



**October 1st, 2020**

## **Round 2 of CARES Act Coronavirus Relief Fund – Municipal Program**



The Commonwealth's Executive Office for Administration and Finance and Division of Local Services are pleased to release [guidance](#) for Round 2 of the CARES Act Coronavirus Relief Fund – Municipal Program. As you may know, Round 1 of this program distributed nearly \$100 million to cities and towns to address unexpected costs related to the COVID-19 pandemic.

### **In this edition:**

- Round 2 of CARES Act Coronavirus Relief Fund – Municipal Program
- *Ask DLS: Community Preservation Act Part 4 – “Blended CPA”*

For more information, please refer to the program materials posted on the Division of Local Services COVID-19 website, including information about the [CARES Act Coronavirus Relief Fund – Municipal Program](#), the program's [FAQ document](#), and the [new contact form](#) to submit questions about the program. Please note that the DLS e-mail used for all program inquiries previously ([LocalGovCaresAct@dor.state.ma.us](mailto:LocalGovCaresAct@dor.state.ma.us)) has been discontinued. Please use the new contact form for all questions.

### **DLS Cybersecurity Reminder**

Have you recently received an unsolicited email, supposedly from the Division of Local Services Bureau of Local Assessment (BLA)? You may have been a target of an email attack known as Phishing. This malicious activity uses email to try to gain access to systems or to gather information by posing as a trustworthy organization (like BLA). Contact information for most DLS staff is readily obtainable on our website, and it has previously been used in phishing

### **Important Dates & Information**

### **2020 Building Resilient**

**Infrastructure in  
Communities (BRIC)  
Deadline**

The Massachusetts  
Emergency Management  
Agency (MEMA) is pleased  
to announce the  
availability funding through  
the 2020 **Building Resilient  
Infrastructure in  
Communities  
(BRIC) Program**. The official  
Notice of Funding  
Opportunity  
(NOFO) is attached and can  
be found on the [MEMA  
website](#) and on  
COMMBUYS.

This new federally funded  
Hazard Mitigation  
Assistance (HMA)  
program makes federal  
funds available for pre-  
disaster mitigation  
activities to reduce,  
minimize, or eliminate  
potential damages to  
property and infrastructure  
from natural hazard  
events. This nationally  
competitive annual grant  
for hazard mitigation  
projects can reduce overall  
risks to the population,  
structures and  
infrastructure, while also  
reducing the reliance on  
taxpayer-funded federal  
disaster assistance for  
disaster recovery. The

attempts. If you receive an email from DLS with a suspicious  
sender's address, a strange greeting or signature, or  
anything that doesn't seem normal, just delete it. When in  
doubt, delete!

**Local Contribution Study Public Comment**

The [Student Opportunity Act \(SOA\)](#) requires the Department  
of Elementary and Secondary Education and the Division of  
Local Services at the Department of Revenue to study and  
report on the local contribution component of the Chapter  
70 program. The study will cover a range of issues outlined  
in Section 21 of the law.

We are seeking public comment to inform the study through  
an [online survey](#). Given the current public health emergency,  
we will not be convening in-person public forums.

We ask that all comments be submitted by October 16,  
2020. Please visit [here](#) for more information.

***Ask DLS: Community Preservation Act Part 4 – “Blended  
CPA”***

This month's *Ask DLS* features Part 4 of frequently asked  
questions concerning the Community Preservation Act.  
Additional questions about the CPA will be featured in future  
editions of *City & Town*. For Part 3 of the series, see the  
[March 5, 2020 edition of City & Town](#). For additional  
information on the Community Preservation Act see  
[Informational Guideline Release \(IGR\) 19-14](#).

Please let us know if you have other areas of interest or send  
a question to [cityandtown@dor.state.ma.us](mailto:cityandtown@dor.state.ma.us). We would like  
to hear from you.

**How does a municipality adopt a “blended” CPA?**

As we discussed in Part One of these FAQs, there are two  
alternatives under the CPA, and both require majority  
approval of the city's/town's legislative body and voter

deadline for the BRIC Statement of Interest is October 16<sup>th</sup>, 2020 at 5pm.

**2020 DLS "What's New in Municipal Finance Law" Seminar Available Online in October**

For the first time, the Division of Local Services will present its annual "What's New in Municipal Finance Law Conference" as an online learning opportunity. Additional details will be forthcoming, so please stay tuned to *City & Town* for more information.

**DLS Links:**

[COVID-19 Resources and Guidance for Municipal Officials](#)

[Municipal Finance Training and Resource Center](#)

[Local Officials Directory](#)

[Municipal Databank](#)

[Informational Guideline Releases \(IGRs\)](#)

[Bulletins](#)

approval at the next regular municipal or state election. A city or town may adopt either:

A.) A "traditional" CPA under [G.L. c. 44B, § 3\(b\)](#), where the city/town approves a surcharge of up to 3% of taxes assessed annually on real property and may adopt any of the exemptions to the surcharge that are allowable under [G.L. c. 44B, § 3\(e\)](#).

B.) A "blended" CPA under [G.L. c. 44B, § 3\(b½\)](#), where the city/town approves a surcharge of at least 1% of taxes assessed annually on real property and an annual appropriation of additional municipal revenues up to 2% - the surcharge and additional revenues together cannot exceed 3% of the taxes assessed annually on real property. The city/town also may adopt any of the exemptions to the surcharge that are allowable under [G.L. c. 44B, § 3\(e\)](#).

**What is the purpose of the "blended" CPA?**

The purpose is to allow cities and towns an alternative method to fund the Community Preservation Fund (CP Fund) through appropriations to it of revenue from alternative municipal sources.

**What are the allowable sources for alternative municipal funding?**

Allowable sources include:

A.) General Fund Revenues

B.) Available Funds – However, if the funds are subject to a restriction, the funds remain subject to the restriction. For example:

i. Sale of real estate proceeds, if not needed to pay off indebtedness, may be appropriated for CPA purposes consistent with the restrictions of [G.L. c. 44, § 63](#); and

ii. Existing dedicated housing, open space and historic preservation funds, however authorized, may be

[Publications & Training Center](#)

[Tools and Financial Calculators](#)



appropriated for a CPA purpose consistent with any restrictions.

C.) Gifts for Community Preservation Purposes received from private sources.

Allowable sources must not include any state or federal funds.

### **How does a city or town appropriate additional revenues to the CP Fund?**

A.) To be eligible to appropriate additional revenue to the CP Fund, the city or town must have adopted the CPA under [G.L. c. 44B, § 3\(b½\)](#). If a city or town adopted the CPA under [G.L. c. 44B, § 3\(b\)](#), it may not appropriate additional revenue to the CP Fund.

B.) An appropriation of additional municipal revenues to the CP Fund must be approved by legislative body vote and must:

- i. State a fixed dollar amount,
- ii. Be voted before the tax rate is set if appropriating from general fund, and
- iii. Be voted by June 30 if from available funds to be counted for state matching fund purposes in that fiscal year. (See next FAQ.)

### **Are a community's appropriations to the CP Fund under [G.L. c. 44B, § 3\(b½\)](#) considered when calculating State Trust Fund Distributions (State Matching Funds)?**

Yes. However, such funds - additional sources of municipal revenue - must be appropriated to the CP Fund by June 30 to be counted for the purpose of state trust fund distributions for that fiscal year. And to be eligible for three rounds of matching funds from the state trust fund, the city or town must have appropriated additional sources of municipal revenues to the CP Fund so that the total funds (additional appropriated municipal revenues plus surcharge) equal three percent of the real estate tax levy.

**May a municipality cease appropriations of additional sources of municipal revenue?**

Yes. A city or town is not required to make an appropriation of additional revenues to the CP Fund under [G.L. c. 44B, § 3\(b½\)](#) in any fiscal year. However, the surcharge of not less than one percent remains in effect unless amended or revoked pursuant to [G.L. c. 44B, § 16](#).

Stay tuned to *City & Town* for Part 5 in our FAQ series on the CPA. For more information see [Informational Guideline Release \(IGR\) 19-14](#).

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Contact *City & Town* with questions, comments and feedback by emailing us at [cityandtown@dor.state.ma.us](mailto:cityandtown@dor.state.ma.us).

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