

CDBG-CV SUBSTANTIAL AMENDMENT #2

<p>Jurisdiction: Commonwealth of Massachusetts Department of Housing and Community Development (DHCD) Jurisdiction Web Address: www.mass.gov/dhcd</p> <ul style="list-style-type: none">• https://www.mass.gov/service- details/community-development- block-grant-cdbg	<p>CDBG-CV Contact Person: Mark Southard Community Development Manager Address: 100 Cambridge Street, Suite 300 Boston, MA 02114 Telephone: (617) 573-1436 Email: mark.southard@mass.gov</p>
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INTRODUCTION

The Commonwealth of Massachusetts proposes to amend (Substantial Amendment #2) its FY2019 CDBG One Year Action Plan to add its second allocation of CDBG-CV funds, in the amount of \$26,146,689, pursuant to the Coronavirus Aid, Relief and Economic Security Act (CARES Act). The allocation was made available to the Commonwealth on May 22, 2020. Consistent with the U.S. Department of Housing and Urban Development (HUD) Memorandum (Memo) dated April 9, 2020, the MA CDBG Program (the Program) may make this second supplemental allocation of CDBG-CV funds available to both non-entitlement and entitlement communities throughout the Commonwealth in order to prevent, prepare for and respond to coronavirus. The Program has established the CDBG-CV Fund to facilitate the use of these funds.

CDBG-CV funds will be able to support a variety of activities including but not limited to:

- Rental and mortgage assistance for eligible households
- Small business assistance
- Micro Enterprise assistance
- Public Social Services – particularly those directed to, but not limited to, senior services, homelessness prevention, food provision, emergency assistance and domestic violence services
- Infrastructure/Construction projects that directly contribute to addressing COVID-19 related issues
- Other eligible activities that directly prevent, prepare for and respond to coronavirus

Based on the nature of the COVID-19 pandemic, input from stakeholders and results of a NOFA issued for the Commonwealth's initial allocation of CDBG-CV funds - rental and mortgage assistance, Micro Enterprise assistance and public services are seen as high priorities.

Municipalities should contact DHCD if there are questions as to whether a project is eligible for CDBG-CV and will meet all program requirements. All CDBG-CV funds must meet one of the

three CDBG National Objectives as defined in the 2019 One Year Action Plan and in federal regulations at 24 CFR 570.483.

Consistent with the CARES Act, this amendment waives any limit established on the issuance of funds to support public social services for any funds made available under this amendment and the FY 2019 One Year Plan.

Additionally, the amendment adopts modified citizen participation procedures established by the CARES Act and described in the Memo. In particular, the Commonwealth will adopt a minimum 5 day comment period and the use of virtual public hearings for FFY 2019 and 2020 CDBG Grants as well as for CDBG-CV funds.

This amendment further waives 2019 One Year Plan Applicant/Project thresholds for applicants to the CDBG-CV fund except as established above or described in further guidance.

On August 10, 2020 HUD released, **“Notice of Program Rules, Waivers, and Alternative Requirements Under the CARES Act for Community Development Block Grant Program Coronavirus Response Grants, Fiscal Year 2019 and 2020 Community Development Block Grants, and Other Formula Programs.**

This notice provides for “program rules, statutory and regulatory waivers, and alternative requirements applicable to supplemental Community Development Block Grant (CDBG) funds made available to prevent, prepare for and respond to coronavirus”. The Commonwealth will utilize any and all of these flexible rules, waivers and alternative requirements to allocate CDBG-CV funds.

Allocation of funds: Represents total allocation received to date

CDBG-CV Fund	\$ 43,253,787*
Administration	\$ 2,325,472
Technical Assistance	\$ 930,189
Total Funding	\$ 46,509,448

*To date, DHCD has awarded \$19,651,876 of this fund to non-entitlement jurisdictions to support microenterprise assistance and a variety of public social services.

Availability of CDBG-CV funds:

Of the \$43,253,787 identified for the CDBG-CV fund from the two allocations, \$19,651,876 has already been allocated to 36 non-entitlement jurisdictions as indicated above. This leaves \$23,601,911 that will be allocated in the following manner:

\$10 million will be made available to the Emergency Rental and Mortgage Assistance (ERMA) Program to assist low-income residents of non-entitlement jurisdictions. This program will be

administered through non-entitlement jurisdictions that will subcontract with a regional network of administering agencies.

\$10.8 million will be subcontracted to the Massachusetts Growth Capital Corporation (MGCC). These funds will be used to provide assistance to microenterprises throughout the Commonwealth, including both non-entitlement and entitlement jurisdictions to assist them in addressing impacts from the coronavirus.

The remaining \$2,801,911 will be made available to 5 non-entitlement applicants that responded to a NOFA published by DHCD on May 15, 2020. This allocation plus the first round allocation to non-entitlements will make the minimum amount of CDBG-CV funds directed to non-entitlement communities \$22,453,787 which exceeds the requirement in the above referenced notice that states direct an amount equal to or greater than its first allocation to non-entitlement communities.

DHCD reserves the right to award CDBG-CARES funds and to reallocate CDBG-CV funds as it determines is the best manner to accomplish the goals of the CARES Act.

Opportunity for Public Comment

Coronavirus Aid, Relief, and Economic Security Act (CARES Act) Community Development Block Grant Program (CDBG-CV)

Substantial Amendment #2 to the Fiscal Year 2019 CDBG One-Year Action Plan

The Commonwealth of Massachusetts through the Department of Housing and Community Development (DHCD) is proposing Substantial Amendment #2 to its FY2019 CDBG One-Year Action Plan identifying the addition of CARES Act funding. The Plan is available on the Department's website – www.mass.gov/dhcd/cdbg. DHCD seeks comments regarding the amendment from all interested parties.

The public comment period will run from September 11, 2020 through close of business on September 18, 2020. Interested parties may submit comments, via email, directly to DHCD at any time during the comment period. Comments may be directed to: Mark Southard, Community Development Manager, DHCD, Mark.Southard@mass.gov.