

# FEDERAL FUNDS & INFRASTRUCTURE OFFICE **COMMUNITY TOUR**

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Berkshire Innovation Center, Pittsfield  
November 18, 2024

# AGENDA

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About FFIO

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Local Government Engagement

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New Federal Funding Opportunities

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Match Legislation

Presentation from 1 Berkshires about Match Request Process

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Direct Pay

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Audience Engagement Exercise

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Q&A / Discussion

# ABOUT THE FEDERAL FUNDS AND INFRASTRUCTURE OFFICE (FFIO)

Officially created by Executive Order No. 624, and tasked with implementing a whole-of-government to compete for federal funding by:



**Identifying and tracking key federal funding opportunities and Massachusetts applications through the State Clearinghouse**



**Leading bi-weekly meetings of the interagency Advisory Council on Federal Funds and Infrastructure**



**Leading the Massachusetts Federal Funds Partnership and other meetings to support local governments in their applications for federal funding**



**Implementing the Federal Match legislation (*Chapter 214 of the Acts of 2024*)**

# SUCCESSFUL GRANT APPLICATIONS



## **\$156 million award through Solar for All program**

The Massachusetts Department of Energy Resources (DOER), the Massachusetts Clean Energy Center (MassCEC), MassHousing, and the Boston Housing Authority were awarded \$156,120,000 for clean energy investments to up to 31,000 low-income and affordable homes from the **EPA's Greenhouse Gas Reduction Fund**.



## **\$342 Million in Massachusetts Awards for Reconnecting Communities from USDOT**

The U.S. Department of Transportation announced awards for the **Reconnecting Communities and Neighborhood Grant Program**. This includes **\$335 million to replace the Allston Viaduct** and create new and improved access to expanded waterfront parks and open space in Boston, as well as awards for **Haverhill, Lynn, Everett, Cambridge and Chelsea**.



## **\$993 Million Award for the Cape Cod Bridges**

\$993 million in funding from the USDOT's **Bridge Investment Program (BIP)** towards MassDOT's replacement of the Cape Cod Bridges. Adds to over \$700 million in existing federal funding for the project. Phase 1 of the project will begin with the replacement of the Sagamore Bridge.

# SUCCESSFUL GRANT APPLICATIONS



## **\$147 Millions for Broadband**

Massachusetts awarded over **\$147,000,000** from the **National Telecommunications and Information Agency's Broadband, Equity, Access, and Deployment program** to expand high speed internet access in unserved and underserved locations in the state.

## **\$175 Million for Rail Improvements in MA**

**MassDOT** was awarded **\$36,800,000** from the **DOT-FRA Consolidated Rail infrastructure & Safety Improvements program**. Funds will be used to advance West-East Rail, building on the **\$108,000,000** award from last year. 2 other Massachusetts entities were also awarded over **\$30,000,000**.



## **Clean School Bus Program**

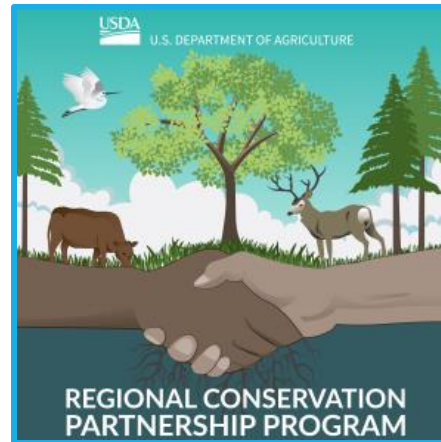
**\$105 million** to Massachusetts entities from the **Environmental Protection Agency's Clean School Bus Program** for low and zero emission school buses



# SUCCESSFUL GRANT APPLICATIONS

## \$450 Million Multi-State Award for Heat Pump Adoption

Massachusetts selected as part of a five-state coalition led by Connecticut that proposed a regional heat pump market transformation program called the New England Heat Pump Accelerator, funded under the competitive portion of the **EPA's Climate Pollution Reduction Grants**.

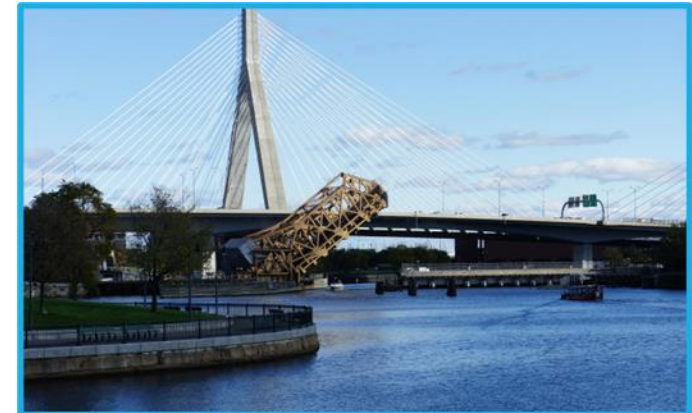


## \$45 Million for Conservation in Massachusetts

**Mass Audubon** was awarded \$25,000,000 and **EEA** was awarded \$20,835,000 from the **USDA Regional Conservation Partnership Program**. Funds will be used to protect thousands of acres of land and boost climate resilience in Massachusetts.

## \$472 Million for North Station Draw Bridge

The **MBTA** was awarded \$472,300,616 from USDOT as part of the **Multimodal Project Discretionary Grant Program (MPDG)**. The project will allow for more train capacity, faster and more reliable rides, and increased safety on MBTA commuter rail and Amtrak trains.



# FEDERAL FUNDING: BERKSHIRE WINS

**\$4.67 Million** (combined) to **Berkshire Regional Transport Authority** in **Low or No Emissions Grant Program** for replacing aging diesel buses with hybrid electric buses; replace the 20-year-old HVAC system at its intermodal transit centre in Pittsfield; and new hydraulic heavy duty vehicle repair lifts at its maintenance facility.



**\$198,593 to BRPC** and **\$310,060 to Pittsfield** in **Safe Streets and Roads for All** Planning Grants.

**\$750,720 to North Adams** in **Reconnecting Communities Pilot Program** for a Rural Planning Grant.



# **LOCAL GOVERNMENT ENGAGEMENT**



# MASSACHUSETTS FEDERAL FUNDS PARTNERSHIP

**The Partnership provides key federal grant information to the local governments of MA.**

FFIO leads the monthly Massachusetts Federal Funds Partnership meeting. This forum delivers federal funding updates and offers a platform for addressing questions related to the many funding opportunities at the disposal of cities, towns and tribal organizations.

## **Previous Federal Funds Partnership Meeting Tuesday, October 22<sup>nd</sup>**

- MassCEC on Clean School Bus Rebates Program
- Match Legislation update

## **Next Federal Funds Partnership Meeting Tuesday, November 26<sup>th</sup>**

- Presentation from National Governor's Association on Local Governments Navigate a New Executive Administration

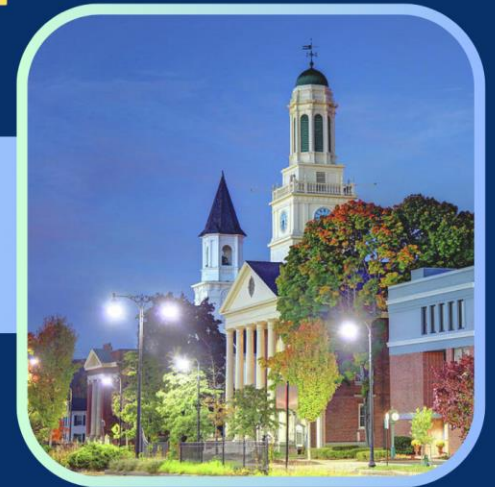
# FFIO COMMUNITY TOUR

- **We start today at the Berkshire Innovation Center in Pittsfield!**
  - Provide information on federal grant application resources made available by the new legislation
  - Seek community input on priority projects seeking federal funding
  - Solicit feedback on the Federal Funds Partnership and other FFIO processes

## FEDERAL FUNDS & INFRASTRUCTURE OFFICE (FFIO) **COMMUNITY TOUR**

1:00  18 NOV   
**PM 2024**

Come meet the FFIO team, learn about our office, and how our resources can help your community.



**RSVP**



 **BERKSHIRE INNOVATION CENTER  
PITTSFIELD  
& ZOOM**

Questions? Email us at:  
[fedfundsinfra@mass.gov](mailto:fedfundsinfra@mass.gov)

# **NEW FEDERAL FUNDING OPPORTUNITIES**

# GRANT HIGHLIGHTS

Grant Name	Eligibility	Max Award	Cost Share	Deadline
<a href="#"><u>RAISE Grant</u></a>	States, Local Governments, Public Agencies, Port Authorities, Federally Recognized Tribes, Transit Agencies	\$25,000,000	0-20%	Round 1: 12/2/2024 Round 2: 1/30/2025
<a href="#"><u>Project SCALES Grant</u></a>	State, Local Governments, NGOs, Small Businesses	\$1,000,000	N/A	12/13/2024
<a href="#"><u>Assistance to Firefighters Grant Program</u></a>	Fire Departments, EMS Organizations	\$9,000,000	15%	12/20/2024
<a href="#"><u>Reducing Lead in Drinking Water Grant Program</u></a>	State, Local Governments, Tribes, Community Water Systems	\$10,000,000	N/A	12/30/2024
<a href="#"><u>Regional Infrastructure Accelerator Program</u></a>	State, Local Governments, Tribes	\$2,000,000	N/A	1/9/2025

# GRANT HIGHLIGHTS

Grant Name	Eligibility	Max Award	Cost Share	Deadline
<a href="#">Tribal Clean Energy Planning and Development</a>	Tribes	\$2,500,000	0-10%	1/23/2025
<a href="#">Digital Equity Capacity Grant Program: Native Entities</a>	Tribes	\$2,000,000	N/A	2/7/2025
<a href="#">PROTECT Grant</a>	State, Local Governments, Tribes	\$60,000,000	0-20%	2/24/2025
<a href="#">Energy Improvements in Rural and Remote Areas</a>	State, Local Governments, Tribes, Private, Universities	\$50,000,000	5-50%	2/27/2025



# RAISE GRANT PROGRAM

## Eligibility:

- State, Local Governments, Federally Recognized Tribes
- Public Agencies/Public Chartered Authorities, Port Authorities
- Transit Agencies

**Award Size:** up to \$25 million

**Cost Share:** 0-20% depending on project location designation

[20% for Urban; 0% for Rural, Area of Persistent Poverty, Historically Disadvantaged Community]

## About

- *Provides grants for surface transportation infrastructure projects with significant local or regional impact.*
- **Round 1:** DOT is reserving a portion of the \$1.5 billion for FY 2024 highly rated applications that were not selected for funding and designated FY 2024 Projects of Merit.
- **Round 2:** Remaining funds, including any additional FY 2025 appropriations that may be available, will support new projects.

**Deadline for Round 1: 12/2/2024**

**Deadline for Round 2: 1/30/2025**

# PROJECT SCALES (SUPPORTING COMMUNITY AGRICULTURE AND LOCAL EDUCATION SYSTEMS)

## Eligibility:

- Groups required
- State, local government, NGOs

**Award Size:** up to \$1 million

## About

- Applicants should propose innovative and collaborative approaches that reimagine the school food system and that could be sustained and scaled elsewhere. We encourage applicants to think creatively about transformational partnerships and projects, particularly those that bring new industry into the school food supply chain.

**Deadline: Concept Paper 12/13/2024**

# ASSISTANCE TO FIREFIGHTERS

## Eligibility:

- Fire Departments, EMS Organizations

**Maximum Award: \$9,000,000**

**Cost Share: 15%**

## About

- “The AFG Program provides financial assistance directly to eligible fire departments, nonaffiliated emergency medical service (EMS) organizations, and State Fire Training Academies (SFTAs) for critical training and equipment.”

**Deadline: 12/20/2024**

# REDUCING LEAD IN DRINKING WATER GRANT PROGRAM

## Eligibility:

- State, Local Governments, **Tribes**, Community Water Systems

**Maximum Award:** \$10,000,000

**Cost Share:** N/A

## About

- NPA 1: “to reduce lead in drinking water in disadvantaged communities, improve and maintain the drinking water supply, and protect public health.”
- NPA 2: “to reduce lead in drinking water in schools and/or childcare facilities in disadvantaged communities, improve and maintain the drinking water supply, and protect public health.”

**Deadline:** 12/30/2024

# REGIONAL INFRASTRUCTURE ACCELERATOR PROGRAM

## Eligibility:

- State, Local Governments, **Tribes**

**Maximum Award:** \$2,000,000

**Cost Share:** N/A

## About

- “RIA grants assist entities in developing improved infrastructure priorities and financing strategies for the accelerated development of a project that is eligible for funding under the Transportation Infrastructure Finance and Innovation Act (TIFIA) Credit Program”

**Deadline:** 1/9/2025



# TRIBAL CLEAN ENERGY PLANNING AND DEVELOPMENT

**Eligibility:** Tribes

**Award Size:** \$100k-\$2.5m

**Cost Share:** 0-10%

## About

- Funds can be used for “addressing barriers to developing their vast energy resources and accelerating the deployment of clean energy technology on Tribal Lands”

**Deadline:** 1/23/2025

# DIGITAL EQUITY CAPACITY GRANT PROGRAM: NATIVE ENTITIES

**Eligibility: Tribes**

**Award Size: \$500k - \$2m**

## **About**

- This grant can help address digital equity gaps in your community such as internet access, device access, and digital literacy. We're also happy to connect you with the Massachusetts Broadband Institute (MBI) who manage the state version of these funds if you have any questions.

**Deadline: 2/7/2025**

# PROTECT GRANT PROGRAM

## Eligibility:

- State, Local Governments, **Tribes**

## Award size:

- Planning: \$100k-5M  
Implementation: \$5M-25M+

## Cost Share: 0%-20%

## About

- The program “provides funding to ensure surface transportation resilience to natural hazards including climate change, sea level rise, flooding, extreme weather events, and other natural disasters through support of planning activities, resilience improvements, community resilience and evacuation routes, and at-risk coastal infrastructure. ”

## Deadline: 2/24/2025

# ENERGY IMPROVEMENTS IN RURAL OR REMOTE AREAS

## Eligibility:

- Communities with 10,000 people or fewer
- **Tribes**, state, municipality, NGO, for profit, electric companies, labor unions, universities, etc.

**Award Size:** \$2-50 million

**Cost Share:** 5-50% depending on topic chosen

## About

- Provides support for rural and remote communities to build clean energy projects that benefit their communities.
- 4 categories:
  - Open category
  - Dual use and co-location
  - Smaller scale community centered
  - Isolated microgrids and unelectrified buildings
- Total of \$400 million in funding available

**Deadline: Concept Paper 2/27/2025**

# **FEDERAL MATCHING FUNDS LEGISLATION**



# MASSACHUSETTS FEDERAL MATCH LEGISLATION

## Matching Funds

- Unlocks up to **\$750M** for matching funds for federal programs
- Eligible entities, including RPA's can now apply for match via the [FFIO Match Request Form](#)
- Learn more on the new [Massachusetts Matching Funds Website](#)

## Other Financial Assistance for Municipalities

- Allocates up to **\$50M** in the form of grants, loans, or other financial assistance, which may be directed to municipalities.
- Explore providing start-up capital for Direct Pay-eligible projects, etc.

## Technical Assistance for Municipalities

- Allocates up to **\$12M** for technical support to munis for grant application development and implementation assistance for successful awards
- Leverage existing municipal outreach (partnership meetings, upcoming community tour, etc.) to understand municipal needs

# MATCHING FUNDS PROCESS

## Eligible applicants:

- State agencies
- Independent governmental state or public entities (quasis)
- Municipalities (cities and towns)
- Tribes
- Regional planning agencies (RPAs)
- Community development corporations (CDCs)
- Other development authorities or agencies
- *Private entities (under review)*

## Application process:

1. Fill out Federal Matching Funds Form
2. Email supporting materials to [fedfundsinfra@mass.gov](mailto:fedfundsinfra@mass.gov)
3. Questions on form or materials: reach out to Bob and Sam
4. If your agency works with munis on a federal program, **have the muni who would be award recipient apply for match**

## Timeline:

- Three (3) weeks prior to federal application submission
- FFIO and ANF review on a rolling basis (for now)
- Still reviewing how to process retroactive requests

# **1 BERKSHIRE EXAMPLE — MATCHING FUNDS REQUEST**



# Direct Pay Overview

Governor's Office of Climate Innovation and Resilience

Jonathan Schrag, Deputy Climate Chief  
Governor's Office of Climate Innovation and Resilience

*Confidential*

# Agenda

- What is Direct Pay?
- Applicable Credits for Direct Pay
- Credit Amounts and Bonuses
- Process Timeline
- 2023 Projects
- Helpful Resources



# What is Direct Pay?

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- The Inflation Reduction Act (IRA) makes the largest investment in clean energy in United States history, and much of that investment is delivered via **tax incentives**.
- Under the IRA, tax-exempt and governmental entities – such as municipalities- that do not owe Federal income taxes are, for the first time, able to receive a payment equal to the full value of tax credits for building qualifying clean energy projects or making qualifying investments. This is called Direct Pay (also known as Elective Pay).
- By filing a return and using Direct Pay, these entities can receive a cash refund from the IRS for certain clean energy projects.
- Under current law, Direct Pay lasts for a decade; it applies to projects put into service January 1, 2023 through December 31, 2032 creating a decade of tax opportunity to save money on necessary infrastructure replacements and upgrades.
- **The overall potential of these tax credits is unlimited.** In most cases, the Investment Tax Credit results in a refund equal to 30% of the project investment.

# The Commonwealth's Approach to Direct Pay

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1. Understand and execute the IRS filing process on behalf of the Commonwealth of Massachusetts



2. Based on that experience, provide actionable guidance and resources to cities, towns, and tax-exempt orgs (TEOs)



3. Build strategy for incorporating tax credits into asset and facility planning for the state/TEOs

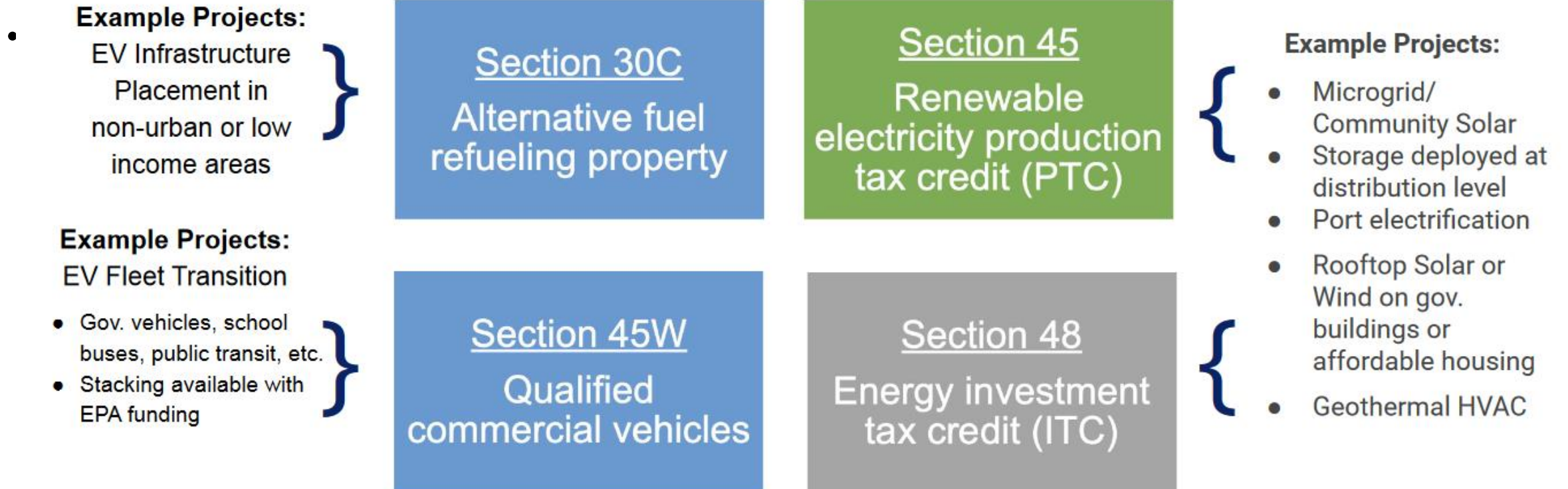


4. Develop new bridge lending/financing mechanisms for capital projects for municipalities



# Most relevant tax credits for municipalities

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# Credit Amounts

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- The most common credit is the Investment Tax Credit (ITC). The amount of the ITC is calculated as a base credit of 6% on the investment basis of the project.
- For the replacement of existing municipal vehicle fleets with new electric vehicles, entities can receive up to \$7,500 per light vehicle and up to \$40,000 per larger vehicle.

# Some Basics on Bonuses

**Please Note: Additional details apply**

Low-income Communities	Energy Communities	Prevailing Wage and Apprenticeship**	Domestic Content* **
10-20% bonus	10% bonus	5x bonus	10% bonus
... if project is in a low-income community with extra bonus if residential or econ benefit project	...if project is in historical "energy community" (i.e., closed coal mine, some brownfield sites)	...if reqs for prevailing wages and registered apprentices are met	...if 100% of applicable steel and iron and an applicable share of "manufactured products" produced in U.S.
ITC only	Applies to both ITC tax basis and PTC rate	Applies to both ITC tax basis and PTC rate	Applies to both ITC tax basis and PTC rate

\* - On December, 28, 2023, IRS issued new guidance on this rule for projects beginning in 2024 (see Notice 2024-9)

\*\* - Applicable for projects of a size >1MW

# Next Steps for Elective Pay: 2024 Projects

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## **1. Identify projects in the pipeline with in-service dates of 2024 or later:**

- Build an internal team by working with financial advisors and counsel to confirm eligibility, gather documentation, address key questions.
- Complete pre-registration for each project in the IRS Pre-registration portal. This should be completed 120 days prior to the tax filing deadline.
- File Tax Forms generally 4.5 months after the end of the tax period.
  - May 15<sup>th</sup> for calendar year filers and November 15<sup>th</sup> for fiscal year filers.

## **2. Inventory capital needs (new construction, retrofits or vehicles) over the next decade:**

- Include tax credit value into real estate and vehicle fleet planning.
- Ensure architects, designers, and facilities managers are aware of tax credit opportunities.

## **3. Make a plan for how your municipality will get its share of refunds over the next decade.**

# 2023 Massachusetts Projects

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In July, ANF successfully registered more than 80 Direct Pay-eligible projects with the IRS, including:



Sec 30C: Alternative Fuel Property

Fall River Heritage State Park



Sec. 45W: Commercial EVs

Dozens of light EVs purchased by  
OSD



Sec. 45: Investment Tax Credit

Solar and Geothermal Projects at  
the Veterans' Home in Chelsea



# Helpful Resources

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- [FFIO's Direct Pay Information Page](#)
- [Elect Pay Overview](#)
- [CAP webinar](#) on Direct Pay
- Lawyers for Good Government [Elective Pay resources](#), including worksheets on:
  - [EV Purchase](#)
  - [EV Infrastructure](#)
  - [Tracking](#) ITC and PTC projects
  - [Slides](#) from a presentation to local governments (but provides overview of Direct Pay for all)
- IRS [Video Tutorial](#) on pre-registration
- [IRS Q&A](#)



Thank you!

# AUDIENCE ENGAGEMENT EXERCISE

**Please take 5 minutes to fill this form and help us learn more about how our office can support you to best leverage available and upcoming federal funding opportunities!**

Federal Funds & Infrastructure  
Office: Community  
Tour Participant Engagement



# DISCUSSION AND Q&A

As a reminder, we can help with:

## Looking for grants

- Match grants to projects
- Help look for partners/co-applicants (CBOs, other states, state agencies, universities, etc.)

## Developing application

- Advice on labor standards, DEI , climate, language.
- Review application

## Advocating for submitted applications

- Letters of support from the state or congressionals
- Calls and in-person advocacy when FFIO is in DC.
- Get award dates/application status

## Helpful information for us:

- Are there any upcoming grants you are preparing for? Developing applications?
- What kind of technical assistance on these grants would be the most helpful for you?
- Do you have any applications pending or stuck?
- Are you looking for partners/co-applicants?
- Looking for gap financing for projects?

*Reach us anytime at:*  
[FedFundsInfra@mass.gov](mailto:FedFundsInfra@mass.gov).