



# Commonwealth of Massachusetts

## DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT

Charles D. Baker, Governor ♦ Karyn E. Polito, Lt. Governor ♦ Jennifer D. Maddox, Undersecretary

### CDBG One-Year Action Plan FFY 2021 Proposed Changes

The Department of Housing and Community Development (DHCD) is contemplating the following changes to the MA CDBG program for FFY 2021.

For a number of reasons, including the late start to the FFY 2020 CDBG Program, DHCD intends to delay the availability of FFY 2021 CDBG funds and issue them through a combined application with FFY 2022 funds.

#### TIMELY EXPENDITURE:

Mass CDBG requires that all applicants – including lead applicants and joint participants – who have received grants comply with a timely expenditure threshold. In order to apply for combined FFY 2021 and 2022 CDBG<sup>1</sup> funding, a community must demonstrate, using the most recent financial status report produced by DHCD's grant management system, at the time of application that 100% of all grant funds awarded for FFY year 2019 and earlier have been fully expended and 50% of funds awarded for FFY 2020 have been expended. On a case-by-case basis, DHCD reserves the right to waive strict compliance with this threshold for events beyond the control of grantees.

All lead applicants and participating applicants must meet this standard at the time of application for all MA CDBG components. Communities 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.

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

#### ALLOCATION OF CDBG FUNDS:

DHCD intends to combine FFY 2021 and FFY 2022 allocations into a single application round and proposes the following allocation of 2021 funds based on a 2021 agreement with HUD.

The federal Fiscal Year 2021 HUD allocation to the Commonwealth of Massachusetts is \$34,662,543. 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 \$34,712,543 available for FFY 2021. **Based on level funding, the combined 2021 and 2022 available funds is anticipated to be \$69,425,086.** 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**

<sup>1</sup> 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.

year 2022, this chart is showing the FFY2021 allocations only. It is expected that the breakdown by component for the 2022 allocation will be consistent with 2021.

MA CDBG PROGRAM COMPONENT	FFY 2021 ALLOCATION
Community Development Fund	\$23,911,045
Mini-Entitlement Program	\$ 9,075,000
-Section 108 Loan Guarantee*	\$ 10,000,000
Reserves	\$ 250,000
Section 108 Loan Repayments** (No. Adams, Everett)	\$ 336,622
Administration and Technical Assistance	\$ 1,139,876
TOTAL AVAILABLE (includes \$34,662,543 allocation plus up to \$50,000 in program income)	\$34,712,543
*Section 108 Loan Program allocation does not impact the FFY 2021 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.	

Reallocation of funds among program components:

For the combined FFY 2021 and 2022 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.

**COMMUNITY BASED PLANNING REQUIREMENT:**

For FFY 2021, communities will continue to be expected to discuss how community-based planning helped determine the need for particular projects when responding to competitive questions.

**Other proposed changes:**

- All communities that did not participate in an application during the FFY 2017, 2018, 2019 or 2020 application rounds must comply with Section D. Threshold 11, ADA Self Evaluation and Transition Plan. Those who participated in 2017 to 2020 have already satisfied the requirement.

**F. AVAILABILITY OF CDBG PROGRAM FUNDS**

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. 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. **The availability of CDBG FFY 2021 program funds will be delayed and made available in combination with Massachusetts 2022 CDBG allocation.**

A single community may receive no more than \$1.35 million from any combination of federal FY 2021 and 2022 Community Development Funds.

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 <sup>2</sup>	Application Issued	FY 2021 Applications Due
Community Development	December 2021	Friday, March 4, 2022
Mini Entitlement Program	December 2021	Friday, March 4, 2022

**J. CDBG PROGRAM COMPONENTS**

**1. COMMUNITY DEVELOPMENT FUND**

**Program Description**

The Community Development Fund (CDF) 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, 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 non – mini entitlement communities and will make all CDBG eligible activities available.

**In federal FY 2021, DHCD expects to award approximately \$23,911,045 in CDF grant funds and approximately an additional \$260,000 in funds returned from prior year activities, depending upon Massachusetts' federal allocation. It is anticipated that a similar amount will be available through the FY 2022 program for a combined CDF allocation of approximately \$48 million.**

<sup>2</sup> The FFY 2021 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.

## Grant Award Amounts

Applicants for a CDBG grant will be eligible to receive up to the following amounts in the combined FFY 2021/2022 application based on the type of application submitted:

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

### Requirements:

1. CDF grants are **Single Year Grants** based on an 18-month implementation period but will be extended to 24 months for FFY 2021/2022 grants. For FFY 2021/2022 grants it is anticipated that the period will be from 07/01/2022 to 06/30/2024. Communities should not apply for funds if the proposed project is not ready to proceed.
2. Two or more communities 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 communities;
  - sign the application certifications stating compliance with program regulations; 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 under more than one CDF application during any one Mass CDBG federal fiscal year.
4. All CDBG applications must be received by DHCD's web-based application system by **Friday, March 4, 2022**, at 11:59 PM. A signed PDF of the Application Cover Page must be attached in the Miscellaneous Attachments link of the application. DHCD will **no longer** require a hard copy of the cover page to be submitted by mail.

## 2. MINI-ENTITLEMENT PROGRAM

DHCD expects to award up to \$18,150,000 from the combined FFY 2021/2022 Mini-Entitlement Program allocation to eleven (11) designated Mini-Entitlement municipalities, listed below:

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

### 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 below). **FFY 2021/2022 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.**

**FFY 2021 Mini Entitlement communities were guaranteed an annual commitment of funds for a three year period that ends with FFY 2021, subject to federal funding and HUD's approval of the Commonwealth's One Year Plan. This period will be extended for one year through the 2022 program year. The Mini Entitlement program and the formula to determine communities selected for the program will be reevaluated for the FFY 2023 program.**

### Evaluation and Award Criteria

The following requirements apply to the Mini-Entitlement Program:

1. 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.
2. 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 2021/2022 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.
3. Mini Entitlement applicants that can't comply with the timely expenditure threshold as described above will have a 2021/2022 award reduced by the amount over the threshold.
4. 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.
5. Mini-Entitlement communities may not join with other communities as joint applicants.

6. For FFY 2021/2022, 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.
7. 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, 2022 implementation period.
8. Mini Entitlement communities may not request funding for more than three activities in addition to public social services.

All Mini Entitlement applications must be received by DHCD's web-based application system by no later than Friday, March 4<sup>th</sup>, 2022 at 11:59 p.m. DHCD will accept Mini Entitlement applications prior to the March 4, 2022 deadline. A signed copy of the Application Cover Page must be attached in the Miscellaneous Attachments link of the application. DHCD will no longer require a hard copy of the cover page to be submitted by mail.

#### **Administration and Technical Assistance**

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.

#### **AVAILABILITY OF CDBG PROGRAM FUNDS**

##### **Application Due Dates for CDBG FFY 2021 Program:**

<b>Community Development Fund:</b>	March 4, 2022
<b>Mini-Entitlement Program:</b>	March 4, 2022

## EXHIBIT 2

### MUNICIPAL ELIGIBILITY TO APPLY FOR CDBG PROGRAM FUNDS IN FY 2021

Based on the FFY 2020 One Year Action Plan, a single Community Development Fund community may receive no more than \$1.35 million from two successive years. This limit has been waived for the FY 2021 program.

As a result, applicants to the FFY 2021/2022 program will not be limited by FFY 2020 awards.

#### PUBLIC PARTICIPATION:

DHCD will hold a virtual public session and a hearing to receive comments on the proposed FFY 2021 One-Year Action Plan prior to its submission to the US Department of Housing and Urban Development (HUD). See below for times and locations information. Interested parties are encouraged to submit comments, in writing or via email, in advance of the public session and by April 28, 2021. Comments must be sent by email to: Mark Southard, Community Development Manager, at [mark.southard@mass.gov](mailto:mark.southard@mass.gov).

Public Session for discussion of proposed changes to the CDBG FFY 2021 draft One Year Action Plan:

*Wednesday April 21, 2021 10:00 a.m. to 12:00 p.m.      Microsoft Teams invitation*

Those interested in participating in the meeting must submit an email by Friday, April 16, 2021 to Mark Southard at the above address indicating interest. A Microsoft Teams invitation will be sent out in advance of the meeting.

Public Hearing for the State FFY 2021 One Year Plan:      TBD