

# **CITY OF BOSTON**

## **Substantial Amendment III To CARES Act Funding: CDBG- CV**

**Posted 6/24/21  
for Public Comment**



**Kim Janey, Mayor**

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

The Department of Neighborhood Development (DND) previously amended the Program Year 2019 Action Plan, to program and expend a total of **\$20,039,341** 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.

At this time, we are making a budget transfer of \$10 million in CDBG-CV funds between two programs. Because the budget change is more than 10% of all of the CDBG-CV funds received, we provided notice to citizens and other interested parties of this change and provided an opportunity to comment.

<b>CDBG - CV BUDGET (June 2021)</b>				
<b>Program</b>	<b>Use</b>	<b>Existing CDBG-CV</b>	<b>Change</b>	<b>New Total CDBG-CV</b>
Housing Stability + Homeless Prevention	Emergency Rental Payments	\$17,150,000	<b>(\$10,000,000)</b>	\$7,150,000
Production of Affordable Housing	Acquisition, Rehabilitation and Production of Affordable Housing	\$850,000	<b>\$10,000,000</b>	\$10,850,000
Management of Program & Administration of Grant Funds		\$2,039,341	\$0	\$2,039,341
<b>TOTAL</b>		<b>\$20,039,341</b>	<b>\$0</b>	<b>\$20,039,341</b>

**Production of Affordable Housing:** We are adding \$10 million in CDBG-CV funds to our Housing Production program to increase the supply of affordable rental housing to income eligible households.

Affordable units are restricted to households with a maximum household income at or below 80% of the CDBG income limit as set by HUD. For a 3-person household, the income is capped at \$90,950. At least 51% of the

units in a proposed property must meet this 80% threshold. In addition, at least 40% of units must be restricted to households with a maximum household income at or below 60% of the Area Median Income (AMI). For a 3-person household, the income at 60% AMI is capped at \$72,480.

CDBG-CV funding will be targeted to the acquisition and rehabilitation of property to create affordable housing for homeless and at-risk households to reduce the number of people living in an emergency shelter or on the street to prevent the spread of COVID-19.

Project Name	Housing Production
<b>Goals Supported</b>	Acquisition and/or Acquisition with Rehabilitation of Property (01, 14G); Rehabilitation (14B, 14D); Construction of Housing (12)
<b>Needs Addressed</b>	Permanent Affordable Rental Housing
<b>Funding</b>	CDBG-CV \$10,850,000
<b>Description</b>	Creation of affordable rental housing
<b>Estimate of the number of households assisted</b>	250 units of affordable rental housing

**Housing Stability & Homeless Prevention:** We are transferring \$10 million in CDBG-CV from the Rental Relief Fund (RRF) to the Housing Production Program. The RRF helps income-eligible tenants achieve housing stability by providing direct financial relief to assist with rental payments. In addition to CDBG-CV dollars, the RRF is supported by **\$59 million** in Federal Coronavirus Relief Fund (CRF) and Emergency Rental Assistance Program (ERAP) revenue. As of 6/8/21, over 2,800 households have received assistance through the RRF from these non CDBG-CV sources.

The RRF is managed by DND’s Office of Housing Stability and three nonprofit partners, Metro Housing|Boston, Neighborhood of Affordable Housing (NOAH) and Project Hope. Complete information on the RRF is posted here: <https://www.boston.gov/departments/neighborhood-development/office-housing-stability/rental-relief-fund>.

<b>Project Name</b>	<b>Rental Relief Fund</b>
<b>Goals Supported</b>	Public Services (05Q)
<b>Needs Addressed</b>	Housing Stability, Homelessness Prevention
<b>Funding</b>	CDBG-CV \$7,150,000.
<b>Description + Number Served</b>	Provide direct financial relief to assist with rental payments to households.
<b>Estimate of the number of households assisted</b>	Approximately 1,500 households.

**Citizen Participation Process:** This third Substantial Amendment was prepared in accordance with the HUD waiver granted to expedite actions to respond to COVID-19. Specifically, the Citizen Participation Public Comment Period is 5-days rather than the standard 30-days. The Amendment was posted on the Department’s web page with email 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.

Comments: One comment was received from Pine Street Inn in support of the Amendment.

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