Commonwealth of Massachusetts

Executive Office of Economic Development

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Massachusetts Downtown Initiative Capital Grant Program
"MDI Capital"

FY2027 Program Guidelines

For more information and application: **Mass.gov/OneStop**
Application Deadline: **June 3, 2026**

Version: January 2026

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I. INTRODUCTION

A. About the Program

The Massachusetts Downtown Initiative Capital Grant Program ("MDI Capital") strengthens the economic and cultural vitality of the Commonwealth's downtowns, village centers, and main streets by investing in vibrant, livable centers that attract residents, stimulate business activity, and promote equitable regional growth. Building on the foundation of the original MDI Technical Assistance program, MDI Capital helps municipalities transform their downtowns into thriving, walkable, and inclusive destinations. Through a combination of design and implementation grants, the program advances both local and statewide economic development priorities by reducing vacancies, increasing pedestrian activity, and fostering resilient, business-friendly districts that enhance quality of life and reinforce Massachusetts' reputation as an exceptional place to live, work, and invest.

NOTE: These Guidelines are subject to final capital program design approval and appropriation and will be updated to reflect any revisions upon finalization.

II. PROGRAM REQUIREMENTS

A. Program Highlights

Applicant Eligibility	Municipal Governments and Other Public Organizations
Eligible Communities	All Massachusetts Cities and Towns
Project Focus	**Planning:** • Downtown/Village Center Improvement Plan • District Management Creation **Implementation**: • Public Realm & Streetscape Improvements • Wayfinding & Signage Improvements • Public Facilities & Gathering Spaces Improvements
Grant Type	Cost reimbursement
Grant Award Range	**Planning Grants**: Up to $100,000. **Implementation Grants**: Up to $250,000.

	Requests up to $500,000 may be considered with evidence of a 1:1 cash match on any amount above $250,000.
Funding Available	Subject to appropriation
Project Duration	Proposed grant-funded scopes of work should be completed within 18 months of grant award (that is, by early 2028)

B. Eligible Applicants and Projects

Any Massachusetts city of town, acting by and through its municipal officers or by and through an agency designated by such municipal officers to act on their behalf, or any local public entity, may apply to the program for a grant. The public organization is encouraged to apply in partnership with their local Business Improvement District (BID), as applicable.

Eligible uses of program funds fall into two categories, Planning Grants and Implementation Grants. Each category is further defined below.

Capital Planning Grants

MDI Capital Design Grants support communities in developing action-oriented plans to guide public investment in their downtown or village centers. These grants help communities identify and apply strategies to help drive foot traffic, attract private investment, support small business and ultimately create lively, welcoming places for people to live, work, and visit.

Specifically, the purpose of these grants is to purchase professional services, such as consultants, lawyers, architects, and/or engineers. Reflecting the program's authorizing language, this includes hiring consultants for technical assistance to develop, sustain or strengthen business districts, town centers, commercial corridors, cultural districts or other walkable mixed-use areas.

The strongest applications in this category will 1) explain how the grant project builds upon a strong foundation of past studies and/or public input, and 2) focus on generating specific, actionable plans that represent a targeted phase of development.

Specifically, MDI Capital Planning Grants support the following project focus areas:

- Downtown/Village Center Improvement Plans: Strategic documents identifying actionable, project-based opportunities for capital investment and/or growth within a geographically delineated downtown or village center.

  This may include design and engineering services required for a construction or renewal project that would be eligible for funding under an MDI Capital Implementation Grant (below). Projects in this category must build upon pre-

existing analysis and exploration of challenges, barriers, strategies, and actions, such as those outlined in a Local Rapid Recovery Plan, to develop tactical and strategic project plans that help communities achieve their downtown revitalization goals.

- District Management Creation: Documents outlining a strategy, financial plan, and steps to establish and operate entities such as Business Improvement Districts (BIDs), Parking Management Districts, Cultural Districts, etc.
  These projects should incorporate the creation of relevant legal, governance, and business documents to carry out the plan. For example: BID petitions, Bylaws and Articles of Organization, and applications for tax-exempt status.

Capital Implementation Grants

MDI Capital Implementation Grants provide funding for projects that bring downtown and village center plans to life through strategic, high-impact capital improvements. These investments enable communities to translate planning into action, creating more active, attractive, and economically vibrant downtown areas.

Please note that these grants may include pre-development work conducted as part of one of the project types below.

Specifically, the MDI Capital Implementation Grants supports the following project focus areas:

- Public Realm & Streetscape Improvements: Capital investments improve pedestrian experience, such as sidewalk updates, lighting installations, plaza renovations, and other streetscape elements that improve accessibility, safety, and overall pedestrian experience.
- Wayfinding & Signage Improvements: Production and installation of physical signage and wayfinding systems, incorporation of downtown branding elements, gateway features, and navigational signage.
- Public Facilities & Gathering Spaces: Improvements to public areas that attract pedestrians to the downtown area, including parklets, outdoor stages, cultural or community venues, etc.

C. Grant Payment

This is a cost-reimbursement grant. Funds will be distributed following documentation of approved expenses, based on scope of work contained in a fully executed contract.

D. Non-Eligible Use of Funds

MDI Capital grant funds **<u>may not</u>** be used to pay for the following:

- Operating costs, such as payroll, rent, food, etc.

- Improvements to private property
- Expenses incurred prior to grant period
- Landscaping
- Vehicle Leases or Purchases

E. Outcomes and Impact

In keeping with the purpose of the MDI Capital grant program, EOED prioritizes applications that anticipate how proposed plans and improvements will attract residents, stimulate business activity, and promote equitable regional growth.

Grant awardees will measure and report on the impact of the project in the following ways:

- Change in commercial vacancies within project areas
- Sales or meals tax receipts within municipality
- Change in downtown foot traffic
- Number of housing units within ½ mile of project areas
- Population growth in municipality

The most competitive applications will address how the project, if funded, would specifically affect the metrics above. Baseline data, except for current municipal population, should be provided where available.

III. APPLICATION AND EVALUATION

A. The Community One Stop for Growth

The Massachusetts Downtown Initiative Capital Grant Program is part of the Community One Stop for Growth, a single application portal and collaborative review process of community and economic development grant programs that make targeted investments based on a Development Continuum. It is designed to allow applicants to apply for consideration of multiple sources of funding to support multiple phases and facets of a project. For more information, including key dates, frequently asked questions, and instructions on submitting an Expression of Interest and Full Application, please visit www.mass.gov/onestop.

The One Stop Full Application is organized into the following sections:

- Form 1 – Applicant Information
- Form 2 – Project Information
- Form 3 – Certification of Application Submission Authority

Additional Information

- For information on the One Stop, including key dates, frequently asked questions, and instructions on submitting an Expression of Interest and Full Application, please visit www.mass.gov/onestop.
- The Expression of Interest is an optional, but highly recommended form that allows an applicant to seek guidance from the One Stop partner agencies. Applicants are encouraged to submit an Expression of Interest prior to starting their Full Application(s). Visit the One Stop Expression of Interest webpage for more information and access to the Expression of Interest form.
- All applications must be submitted electronically. The online application portal, IGX, can be accessed at https://eohed.intelligrants.com. An online webinar outlining the use of the system will be available on the site. The application form template and link to the portal will also be available on the One Stop webpage.
- It is the responsibility of the applicant to be aware of all requirements and deadlines, and to ensure that their application is complete and submitted on time. All applications will be logged as to date and time received and kept on file as public record. Late submissions will not be considered.
- EOED reserves the right to request additional information from the applicant or external sources as may be necessary in order to complete the application review. EOED also reserves the right to recommend partial grant awards, as deemed appropriate.

B. Application Evaluation and Scoring Overview

Applications will be reviewed to determine overall consistency with the goals of the Executive Office of Economic Development (EOED) and the Commonwealth of Massachusetts, as well as the impact on downtown area revitalization efforts.

EOED will evaluate all MDI Capital applications based on the following:

- **Project Need**
  The applicant should clearly demonstrate the specific challenges and/or opportunities within the project area and explain why the proposed project is necessary to address them. Strong applications will identify existing conditions and describe how the project directly responds to these issues to strengthen downtown vitality, support small businesses, and enhance overall quality of place.

- **Anticipated Outcomes & Impacts**
  The application should clearly show how the project will contribute to the vitality of the downtown. Strong proposals will demonstrate the potential to stimulate business activity, attract visitors and investment, and reduce vacancies while enhancing the appearance, accessibility, and functionality of downtown spaces.

- **Achievable Project Timeline**

Projects must be realistic and achievable within the program's required timeframe (that is, completed within 18 months of award). Preference will be given to projects that can demonstrate a clear path to timely completion.

- **Ability To Execute & Leadership**
  Applicants must demonstrate sufficient capacity to successfully deliver the proposed project. Proposals should provide evidence that the applicant has a team and/or partnerships in place to effectively carry out the project within the grant period.
- **Reasonable Funding Request**
  Reviewers will consider whether the requested grant amount is appropriate relative to the project scope, scale, and anticipated outcomes. Budgets should be complete, well-documented, and cost-effective, demonstrating efficient use of public funds. Projects whose costs have already been estimated by potential vendor(s) will be more competitive. Although not required, projects that leverage matching funds will be viewed favorably.
- **Equity and Opportunity**
  The project promotes equity and opportunity on both a state and local level. The most competitive applications will come from a municipality with a median household income that is equal to or less than the statewide median, demonstrate that the community engagement process has been inclusive of all municipal demographic groups, and specifies measurable equity-oriented outcomes.
- **Demonstrated Local & Private-Sector Commitment**
  Demonstrate that there is buy-in and support from the local businesses, residents, and building owners that will be directly impacted by the improvements.

MDI Capital Implementation Grants will be judged on the following additional criteria:

- **Alignment with Community Plans**
  The application should show that the proposed improvements are components of a clear community strategy for downtown revitalization. The project should be supported by a community planning process, such as a comprehensive plan, a Local Rapid Recovery Plan (LRRP), a downtown/village center plan, etc.
- **Project Readiness**
  Projects should be ready to proceed immediately following an award. The applicant should demonstrate that the proposed project is clearly defined and supported by the planning, design, and staff capacity necessary to ensure successful completion.
- **Long-Term Sustainability & Maintenance Plan**

The applicant should demonstrate that the municipality has the capacity to maintain the improvements funded through the grant to ensure that the impact of the project has lasting effect.

Award Decisions

Applicants that are approved for funding will receive a commitment letter outlining the grant amount and any conditions of the award. All awards are subject to annual state budget appropriation and contingent upon full execution of a contract. Applicants that are not recommended for funding during the round will also be notified in writing, and invited to request feedback about their proposal, if interested.

Location Within Community One Stop for Growth Development Continuum

MDI Capital Grants are part of the Planning and Zoning category of the Community One Stop development continuum.