The Executive Office of Housing and Livable Communities (HLC) is proposing the following changes to the Massachusetts Community Development Block Grant (CDBG) program for FFY 2027.

PERIOD OF PERFORMANCE

There will be a 24-month implementation period for all the FFY 2027 grants (both Community Development Fund (CDF) and Mini-Entitlement). For FFY 2027 grants, it is anticipated that the period will be from July 1, 2027, to June 30, 2029.

AVAILABILTY OF CDBG PROGRAM FUNDS

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

Program Component	Application Issued	Applications Due
Community Development	Tuesday, January 19, 2027	Tuesday, March 30, 2027
Mini-Entitlement Program	Tuesday, January 19, 2027	Tuesday, March 30, 2027

TIMELY EXPENDITURE

MA CDBG requires that all lead applicants with open CDBG grants comply with a timely expenditure threshold. To apply for FFY 2027 CDBG funding, a municipality must demonstrate, using the most recent financial status report produced by HLC's grant management system at the time of submission of application for FFY 2027 funds, that:

1. 100% of all grant funds FFY22/23 and earlier have been fully expended;
2. 80% of all grant funds awarded to the municipality for FFY 2024 have been fully expended;
3. 30% of all grant funds awarded to the municipality for FFY 2025 have been fully expended.

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

On a case-by-case basis, HLC 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 learn how to apply for a waiver. A waiver request should be submitted no later than February 19, 2027, otherwise, it may not be considered. HLC may at its discretion review waiver requests submitted after February 19, 2027, if the municipality demonstrates good cause for not submitting its request to HLC by such date.

ELIGIBLE PROJECTS

21st Century ROAD to Housing Act (Public Law 119-101), Section 204 – "Addition of Affordable Housing Construction as an Eligible Activity"

Section 204(a) amends Section 105(a) of the Housing and Community Development Act of 1974 by adding the following eligible activity:

"(28) the new construction of affordable housing, within the meaning given such term under section 215 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12745), and which shall not exceed 20 percent of the amounts allocated to the recipient."

Further guidance from HUD on program implementation has not yet been released, and HLC must develop program design around this new amendment. Stakeholder input is encouraged on this topic.

ALLOCATION OF CDBG FUNDS TO THE COMMONWEALTH:

HLC proposes the following allocation of 2027 funds based on level funding from FFY26:

MA CDBG PROGRAM COMPONENT	FFY 2027 ALLOCATION
Community Development Fund	$24,184,260
Mini-Entitlement Program	$9,000,000
- **Section 108 Loan Guarantee***	*$10,000,000*
Reserves	$250,000
Section 108 Loan Repayments** (Everett)	$109,000
Administration and Technical Assistance	$1,138,966
TOTAL AVAILABLE (Includes $34,632,226 allocation plus $50,000 in program income)	$34,682,226
*Section 108 Loan Program allocation does not impact the FFY 2027 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.	

PUBLIC SOCIAL SERVICES

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

COMMUNITY-BASED PLANNING REQUIREMENT

Mini-Entitlement CDS Requirement

Each Mini-Entitlement community must have a Community Development Strategy (CDS or Strategy) and be able to demonstrate proposed application project's consistency with the CDS. The Strategy (not to exceed three pages) 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. The CDS identifies the goals and objectives of community development efforts over a 3-to-5-year period and explains 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. All Mini-Entitlement communities, with the exception of Beverly, must submit an updated CDS for the FFY27 CDBG application round:

a. The Strategy must clearly identify the goals for community development and describe the way 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. Note, the list of projects must be sufficiently detailed.

c. Strategies may be amended. Any substantial change to the CDS must be presented in two public municipal forums, meetings, or hearings held at least two (2) months prior to the submission of a Mass CDBG application.

d. Mini-Entitlements must include a paragraph describing community involvement in the development of the CDS and detail outreach to stakeholders including groups that represent low-and-moderate income persons, as well as multigenerational engagement efforts.

MINI-ENTITLEMENT PROGRAM

Evaluation and Award Criteria

Activity packets must be completed and will be scored to ensure that activities are feasible and ready to proceed at the time of the award. Beginning with this round, activities will be scored in accordance with the need question, as detailed in the CDF section. As in the past, activities will be scored in accordance with the project feasibility question of the application as detailed in the CDF

section. Activity packets must receive a minimum 50% score for both the need and feasibility questions. All FFY 2027 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.

For FFY 2027, Mini-Entitlement Communities will submit a preliminary list of proposed activities by December 15, 2026, and the final list to HLC 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. There will be a meeting with HLC to discuss this proposed list.

MINI-ENTITLMENT PROGRAM

Program Description & List

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 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.

Mini-Entitlement communities were guaranteed an annual commitment of funds for a three-funding cycle period that ended with FFY 2025. The Mini Entitlement program and the formula to determine communities selected for the program were re-evaluated for the FFY 2026 program. As a result of this process, Beverly was added to the list for the FFY26 round. This list will be in place for the FFY 2026, 2027 and 2028 CDBG application rounds. We will recalculate for the FFY 2029 program year.

HLC expects to award up to $9,000,000 from the FFY 2027 Mini-Entitlement Program allocation to 10 (ten) designated Mini-Entitlement municipalities, listed below:

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

MINI-ENTITLEMENT PROGRAM

Grant Award Amounts and Requirements

Mini-Entitlement communities are eligible for a maximum award of $900,000 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. HLC requires that Mini-Entitlements only apply for the amount of funding necessary to complete activities within the 24-month period. As Mini-Entitlements are in a position to plan strategically and focus efforts over several years, those municipalities must identify viable projects that truly reflect local need. Note, Mini-Entitlements are not obligated to apply for the maximum award amount.

COMMUNITY DEVELOPMENT FUND

Grant Award Amounts

Category	Minimum CDF Grant:	Maximum CDF Grant:
Single Municipality	**$ 200,000**	**$1,000,000**
Two Municipalities (Regional)	**$ 200,000**	**$1,250,000**
Three or More Municipalities (Regional)	**$ 200,000**	**$1,450,000**
Planning- or Design-only grants	**$ 20,000**	**------**

PUBLIC PARTICIPATION:

HLC will hold a virtual public information session on November 30, 2026, at 10:00 am on the proposed changes for the FFY27 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 2027 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 on the proposed changes for the FFY27 One Year Action Plan, in writing or via email, in advance of the public session and by 5pm on December 10, 2026. Comments will continue to be accepted directly to HLC 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 .