

Early Education and Out of School Time Capital Fund
Small Grants to Develop Eligible Facilities for Use as Large Group and
School Age Child Care Programs

FY 26 Program Guidelines

Commonwealth of Massachusetts
Department of Early Education and Care

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Early Education and Out of School Time Capital Fund – Small Grant Guidelines

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Guidelines for the FY26 Early Education and Out of School Time Capital Fund Small Grants Program

These Guidelines, produced by the Department of Early Education and Care ("EEC") in conjunction with MassDevelopment, clarify and supplement the statutory and regulatory requirements of the Early Education and Out of School Time Capital Fund ("EEOST") program. The purpose of the Guidelines is to help EEOST Small Grant applicants understand the key requirements for the EEOST program, the application and award process for securing EEOST Small Grant funds, and the grant closing and post-closing requirements for EEOST award recipients. These Guidelines provide more specific details for the implementation of the EEOST Capital Fund regulations but do not have the force and effect of law. Certain requirements set forth by these Guidelines may be subject to appeal to and waiver by the Commissioner of EEC or her designee.

EEC has designated MassDevelopment as its Financial Intermediary for the EEOST Small grant program. MassDevelopment shall perform an analysis of each project for which a grant is sought and shall determine the feasibility of the project and whether it meets all applicable criteria established by EEOST Program regulations, guidelines, and policy. MassDevelopment shall perform such other underwriting activities which are necessary to ensure that all grants are made to feasible, eligible project applicants, are for facilities that are licensed early education and care and out of school time programs, and which satisfy all applicable EEOST Program requirements. In its analysis, MassDevelopment shall determine the soundness of the proposed project development plan and ensure the cost of the project represents a prudent investment of EEOST Capital Fund resources. MassDevelopment shall serve as fiscal intermediary in the disbursement and receipt of funds related to EEOST Small Grants.

These Guidelines are intended to be helpful to potential EEOST Small Grant recipients and contain as much information as reasonably possible. If you have a question that is not answered here, please contact:

1. MassDevelopment: rgriffin@massdevelopment.com
2. EEC: jose.mendez@mass.gov

Written questions will be accepted until 5:00 p.m. on Wednesday, January 21, 2026. Answers will be posted on MassDevelopment's website on Friday, January 30, 2026.

Applications are available online through COMMBUYS and at MassDevelopment's website, and are due electronically by 11:59 p.m. on February 13, 2026. MassDevelopment will not accept applications submitted via hand delivery, mail or courier service. Late submissions and substantially incomplete applications will not be reviewed.

I. Introduction and Program Summary

In November 2013, the Massachusetts Legislature enacted a Housing Bond Bill, "An Act Financing the Production and Preservation of Housing for Low and Moderate Income Residents" (St. 2013, c.129), which established EEOST. The statute authorized EEC, as set forth in [Section 18 of Chapter 15D of the General Laws](#), to administer up to \$45 million in general obligation bond funds for grants to develop eligible facilities for use as licensed Large Group and School Age Child Care Programs as defined in 606 CMR 7.00, Standards for Licensure or Approval of Family Child Care: Small Group and School Age and Large Group and School Age Child Care Programs. In May 2018, this Housing Bond Bill, "An Act Financing the Production and Preservation of Housing for Low and Moderate Income Residents" (St. 2018, c. 99), was reauthorized with an appropriation of up to \$45 million for the EEOST Capital Fund. Most recently, the EEOST Capital Fund was reauthorized for \$50M on August 6, 2024, as part of Governor Maura Healey's signing of the Affordable Homes Act.

EEOST provides grants to tax-exempt non-profit corporations, as defined by M.G.L. c. 180, and to organizations in which a non-profit corporation has a controlling interest, to develop or improve a child care facility in which at least 50% of the child care enrollment consists of low-income families who are eligible to receive public subsidy. Eligibility for public subsidy is defined as having at least 50% of the site's enrollment comprised of children who receive child care financial assistance from EEC, attend a Head Start slot, or receive another form of public subsidy as of the date of the EEOST application. If this is a new site, then at least 50% of the organization's total licensed enrollment for all sites currently operating must consist of children from families who are eligible for public subsidy at the time of the application. When the new site is complete, at least 50% of the licensed child care enrollment at the EEOST-funded facility must consist of children from low-income families who are eligible for public subsidy.

For the FY26 Small Grant Program, applicants who substantiate that their project promotes the health and safety of children and staff may be subject to a shortened minimum grant term and a modified grant recapture schedule and may receive a waiver of the Land Use Restriction recording requirement outlined in 606 CMR 15.04(2)(e) and/or the Mortgage Lien requirement outlined in 606 CMR 15.04(2)(f).

Applicants for EEOST grants should be aware that these grants come with the following long-term covenants:

- Grantees are required to meet annual compliance and reporting requirements throughout the full grant term, as defined in these Guidelines.

II. Eligibility Requirements

1. Eligible Organizations

- A non-profit corporation formed under M.G.L. c. 180 and exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or an organization in which a non-profit corporation has a controlling

financial or managerial interest¹, and its approved successors and assigns. Other entities, such as municipalities, public school districts, or public colleges or universities, are not considered Eligible Organizations.

- In all organizations where more than one party has a beneficial interest, the names and addresses of all individuals or entities holding any beneficial interest must be disclosed, as well the percentage of beneficial interest held by each interest holder and each interest holder's status as either a non-profit or for-profit corporation, individual or other type of entity.
- The organizational documents of any Eligible Organization that is not a non-profit corporation must be provided, along with a narrative describing the manner in which a non-profit corporation has a controlling financial or managerial interest.
- An Eligible Organization must, at the time of Application, have a valid license from EEC and provide center-based early care and education or out-of-school time care for low-income families who are eligible for public subsidy, comprising at least 50% of the program's total enrollment.
- Eligible licensed Large Group grantees must operate a full-time year-round program, and eligible School Age Child Care Programs must provide year-round programming, including the summer.
- An Eligible Organization must also demonstrate, to the satisfaction of EEC, (i) the capability of managing all its responsibilities in carrying out the Eligible Project and operating the Eligible Facility and (ii) that none of its members, shareholders, officers, employees, or members of its board of directors can profit, in any way, from EOST Capital Fund assistance.

2. Eligible Facilities include buildings, structures, or sites that:

- Comply with M.G.L. c. 15D and all regulations and policies adopted thereunder;
- Comply with all other applicable Federal, State, and Local statutes, regulations, and ordinances, including, but not limited to, the Americans with Disabilities Act (ADA); and the
- State Building Code (SBC), as may be amended from time to time;
- Are, or will be, owned or leased by one or more Eligible Organizations at the time of application;

¹ A "controlling interest" is defined as any interest 51% or greater.

- If leased, then the leased facilities shall have a lease term that is consistent with the scale of the capital investment, but shall not be less than fifteen years from the date of the project's completion; and
- Demonstrate a need for such a project and a financial need for assistance in the form of such a grant.

New building construction and additions to buildings must conform to 225 CMR 23, Massachusetts Commercial Stretch Energy Code, as applicable.

Applicants can apply for EEOST funding for multiple sites but must submit a separate application for each site.

Please note that organizations that received an EEOST grant in any previous year are eligible to apply for this year's grant. This also includes sites that have previously received funding.

3. Eligible Uses of EEOST Funds

EEOST funding can be utilized for rehabilitation that may include but is not limited to major systems replacement, reconfiguration of classrooms, administrative and staff spaces, and redesign and renovation of outdoor space.

- Category 1: Improvements to Outdoor Play Spaces including the creation or enhancement of natural play spaces that integrate nature-based materials (e.g. rocks, water, logs, plants) to promote unstructured play, exploration, creativity, and connection to the outdoors.
- Category 2: Investment in improvements to heating, air conditioning, and ventilation systems, including windows and Heating, Ventilation and Air Conditioning (HVAC) equipment.
- Category 3: Reconfiguration of indoor spaces, including classrooms, gross motor rooms, and bathrooms.
- Category 4: Emergency repairs and system upgrades that impact the health and safety of occupants including roof replacement and upgrading electrical and life safety systems. Information Technology upgrades or purchases will not be considered.
- Category 5: Physical environment modifications, including accessibility or other improvements to support the inclusion of children and adults with special needs; and
- Category 6: Security enhancements to prevent and respond to potential threats including but not limited to the installation of security cameras and access control

systems.

Projects in all of the categories above may be considered for eligibility for a shortened minimum grant term, a modified grant recapture schedule and a waiver of the Land Use Restriction recording requirement outlined in 606 CMR 15.04(2)(e) and/or the Mortgage Lien requirement outlined in 606 CMR 15.04(2)(f).

Further detail on eligible expenses and exclusions relating to these categories can be found in the application.

Expenses incurred for the above uses on or after January 1, 2026 are eligible for reimbursement.

Expenses incurred prior to January 1, 2026 *may* be considered for funding.

Organizations whose projects are 100% complete at the time of the application cannot apply for EEOST funding for reimbursement and such applications will not be considered for funding.

Consultant Costs

EEOST grants may be used for consultant costs and other expenses, within reasonable limits as determined by the nature of the project and the size of the grant, associated with the design, renovation, repair, rehabilitation, construction, other capital improvement, or deferred maintenance of eligible projects. Consultant costs incurred on or after January 1, 2026, may be reimbursed. Reimbursement for approved consultant costs will occur after the grant has closed.

Legal Costs

Grantees will be responsible for funding the cost of the EEOST closing attorney in addition to their own attorney, as needed, and should include these expenses in their budgets.

4. Eligible Applicants of EEOST Projects

EEOST projects must be developed by:

- A non-profit applicant organized under M.G.L. c. 180 and exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or
- An organization in which a non-profit corporation has a controlling financial or managerial interest.

An Applicant may own or lease the facility for which the EEOST Grant is sought. If the Applicant leases the facility, however, the lease term must run for at least 15 years from the date of the project's completion. The Applicant must also provide EEC or MassDevelopment with any documentation either party deems necessary to determine whether the Applicant's lease is sufficient.

Partnerships

A for-profit entity may participate in a joint venture with a non-profit Applicant if the non-profit has at least a 51% controlling interest in the joint venture. In all cases, the non-profit Applicant will be required to certify the following:

- No member, shareholder, officer, or employee of such corporation or its board of directors may profit directly, or indirectly, from the EEOST funding or from the Eligible Project;
- No member of the Board of Directors of the for-profit or non-profit corporation may receive any compensation generated from or related to the EEOST funding; and
- No earnings of the non-profit shall inure to the benefit of any individual, corporation or other entity.

For all organizations in which more than one party has a beneficial interest, the names and addresses of all individuals or entities holding any beneficial interest must be disclosed, as well as the percentage of the beneficial interest held by each interest holder and each interest holder's status as either a non-profit or for-profit corporation, individual, or other type of entity. In addition, the organizational documents of any Eligible Organization that is not a non-profit corporation must also be provided, along with a narrative describing the manner in which a non-profit corporation has a controlling financial or managerial interest. An Eligible Organization must also demonstrate, to the satisfaction of EEC (i) the capability of managing all its responsibilities in carrying out the Eligible Project and operating the Eligible Facility; and (ii) that none of its members, shareholders, officers, employees or members of its board of directors can profit, in any way, from EEOST Capital Fund assistance.

Applicants are encouraged to review *The Attorney General's Guide for Board Members of Charitable Organizations* for additional guidance regarding the responsibilities and obligations of members of the Board of non-profit and charitable organizations.

Applicant Capacity

MassDevelopment will review the capacity of an Applicant to successfully undertake development, responsibility, and management of a proposed project. The track record of the Applicant in completing projects of similar scale and complexity, a record of service in the community, and current financial statements will be taken into consideration in reviewing the qualifications of the Applicant. MassDevelopment will also strongly consider an Applicant's standing with the Commonwealth of Massachusetts.

Income Eligibility Requirements

As of the date of the EEOST application, at least 50% of the facility's licensed child care enrollment must consist of children from low-income families who are eligible for public subsidy. If this is a new site, then at least 50% of the organization's total licensed enrollment for all sites currently operating must consist of children from families who are eligible for public subsidy at the time of the application. When the new site is complete, at least 50% of the licensed child care enrollment at the EEOST-funded facility must consist of children from low-income families who are eligible for public subsidy. Low-income families, for the purpose of these Guidelines, are defined as families who meet one of the following criteria:

(i) EEC child care financial assistance income eligibility guidelines of 50% up to 85% of state median income, depending on activity requirements; (ii) Head Start income eligibility guidelines; or (iii) families receiving assistance, including, but not limited to, Transitional Aid to Families with Dependent Children (TAFDC), Supplemental Security Income Benefits (SSI), Social Security Disability Income (SSDI), MassHealth or other public subsidy.

Public subsidy, for the purpose of these guidelines, shall be defined as economic assistance provided to low-income families by any federal, state, or local government entity or any quasi-governmental entity. Public subsidies may take the form of direct monetary payments, vouchers, services, earned income tax credit or other benefits that assist in the provision of necessities, including, but not limited to, food, housing, fuel assistance, health care, child care, or education.

Documentation of other public subsidies will be required as part of the application process.

5. Award Requirements and Preferences

In awarding grants, EEC will require that all Eligible Projects reflect cost-effective design, material, and finish decisions consistent with good architectural and engineering practice, high-quality construction, and shall satisfy the requirements of EEC.

Eligible Project Requirements:

Capital grants are intended to provide center-based early education and out-of-school time care facilities with resources to make renovations that enhance health and safety.

Projects are considered feasible when, at the time of application, there is a reasonable plan to achieve full completion, will complete a full financial closing, as applicable, and start construction by March 31, 2026. Feasibility entails (a) financial feasibility, both from a capital and operating perspective, and (b) regulatory feasibility – meeting all EEC, building code, zoning, Architectural Access/ADA, and environmental testing requirements, if applicable.

- The Applicant will demonstrate management capacity to plan and implement its proposed project.
- Site Control: The Applicant will either own its site or have secured site control for at least 15 years from the completion of the project, as described under Grant Terms, Section III below. Site control must be secured prior to applying.

Preference will be given to Eligible Projects that reflect:

1. A balanced geographic plan that includes projects in different parts of the state.
2. Facilities where the number of families receiving public subsidy is 80% or more of the total child care enrollment as of the date of the EEOST application.

3. Serving children designated by EEC as having a priority need (children of homeless families, children involved with DCF, and children of young parents).
4. Projects addressing accessibility for individuals with special needs.
5. Location within a Gateway City.
6. Solicitation and/or participation of businesses certified by state Supplier Diversity Office (SDO) and participants in the Supplier Diversity Program (SDP) as part of the project team.
7. Organizations that have not been previously awarded an EEOST grant.
8. Applications will also be scored according to the project site's [Social Vulnerability Index](#) score.

III. Grant Terms

EEOST funding is provided as grants. The Grant Agreement and related documents delineate various grant terms and conditions, including eligibility of the organization, the requirement to serve low-income families, and will require the continuing use of the property for the intended public purpose, i.e., Large Group and/or School Age Child Care.

1. Amount of Grant Award

EEOST Grant awards will be between \$200,000 to \$499,999 per project. The minimum Total Development Cost (TDC) shall be at least \$200,000 per project. If the total project cost exceeds \$500,000, programs can apply for an amount up to \$499,999 to offset these costs, but must provide a budget and cost estimates that document the total cost of the project, as well as identify committed sources to fund the amount exceeding \$499,999. For all projects, the least amount of funding necessary to assure project feasibility will be recommended.

2. Disbursement of Award

No grant funds will be disbursed until all other Project financing has been brought to full financial closure. Development costs incurred after January 1, 2026 shall be considered for reimbursement.

EEOST funds may be used for, and may be drawn down by the grantee, as required, during the construction period or serve to reimburse the grantee for expenses incurred after January 1, 2026, on projects that are not fully complete. MassDevelopment may, at its discretion, engage its own construction inspector or other designee to monitor construction to confirm, before disbursement of each grant draw, that the work has been completed as represented. For complex projects, the grantee may be required to hire a construction manager or confirm with MassDevelopment that the organization has an internal employee who is qualified to serve in this capacity. The expense of a project/construction manager, as

well as that of other professionals, are costs that are an allowable expense in the project budget

3. Grant Term

Unless the EEC Commissioner shortens the minimum grant term for a project pursuant to 606 CMR 15.04(2)(c), grant terms shall be as follows:

- If a building, structure, or site is leased from entities other than municipalities, then the grant term for the project shall be at least fifteen years and the leased facilities shall have a lease term that is consistent with the scale of the capital investment but shall be at least fifteen years.
- If a building, structure, or site is or will be a municipally owned building that dedicates a single purpose space for licensed early education or out-of-school time programs, then the grant term for the project shall be twenty-five years and the lease shall be at least fifteen years.
- If a building, structure, or site is owned by the grantee, then the grant term shall be twenty-five years.

In the event the EEC Commissioner shortens the minimum grant term for a project pursuant to 606 CMR 15.04(2)(c), the shortened grant term will be specified in the Grant Agreement. Grantees must comply with all terms and conditions of the EEOST grant for the full grant term unless a waiver is granted by the EEC Commissioner.

4. Grant Recapture

If for any reason the Grantee fails to comply with the terms and provisions of the Grant Agreement, MassDevelopment or EEC may recapture the grant funds. The schedule for recapture for projects for which the grant term has not been shortened by the EEC Commissioner pursuant to 606 CMR 15.04(2)(c) is outlined in 606 CMR 15.04(2)(d). The schedule for recapture for projects for which the grant term has been shortened will be specified in the Grant Agreement.

If the eligible project or facility is found to be in non-compliance with any EEC regulation or policy, the terms and provisions of the EEOST grant documents, or with any other federal, state or local laws, regulations, ordinances, or policies, the Grantee will have ninety days to rectify those matters, in a manner acceptable to EEC, prior to the recapture of grant funds. Compliance will be determined at the sole discretion of EEC.

5. Land Use Restriction

Eligible Projects are subject to a Land Use Restriction requiring continued use of the project site for the purpose of early education and/or out of school time care for the entire term of the grant.

The requirement that the Land Use Restriction be recorded can be waived for projects for which the grant term has been shortened.

6. Refinancing EEOST Projects

Grantees, which do not receive a mortgage lien waiver should obtain the written approval of EEC and MassDevelopment if so designated by EEC to do so, before refinancing an EEOST supported project.

All Grantees considering refinancing should contact EEC and MassDevelopment, at the earliest opportunity, to discuss the proposal regardless of waiver status.

Applicants working on federally funded projects must assess how the EEOST requirements affect federal requirements. If there are conflicts between EEOST and federal requirements, Applicants shall contact the federal funder and EEC and MassDevelopment immediately to ascertain next steps.

7. Amending the Grant Agreement

If a grant recipient requests an amendment, resulting from an increase to the project's total development cost, the Grantee must submit a revised project budget for MassDevelopment's review. Subject to appropriation and available funding, MassDevelopment will review the request and shall make a recommendation to EEC within thirty calendar days of receipt of the request for additional funds. EEC shall approve or deny the request for additional funds within thirty calendar days of receiving a recommendation from MassDevelopment.

IV. Underwriting Standards

Although EEC has the final authority to make EEOST awards, MassDevelopment carries out an underwriting review of all grant applications. MassDevelopment considers the following factors in underwriting EEOST Grants.

1. Project Feasibility

MassDevelopment's evaluation of Eligible Projects will take into consideration the terms of other financing, if applicable. To ensure the long-term financial stability of the project, any permanent debt should have long-term, fixed interest rates. If other public agencies are providing income or funding for critical services, MassDevelopment will investigate the likelihood of the Grantee securing ongoing funding, and may require alternate plans in the event that the funding stream is no longer available. Cost estimates are thoroughly reviewed. Professional cost estimates by an estimator with substantial experience in estimating cost for type of project proposed, or well-developed bids by a licensed contractor with sufficient experience and scale to complete the proposed project, is required. If the applicant is proposing any construction expenses to be reimbursed through the EEOST grant, the applicant must demonstrate that all contractors were selected through a competitive bid process. This is evidenced by supplying at least three comparable bids, both for any proposed work, or any work undertaken beginning on January 1, 2026.

2. Development Team Capacity

If applicable to the project's scope, the development team (internal staff, architect, project attorney, project manager, consultants, etc.) must have a demonstrated ability to develop the

project in all respects, conduct community review and approval processes, resolve permitting and zoning requirements, complete planning, design and engineering activities, oversee bidding and construction management, coordinate grant closing and other legal transactions, and manage the property upon completion and provide relevant services. It is highly recommended that applicants assemble an experienced and capable team for any projects entailing construction, respond to EEC's and MassDevelopment's requests for additional information and documentation, and generally ensure that project development stays on the "critical path" to completion

The following criteria will be considered in evaluating the development team:

- The track record of the members of the development team in completing similar scale community development or educational facilities. Consultants should have directly applicable experience.
- Maintenance of professional licenses.
- The Applicant's record of service to the community in which the Eligible Facility is located or to the constituency that the facility serves.
- The compatibility of the project with the Applicant's mission.
- The financial soundness of the Applicant. Audited financial statements for the prior year, and accompanying auditor issued management letters for at least the three most previous years must be submitted. Current year-to-date financial statements, including a balance sheet and income statement, must also be submitted.
- The Applicant and any Partner must be in good standing with EEC. Poor performance or issues of non-compliance must be resolved to EEC's satisfaction before an application for EEOST funding will be considered; and
- Members of the development team who are compensated must not be family members, or business partners or affiliates of any board members or any employees of the Eligible Organization.

3. Construction Manager:

MassDevelopment, at its discretion, may require Grantees who undertake a significant construction project to procure the services of an outside Construction Manager to oversee the development, renovation or construction of the project. In the event that the Grantee elects to change the Construction Manager during the term of the grant award, the Grantee shall notify MassDevelopment in writing, thirty calendar days prior to the effective date of any such change.

4. Development Costs

The Total Development Costs must include all hard (construction) and soft (consultant) costs, including reasonable developer fees.

Development Services Procurement

In procuring and contracting for all development services including, but not limited to, architectural, engineering, legal, development consulting, and construction, applicants must demonstrate sound business practices and fiduciary responsibility which gain the benefits of the competitive market and achieve a fair value. EEC and MassDevelopment require applicants to conduct a formal bid process, including at least three competitive bids obtained in a free, fair and open process, for any development related service. In addition, MassDevelopment requires that:

- Construction service bids are based on plans and specifications of sufficient detail so that an accurate fixed price can be obtained;
- Transactions are "at arm's length";
- Contracted prices are within standard market parameters. EEC and MassDevelopment reserve the right to require re-bidding of high-cost projects, with costs in excess of 10% of comparable market situations;
- Proposed contractor must have an acceptable record of performing similar projects in the past and must maintain all required licenses, permits and certifications; and
- The Applicant is responsible for all legal costs associated with the project.

EEC strongly encourages Applicants to include effective outreach to minority-owned and women-owned businesses in the bid process.

During the underwriting process, EEC and MassDevelopment will review all costs to ensure that they are reasonable, appropriate and within industry standards.

Rehabilitation/Construction Standards

Eligible Projects must be designed to meet the needs of the children served by the Eligible Facility and the physical facility requirements set forth in EEC regulations, standards, or policies that are in effect at the time of application. Projects should be safe, attractive, durable and maintainable. The goal should be to design a project that maintains or creates high-quality improvements throughout the fifteen-year minimum term for owned and leased facilities of the grant. Applicants must:

- Engage highly qualified development team members: architects, engineers and contractors with successful experience in child care center design for the appropriate age group(s). Applicants must make a good faith documented outreach effort to recruit qualified firms;
- Emphasize to the development team the critical importance of adhering to all safety, accessibility, environmental, historical, building code and other regulatory requirements; and
- Emphasize to the development team the importance of a high quality, durable project. Do not assume that EEOST funding or other funding sources will be available in the future.

Applicants should expect that their development team members' qualifications will be carefully reviewed. EEC and MassDevelopment reserve the right to require applicants to

hire licensed, capable and experienced professionals. Further, the development team should expect an extensive and critical review of plans, specifications, and cost estimates by qualified and experienced internal or external reviewers hired by EEC or MassDevelopment. As a result of design review, the development team may be asked by EEC or MassDevelopment to consider alternative designs, materials, and systems. EEC and MassDevelopment expect the team to be highly responsive to design review recommendations and to make a conscientious effort to improve designs as requested.

Relocation

If a proposed rehabilitation project is occupied, the Applicant shall develop and submit a relocation plan and budget, if needed. The alternative site used during relocation must comply with EEC's regulations.

Completeness of Application

If the application is missing any of the required attachments at the time it is filed with MassDevelopment, the application will be ineligible for EEOST consideration. EEC/MassDevelopment may ask for clarification on the submitted materials at its own discretion.

V. Application

The EEOST Small Grant application process involves key steps:

- (1) Application Submission
- (2) Preliminary Review of licensing and financial history by EEC
- (3) Confirmation of all Application requirements
- (4) MassDevelopment Review and Recommendation of Award Approvals or Modifications to EEC
- (5) Award Letter of Conditional Commitment - with specific conditions to be met
- (6) Grant Closing (process will differ for Grantees granted a waiver)
- (7) Disbursement of Funds
- (8) Monitoring & Reporting

Application Submission

EEC shall post on COMMBUYS after funds are available for eligible projects and will provide a timeline for the application process. Application materials will also be available on MassDevelopment's website.

All EEOST grant applications shall be submitted electronically via the online platform Cognito Forms. EEC will then conduct a review of the applicant's licensing history and financial compliance. After this review, copies of all applications that meet licensing and financial eligibility will be transmitted to MassDevelopment for review and underwriting.

Applicants must use the online application forms available on COMMBUYS or at the MassDevelopment website to complete and submit their electronic application.

MassDevelopment Document Review and Recommendation

MassDevelopment shall review each eligible grant application and supporting documents, providing an analysis, project summary, scoring of applications, and award recommendation to EEC. MassDevelopment's recommendation will also include a determination regarding a project's eligibility for a shortened grant period, modified recapture schedule and waiver of the land use restriction recording requirement and/or mortgage lien requirement. In its review, MassDevelopment shall include a detailed summary of the proposed project, how the project qualifies as an Eligible Facility and Eligible Project, and the total project cost.

Conditional Commitment for Award

Upon receiving MassDevelopment's recommendation, EEC may make a conditional commitment to an Applicant through an Award Letter to delineate all terms and conditions that an Applicant must meet in order to move toward signing a Grant Agreement. In no way shall EEC be required to support a conditional commitment and/or any additional cost above the grant request. EEC may make a conditional award in an amount that is lower than the original grant request. EEC will only consider requests for additional EEOST grant funds beyond the initial approved grant amount following a written request by Grantee demonstrating the circumstances of the shortfall and the need for additional funds. Subject to availability of funds, EEC will review the additional funds requested. Any subsequent approval of additional funds will not become effective unless and until a formal amendment to the Grant Agreement has been issued by MassDevelopment and signed by both parties.

When a conditional commitment has been received, the Applicant will take all steps necessary to meet the conditions outlined in the Award Letter so that the grant may close within nine months of the date of the conditional commitment. In order to obtain an Authorization to Proceed, the Applicant must submit to MassDevelopment documentation that all of the terms and conditions of the conditional commitment have been satisfied in full, including an updated development pro forma, final plans and specifications, a final construction budget, scopes of work and bid prices from a licensed contractor, and a development schedule showing that the construction and/or permanent financing will close within a reasonable time period. MassDevelopment will review these items and make a recommendation to EEC on whether to issue an Authorization to Proceed.

Grant Closing and Disbursement

The Grant Closing process will differ, depending on whether a Grantee receives a waiver of the Land Use Restriction recording requirement outlined in 606 CMR 15.04(2)(e) and/or the

Mortgage Lien requirement in 606 CMR 15.04(2)(f). In both cases, closings should aim to be completed within nine (9) months of receiving an Award Letter.

Closing Process – Waiver Recipients:

Grantees will be required to sign a Grant Agreement after which it will be eligible to begin drawing down funds.

Closing Process – Recipients without a Waiver:

In addition to signing a Grant Agreement, Grantees must record the required Land Use Restriction and/or Mortgage lien as part of the closing process. MassDevelopment’s Legal counsel or designee will prepare the accompanying documents and will coordinate closing requirements, including due diligence with lenders, if applicable, at the expense of the Grantee. These expenses are eligible costs for reimbursement under the EOST grant and should be included within the project budget. MassDevelopment and EEC strongly encourage grantees to use experienced Real Estate Attorneys as their own legal counsel in addition to the legal counsel appointed by MassDevelopment and EEC to close the grants.

The terms and conditions of the grant disbursement will be included in the Grant Agreement and accompanying documents. Funds are disbursed by MassDevelopment in accordance with these provisions.

Monitoring

Monitoring focuses on ensuring that the terms and conditions of the Grant Agreement are continuously met, including, but not limited to, the requirement that 50% of the total child care enrollment are for families who are eligible to receive public subsidy, the attainment of certain quality standards, property maintenance, insurance, record keeping and other management and administrative functions.

EEC licensing visits and fiscal audit reviews will continue to be conducted during the project. If the grantee is found non-compliant, additional requirements to the terms of the grant may be imposed apart from any licensing and fiscal requirements.

For further information on EEC monitoring, contact:

1. MassDevelopment, Richard Griffin Jr., VP, MassDevelopment at rgriffin@massdevelopment.com
2. EEC, Workforce Development, Jose Mendez, Director of Childcare Business Operations & Facilities at jose.mendez@mass.gov
3. EEC Legal, Stephany Collamore, Assistant General Counsel at stephany.collamore2@mass.gov
4. EEC Fiscal Monitoring, Alicia Wells, Senior Associate Commissioner of Program Integrity & Internal Controls, at alicia.wells@mass.gov
5. Licensing, Joseph Rucker, Deputy Commissioner for Field Operations, at Joseph.Rucker2@mass.gov

Annual Survey

Annually, MassDevelopment shall obtain and review annual reports of each funded project as outlined in the Grant Agreement. MassDevelopment shall review these reports, and, in the event that MassDevelopment determines that the terms and conditions of the grant have not been met, MassDevelopment shall promptly notify EEC and will work to resolve such non-compliance by the grantee.

Project Completion

Once construction is complete, the Program occupying the Eligible Facility must be inspected by EEC and relicensed, if EEC deems it necessary, before providing services.