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M E M O R A N D U M

TO: Members of Newton Planning and Development Board

CC: Jonathan Yeo, Chief Operating Officer

FR: Barney Heath, Director of Planning and Development
Amanda Berman, Director of Housing and Community Development
Danielle Bailey, Grants Manager
Tiffany Leung, Senior Community Development Planner

RE: Substantial Amendment to FY20 Annual Action Plan and FY16-20 Consolidated Plan to include the allocation of additional Community Development Block Grant Coronavirus (CDBG-CV3) funds (\$607,513), as authorized by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), for the following programs: Human Services Program (Round 2); Small Business Recovery Grant Program (Round 2); and Program Administration

Date: December 4, 2020

1.) OVERVIEW

As authorized by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Public Law 116-136, the City of Newton will receive \$607,513 in additional Community Development Block Grant Coronavirus (CDBG-CV3) funds from the U.S. Department of Housing and Urban Development (HUD). These funds must be used exclusively **to prevent, prepare for, and respond to the coronavirus (COVID-19)**. To accept these special funds, the City of Newton must submit a substantial amendment to its FY20 (FFY2019) Annual Action Plan and FY16-20 Consolidated Plan, outlining the proposed use of the CDBG-CV3 funds.

The following pages detail the proposed uses for these funds, which fall into three categories:

- 1. Human Service Program (Round 2)**
- 2. Small Business Recovery Grant Program (Round 2)**
- 3. Program Administration**

The following proposed budget provides further detail on Newton’s CDBG-CV3 allocation of \$607,513:

City of Newton - Community Development Block Grant FY20 CARES Act Proposed Budget (CDBG-CV3) - 12.4.20					
\$607,513		Total CDBG-CV3 Allocation from HUD through CARES Act			
Program Area	% of Allocation	Program Budget			
Human Services (minimum \$20,000 grant)	40.7%	\$247,000.00	Avg. Program Budget (Estimate)	Estimated Total Number of Programs	
	2	\$40,000.00	\$20,000.00		2
	2	\$80,000.00	\$40,000.00		2
	2	\$120,000.00	\$60,000.00		2
Total		\$240,000.00			6
Small Business Assistance Grant Program	49.4%	\$300,000.00	Avg. Grant Amount (Estimate)	Estimated Total Number of Grants	
	18	\$180,000.00	\$10,000.00		18
	8	\$120,000.00	\$15,000.00		8
Total	100.0%	\$300,000.00			26
Program Admin	10.0%	\$60,513.00			
Total	100.0%	\$607,513.00			

Included as attachments to this memo are summaries of the programs funded by the City’s first round of CDBG-CV funds, first presented to the Planning & Development Board on May 4, 2020, including:

- **COVID-19 Emergency Housing Relief Program** (\$500,000 or 44% of CDBG-CV funding), to provide financial assistance for income-eligible Newton residents for up to 3 months of rent or mortgage payments.
- **COVID-19 Small Business Recovery Grant Program** (\$300,000 or 26.4% of CDBG-CV funding), to provide grants to existing small brick and mortar businesses in Newton that have experienced significant business disruption due to COVID-19.
- **Human Services Program** (\$300,210 or 26.4% of CDBG-CV funding), to provide grants for a total of 9 human service projects through 9 sub-grantee agencies.
- **Program Administration** (\$35,918 or 3.16% of CDBG-CV funding).

2.) HUMAN SERVICES PROGRAM (Round 2)

\$247,000 (41% of CDBG-CV3 budget)

HUD caps the human services allocation at 15% of the City’s total annual CDBG grant. However, under the CARES Act, HUD has lifted the human services cap on CDBG-CV funds. As a result, \$247,000

(40.7% of total grant amount) in CDBG-CV3 funds will be made available to the Human Services Program (Round 2) through a Request for Proposals (RFP) process.

Through the Human Services Program, the City will award CDBG-CV3 funds to programs that **provide a direct service** to support Newton’s low- to moderate-income population. These special funds must be used **to prevent, prepare for, and respond to the coronavirus pandemic** (COVID-19). Priority will be given to those proposals that demonstrate a direct service to Newton’s low- and moderate-income population and address the community’s most urgent needs, including utility payments, in-person child care and youth programming, food insecurity, mental health services, and other basic needs.

Programs must benefit Newton low- and moderate-income residents with household incomes at or below 80% of the Boston-Cambridge-Quincy Area Median Income limit or Newton residents who are otherwise “presumed” to be eligible, including: adults with disabilities, people who are homeless, people who are survivors of domestic violence, elders (age 62+), abused children, people with AIDS, and people who are illiterate. Program beneficiaries are required to self-certify their household income based on their current income.

FY20 HUD Income Limits			
effective April 1, 2020			
No. in Family	30% of AMI	50% of AMI	80% of AMI
<u>1</u>	\$26,850	\$44,800	\$67,400
<u>2</u>	\$30,700	\$51,200	\$77,000
<u>3</u>	\$34,550	\$57,600	\$86,650
<u>4</u>	\$38,350	\$63,950	\$96,250
<u>5</u>	\$41,450	\$69,100	\$103,950
<u>6</u>	\$44,500	\$74,200	\$111,650
<u>7</u>	\$47,600	\$79,300	\$119,350
<u>8 or more</u>	\$50,650	\$84,450	\$127,050

Applicants must demonstrate the urgency for these special funds as it relates to the impacts of COVID-19. In addition, applicants must have the capacity to fully expend these funds by December 31, 2021. To optimize its grant dollars, the City intends to award fewer grants in larger amounts to successful applicants. The minimum grant request must be \$20,000 in CDBG-CV funds.

While housing assistance continues to be one of the most urgent needs in the community, \$500,000 of FY20 CDBG-CV funds, in addition to \$2 million of Community Preservation Act funds, were allocated to create a City of Newton Emergency Housing Relief Program, which is currently being administered by Metro West Collaborative Development on behalf of the City. To that end, Human Service proposals addressing other COVID-19-related urgent needs in the Newton will be prioritized for this Human Service RFP.

The FY20 CDBG-CV3 Human Services RFP was released on November 18, 2020 and proposals are due by 5:00 pm on Wednesday, December 9, 2020. Proposals will be reviewed by a committee comprised

of representatives from the Department of Planning and Development and the Department of Health and Human Services. Proposals will be evaluated based on the program's eligibility, targeted population, and staff capacity. Priority will be given to those proposals that demonstrate a direct service to Newton's low- and moderate-income population and address the community's most urgent needs as they relate to COVID-19. Awards will be announced within approximately two weeks of the application deadline.

As detailed in the proposed CDBG-CV3 budget, it is anticipated that the CDBG-CV3 Human Services program will support approximately 6 human service agencies.

3.) COVID-19 SMALL BUSINESS RECOVERY GRANT PROGRAM (Round 2)

\$300,000 (49% of CDBG-CV3 budget)

Utilizing \$300,000 (49.4% of total grant amount) in CDBG-CV3 funds, this program will support the stabilization of existing small brick and mortar businesses within the City of Newton that have experienced significant business disruption due to COVID-19. These grant funds will assist small businesses in the City of Newton to pay for commercial rent or mortgage, wages, loss of inventory, personal protective equipment (PPE), and other demonstrated costs. Physical improvements to the place of business will not be considered, with the exception for PPE installations under \$2,000. These special CDBG funds must be used **to prevent, prepare for, and respond to the coronavirus pandemic** (COVID-19) by keeping small businesses operational.

While the CDBG program is primarily designed to assist low- and moderate-income (LMI) persons, on rare occasions the Urgent Need national objective may be used for up to 30% of the overall CDBG-CV program budget. Given that the COVID-19 pandemic is not only a health crisis but also an economic crisis, it is fitting to once again use the Urgent Need national objective as a tool to bolster the economic health and welfare of Newton.

Please note that the following guidelines are still in draft form, as the specifics of Round 2 of the Small Business Recovery Program are still being finalized prior to program launch in early January 2021. In addition, Round 2 of the program will be administered on a cloud-based software called Neighborly Software. All applicants will complete their application through this online portal, customized for Newton's program. <https://www.neighborlysoftware.com/>

Round 2 SBR Program DRAFT Guidelines:

To be a CDBG-eligible activity within this program, the business must fit one of the following descriptions:

- **Microenterprise:** A microenterprise is a for-profit business with five or fewer full-time equivalent (FTE) employees, including the owner(s).
- **Small Business:** A small business is a for-profit business with 5+ to 20 full-time equivalent (FTE) employees.

(FTE = average weekly hours - 40 hours)

ELIGIBLE APPLICANTS

In order to participate in the Newton COVID-19 SBR2 Grant Program, businesses must meet all the following criteria:

- The business must qualify as a microenterprise, meaning that business currently has no more than 5 FTE employees, including the owner(s)

OR

The business has no more than 20 FTE employees

- The business has less than \$2 million in annual revenue (based on 2020 financials)
- The business has experienced a loss of revenue of 30% or more due to COVID-19 (based on revenue comparison of 2019 and 2020)
- Be a for-profit enterprise
- Has a physical establishment within the City of Newton, which is the business' primary place of business (e.g. ancillary warehouse, offices, or other structures will not be considered as a primary place of business)
- The business is an existing small brick and mortar business
- Business is legally able to operate
- Has no outstanding tax liens or legal judgments

INELIGIBLE APPLICANTS

Ineligible applicants include, but are not necessarily limited to, independent contractors and consultants, home-based businesses, liquor stores, and franchisees of national or regional chain businesses. Ineligible applicants per federal and CDBG regulations are non-profits and marijuana establishments.

The City reserves the right to reject any application that is incomplete or does not meet federal eligibility requirements. As there will likely be more applicants than funding availability, the City reserves the right to use its judgment to select grantees that best meet and advance the goals of this program.

GRANT REQUEST AND USE OF FUNDS

Grants of \$10,000 may be awarded for microenterprises and \$15,000 for small businesses up to 20 FTE employees.

Businesses may use the grant funds to cover: 1.) employee wages; 2.) loss of inventory; 3.) rent or commercial mortgage; 4.) utilities; or 5.) other demonstrated costs, including the costs of PPE. Note that permanent or semi-permanent PPE installations must not exceed \$2,000 under this program.

At least 50% of the grant request must be for commercial rent or mortgage.

Grant funds may be used to reimburse prior COVID-19 related expenditures, pending staff approval. Additional financial needs may be considered on a case-by-case basis.

EVALUATION PROCESS AND CRITERIA

Following a completed application, Planning & Development Department staff will begin the review process. All applications will be reviewed and prioritized based on the criteria listed below. The Selection Committee will review the merits of each application and vote to advance a portion of the applications to the next level of review. Applications that progress to the next phase of review must provide additional documentation. Final awards will be based on the Selection Committee's review of applications against the stated criteria. The Committee will be comprised of staff from the Planning & Development Department as well as appointed Economic Development Commission members. Final awards will also be evaluated based on geographic and business sector distribution.

Priority will be given to businesses that did not receive a prior grant award from the Newton COVID-19 Small Business Recovery Grant Program.

Applications will be evaluated based on the following criteria:

- Extent of the COVID-19 hardship
- Severity of the need
- Financial health of the business prior to and during COVID
- A solid operation and recovery plan that is realistic and financially feasible
- Low- to moderate-income (LMI) owned business
- Business provides LMI employment (an LMI job earns annual wages of \$67,400 or less)
- Business can provide goods or services to LMI individuals
- Proximity to a village district and storefront visibility
- Business provides essential goods and/or services
- Strength of community outreach and engagement
- Proposed use of grant funds will have significant impact on business' survival and success
- Clear, demonstrated costs are reasonable and greater than or equal to the amount requested. There can be no duplication of benefits, meaning that no other public resources are available to cover the specific costs attributed to this program.
- Business is not eligible for or has not already received significant amounts of PPP, EIDL loans or grants, or any other form of federal, state or local public assistance

REPORTING

If awarded a grant, the business must submit a final report by December 31, 2021, that documents the actual use of funds, and describes how the funds have affected the business's recovery.

4.) CDBG-CV3 PROGRAM ADMINISTRATION

\$60,513 (10% of CDBG-CV3 budget)

Typically, HUD caps the program administration allocation at 20 percent of the City's total annual CDBG grant. For this CDBG-CV3 grant, it is proposed that 10% of the grant will be allocated towards program administration to cover Housing & Community Development Division staff time and other overhead costs related to the administration, review, and compliance reporting of these programs until grant close-out.

PUBLIC COMMENTS & ADDITIONAL INFORMATION

Please contact Amanda Berman, Director of Housing and Community Development, at aberman@newtonma.gov with any questions regarding the proposed allocation of CDBG-CV3 funds.

Public comments will be accepted at the Public Hearing at 7:00 pm on Monday, December 7 at the Planning & Development Board meeting and in writing to Amanda Berman, Director of Housing and Community Development, via email at aberman@newtonma.gov or via mail to the Planning and Development Department, Attn: Amanda Berman, 1000 Commonwealth Avenue, Newton, MA, 02459. The deadline for submitting comments is Friday, December 11, 2020 at 5:00 pm.

ATTACHMENTS:

- A.) Newton CDBG-CV Human Services Program, Round 1 Summary To-Date
- B.) City of Newton COVID-19 Small Business Recovery Grant Program, Round 1 Summary To-Date
- C.) Newton COVID-19 Emergency Housing Relief Program Summary To-Date

Attachment A
Newton CDBG-CV Human Services Program
Round 1 Summary To-Date

HUD caps the human services allocation at 15% of the City’s total annual CDBG grant. However, under the CARES Act, HUD has lifted the human services cap on CDBG-CV funds. As a result, \$300,210 (26.4% of total grant amount) in CDBG-CV funds was made available to the Human Services Program through a Request for Process (RFP) process. These supplemental funds were meant to support programs that directly provide stability across the lifespan for Newton’s low- to moderate-income population and must be used to prevent, prepare for, and response to the coronavirus pandemic (COVID-19).

The FY20 CDBG-CV Human Services RFP was released on April 17, 2020 and proposals were reviewed by a committee comprised of representatives from the Department of Planning and Development and the Department of Health and Human Services. Proposals were ranked on May 13, 2020 and were evaluated based on the program’s eligibility, targeted population, and staff capacity. In addition, priority was given to proposals that demonstrated an urgent need for CDBG-CV funds as it relates to the impacts of COVID-19.

The following agencies and programs were awarded CDBG-CV funds at the prescribed levels:

FY20 CDBG-CV Human Service Recipients		
Agency	Program	CDBG-CV Award
2Life Communities	Emergency COVID-19 Food Relief	\$20,000.00
Barry Price Rehabilitation Center	Ensuring Safe and Enriching Services for Individuals with Intellectual and Developmental Disabilities during the COVID-19 pandemic	\$17,500.00
Family ACCESS of Newton	Building Affordable Childcare Capacity for the Returning Workforce	\$105,000.00
Horace Cousens Industrial Fund	Emergency Assistance for Utilities	\$50,000.00
Newton Community Development Foundation	Resident Services Touchtown Program	\$24,600.00
Newton Housing Authority	Resident Services Program	\$16,460.00
Newton Senior Services	Food and Essential Items Shopping Program	\$30,150.00
Pathway to Possible	P2P COVID-19 Support	\$20,000.00
Riverside Community Care	Telehealth Psychiatry Services	\$16,500.00
Total		\$300,210.00

Please note that Riverside Community Care recently informed staff that they will not utilize their CDBG-CV award, as Medicaid will now cover the cost of Telehealth Psychiatry Services, which was not

the case when they applied for the program in early summer. Their award of \$16,500 will be re-allocated to another Human Service agency or Small Business through the Round 2 programs.

The following tables provide a snapshot of the CDBG-CV Human Service Program, as of September 30, 2020, the date of the last quarterly reports submitted to city staff. Again, these tables do not include Riverside Community Care.

As of the end of September, the program served a total of 1,768 individuals, 79% of which are White. Approximately 6% of individuals served by the program are Hispanic / Latino. The vast majority of individuals served by the program are extremely low-income (86%), having annual incomes at or below 30% of the area median income (AMI). Over 50% of the total CDBG-CV Round 1 Human Service budget was expended by the end of September.

Race	# Served	Of all served, % by race
White	1405	79%
Black/African American	145	8%
Black/African American & White	14	1%
Asian	135	8%
Multi-Racial	69	4%
Total	1768	100%
Non-Hispanic/Latino	1663	94%
Hispanic/Latino	105	6%
Income	# Served	Of all served, % by race
30% AMI	1524	86%
50% AMI	123	7%
80% AMI	116	7%
Over 80% AMI	5	0%
Total	1768	100%
# Served under 50% AMI	1647	93%
Financials	Amount	% of Total Awarded
Total Expenditure thru 9/30/2020	\$ 142,258.53	50.1%
Balance thru 9/30/2020	\$ 141,457.47	49.9%
Total Awarded	\$ 283,716.00	100%

Attachment B
Newton COVID-19 Small Business Recovery Grant Program
Round 1 Summary To-Date

On May 13, 2020, the Planning and Development Department released its Round 1 application to the Newton COVID-19 Small Business Recovery Grant Program to aid in the stabilization of existing small brick and mortar businesses within the City that faced significant business disruption due to the impact of COVID-19. The Program was allocated \$300,000 (26.4%) of the \$1,136,128 in FY20 Community Development Block Grant (CDBG) Program Supplemental Funds (CDBG-CV) made available to the City through the Coronavirus Aid, Relief, and Economic Security Act (CARES Act).

The program sought to assist small businesses in paying for commercial rent or mortgage, wages, loss of inventory, and other demonstrated costs. Grant awards were divided into two groups: microbusiness grants of \$10,000 (businesses with 5 or fewer employees) or small business grants of \$15,000 (businesses with 6- 20 employees). Despite the distinction between the two groups, all applicants were required to demonstrate the following to be considered eligible for the program: a loss of revenue of at least 50% due to COVID-19 since the Massachusetts State of Emergency on March 10, 2020; be a for-profit enterprise; have a physical establishment within Newton; and have no outstanding tax liens. Independent contractors and consultants, home-based businesses, liquor stores, franchisees of national or regional chain businesses, non-profits, and marijuana establishments were deemed ineligible for the program.

Eligible and interested businesses were required to submit an application that was accessible on a newly created Small Business Recovery Program webpage on the City's website. In addition to completing the application, businesses were required to submit the following:

- Income Self-Certification for all microenterprise businesses
- 2018 Business Tax Return
- Documentation demonstrating that COVID-19 caused at least a 50% decrease in revenue
- Payroll records documenting current number of employees prior and following the Massachusetts State of Emergency Declaration
- MA-WR1 form for periods ending 12/31/19 and 3/31/20
- Documentation supporting the costs outlined in their grant budget in the application
- Completed IRS W-9 form

At the time of the application deadline of May 27, 2020, **a total of 107 applications** (71 microbusiness and 36 small business) had been received. An internal selection committee consisting of Planning and Development Department staff and two Economic Development Commission members reviewed each of the applications against a scoring rubric to determine the highest-ranking applicants. The scoring rubric analyzed applications against a number of criteria including:

- The depth of the business impact hardship brought about by the pandemic
- The length of time the business has been in Newton
- The overall business profile outlook pre-COVID
- Whether the business was located in a village center
- The level of detail and confidence provided in their recovery plan

- Whether the business was owned by, likely to employ, or serve low- and moderate-income persons
- The extent to which a business would serve Newton residents on a frequent basis
- The extent to which businesses were able to receive other federal business assistance
- Whether the grant requested was reasonable and tied to the overall recovery plan

A total of nineteen (19) microbusinesses and eight (8) small business grants were awarded throughout Newton. The majority of awardees were defined as “personal service” establishments, such as hair and nail salons, spas, gyms, and dry cleaners. Restaurants also comprised a significant number of awardees. This was expected as both industries suffered disproportionately because of abrupt and complete closures early on in the pandemic. The awardees were scattered throughout the City, with representation in ten villages. Most, however, were located in Newton Centre and Nonantum. The funded businesses also represented a range in longevity in Newton ranging from the 40-year presence of Newtonville Pizza to the start-up, Flora’s Wine Bar.

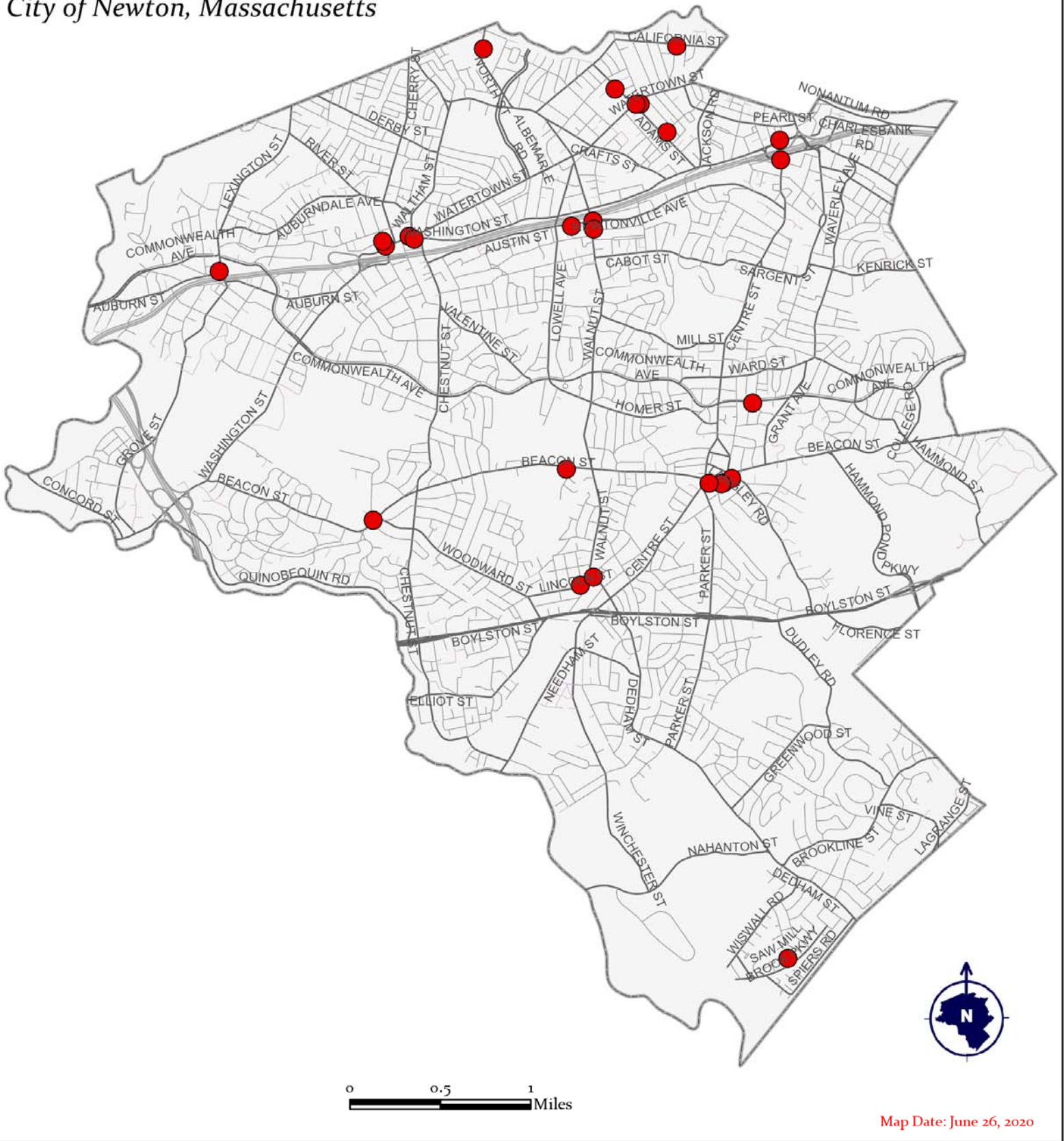
The following pages provide a list of the businesses that received a Round 1 SBR grant, as well as a map of Newton, showing the geographic distribution of these businesses.

Newton COVID-19 Small Business Recovery Grant Program Recipients

Business Name	Address	Village	Business Type	Type Detail	Grant Amount
Dressing Room	293 Auburn St	Auburndale	Retail	Apparel/ Jewelry	\$ 10,000
LNC Corporation dba Salon de Cinzia	1146 Beacon St	Four Corners	Personal Services	Salon/ Barber	\$ 15,000
Taco Connection, Inc. DBA Café Sol Azteca	75 Union Street	Newton Centre	Food/ Restaurant	Dine In	\$ 15,000
ANP Ventures Inc./dba Baramor	45 Union Street	Newton Centre	Food/ Restaurant	Dine In	\$ 15,000
11:11 Health Bar	87 Union Street	Newton Centre	Food/ Restaurant	Take Out	\$ 10,000
Perfect Fit Tailors and Cleaners	560 Commonwealth Ave	Newton Centre	Personal Services	Dry Cleaner	\$ 10,000
A&Q Beauty Inc. dba Bella Lash Nails & Spa	1280 Centre St	Newton Centre	Personal Services	Nail Salon	\$ 10,000
Christines Day Spa and Electrolysis	1280 Centre Street	Newton Centre	Personal Services	Spa/ Massage/ Tan	\$ 15,000
Thigpen Corporation dba Corner Café	321 Washington Street	Newton Corner	Food/ Restaurant	Take Out	\$ 10,000
Radiant Spa & Massage	431 Centre St	Newton Corner	Personal Services	Spa/ Massage/ Tan	\$ 10,000
Salon Joie De Vie	55 Lincoln Street	Newton Highlands	Personal Services	Nail Salon	\$ 15,000
Little Red Wagon Playschool	50 Winchester Street	Newton Highlands	Personal Services	Daycare	\$ 15,000
Sophia Sumagena dba Skin Innovations Spa	1149 Walnut St	Newton Highlands	Personal Services	Spa/ Massage/ Tan	\$ 10,000
Newtonville Pizza	322 Walnut St	Newtonville	Food/ Restaurant	Take Out	\$ 10,000
Newton Sewing Studio	161 North Street	Newtonville	Other	Crafts	\$ 10,000
The Foundation Chiropractic Inc.	46 Austin Street	Newtonville	Personal Services	Medical Services	\$ 10,000
The Bella Boutique Spa	296 Walnut Street	Newtonville	Personal Services	Spa/ Massage/ Tan	\$ 15,000
The Icing on the Cake	230 Adams Street	Nonantum	Food/ Restaurant	Catering	\$ 10,000
Eddie's Breakfast & Lunch	394 Watertown St	Nonantum	Food/ Restaurant	Diner	\$ 10,000
Nonantum Boxing Club	75 Adams Street	Nonantum	Personal Services	Gym/ Fitness	\$ 10,000
Umberto Petruzzello DBA Salone Di Bellezza	402 Watertown Street	Nonantum	Personal Services	Salon/ Barber	\$ 10,000
The Royal Barbershop	667 Saw Mill Brook Pkwy	Oak Hill	Personal Services	Salon/ Barber	\$ 10,000
Crystal Nail and Spa	1629 Beacon St	Waban	Personal Services	Nail Salon	\$ 10,000
Flora's Hospitality LLC/dba Flora's Wine Bar	1284 Washington St.	West Newton	Food/ Restaurant	Dine In	\$ 10,000
Judith's Kitchen	1371 Washington St	West Newton	Food/ Restaurant	Take Out	\$ 10,000
Fit 4 Personal Training LLC dba Fit 4 Newton	105 Elm Street	West Newton	Personal Services	Gym/ Fitness	\$ 10,000
Hair by Hanna	1299 Washington St	West Newton	Personal Services	Salon/ Barber	\$ 10,000

Small Business Recovery Grants

City of Newton, Massachusetts



Map Date: June 26, 2020



CITY OF NEWTON, MASSACHUSETTS
Mayor - Ruthanne Fuller

The information on this map is from the Newton Geographic Information System (GIS). The City of Newton cannot guarantee the accuracy of this information. Each user of this map is responsible for determining its suitability for his or her intended purpose. City departments will not necessarily approve applications based solely on GIS data.

Attachment C

Newton COVID-19 Emergency Housing Relief Program Program Summary To-Date

In response to the loss of income to Newton households due to the coronavirus (COVID-19), the City of Newton created the COVID-19 Emergency Housing Relief Program utilizing its federal Community Development Block Grant Coronavirus (CDBG-CV) funds (\$500,000, 44% of total CDBG-CV grant amount) and Community Preservation Act (CPA) funds (\$2,000,000). This program was designed to provide assistance in an efficient and responsive manner. The program is temporary in nature and funding is limited.

The program provides short-term financial assistance for rent or mortgage payments on behalf of individuals or families, for the purpose of preventing homelessness. Payments are made directly to the landlord or lender.

Applicants are eligible for:

- Up to three months and possibly six months of housing assistance¹
- The program will cover 70% of a household's monthly rent, with a maximum monthly assistance amount of \$2,500 per household (or \$7,500 per household for three months)
- Mortgage assistance is only available to those income eligible households who reside in affordable deed restricted units. The program will cover 70% of a household's monthly deed-restricted mortgage payment, with a maximum monthly assistance amount of \$2,500 per household (or \$7,500 per household for three months)

Eligibility

An eligible renter household is one that:

- Currently lives in the City of Newton
- Has reduced income because of COVID-19 (and can demonstrate this financial hardship)
- Has an annual income at or below 80% of Area Median Income (AMI) at the time of application to the program
- Households currently receiving rental assistance (e.g. Public Housing tenants, RAFT, Section 8, MRVP or other locally administered support) are also eligible for this program

An eligible homeowner household is one that:

- Currently lives in the City of Newton
- Resides in an ownership unit that is deed-restricted affordable (restriction recorded with the Registry of Deeds)
- Has reduced income because of COVID-19 (and can demonstrate this financial hardship)
- Has an annual income at or below 80% of Area Median Income (AMI) at the time of application to the program

¹ The program was originally designed to provide three months of assistance per household; however, in September 2020, the Community Preservation Committee voted to extend the total amount of assistance to six months.

- Households currently receiving mortgage assistance under the RAFT program, or another mortgage assistance program, are also eligible for this program

The Emergency Housing Relief Program is being administered by Metro West Collaborative Development (MWCD), on behalf of the City of Newton. MWCD is a non-profit community development corporation based in Newton. The City has worked closely with MWCD to develop this program based on best practices provided by the Community Preservation Coalition and Massachusetts Housing Partnership. MWCD administers the day-to-day implementation and operations of the program, including overseeing the application process, verifying eligibility, releasing monthly payments directly to landlords or mortgage servicing agencies, keeping detailed case files, and providing regular reporting to the City of Newton. More information on MWCD can be found here: <https://metrowestcd.org/>

Households Served and Funding Awarded To-Date:

As of October 31, the program has successfully assisted a total of **201 households**. Of these 201 cases, 6 households have received mortgage assistance, while the remaining households have received emergency rental assistance. Through the end of October, the program awarded a total of **\$897,453** of direct rental and mortgage assistance to eligible households, at an average monthly housing payment of approximately \$1,410 per household.

When the program first launched in the spring, the maximum amount of assistance per household was capped at three months; however, in early September, the Community Preservation Committee (CPC) voted to extend the timeframe by three months. Planning Department staff and Metro West Collaborative Development, who is administering the program on behalf of the city, believe that since July, the program has served a large portion of the most vulnerable households in Newton who have been financially impacted by COVID-19. As we stated to the CPC in September, while there are surely some households that will enter the program for the first time later in the fall and into the winter as they are let go from their employment, exhaust their savings, or realize that their ability to financially ride out the crisis is becoming more challenging, we feel strongly that the initial cohort of extremely low and low-income households first served in July, August, and September will continue to need the greatest financial support throughout the coronavirus pandemic.

While the marketing for the program launched on May 13th, the first batch of assistance was not released until late June, in time for July 1st rent and mortgage payments.

- **“July cases”** - 154 households first received emergency housing assistance for the month of July. Under the original program guidelines, the assistance for these July cases would have run out after September, but because of the three-month extension, all “July” households that could still prove program eligibility at that time were offered an extension of three months of assistance in time for October 1st rent and mortgage payments. Of the 154 July cases, 134 households (87%) extended their assistance for another three months; 5 households have yet to respond to Metro West’s outreach; 6 households have moved out of Newton; and 9 households no longer needed the assistance.

- **“August cases”** – 29 new households received emergency housing assistance for the first time for the month of August. These “August cases” were eligible to receive assistance for the months of September and October as well. Those that were able to prove continued program eligibility in mid-October were offered an extension of three months of assistance in time for November 1st rent and mortgage payments. Of the 29 August cases, 18 households (62%) extended their assistance for another three months; however, Metro West believes that this number will increase over the next week or so.
- **“September cases”** - 6 new households received emergency housing assistance for the first time for the month of September. These “September cases” were eligible to receive assistance for the months of October and November as well. Those that are able to prove continued program eligibility in mid-November will be offered an extension of three months of assistance in time for December 1st rent and mortgage payments.
- **“October and November cases”** - 12 new households received emergency housing assistance for the first time for the month of October, and 4 new households received assistance for the first time for the month of November. One of the 12 households in October received mortgage assistance.

Characteristics of Households Served To-Date:

Over 90% of households served by the program as of the end of October have an annual income at or below 65% AMI (post-COVID). Of these 201 total households, approximately 55% have an annual income at or below 30% of the area median income (AMI), with an additional 26% between 31% and 50% AMI. Approximately 10% of the households have an annual income between 51% and 65% AMI, and the remaining 9% of program households have an annual income between 66% and 80% AMI.

Many of these households were employed in the restaurant industry and gig economy pre-COVID. While some of these individuals have begun working again, many are not back to their normal work schedules and earning levels. Other forces working against these vulnerable households include the October 17th expiration of Governor Baker’s eviction moratorium, as well as the July 27th expiration of the additional \$600 of federal unemployment benefits provided to Americans out of work because of the virus.

Of these 201 households assisted by the program, six received mortgage assistance (the mortgage assistance is limited to only those Newton households that reside in deed-restricted affordable housing units). The average amount of financial assistance provided to the households assisted is approximately \$1,410 (which represents 70% of a household’s monthly rent or mortgage payment).

The following table shows the racial and ethnic breakdown of these 201 households. Approximately 40% of households identified as white, 16% as Black / African American and 11% identified as Asian. 28% of the households identified as Hispanic/Latino.

RACE/ETHNICITY	% of Total
White:	40%
Black/African American:	16%
Black/African American & White:	0%
Asian:	11%
Asian & White:	0%
Hispanic/Latino	28%
Other Multi-Racial:	5%
TOTAL Households Served	100%

Max Assistance Extended from 3 to 6 Months:

When we first conceived of the program back in April, at the beginning of the coronavirus crisis, we assumed a worst-case scenario in terms of the number of households that would qualify for and seek assistance. In addition, when we estimated that the program would serve at least 300 households, we utilized the max amount of assistance that a household could receive through the program - \$7,500 for three months (\$2,500 per month).

Since May, we have learned a lot about the program and the households that are receiving assistance. Not only are the incomes of those served much lower than we originally expected, with over 90% of participants at or below 65% AMI, but the average monthly rent or mortgage per assisted household is significantly lower than expected (approximately \$2,000 versus the estimated \$2,250). Therefore, the average amount of financial assistance provided per month per household has been approximately \$1,410. This reduction in funds required to date offered an opportunity to both extend the safety net for those vulnerable households currently enrolled in the program and at the same time allow for new eligible households to be assisted for this longer stability period of six months.

Given the actual data we had on-hand in early September from the months of July and August, staff, in consultation with Metro West Collaborative Development, estimated that an additional 25 new households will come into the program each month for the foreseeable future, at an average amount of assistance per household per month of approximately \$1,300. When we looked at projections related to extending the maximum amount of assistance per household to six months, we estimated that the program could serve **approximately 299 households** between July 2020 and June 2021. Under these assumptions, the program would be able to accept new eligible households into January 2021.

Since early September, however, we have seen that fewer new households have entered the program each month. In September, we saw 6 new households; 12 in October; and thus far in November, 4 new households. If we lower the estimated new households per month to 15, rather than 25, we estimate that the program could serve **approximately 300 total households** between

July 2020 and October 2021. Under these new assumptions, the program would be able to accept new eligible households into May 2021.

Staff is once again considering an extension of the program to those households already enrolled. With the pandemic worsening across the nation, the economic outlook for those most impacted by the crisis does not look good over the next few months. Staff will discuss the possibility of an additional extension with the Community Preservation Committee at its upcoming meeting.