**The CDBG-CV Substantial Amendment (revised)**

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| **Jurisdiction:**  Commonwealth of Massachusetts  Department of Housing and Community Development (DHCD)  **Jurisdiction Web Address:**  www.mass.gov/dhcd     * <https://www.mass.gov/service-details/community-development-block-grant-cdbg> | **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 |

**INTRODUCTION**

The Commonwealth of Massachusetts proposes to amend its FY2019 CDBG One Year Action Plan to add its third allocation of CDBG-CV funds, in the amount of $28,583,700, pursuant to the Coronavirus Aid, Relief and Economic Security Act (CARES Act). The allocation was made available to the Commonwealth on September 11, 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 third 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. DHCD may also contract with other types of organizations to deliver services on behalf of the Commonwealth. 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 were seen as high priorities and the Commonwealth directed its first two allocations totaling $46,509,448 toward these activities. For the third allocation, the Commonwealth has identified an ongoing need to address food insecurity issues and will initially direct the entire third allocation to addressing it.

In an effort to address food insecurity across the entire state, DHCD intends to engage with a network of Community Foundations (CF) and Community Action Agencies (CAA) that will make funds available to a variety of community based organizations (CBO) to provide services at the local and regional level.

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 $ 70,408,302

Administration $ 3,754,657

Technical Assistance $ 930,189

Total Funding $ 75,093,148

Availability of CDBG-CV funds:

Of the $43,253,787 identified for the CDBG-CV fund from the first two allocations:

* $19,651,876 was allocated to 36 non-entitlement jurisdictions as indicated above.
* $23,601,911 was allocated in the following manner:
* $10 million to the Emergency Rental and Mortgage Assistance (ERMA) Program to assist low-income residents of non-entitlement jurisdictions, administered through non-entitlement jurisdictions that subcontracted with a regional network of administering agencies.
* $10.8 million was subcontracted to the Massachusetts Growth Capital Corporation (MGCC) to provide assistance to microenterprises throughout the Commonwealth, including both non-entitlement and entitlement jurisdictions to assist them in addressing impacts from the coronavirus.
* $2,801,911 was 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 must direct an amount equal to or greater than its first allocation to non-entitlement communities.
* $27,154,515 will be made available to a state-wide group of organizations to address food insecurity issues.

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 (revised) 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 a Substantial Amendment 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](http://www.mass.gov/dhcd)/cdbg. DHCD seeks comments regarding the amendment from all interested parties.

The public comment period will run from July 2, 2021 through close of business on July 9, 2021. 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.