



Commonwealth of Massachusetts

EXECUTIVE OFFICE OF HOUSING & LIVABLE COMMUNITIES

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

The Executive Office of Housing and Livable Communities (EOHLC) is proposing the following changes to the Massachusetts Community Development Block Grant (CDBG) program for FFY 2025.

PERIOD OF PERFORMANCE

There will be an 18-month implementation period for all the FFY 2025 grants (both Community Development Fund (CDF) and Mini-Entitlement). For FFY 2025 grants it is anticipated that the period of performance will be from 10/01/2025 to 03/31/2027.

Please note: the program start is being pushed later for this grant round to allow adequate time to roll out the upgraded Grants Management System (IGX).

AVAILABILITY 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. The projected timeline may be shifted later depending on when the application component of the GMS upgrade is ready to go-live

Program Components	Application Issued	FFY 2025 Applications Due
Community Development	Late January 2025	Monday, April 14, 2025
Mini Entitlement Program	Late January 2025	Monday, April 14, 2025

LIMITATIONS ON USE OF PROGRAM FUNDS

Build America Buy America requirements – Build America, Buy America Act (BABA) 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 project costs from all sources, all iron and steel products, as well as specific construction materials, including metals, PVC pipe, lumber and drywall, not listed construction materials (all other plastic- and polymer-based products, glass, fiber optic cable, optical fiber, engineered wood, and drywall) and manufactured products used must be produced in the United States, as 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 BABA language in contracts for projects and also factor the requirement into the cost estimate, as applicable.

Timely Expenditure -

Mass CDBG requires that all lead applicants with open CDBG grants comply with a timely expenditure threshold. In order to apply for FFY 2025 CDBG* 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 2025 funds that:

1. 100% of all grant funds awarded to the municipality for FFY 2021 and earlier FFYs have been fully expended;
2. 50% of all grant funds awarded to the municipality for FFY 2022/2023 have been fully expended; and
3. for the municipality's FFY 2024 grant funds, all required procedural clearances (environmental review, special conditions and administrative services procurement(s)) have been completed.

*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, EOHLC 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. Please note, however, that for this grant round, **if a municipality is less than 50% expended in the FFY21 award, a waiver will not be granted.** Municipalities must contact their program representative to find out how to apply for a waiver. Waiver requests should be submitted no later than March 14, 2025, otherwise, it may not be considered. EOHLC may at its discretion review waiver requests submitted after March 14, 2025, if the municipality demonstrates good cause for not submitting its request to EOHLC 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. *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.

Community-Based Planning Requirement –

Community Development Strategies are a requirement of the application for Mini-Entitlement communities. They are valid for a three-year period beginning with the strategy that was submitted with the last application (FFY24).

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. The exception to this is the timely expenditure requirement which just applies to lead municipalities. Municipalities that fail to comply will be dropped from consideration as a regional participant and the application will be reviewed with only 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.

Architectural Barrier Removal –

Applications for Architectural Barrier Removal projects with a total construction cost of \$200,000 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 \$200,000 but more than \$25,000, require design development drawings.

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 \$200,000 or more. Design development drawings are required for public facilities and architectural barrier removal projects, with a total construction cost of more than \$25,000 but less than \$200,000.

Housing Rehabilitation Funds – Prior Performance –

Lead applicants must provide a one-page rationale, including status update of recent HR programs 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 an 18-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, EOHLC reserves the right to reduce the amount requested. EOHLC 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. EOHLC may also reduce an award based on the amount of HR funds remaining in previous grants. Please note, if the lead municipality is less than 40% expended as reflected in GMS for their housing rehabilitation activity from a FFY21 CDF grant at the time the application opens, the municipality may not apply for this activity.

ALLOCATION OF CDBG FUNDS TO THE COMMONWEALTH:

EOHLC proposes the following allocation of 2025 funds based on level funding from FFY24:

MA CDBG PROGRAM COMPONENT	FFY 2025 ALLOCATION
Community Development Fund	\$23,687,133
Mini-Entitlement Program	\$9,500,000
-Section 108 Loan Guarantee*	\$10,000,000

MA CDBG PROGRAM COMPONENT	FFY 2025 ALLOCATION
Reserves	\$250,000
Section 108 Loan Repayments** (No. Adams, Everett)	\$336,622
Administration and Technical Assistance	\$1,146,095
TOTAL AVAILABLE (includes \$34,869,850 allocation plus \$50,000 in program income)	\$34,919,850
*Section 108 Loan Program allocation does not impact the FFY 2025 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.	

CITIZEN PARTICIPATION REQUIREMENTS FOR APPLICANTS AND GRANTEES

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 (minimum of 15 days, per HUD), 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 at least 14 days prior to submittal of an application; a second must be held during the course of the grant year; both must provide the process for the submission of written comments.

COMMUNITY DEVELOPMENT FUND – Grant Award Amounts

EOHLC proposes the following grant limits below for the FFY 2025 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	\$850,000
Two Municipalities (Regional)	\$ 100,000	\$950,000
Three or More Municipalities (Regional)	\$ 100,000	\$1,250,000
Planning- or Design-only grants	\$ 10,000	-----

MINI-ENTITLEMENT PROGRAM – Grant Award Amounts and Requirements

Mini-Entitlement communities are eligible for a minimum award of \$850,000 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. A maximum award of \$950,000 will be available to Mini-Entitlements who

are 100% expended in their FFY21 grant and earlier and over 70% expended in their FFY22/23 grant as reflected in GMS by January 17, 2025. Mini-Entitlements should reach out to EOHLC in January to determine which funding amount they qualify for if uncertain. Mini-Entitlement applications will contain an 18-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 2025 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-funding cycle period that ended with FFY 2021. The Mini Entitlement program and the formula to determine communities selected for the program was re-evaluated for the FFY 2022/2023 program and will be in place through the FFY25 round. Mini Entitlements will be re-evaluated again in advance of the FFY26 CDBG application.

PUBLIC PARTICIPATION:

EOHLC will hold a virtual public information session on September 10, 2024, at 10:00 am on the proposed changes for the FFY25 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 2025 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 September 25, 2024. 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.