



**Town of Natick, Massachusetts**  
Department of Community and Economic Development  
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James Freas, AICP  
Director

**MEMORANDUM**

**DATE:** May 28, 2020

**TO:** Board of Selectmen

**FROM:** Ted Fields, Senior Planner  
James Freas, Director of Community & Economic Development

**RE:** Grant application, Regional Microloan Consortium

**Meeting Date:** June 1, 2020

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The Community & Economic Development Department (CED) has joined a regional consortium of seventeen communities, led by Ashland and aided the Metropolitan Area Planning Council (MAPC), to apply to the Commonwealth's Department of Housing & Community Development (DHCD) for federal CDBG-CV funds to provide up to \$10,000 in grants to Natick-based microenterprises stricken by loss of business due to the COVID19 pandemic. Natick is requesting the maximum amount of \$400,000, which, if awarded, will be able to assist up to forty small businesses. MAPC will submit the grant application to the state on June 5<sup>th</sup>; no formal letter of interest or other documentation is required from the town. Ashland, as the lead community, is responsible for all public outreach and notification for the application. The Massachusetts Growth Capital Fund, a component of MassDevelopment, has agreed to administer the grant funds on behalf of the regional consortium, including review of client applications, grant awards, reporting and monitoring. CED will be responsible for notifying local businesses about funding availability, and will do so in partnership with Natick Center Associates (NCA) and the Economic Development Committee (EDC). DHCD and MAPC anticipate rapid approval of the regional grant application and award of funds.

CDBG-CV grants provided by this program are limited to qualifying microenterprises adversely impacted by COVID-19. This assistance can be used to facilitate economic development through the stabilization and expansion of microenterprises. This program is governed by the following parameters:

- a. "Microenterprise" means a commercial enterprise that has 5 or fewer employees, 1 or more of whom owns the enterprise.
- b. A microenterprise assistance activity may qualify under HUD's Low-Moderate Income (LMI) Limited Clientele national objective criteria if either the activity assists (1) owner(s) of the microenterprise who are LMI persons ( $\leq 80\%$  of the AMI, based on family size), or (2) a microenterprise that serves a LMI neighborhood or community-wide area in which

at least 51% of its residents are LMI persons. Natick has one LMI neighborhood in Natick Center, and may have another LMI district in West Natick, near the Framingham line along Route 135. CED is confirming the LMI eligibility of these districts with DHCD. If these neighborhoods qualify as LMI Areas, Natick will dedicate half of CDBG-CV funds from this program to businesses in these specific areas, and the other half to qualifying businesses throughout the town.

- c. To document compliance with national objective based on ownership by LMI persons, applicants must qualify the business for assistance based on supporting income documentation of family (2018 or 2019 tax returns – business and personal) or other approved income verification method. Massachusetts Growth Capital will handle this for the regional consortium.
- d. DHCD is checking with HUD to see if grant applicants can combine other forms of federal assistance with CDBG-CV grants.
- e. Applicant/Beneficiary data and progress reports must be reported to DHCD on a quarterly basis. MGC will do this for the consortium.
- f. Funds may be used for working capital to cover business costs, such as rent, staffing, and utilities.

HUD and DHCD have placed further limitations on the types of businesses that may benefit from CDBG-CV grants:

- a. Be a for-profit entity (sole proprietorships, partnerships, corporations, or LLCs).
- b. Have a physical establishment in the city/town of application or in at least one of the regional participant city/towns.
- c. Provide goods or services to multiple clients or customers.
- d. Business must be currently in operation and have been established prior to 1/1/2019.
- e. Be in good standing with the state and city/town:
  - Be current on all taxes due through 3/1/2020;
  - Active and valid state licenses/registrations, if applicable; and
  - Not a party to litigation involving the state or municipality.
- f. Be able to document a loss of income equal to or greater than requested assistance due to COVID-19.
- g. Not be listed as one of the following excluded business types:
  - real estate rentals/sales businesses;

- businesses owned by persons under age 18;
- businesses that are chains;
- liquor stores;
- weapons/firearms dealers;
- lobbyists; or
- cannabis-related businesses.