's electrical panel during an emergency
Electrical - Burnt Breakers	Carbon residue, melted breakers or arcing scars are evident
Electrical - Evidence of Leaks/Corrosion	Any corrosion that affects the condition of the components that carry current or any stains or rust on the interior of electrical enclosures or any evidenced water leaks in the enclosure or hardware
Electrical - Frayed Wiring	Any nicks, abrasion, or fraying of the insulation that exposes any conducting wire
Electrical - Missing Breakers	Any open and/or exposed breaker part
Electrical - Missing Covers	A cover is missing, which results in exposed visible electrical connections
Floors - Bulging/Buckling	Any flooring that is bulging, buckling or sagging or a problem with alignment between flooring types
Floors - Floor Covering Damaged	More than 10% of floor covering has stains, surface burns, shallow cuts, small holes, tears, loose areas or exposed seams.
Floors - Missing Floor/Tiles	More than 5% of the flooring or the flooring is missing
Floors - Peeling/Needs Paint	Any painted flooring that has peeling or missing paint on more than 10% of the surface
Floors - Rot/Deteriorated Subfloor	Any rotted or deteriorated subflooring greater than 6 inches by 6 inches
Floors - Water Stains/Water Damage/Mold/Mildew	Evidence of a leak, mold or mildew—such as a darkened area—covering a flooring area greater than 1 foot square
GFI - Inoperable	The GFI does not function
Graffiti	Any graffiti on any exposed surface greater than 6 inches by 6 inches
HVAC - Convection/Radiant Heat System Covers Missing/Damaged	Cover is missing or substantially damaged, allowing contact with heating/surface elements or associated fans
HVAC - General Rust/Corrosion	Significant formations of metal oxides, flaking, or discoloration—or a pit or crevice
HVAC - Inoperable	HVAC does not function. It does not provide the heating and cooling it should. The system does not respond when the controls are engaged
HVAC - Misaligned Chimney/Ventilation System	Any misalignment that may cause improper or dangerous venting of gases
HVAC - Noisy/Vibrating/Leaking	HVAC system shows signs of abnormal vibrations, other noise, or leaks when engaged
Lavatory Sink - Damaged/Missing	Sink has extensive discoloration or cracks in over 50% of the basin or the sink or associated hardware have failed or are missing and the sink can't be used
Lighting - Missing/Damaged/Inoperable Fixture	More than 10% of the permanent lighting fixtures are missing or damaged so they do not function
Mailbox - Missing/Damaged	The U.S. Postal Service mailbox cannot be locked or is missing
Outlets/Switches/Cover Plates - Missing/Broken	Outlet or switch is missing or a cover plate is missing or broken, resulting in exposed wiring
Pedestrian/Wheelchair Ramp	A walkway or ramp is damaged and cannot be used by people on foot, in wheelchair, or using walkers.
Plumbing - Clogged Drains	Drain is substantially or completely clogged or has suffered extensive deterioration
Plumbing - Leaking Faucet/Pipes	A steady leak that is adversely affecting the surrounding area
Range Hood / Exhaust Fans - Excessive Grease/Inoperable	A substantial accumulation of dirt or grease that threatens the free passage of air
Range/Stove - Missing/Damaged/Inoperable	One or more burners are not functioning or doors or drawers are impeded or on gas ranges pilot is out and/or flames are not distributed equally or even not functioning
Refrigerator - Damaged/Inoperable	The refrigerator has an extensive accumulation of ice or the seals around the doors are deteriorated or is damaged in any way which substantially impacts its performance
Restroom Cabinet - Damaged/Missing	Damaged or missing shelves, vanity top, drawers, or doors that are not functioning as they should for storage or their intended purpose
Shower/Tub - Damaged/Missing	Any cracks in tub or shower through which water can pass or extensive discoloration over more than 20% of tub or shower surface or tub or shower is missing
Sink - Missing/Damaged	Any cracks in sink through which water can pass or extensive discoloration over more than 10% of the sink surface or sink is missing
Smoke Detector - Missing/Inoperable	Smoke detector is missing or does not function as it should
Stairs - Broken/Damaged/Missing Steps	A step is missing or broken
Stairs - Broken/Missing Hand Railing	The hand rail is missing, damaged, loose or otherwise unusable
Ventilation/Exhaust System - Inoperable	Exhaust fan is not functioning or window designed for ventilation does not open
Walls - Bulging/Buckling	Bulging, buckling or sagging walls or a lack of horizontal alignment
Walls - Damaged	Any hole in wall greater than 2 inches by 2 inches
Walls - Damaged/Deteriorated Trim	10% or more of the wall trim is damaged
Walls - Peeling/Needs Paint	10% or more of interior wall paint is peeling or missing
Walls - Water Stains/Water Damage/Mold/Mildew	Evidence of a leak, mold or mildew—such as a common area—covering a wall area greater than 1 foot square
Water Closet/Toilet - Damaged/Clogged/Missing	Fixture elements—seat, flush handle, cover etc.—are missing or damaged or the toilet seat is cracked or has a broken hinge or toilet cannot be flushed
Windows - Cracked/Broken/Missing Panes	Any missing panes of glass or cracked panes of glass where the crack is either greater than 4" and/or substantial enough to impact the structural integrity of the window pane
Windows - Damaged Window Sill	The sill is damaged enough to expose the inside of the surrounding walls and compromise its weather tightness
Windows - Inoperable/Not Lockable	Any window that is not functioning or cannot be secured because lock is broken
Windows - Missing/Deteriorated Caulking/Seals/Glazing Compound	There are missing or deteriorated caulk or seals—with evidence of leaks or damage to the window or surrounding structure
Windows - Peeling/Needs Paint	More than 10% of interior window paint is peeling or missing
Windows - Security Bars Prevent Egress	The ability to exit through the window is limited by security bars that do not function properly and, therefore, pose safety risks
Air Quality - Mold and/or Mildew Observed	Evidence of mold or mildew is observed that is substantial enough to pose a health risk
Health & Safety	

	Air Quality - Propane/Natural Gas/Methane Gas Detected	Strong propane, natural gas or methane odors that could pose a risk of explosion, fire and/or pose a health risk if inhaled
	Air Quality - Sewer Odor Detected	Sewer odors that could pose a health risk if inhaled for prolonged periods
	Electrical Hazards - Exposed Wires/Open Panels	Any exposed bare wires or openings in electrical panels (capped wires do not pose a risk)
	Electrical Hazards - Water Leaks on/near Electrical Equipment	Any water leaking, puddling or ponding on or immediately near any electrical apparatus that could pose a risk of fire, electrocution or explosion
	Emergency Fire Exits - Emergency/Fire Exits Blocked/Unusable	The exit cannot be used or exit is limited because a door or window is nailed shut, a lock is broken, panic hardware is chained, debris, storage, or other conditions block exit
	Emergency Fire Exits - Missing Exit Signs	Exit signs that clearly identify all emergency exits are missing or there is no illumination in the area of the sign
	Flammable/Combustible Materials - Improperly Stored	Flammable or combustible materials are improperly stored, causing the potential risk of fire or explosion
	Garbage and Debris - Indoors	Too much garbage has gathered more than the planned storage capacity or garbage has gathered in an area not sanctioned for staging or storing garbage or debris
	Garbage and Debris - Outdoors	Too much garbage has gathered more than the planned storage capacity or garbage has gathered in an area not sanctioned for staging or storing garbage or debris
	Hazards - Other	Any general defects or hazards that pose risk of bodily injury
	Hazards - Sharp Edges	Any physical defect that could cause cutting or breaking of human skin or other bodily harm
	Hazards - Tripping	Any physical defect in walkways or other travelled area that poses a tripping risk
	Infestation - Insects	Evidence of infestation of insects-including roaches and ants-throughout a unit or room, food preparation or storage area or other area of building substantial enough to present a health and safety risk
	Infestation - Rats/Mice/Vermin	Evidence of rats or mice-sightings, rat or mouse holes, or droppings substantial enough to present a health and safety risk
	Fencing - Damaged/Not In tact	Any damage that could compromise the integrity of the fence
	Chutes - Damaged/Missing Components	Garbage has backed up into chutes, because the collection structure is missing or broken or compactors or components-chute, chute door, and other components-have failed
	Requirements for Unit	
	Inspectible Item	
	Bathroom	
	Bathroom Cabinets - Damaged/Missing	Damaged or missing shelves, vanity tops, drawers, or doors that are not functioning as they should for storage or their intended purpose
	Lavatory Sink - Damaged/Missing	Any cracks in sink through which water can pass or extensive discoloration over more than 10% of the sink surface or sink is missing
	Plumbing - Clogged Drains, Faucets	Drain or faucet is substantially or completely clogged or has suffered extensive deterioration
	Plumbing - Leaking Faucet/Pipes	A steady leak that is adversely affecting the surrounding area
	Shower/Tub - Damaged/Missing	Any cracks in tub or shower through which water can pass or extensive discoloration over more than 20% of tub or shower surface or tub or shower is missing
	Ventilation/Exhaust System - Absent/Inoperable	Exhaust fan is not functioning or window designed for ventilation does not open
	Water Closet/Toilet - Damaged/Clogged/Missing	Fixture elements-seat, flush handle, cover etc.-are missing or damaged or the toilet seat is cracked or has a broken hinge or toilet cannot be flushed
	Coil-for-Aid (if applicable)	The system does not function as it should
	Ceiling	
	Bulging/Buckling/Leaking	Bulging, buckling or sagging ceiling or problem with alignment
	Holes/Missing Tiles/Panels/Cracks	Bulging, buckling or sagging ceiling or problem with alignment
	Peeling/Needs Paint	Any holes in ceiling, missing tiles or large cracks wider than 1/4 of an inch and greater than 6 inches long
	Water Stains/Water Damage/Mold/Mildew	More than 10% of ceiling has peeling paint or is missing paint
	Damaged Frames/Threshold/Linets/Trim	Evidence of a leak, mold or mildew-such as a darkened area-over a ceiling area greater than 1 foot square
	Damaged Hardware/Locks	Any door that is not functioning or cannot be locked because of damage to the frame, threshold, linet or trim
	Damaged/Missing Screen/Storm/Security Door	Any door that does not function as it should or cannot be locked because of damage to the door's hardware
	Damaged Surface - Holes/Paint/Busting/Glass/Rotting	Any screen door or storm door that is damaged or is missing screens or glass-shown by an empty frame or frames or any security door that is not functioning or is missing
	Deteriorated/Missing Seals (Entry Only)	Any door that has a hole or holes greater than 1 inch in diameter, significant peeling/cracking/no paint or rust that affects the integrity of the door surface, or broken/missing glass
	Missing Door	The seals/caulking is missing on any entry door, or they are so damaged that they do not function as they should
	Blocked Access to Electrical Panel	Any door that is required for security (entry) or privacy (bathroom) that is missing or any other unit door that is missing and is required for proper unit functionality
	Burnt Breakers	One or more fixed items or items of sufficient size and weight impede access to the building system's electrical panel during an emergency
	Evidence of Leaks/Corrosion	Carbon residue, melted breakers or arcing scars are evident
	Frayed Wiring	Any corrosion that affects the condition of the components that carry current or any stains or rust on the interior of electrical enclosures or any evidenced water leaks in the enclosure or hardware
	GFI - Inoperable	The GFI does not function
	Missing Breakers/Fuses	Any open and/or exposed breaker part
	Missing Covers	A cover is missing, which results in exposed visible electrical connections
	Bulging/Buckling	Any flooring that is bulging, buckling or sagging or a problem with alignment between flooring types
	Floors	

	Floor Covering Damage	More than 10% of floor covering has stains, surface burns, shallow cuts, small holes, tears, loose areas or exposed seams.
	Missing Flooring Tiles	Any flooring or tile flooring that is missing
	Peeling/Needs Paint	Any painted flooring that has peeling or missing paint on more than 10% of the surface
	Rot/Deteriorated Subfloor	Any rotted or deteriorated subflooring greater than 6 inches by 6 inches
	Water Stains/Water Damage/Mold/Mildew	Evidence of a leak, mold or mildew—such as a darkened area—covering a flooring area greater than 1 foot square
Health & Safety	Air Quality - Mold and/or Mildew Observed	Evidence of mold or mildew is observed that is substantial enough to pose a health risk
	Air Quality - Sewer Odor Detected	Sewer odors that could pose a health risk if inhaled for prolonged periods
	Air Quality - Propane/Natural Gas/Methane Gas Detected	Strong propane, natural gas or methane odors that could pose a risk of explosion/fire and/or pose a health risk if inhaled
	Electrical Hazards - Exposed Wires/Open Panels	Any exposed bare wires or openings in electrical panels (capped wires do not pose a risk)
	Electrical Hazards - Water Leaks on/near Electrical Equipment	Any water leaking, puddling or ponding on or immediately near any electrical apparatus that could pose a risk of fire, electrocution or explosion
	Emergency/Fire Exits - Emergency/Fire Exits Blocked/Unusable	The exit cannot be used or exit is limited because a door or window is nailed shut, a lock is broken, panic hardware is chained, debris, storage, or other conditions block exit
	Emergency Fire Exits - Missing Exit Signs	Exit signs that clearly identify all emergency exits are missing or there is no illumination in the area of the sign
	Flammable Materials - Improperly Stored	Flammable materials are improperly stored, causing the potential risk of fire or explosion
	Garbage and Debris - Indoors	Too much garbage has gathered more than the planned storage capacity or garbage has gathered in an area not sanctioned for staging or storing garbage or debris
	Garbage and Debris - Outdoors	Too much garbage has gathered more than the planned storage capacity or garbage has gathered in an area not sanctioned for staging or storing garbage or debris
	Hazards - Other	Any general defects or hazards that pose risk of bodily injury
	Hazards - Sharp Edges	Any physical defect that could cause cutting or breaking of human skin or other bodily harm
	Hazards - Tripping	Any physical defect in walkways or other travelled area that poses a tripping risk
	Infestation - Insects	Evidence of infestation of insects—including roaches and ants—throughout a unit or room, food preparation or storage area or other area of building substantial enough to present a health and safety risk
	Infestation - Rats/Mice/Vermis	Evidence of rats or mice—sightings, rat or mouse holes, or droppings substantial enough to present a health and safety risk
Hot Water Heater	Misaligned Chimney/Ventilation System	Any misalignment that may cause improper or dangerous venting of gases
	Inoperable Unit/Components	Hot water from hot water taps is no warmer than room temperature indicating hot water heater is not functioning properly
	Leaking Valves/Tanks/Pipes	There is evidence of active water leaks from hot water heater or related components
	Pressure Relief Valve Missing	There is no pressure relief valve or pressure relief valve does not drain down to the floor
	Rust/Corrosion	Significant formations of metal oxides, flaking, or discoloration—a pit or crevice
HVAC System	Connection/Radiant Heat System Covers Missing/Damaged	Covers is missing or substantially damaged, allowing contact with heating/cooling elements or associated fans
	Inoperable	HVAC does not function. It does not provide the heating and cooling it should. The system does not respond when the controls are engaged
	Misaligned Chimney/Ventilation System	Any misalignment that may cause improper or dangerous venting of gases
	Noisy/Vibrating/Leaking	The HVAC system shows signs of abnormal vibrations, other noise, or leaks when engaged
	Rust/Corrosion	Deterioration from rust or corrosion on the HVAC system in the dwelling unit
Kitchen	Cabinets - Missing/Damaged	10% or more of cabinet, doors, or shelves are missing or the laminate is separating
	Countertops - Missing/Damaged	10% or more of the countertop working surface is missing, deteriorated, or damaged below the laminate -- not a sanitary surface to prepare food
	Dishwasher/Carbage Disposal - Inoperable	The dishwasher or garbage disposal does not operate as it should
	Plumbing - Clogged Drains	Drain is substantially or completely clogged or has suffered extensive deterioration
	Plumbing - Leaking Faucet/Pipes	A steady leak that is adversely affecting the surrounding area
	Range Hood/Exhaust Fans - Excessive Grease/Inoperable	A substantial accumulation of dirt or grease that threatens the free passage of air
	Range/Stove - Missing/Damaged/Inoperable	One or more burners are not functioning or doors or drawers are impeded or on gas ranges pilot is out and/or flames are not distributed equally or oven not functioning
	Refrigerator-Missing/Damaged/Inoperable	The refrigerator has an extensive accumulation of ice or the seals around the doors are deteriorated or is damaged in any way which substantially impacts its performance
Laundry Area (Room)	Sink - Damaged/Missing	Any cracks in sink through which water can pass or extensive discoloration over more than 10% of the sink surface or sink is missing
	Dryer Vent - Missing/Damaged/Inoperable	The dryer vent is missing or it is not functioning because it is blocked. Dryer exhaust is not effectively vented to the outside
	Missing/Inoperable Fixture	A permanent light fixture is missing or not functioning, and no other switched light source is functioning in the room
Outlets/Switches	Missing	An outlet or switch is missing
	Missing/Broken Cover Plates	An outlet or switch has a broken cover plate over a junction box or the cover plate is missing
Patio/Porch/Balcony	Baluster/Side Railings Damaged	Any damaged or missing balusters or side rails that limit the safe use of an area
Smoke Detector	Missing/Inoperable	Smoke detector is missing or does not function as it should
Stairs	Broken/Damaged/Missing Steps	A step is missing or broken
	Broken/Missing Hand Railing	The hand rail is missing, damaged, loose or otherwise unusable
Walls	Bulging/Buckling	Bulging, buckling or sagging walls or a lack of horizontal alignment
	Damaged	Any hole in wall greater than 2 inches by 2 inches

	Damaged/Deteriorated Trim	10% or more of the wall trim is damaged
	Peeling/Needs Paint	10% or more of interior wall paint is peeling or missing
	Water Stains/Water Damage/Mold/Mildew	Evidence of a leak, mold or mildew covering a wall area greater than 1 foot square
Windows		Any missing panes of glass or cracked pane of glass where the crack is either greater than 4" and/or substantial enough to impact the structural integrity of the window pane
	Cracked/Broken/Missing Panes	
	Damaged Window Sill	The sill is damaged enough to expose the inside of the surrounding walls and compromise its weather tightness
	Missing/Deteriorated Caulking/Seals/Glazing Compound	There are missing or deteriorated caulk or seals--with evidence of leaks or damage to the window or surrounding structure
	Inoperable/Not Lockable	Any window that is not functioning or cannot be secured because lock is broken
	Peeling/Needs Paint	More than 10% of interior window paint is peeling or missing
	Security Bars Prevent Egress	The ability to exit through the window is limited by security bars that do not function properly and, therefore, pose safety risks