

Massachusetts

Disadvantaged Community System Assistance

Following are some of the more notable CWSRF program components and requirements:

A. Additional Subsidy

Federal law applicable to the 2024 CWSRF Base Grant requires that a minimum of 20% of the grant amount, but no more than 30%, be provided as additional subsidy to Disadvantaged Communities based on the affordability tier system, provided eligible applicants exist. In the calendar year 2024 CWSRF IUP, Massachusetts intends to award a minimum of \$2.5 million of the CWSRF Base Grant in additional subsidy to eligible projects. In addition, Massachusetts expects to receive \$77.2 million for the Supplemental CWSRF Grant. The Supplemental CWSRF Grant requires that Massachusetts provide \$37.8 million, 49% of the total grant amount, as loan forgiveness to Disadvantaged Communities.

Eligible construction projects for Disadvantaged Communities appearing on the 2024 IUP will receive additional subsidy, to the extent that funds are available, in the form of loan forgiveness based on the affordability tier system described below and provided as a set percentage based on the community's tier ranking. Massachusetts has established affordability criteria to identify Disadvantaged Communities, which drives the distribution of loan forgiveness. The assignment of communities to an affordability tier is based on an adjusted per capita income (APCI) calculation. Tier rankings are calculated annually by comparing a community's APCI as a percentage of the Commonwealth's APCI. See the following table for the tier breakdown. 10 Tier Percent of State APCI Minimum Loan Forgiveness

1. 80% or greater, but less than 100% 3.3%
2. 60% or greater, but less than 80% 6.6%
3. Less than 60% 9.9%

BIL funding may increase the amount of loan forgiveness to Disadvantaged Communities beyond these standard offerings. Projects that have a renewable energy component will qualify as a Tier 1 community and receive loan forgiveness for the portion of the loan that is financing the renewable energy component.

Loan forgiveness will be awarded to construction contracts that are executed by June 30, 2024, and may be limited to the lesser of the executed contracts or the IUP cost. Planning projects are not eligible for loan forgiveness.

In addition to meeting the [Affordability Criteria](#), under Massachusetts General Law Chapter 259 of the Acts of 2014, An Act Improving Drinking Water and Wastewater

Infrastructure, applicants for additional subsidy are required to:

- establish water enterprise funds (or equivalent separate restricted accounts); and,
- not have made any transfers from such enterprise fund in the last five years to fund the community's general operating budget.