

CITY OF BOSTON

**Substantial Amendment
To Program Year 2019 Action Plan
July 1, 2019 – June 30, 2020**

CARES Act Funding: CDBG

**Posted May 8 , 2020
for Public Comment**



Martin J. Walsh, Mayor

**Sheila A. Dillon, Chief of Housing and Director,
Department of Neighborhood Development**

The Department of Neighborhood Development (DND) is amending its Program Year 2019 Action Plan, covering the period July 1, 2019 to June 30, 2020, to expend **\$10,257,948** in special **Community Development Block Grant (CDBG-CV)** program funds from the Department of Housing and Urban Development (HUD). The CDBG-CV funds are authorized by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and are to be used to prevent, prepare for, and respond to the coronavirus pandemic and must be used by 9/30/2022. We are programming the funds as shown in the table below.

CDBG - CV BUDGET			
Program	Use	CDBG-CV Funds	% of Total
Housing Stability + Homeless Prevention	Emergency Rental Payments up to \$4000	\$5,000,000	48.75
Small Business Help + Job Retention	\$2500 - \$10,000 Operational Expenses	\$5,000,000	48.75
Administration	Management of Programs & Grant	\$257,948	2.5

Housing Stability & Homeless Prevention: We are allocating 48.75% of the CDBG-CV for housing stability and homeless prevention activities through the **Rental Relief Fund (RRF)** launched on April 5. The RRF helps income-eligible tenants achieve housing stability by providing direct financial relief of up to \$4000 to assist with rental payments. The RRF is managed by DND’s Office of Housing Stability and two nonprofit partners, Metro Housing|Boston and Neighborhood of Affordable Housing (NOAH). Complete information on the RRF is posted here:

<https://www.boston.gov/departments/neighborhood-development/office-housing-stability/rental-relief-fund>.

Project Name	Rental Relief Fund
Goals Supported	Public Services (05Q)
Needs Addressed	Housing Stability, Homelessness Prevention
Funding	CDBG-CV \$5,000,000
Description	Provide direct financial relief of up to \$4000 to assist with rental payments.
Estimate of the number of households assisted	Approximately 1,200 households.

Small Business Help + Job Retention: We are allocating 48.75% of the CDBG-CV to the **Small Business Relief Fund (SBRF)** launched on April 6 within the Office of Economic Development (OED) to help small businesses most impacted by COVID-19. For the purpose of the SBRF, a “small business” is a private, for-profit entity registered with, in good standing with, and operating in the City of Boston. Information on the SBRF is posted here:

<https://www.boston.gov/departments/economic-development/small-business-relief-fund>

Project Name	Small Business Relief Fund
Goals Supported	Assist small businesses and microenterprises
Needs Addressed	Retain and create Jobs
Funding	CDBG-CV: \$5,000,000
Description	Grant program to support small for profit businesses (up to 35 employees) serving a low to moderate income area (18A); and micro-enterprises (18C) defined as a business with five or fewer employees who are of low to moderate income. Grants range from \$2,500 to \$10,000 for working capital such as rent, payroll or other operational expenses.
Estimate of the benefits	1250+ (average of \$4,000 per business) and 600+ jobs retained / created

Citizen Participation Process: The Substantial Amendment was prepared and submitted in accordance with the HUD waiver granted to expedite actions to respond to COVID-19. Specifically, the Citizen Participation Public Comment Period was 6-days rather than the standard 30-days. The Amendment was posted on the Department's web page with email and telephone instructions to submit comments. (<https://www.boston.gov/departments/neighborhood-development/hearings-and-public-comment>).

General Notifications: DND emailed approximately 340 Policy News subscribers, individuals and organizations, on a list maintained for this purpose; and, notified 10,000 followers on the Department's Twitter and Facebook feeds.

Rental Relief Fund: Starting on April 3rd, the Department of Neighborhood Development shared notification of the fund to 7,699 followers on the Department's Twitter feed and by email to property managers at DND and BPDA monitored developments. The fund was covered by 14 different news outlets. The Office of Housing Stability team also shared information about the fund during a weekly webinar hosted by the Mayor's Office of Immigrant Advancement that was accessible online via computer or dialed in by telephone. The webinar was attended by staff from non-profit organizations who work with immigrant communities in Boston. A working session with the Boston City Council Housing Committee and OHS regarding the RRF was also held. During the week of April 6th the link to the Rental Relief Fund webpage was sent out via text to households who signed up for COVID alerts with the City of Boston.

Small Business Relief Fund: Notification of the Fund was emailed by the Mayor's Office of Economic Development to approximately 22,000 small businesses and interested parties in Boston including the networks within the 20 Boston Main Street Districts. The Small Business team held an informational conference call about the Fund on April 7 that was accessible by a Facebook link, online via computer, or dialed in by telephone. The conference was well attended by more than 500 participants with the majority of questions centering around how to apply.

Summary of Public Comments: A summary of the public comments received is provided below. Comments are grouped by issue and similar comments may have been combined or paraphrased.

There is strong support for the **RRF** from attendees of the webinar, the working session with the City Council Housing Committee and written comments.

Rental Relief Fund	
Comment	City's Response
Issue: Prioritize all of the CDBG-CV funding for rental payments and not small business assistance.	
<p>B. Bruner/CEDAC wrote in support of using CDGB-CV funds for the RRF over the SBRF because of the greater need due to high job losses and businesses can apply to the Small Business Administration for help. Also, the grant amounts offered by the SBRF are unlikely to have much of a positive impact.</p> <p>L. Song, GBLS and organizational members urged Boston to use all CARES Act funds, not otherwise restricted, for housing payment assistance as a safe home to shelter in is the appropriate response to the COVID-19 public health crisis.</p>	<p>Thank you. We acknowledge that the CDBG-CV awarded to Boston will not meet all the needs for both renters and small business owners. We continue to monitor all sources of funding (federal, state and local) that can be secured to assist in our response to the pandemic.</p>
<p>R. Gehret (resident) supports both uses of CDBG-CV funds and urges the City to consider using other federal resources (CDBG and HOME) to continue supporting the RRF as laid off low-income tenants will have difficulty finding full-time employment.</p>	<p>Thank you. We will monitor and evaluate the demands for rental relief and other eviction prevention efforts.</p>
<p>L. Song, GBLS and organizational members urge Boston to maintain the existing Citizen Participation Process as much as possible to afford Boston residents reasonable opportunities to comment and respond to proposals involving federal funds.</p>	<p>Thank you. We strive to balance urgent needs with good judgement when utilizing the HUD granted waivers.</p>

There is strong support for the **SBRF** from attendees on the April 7th conference call and from those submitting written comments.

Small Business Relief Fund	
Comment	City's Response
D. Delgado recommended that the fund prioritize "brick and mortar enterprises" and that "mini grants" be given for one-time expenses such as accounting and bookkeeping costs to enable small businesses to apply for the relief funds.	Thank you. 85% of the funds awarded to date have gone to brick and mortar small businesses with fewer than 15 employees. The OED will be providing workshops and technical assistance with accounting and financial planning for post-COVID operations.
J. Achatz supports the SBRF and urges the City to use multilingual announcements and written materials.	Thank you. The SBRF is available in 10 languages in a one-page informational publication as well as a dial-in for questions.
9 Boston Main Street organizations and 7 Boston residents are in full support of the Fund.	Thank you, no response needed.
East Boston Ecumenical Community Council (EBECC) stated that the Small Business Relief Fund should include non-profit organizations, particularly those working with immigrant communities, a key workforce population in Boston.	Non-profit organizations are not eligible under the Community Development Block Grant (CDBG) regulations for direct economic assistance such as this Small Business Loan program. CDBG regulations allow assistance to private, for-profit entities only.

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