



TOWN OF ARLINGTON
DEPARTMENT OF PLANNING and
COMMUNITY DEVELOPMENT

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MEMORANDUM

To: Arlington Select Board

From: CDBG Subcommittee

Date: October 15, 2020

RE: CDBG-CV3 Program Activities Recommendation

As the Select Board is aware, on March 27, 2020, Congress passed the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The CARES Act provided additional federal funds for those most in need and also provides for waivers of statutory requirements related to funding limitations and statutory timelines. As part of the CARES Act, CDBG entitlement communities were awarded an additional allocation of funding, CDBG-CV, to support low- to moderate-income residents impacted by the coronavirus pandemic.

In the initial round of CDBG-CV funding, Arlington received an allocation of \$659,903 from HUD. With approval from the Select Board and as detailed in the April 2020 Substantial Amendment to the 2019-2020 Annual Action Plan, the Town dedicated \$400,000 to emergency rental assistance, \$200,000 to microenterprise assistance, and \$59,903 to public services. To date, \$232,860.79 has been disbursed through rental assistance and reimbursements to small businesses.

On September 11, 2020 the third round of CDBG-CV funding was announced, CDBG-CV3 (Part A). In this allocation, Arlington was awarded \$320,485. This memo recommends funding activities, in addition to the process and timeline for consideration by the Select Board.

CDBG-CV3 Funds

The activities explained in this memo are classified as Business Assistance and Public Services. The activities align with the overarching goals of the 2020-2024 Consolidated Plan and CDBG National Objectives, while addressing exigent community needs resulting from the pandemic.

Total CDGB-CV3 Award	\$320,485
Business Assistance	\$200,000
Public Services	\$120,485

Business Assistance

In the current environment wherein 10 small businesses in Arlington have closed since the start of the pandemic, and many more have had to restrict opening hours and layoff or furlough

employees due to social distancing and phased reopening limitations, the Subcommittee recommends using the majority of funding toward business assistance. Moreover, unemployment in Arlington skyrocketed from 1.7% in March of 2020 to a high of 10.9% in June (Massachusetts Department of Unemployment Assistance). Though the latest available figures from August show a slightly decreased unemployment rate of 7.3%, the impact of the pandemic on the upcoming winter months is uncertain. The overarching goal of a small business program is to help avoid job loss to low-and-moderate income persons caused by business closures related to the pandemic, through short-term working capital assistance to small businesses.

With funding totaling \$200,000, this program will aim to serve up to 20 small businesses (those with a maximum of 20 full-time equivalent employees, including the owner) with an average grant of \$10,000. On a discretionary basis, the CDBG Subcommittee will adjust grants to a greater or lesser amount. Feedback attained from the Arlington Economic Development Recovery Task Force and the Arlington Chamber of Commerce, as well as best practices from peer entitlement communities, will be used to refine the small business program in order to ensure local business owners are supported in the most helpful manner. Please note that this program differs from the business assistance program during the first round of CDBG-CV funding, which served only microenterprises – businesses with no more than 5 employees. This allocation will address immediate community needs while supporting two goals of the 2020-2024 Consolidated Action Plan: 1) Increase Economic Development Opportunities; and 2) Increase Access to Jobs, Education, Transportation and Other Services.

Public Services

Because the CARES Act lifted the public service cap, the CDBG Subcommittee also recommends funding local public service agencies that provide support to those affected by the pandemic. Examples of support services that relate to basic needs, other than housing, that the Subcommittee may consider funding include other household expenses, food security, mental health counseling, child care, transportation, and senior support. Funding public services also aligns with Arlington's priority needs, as defined in the Consolidated Plan. The Town will prioritize needs for investment in public and human services, which includes a suite of public and private agencies. The amount of funding recommended for these programs is \$120,485.

Following discussions with the School Department, the Subcommittee recommends funding a supplemental tutoring program with a grant of \$60,200. This grant will specifically support students struggling with the altered remote schooling format necessitated by Covid-19. Tutoring will be conducted online by qualified and trained tutors and will be available to students in low-to-moderate income households. Experts estimate that low-income students in districts not returning to fully in-class schooling until at least January 2021 will experience an average of 12.4 months of learning loss, compared with an overall average of 6.8 months lost ([McKinsey & Company](#)). Providing students with additional individualized support may mitigate the impacts of the current non-traditional learning environment. The School Department also shared the need to purchase WiFi hotspots, which will support students in low-moderate income households whose inconsistent internet access affects their ability to participate fully in school. For these programs, we recommend funding \$60,200.

For the remaining balance of the CDBG-CV3 (Part A), we recommend providing the Department of Health and Human Services with a grant to establish a testing center on-site at Menotomy Manor for tenants. The grant will fund testing kits, contracted testing and diagnostic services, PPE, and other necessities for a safe testing site and will serve the requisite low- to-moderate income population. The recommended funding for this program is \$60,200.

Next Steps

If the Select Board endorses these recommendations, the CDBG Subcommittee will commence a five-day public comment period in October to the proposed substantial amendment of the 2019-2020 Annual Action Plan. Following the public comment period, the substantial amendment of the 2019-2020 Annual Action Plan will be submitted to HUD for review. If approved, we anticipate funding to begin in early December.

Recommendations for programming CDBG-CV3 (Part A) funding:

Total CDGB-CV3 Award	\$320,485
Business Assistance	\$200,000
Public Services – HHS	\$60,200
Public Services – School Department	\$60,200