



Commonwealth of Massachusetts
**EXECUTIVE OFFICE OF HOUSING &
LIVABLE COMMUNITIES**

Maura T. Healey, Governor ◆ Kimberley Driscoll, Lieutenant Governor ◆ Edward M. Augustus Jr., Secretary

CDBG One-Year Action Plan FFY 2024 Proposed Changes

The Executive Office of Housing and Livable Communities (EOHLC) is proposing the following changes to the MA CDBG program for Federal Fiscal Year (FFY) 2024.

PERIOD OF PERFORMANCE

There will be an 18-month implementation period for all FFY 2024 grants (both CDF and Mini-Entitlement). For FFY 2024 grants, it is anticipated that the period of performance will be from 07/01/2024 to 12/31/2025.

LIMITATIONS ON USE OF PROGRAM FUNDS

- ❖ **Lead Remediation up to \$25,000 as grant** – lead remediation work in the amount up to \$25,000 may be offered as a grant as part of a Housing Rehabilitation Program. Any lead work exceeding \$25,000 must be part of the standard lien that applies to other state sanitary code violation corrections.

- ❖ **Build America Buy America requirements** – Build America, Buy America Act (BABAA) Requirements under Title IX of the Infrastructure Investment and Jobs Act (“IIJA”), Pub. L. 117-58. Absent a waiver, and provided this project is receiving more than \$250,000 in total federal assistance, all iron and steel products, as well as specific construction materials including metals, PVPC pipe, lumber and drywall used must be produced in the United States. This requirement is further outlined by the Office of Management and Budget’s Memorandum M-22-11, Initial Implementation Guidance on Application of Buy America Preference in Federal Financial Assistance Programs for Infrastructure, April 18, 2022. Municipalities must include BABAA language in contracts for projects and factor this requirement into the cost estimate, as applicable.

TIMELY EXPENDITURE

MA CDBG requires that all lead applicants with open CDBG grants comply with a timely expenditure threshold. In order to apply for FFY 2024 CDBG¹ funding, a municipality must demonstrate, using the most recent financial status report produced by EOHLC’s grant management system, at the time of submission of application for FFY 2024 funds that:

1. 100% of all grant funds awarded to the municipality for FFY 2020 and earlier FFYs have been fully expended;
2. 70% of all grant funds awarded to the municipality for FFY 2021 have been fully expended; and
3. for the municipality’s FFY 2022/2023 grant funds, all required procedural clearances (environmental review, special conditions, and administrative services procurement(s)) have been completed.

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.

On a case-by-case basis, EOHLIC reserves the right to waive strict compliance with the threshold standards for events beyond the control of applicants; applicants have the burden to demonstrate this. Municipalities must contact their program representative to learn how to apply for a waiver. Waiver requests should be submitted no later than February 3, 2024. However, EOHLIC may, at its discretion, review waiver requests submitted after February 3, 2024, if the municipality demonstrates good cause for not submitting its request to EOHLIC by such date.

All lead applicants must meet the timely expenditure 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. *Unexpended* CDBG funds are defined as funds awarded for eligible Massachusetts CDBG program costs but not expended.

Community-Based Planning Requirement – Community Development Strategy

Mini-Entitlement communities must also be able to demonstrate project consistency with a Community Development Strategy (not to exceed three pages), that must be submitted with the application. The Strategy must be discussed in a public municipal forum, meeting, or hearing held at least two (2) months prior to the submission of a MA CDBG application.

Senior Center Projects

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

ALLOCATION OF CDBG FUNDS TO THE COMMONWEALTH:

EOHLIC proposes the following allocation of 2024 funds based on level funding from FFY23.

<i>MA CDBG PROGRAM COMPONENT</i>	FFY 24 ALLOCATION
Community Development Fund	\$23,994,900
Mini-Entitlement Program	\$8,250,000
-Section 108 Loan Guarantee*	\$10,000,000
Reserves	\$250,000
Section 108 Loan Repayments** (No. Adams, Everett)	\$336,622
Administration and Technical Assistance	\$1,116,954
TOTAL AVAILABLE (includes \$33,898,476 allocation plus \$50,000 in program income)	\$33,948,476
*Section 108 Loan Program allocation does not impact the FFY 2024 Allocation **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.	

FUNDING GAP LANGUAGE:

Funding gap language will be removed for FFY 2024. Based on feedback through the FFY 2022 and 2023 One Year Plan processes, EOHLIC understands that some communities had a concern 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, with the exception of Mini-Entitlement grantees, EOHLIC

accepted and reviewed requests from applicants to address possible funding gap considerations in their applications. As EOHLC does not expect to delay the issuance of FFY 2024 funds, the funding gap language will not appear in the FFY24 One Year Action Plan.

PROGRAM SANCTIONS:

EOHLC reserves the right to suspend payments under a contract with the municipality or to terminate grant awards upon a finding by EOHLC, at its sole discretion 1) of any noncompliance, fraud, abuse, poor performance, misrepresentation, or extreme mismanagement, by the municipality or its subcontractors; or 2) that the municipality, or any of its subcontractors including any entities hired to perform grant management activities on its behalf, is unable to carry out its obligations under the award contract or its application. Prohibited or unauthorized expenses may be subject to requests to refund such expenses to HUD. Further, if EOHLC finds that a project’s budget is inadequate to fully implement any project as approved, EOHLC reserves the right to review and to either require a change in project scope to make such project fundable or to otherwise recapture the project’s funds. In addition, if excess funds remain unspent from an activity prior to the end of period of performance, either due to budgetary reasons or because of less demand for the activity than projected, the municipality must return the funds upon EOHLC’s demand, unless EOHLC otherwise approves reprogramming of the awarded funds. In the event that a new activity is added to a grant, it must comply with all application requirements.

COMMUNITY DEVELOPMENT FUND – FFY24 Grant Award Amounts

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	\$ 950,000
Two Municipalities (Regional)	\$ 100,000	\$1,000,000
Three or More Municipalities (Regional)	\$ 100,000	\$1,325,000
Planning- or Design-only grants	\$ 10,000	-----

COMMUNITY DEVELOPMENT FUND – Evaluation and Award Criteria

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. EOHLC will be deducting points if the involvement of stakeholders (especially those who are low-and-moderate income) in the development of projects prior to application submission is insufficient.

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 18-month grant implementation period. EOHLC will again deduct points for projects that do not have bid ready plans and specifications.

MINI-ENTITLEMENT PROGRAM – Grant Award Amounts

EOHLC expects to award up to \$8,250,000 from the FFY 2024 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

MINI-ENTITLEMENT PROGRAM – Evaluation and Award Criteria

Mini-Entitlement communities may not request funding for more than three activities in addition to public social services.

AVAILABILITY OF CDBG PROGRAM FUNDS – Applications Issued/Applications Due

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 the release of each Application, subject to the availability of federal funds.

Program Components²	Application Issued	FFY 2024 Applications Due
Community Development	December 2023	Monday, March 4, 2024 3pm
Mini-Entitlement Program	December 2023	Monday, March 4, 2024 3pm

PUBLIC PARTICIPATION:

EOHLC will hold a virtual public information session on November 6, 2023, at 10:30am on the proposed changes for the FFY24 One Year Action plan. The meeting link will be provided upon release of this memo. There will also be a public hearing to receive comments on the FFY 2024 One Year Action Plan prior to its submission to the US Department of Housing and Urban Development (HUD). Interested parties are encouraged to submit comments, in writing or via email, in advance of the public session, and by November 22, 2023. Comments will continue to be accepted directly to EOHLC any time prior to, or at the scheduled hearing. Comments must be sent by email to Kathryn McNelis, Community Development Manager, at kathryn.mcnelis@mass.gov.

² The FFY 2024 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.