

The amendment is to add the allocation of CDBG-CV funds as an additional resource. The funds are to prepare for, prevent and respond to COVID-19.

## Executive Summary

### AP-05 Executive Summary - 91.200(c), 91.220(b)

#### 1. Introduction

Each year, the City of Salem receives funds from the U.S. Department of Housing and Urban Development (HUD) to undertake housing and community development activities. These funds are used to undertake housing, community and economic development projects and programs that assist low- to moderate-income individuals, families and neighborhoods. In order to receive these funds, the City must prepare a Consolidated Plan every five years, as well as annual Action Plans to implement the five-year plan. Together, the Consolidated Plan and the Annual Action Plans provide a record of how Salem evaluated its needs and presents a blueprint of how it will use the federal funds to be received. The Consolidated Plan establishes a vision for attaining a higher quality of life for low- and moderate-income residents and the annual Action Plan outlines specific activities that work toward accomplishing that vision. Salem's current Consolidated Plan was completed in 2015, along with the Fiscal Year 2016 Action Plan (Year 1).

This document is the City of Salem's Action Plan for Fiscal Year 2020 (Year 5). It describes the activities that the City will undertake in the next fiscal year (July 1, 2019-June 30, 2020) with Community Development Block Grant (CDBG) and Home Investment Partnership (HOME) funds. These funds can be used for projects or programs undertaken by the City or by organizations engaged by the City.

**Community Development Block Grant (CDBG)** funds are used to benefit low- and moderate-income persons or to prevent or eliminate slums or blight in Salem through a variety of community development programs. CDBG is a formula-based program designed to develop viable urban communities by providing decent housing, a suitable living environment and expanded economic opportunities for persons of low- and moderate-income.

In addition, Salem is a member of the North Shore HOME Consortium and receives an allocation of **Home Investment Partnership (HOME)** funds. The City of Salem is one of thirty member communities in the North Shore HOME Consortium. HOME funds are dedicated solely for housing programs, and can be used to fund a wide range of activities that build, buy and/or rehabilitate affordable housing for rent or home ownership. Please note that while our narratives discuss the use of HOME funds, this year we have removed all HOME funding from the IDIS tables, because these funds are reported through the Consortium. However, because HOME funds were unnecessarily included in the 5-Year Consolidated Plan tables, this may result in some inconsistencies in accomplishments reporting.

The FY20 Action Plan, including appendices, will be located at [www.salem.com](http://www.salem.com), along with a companion document that provides a summary of activities proposed for FY20.

## **2. Summarize the objectives and outcomes identified in the Plan**

In 2006, HUD devised a means to uniformly measure accomplishments funded through its housing and community development programs. In doing so, HUD determined that activities should meet one of three specific objectives and three outcomes. They are:

### **Objectives**

Activities must meet one of the following three objectives:

**Suitable Living Environment** - In general, this objective relates to activities that benefit communities, families or individuals by addressing issues in their living environment.

**Decent Housing** - Activities found under this objective cover the wide range of housing possible under HOME or CDBG. This objective focuses on housing programs where the purpose of the program is to meet individual family or community needs and not programs where housing is an element of a larger effort. Such programs should be reported under Suitable Living Environment.

**Creating Economic Opportunities** - This objective applies to economic development, commercial revitalization or job creation activities.

### **Outcomes**

Activities must work to achieve one of three outcomes as follows:

**Availability/Accessibility** - This outcome category applies to activities that make services, infrastructure, public services, public facilities, housing, or shelter available or accessible to low- and moderate-income people, including persons with disabilities. In this category, accessibility does not refer only to physical barriers, but also to making the affordable basics of daily living available and accessible to low and moderate income people where they live.

**Affordability** - This outcome category applies to activities that provide affordability in a variety of ways in the lives of low- and moderate-income people. It can include the creation or maintenance of affordable housing, basic infrastructure hook-ups, or services such as transportation and day care.

**Sustainability** - Promoting Livable or Viable Communities - This outcome applies to projects where the activity or activities are aimed at improving communities or neighborhoods, helping to make them livable or viable by providing benefit to persons of low- and moderate-income or by removing or eliminating slums or blighted areas.

The table below summarizes the proposed projects' objectives and outcomes for FY20.

<b>Housing</b>			
Housing Rehabilitation Loan Program	Decent Housing	Affordability	3 Housing Units*
First Time Homebuyer Programs	Decent Housing	Affordability	0 Households*
Affordable Housing Development (HOME funds)	Decent Housing	Affordability	To be determined*
Rehabilitation Administration (inspections, mortgage filings, salary, benefits, non-salary expenses)			
<b>Economic Development</b>			
Business Technical Assistance	Creating Economic Opportunities	Availability/ Accessibility	50 Businesses; 4 Jobs
Small Business Financial Assistance Programs	Creating Economic Opportunities	Affordability	1 Business; 2 Jobs
<b>Neighborhood Improvement Activities</b>			
Neighborhood Street & Sidewalk Improvements/ Tree Planting	Suitable Living Environment	Sustainability	Locations to be determined*
Park/playground, Public Facility & Infrastructure Improvements	Suitable Living Environment	Sustainability	Various infrastructure improvements*
Downtown Improvements	Creating Economic Opportunities	Sustainability	Infrastructure improvements*
Program delivery (placeholder)			
<b>Social Service Activities</b>			
Community Support Services	Suitable Living Environment	Availability/ Accessibility	8,800 Persons
<b>Not-Applicable to Salem's Performance Measurement</b>			
General Program Administration (salary, benefits, non-salary expenses, planning studies & reports)			
*Activities may also use carried over funds to complete outcomes from a prior year or to add to noted outcomes for the current year			

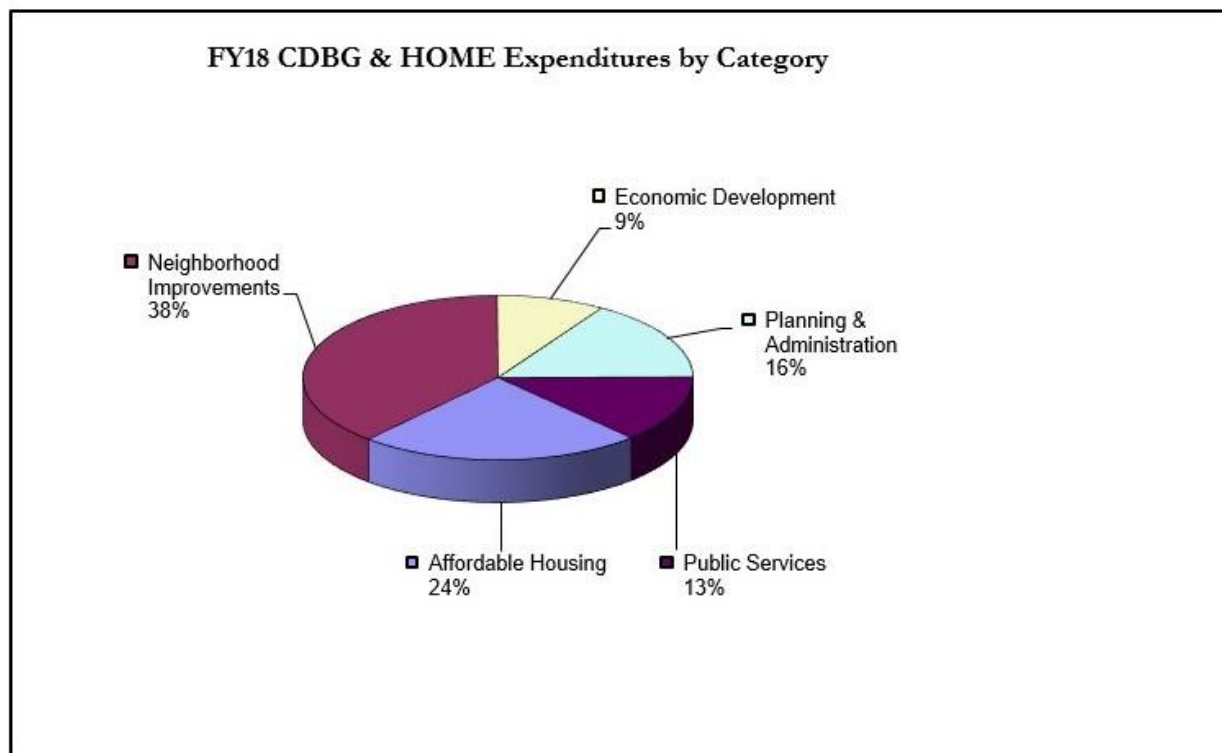
## Objectives and Outcomes

### 3. Evaluation of past performance

During the many years of Salem's CDBG Program, the City has made significant improvements to the City's physical and social environment for its low- and moderate-income residents. The CDBG program has had a strong impact in Salem, as seen through the numerous homes rehabilitated, neighborhood facilities and infrastructure improved, businesses strengthened, jobs created and families served through our public service agencies.

The annual Consolidated Annual Performance and Evaluation Report (CAPER) provides an analysis of the accomplishments and progress the City has made toward meeting the goals and objectives laid out in its Five Year Consolidated Plan. The FY19 CAPER, for the current fiscal year, will be available by September 30, 2019. The most recent CAPER, for FY18, evaluated the third fiscal year of the current Five Year Consolidated Plan. HUD calculated that 99.6% of CDBG funds spent in FY18 directly benefited low- and moderate-income persons. The FY18 CAPER is available at the City of Salem Department of Planning and Community Development (DPCD), the Salem Public Library and on the City's website at <https://www.salem.com/sites/salemma/files/uploads/caperfy18finalcorrect112918.pdf>.

The chart illustrates FY18 spending by category, as a percentage of overall CDBG and HOME expenditures.



**FY18 CDBG & HOME Expenditures by Category**

#### **4. Summary of Citizen Participation Process and consultation process**

As part of the process in developing the 2015 Consolidated Plan, public input was sought from residents, businesses, social service organizations and various stakeholders. A series of nine community meetings and focus groups were held throughout the city and targeted various neighborhoods and populations. Individual stakeholder interviews were conducted along with an online survey in English and Spanish. The result was a comprehensive strategy for the use of Salem's federal housing and community development funds for July 2015 through June 2020.

Identifying the needs of the community is an on-going process. Each year, the City holds additional public hearings and comment periods to review those goals and to make specific recommendations for programs and initiatives to be undertaken in a given year.

For the fifth year Action Plan, citizen participation included a public hearing in January, 2019 and the collection of written comment. In order to include broad public participation, outreach to participate included an English/Spanish legal notice in the Salem News. An English/Spanish public notice was posted at City Hall and City Hall Annex, was sent to the Salem Public Library, Salem Council on Aging and the Salem Housing Authority for posting, was provided to all City Councillors, was placed on the City's

website and was mailed to various social service agencies and neighborhood associations, as well as the Citizens Advisory Committee members. A press release was sent to the Salem News, Salem Gazette and other media. An English/Spanish Community Bulletin Board request was posted with Salem Access Television.

The City will publicize the availability of the draft Action Plan and the date/time of the public hearing and the public comment period in several ways, targeting residents, businesses, social service organizations and civic groups:

- An English/Spanish Community Bulletin Board request at Salem Access Television.
- An English/Spanish legal ad published in the Salem News indicating the availability of plans and providing notice of the 30-day comment period and scheduled public hearing.
- English/Spanish notices posted at City Hall and City Hall Annex and on [www.salem.com](http://www.salem.com).
- Notices provided to the Salem Public Library, Salem Council on Aging and the Salem Housing Authority, and e-mailed or mailed to several social service agencies, neighborhood associations and Citizens Advisory Committee members. Notices emailed to the Salem H.O.P.E. distribution list.
- Press release to the Salem News, the Salem Gazette and other media.

Copies of the plans are provided to the Salem Housing Authority and Salem Public Library for public viewing and copies are available at the Department of Planning & Community Development. Copies of the plan are provided to the members of the Citizens Advisory Committee via email. The plan is made available for download on [www.salem.com](http://www.salem.com). Copies of the draft plans are available for attendees of the public hearing. Copies of the draft plans are provided to the Salem City Council.

The City Council approves the submission of the Application for Federal Assistance.

Public hearing minutes are located in the Appendix.

## **5. Summary of public comments**

On January 17, 2019 a public meeting was held for all interested persons at City offices at 98 Washington Street. Spanish translation was available. A public participation guidebook was provided to all attendees. There were nine attendees. Comments summarized:

Minutes of the public hearing are located in the Appendix, along with a copy of a written submission.

The Draft Action Plan, along with an updated Citizens' Participation Plan, was made available for a 30-day public comment from May 30, 2019 through June 28, 2019.

A second public hearing was held for all interested persons at City offices at 98 Washington Street on June 20, 2019. There were no attendees.

An email was received from Darlene Story of Catholic Charities. She stated that she would “want to express the need for the continued support for homeless prevention for the residence of Salem.”

## **6. Summary of comments or views not accepted and the reasons for not accepting them**

All comments and views were taken into consideration in preparation of this Action Plan.

There were no comments or views that were not accepted.

## **7. Summary**

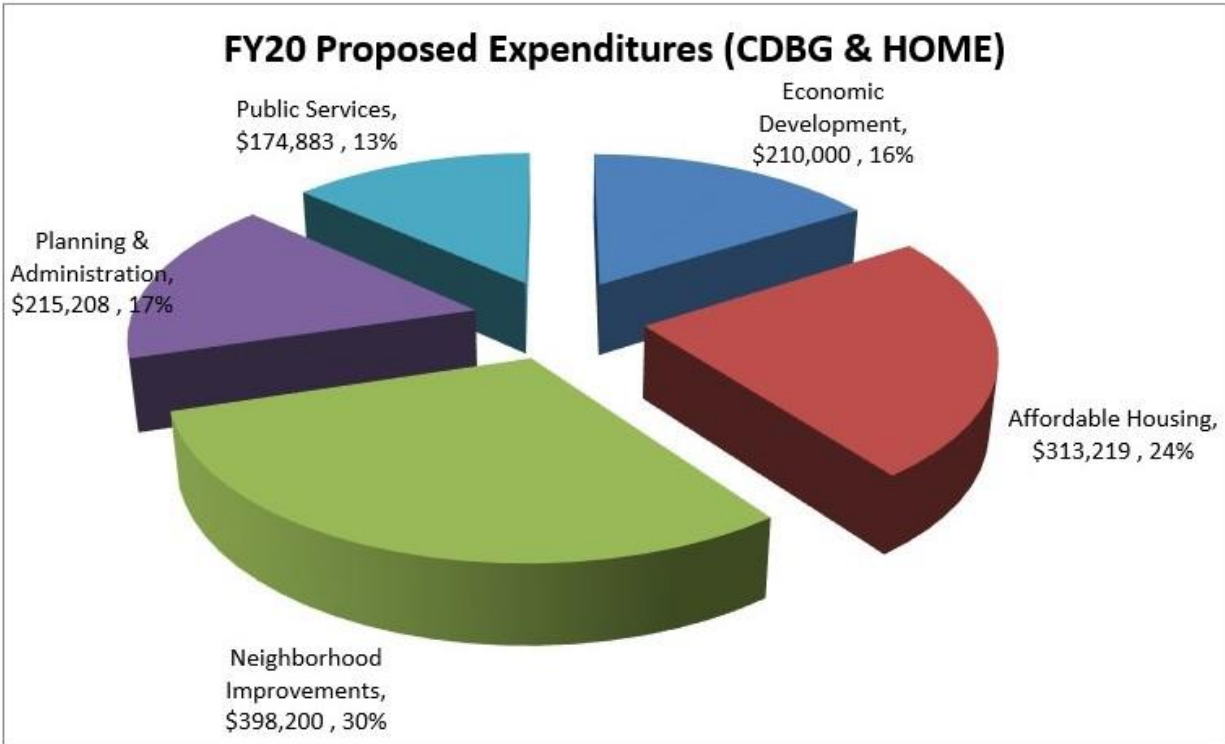
The Federal funding that Salem will receive for FY20 includes \$1,065,891 in CDBG funds and a projected \$100,000 in program income for a total of \$1,165,891. This Action Plan will identify the projects that will be funded from this total through the tables found in AP-35.

In addition, the Salem will receive an estimated allocation of \$145,619 in HOME funds through the North Shore HOME Consortium, bringing the total proposed expenditures based on current estimates of funding to be available to \$1,311,510. The majority of HOME funds will likely be utilized through the Housing Rehabilitation Loan Program. However, it is possible that a portion may be provided to a sub-recipient for Rental Downpayment Assistance, Tenant Based Rental Assistance or other Affordable Housing.

It is estimated that at least 70 percent of the FY19 CDBG funding and 100 percent of the HOME funding will be used for activities that benefit persons of low- and moderate-income. The pie chart below illustrates the city’s proposed FY20 spending by category, as a percentage of estimated CDBG and HOME funds.

While the City typically identifies activities to be funded from a specific year’s resources, for some projects, such as multi-year funding commitments or construction projects, the activity may be completed in the following fiscal year or undertaken over several fiscal years. It is not uncommon for the City to have projects that are ongoing from a previous fiscal year.

Many activities leverage funding from other sources to maximize the impact of the federal dollars the city receives. Together, these resources fund a wide range of activities designed to develop and maintain affordable housing, improve neighborhood public facilities, provide economic opportunities, improve access for people with disabilities, provide critical public services, assist people who are homeless, and prevent homelessness. The City bases its funding allocations on needs identified, proposed activities and accomplishments to meet those needs and estimated funding needed to reach the goals and accomplishment levels.



**FY18 CDBG & HOME Expenditures by Category**

## PR-05 Lead & Responsible Agencies - 91.200(b)

### 1. Agency/entity responsible for preparing/administering the Consolidated Plan

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role		Name	Department/Agency
CDBG Administrator		SALEM	Department of Planning & Community Development

Table 1 – Responsible Agencies

### Narrative

#### Consolidated Plan Public Contact Information

For inquiries or to send written comment contact:

City of Salem

Department of Planning & Community Development

98 Washington Street

Salem, MA 01970

Att: Jane A. Guy, Assistant Community Development Director

T: 978-619-5685

E: [jguy@salem.com](mailto:jguy@salem.com)



## **AP-10 Consultation - 91.100, 91.200(b), 91.215(l)**

### **1. Introduction**

The City of Salem uses CDBG funds to support specific projects and initiatives that are needed by its residents and that meet HUD's national goals and objectives. Identifying the needs of the community is an on-going process.

In 2014, the City of Salem retained Community Opportunities Group, Inc. (COG) to prepare its Five Year Consolidated Plan (covering city Fiscal Years 2016-2020) and first year Action Plan (FY16). In developing the Consolidated Plan, a series of nine community meetings and focus groups were held throughout the city, including a public hearing. The meetings were held at the Salem Housing Authority, at neighborhood meetings within specific wards with large low- and moderate-income (LMI) populations, in the City Hall offices, at community organizations, and at Salem State University to reach broad population. The focus groups targeted persons with disabilities, housing providers, businesses and seniors. Individual stakeholder interviews were conducted with city staff, social service providers, residents, business owners, and other persons and organizations familiar with local needs.

In addition, COG interviewed and consulted with staff from provider agencies who serve Salem residents, both located in and outside of Salem. Also, an on-line survey (in Spanish and English) generated 318 responses. The purpose of this process was to obtain an understanding of the population's needs and the resources available to address the needs, as well to gain an understanding of gaps of needed programs and services. This process also served to assist the City in determining how HUD, along with other federal and state and private funds could be used most effectively. While many of the various local and regional agencies have a good awareness of the existence of other agencies and their respective programs and services, the consultation process helped to refresh inter-agency coordination.

In May, 2015, after months of public hearings and public comment, the City adopted the **Five Year Consolidated Plan**, highlighting the community development needs and goals for July 2015– June 2020. Each year, the City holds additional public hearings and comment periods to review those goals and to make specific recommendations for programs and initiatives to be undertaken in a given year. The result is the annual **Action Plan**, designed to put into action the goals and strategies established in the Consolidated Plan.

It is important to note that the Action Plan is not a budget, but rather a planning tool that outlines the priorities and activities that the City will undertake to address housing, community and economic development needs. Proposed activities must meet HUD's eligibility rules, and must be consistent with the Consolidated Plan. The City identifies estimated costs for each proposed activity included in this document. During the year, should the cost of the proposed activities change, these values can be adjusted. In addition, the City can reallocate unused funds to assist new programs that may be

developed during the course of the year, or to supplement existing activities that require additional funding.

**Provide a concise summary of the jurisdiction's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(l)).**

The City works cooperatively with private housing providers and private and governmental health, mental health, and service agencies and other interested parties to implement its Consolidated Plan.

The DPCD leads Salem H.O.P.E. (Human Organization Partnership Effort), a networking group of human service agencies that serves Salem residents. H.O.P.E. provides an opportunity for agencies to learn about the services being provided by other agencies in order to fill in gaps, coordinate efforts and avoid duplication of services. All human service agencies are invited to attend the quarterly Steering Committee breakfast meetings held at rotating agency locations. Through this program, agency representatives are (re-)introduced to each other and exchange information, announcements and updates.

The DPCD coordinates with the SHA to address the housing needs of Salem's lower-income residents. Proposed development sites or demolition or disposition of existing public housing developments must follow established regulatory procedures administered by City agencies. Some of these, such as the Board of Appeal and Planning Board have staff support from the DPCD.

The City also works with nonprofit agencies to administer social service activities. The City issues annual Requests for Proposals (RFP) for public services, housing services, and economic development funding to undertake priority programs outlined in the Consolidated Plan. Additionally, the City cooperates and coordinates with other agencies and funding sources to support specific activities. Examples of these include MassHousing's "Get the Lead Out" and Massachusetts Housing Partnership's "Soft Second Mortgage" programs.

The City of Peabody is the lead community for the North Shore HOME Consortium. Salem works with the consortium to coordinate the implementation of its HOME-funded programs. Salem also works with local CHDOs and CDCs to carry out priority activities.

The City also issues an annual RFP to municipal departments to request funding to undertake public facility and infrastructure improvements in LMI and/or slum/blight neighborhoods.

**Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness.**

Homeless needs in the area are primarily serviced through the **Gloucester/Haverhill/Salem/Essex County Continuum of Care (CoC)**, referred to as the North Shore **Continuum of Care Alliance**. The lead entity is the City of Peabody, which also oversees the North Shore HOME Consortium. The CoC receives funds through the McKinney-Vento program, which are distributed directly to area organizations, such as Salem-based Lifebridge.

NSCAP coordinates the North Shore Housing Action Group (NSHAG), which is a regional network of providers and organizations who work to address the needs of those who are homeless or at risk of becoming homeless with the aim to enhance coordination and communication among providers.

Salem uses its CDBG funds to address homeless needs and conduct homelessness prevention activities through an annual housing/public service funding award process. Funded programs for homeless may include rental down payment (first/last/security) or tenant based rental assistance, homelessness prevention emergency assistance, medical or outreach services. NSCAP, Salvation Army, Catholic Charities and Citizens Inn, among others, administer the services.

In 2014, the Mayors of Salem and Beverly created a task force to better address homelessness. Included were representatives of city departments and service agencies. In February, 2017, Salem, Beverly and Peabody executed an inter-regional MOU on homelessness, which included a commitment to support the production of permanent supportive housing for lower income families and individuals at risk of homelessness in each participating community over 5 years (2017-2022), which would result in 100 family and 60 individual units.

In July, 2017, Salem held a Public Dialogue to involve residents, business owners, community groups, and homeless individuals in a conversation on how the community can collectively address homelessness. A presentation introduced the Collaborative of Hope and outlined existing statistics and practices, along with new strategies. Resulting efforts included:

- Added police patrols and training (i.e. the distribution of *Homeless Solutions & Resources: A Police Officer's Guide to Policing the Community*).
- Funded with CDBG, outreach workers on call out of the Salem Police Department in partnership with North Shore Community Health, to connect homeless with health and other services.
- Establish hope@salem.com to report non-emergency transient or homeless issues.
- Monthly meetings of organization representatives (i.e. City of Salem, Salem Police Dept., North Shore Community Health Center, Lifebridge, NSCAP and the North Shore Workforce Investment Board).
- High Risk Homeless Task Force, where service providers review the cases of high-risk individuals and work to address individual needs.
- Launching the Changelt campaign, an alternative giving option for people to "text to give". Donors text Salem to 50555 to make a \$5 donation, with the dual goal to raise donations for

programs and decrease panhandling, which often goes to feed addictions or other unhealthy behavior.

Another public meeting was held in April, 2018. Included were updated calls for service statistics (that resulted in adjusted patrol schedules), information regarding housing being made available to homeless persons, outreach caseworker's summary of the types of assistance provided to approximately 70 homeless individuals, discussion of potential day programs (which helps reduce loitering by homeless individuals, while providing a comfortable space for access to services) and the formation of community coalitions.

**Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS**

No community or agency within Salem's jurisdiction receives a direct award of ESG funds.

**2. Agencies, groups, organizations and others who participated in the process and consultations**

*See Table 2 starting on next page.*

**Table 2 – Agencies, groups, organizations who participated**

1	<b>Agency/Group/Organization</b>	NORTH SHORE COMMUNITY ACTION PROGRAM (NSCAP)
	<b>Agency/Group/Organization Type</b>	Services - Housing Services-Children Services-Elderly Persons
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Market Analysis Anti-poverty Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	For the Five Year Consolidated Plan, Deric LePard of North Shore Community Action Program (NSCAP) was consulted via phone interview. He provided information which was incorporated into the Needs Analysis and Market Analysis. NSCAP will continue to coordinate with the city to implement strategies that provide community services. For the FY 20 Action Plan, Deric LePard was present at the Public Hearing and provided comment on current needs. He stated that affordable housing is the number one need. Second is the consistent need for rental arrearage and utility assistance, which really makes a difference for stability. Persons with disabilities are often lower income and it can be overwhelming and stressful to come up with first, last, security and moving costs and that rental start-up assistance is a huge help. All comments are considered during the development of the plan.
2	<b>Agency/Group/Organization</b>	INDEPENDENT LIVING CENTER OF THE NORTH SHORE & CAPE ANN, INC.
	<b>Agency/Group/Organization Type</b>	Services-Persons with Disabilities
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Non-Homeless Special Needs Market Analysis

	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	For the Consolidated Plan, Mary Margaret Moore of the Independent Living Center of the North Shore and Cape Anne participated in focus groups in the public participation process. Information provided by the organization was incorporated in the Needs Analysis and Market Analysis. All comments are considered during the development of the plan.
3	<b>Agency/Group/Organization</b>	Brookhouse Home
	<b>Agency/Group/Organization Type</b>	Housing Services-Elderly Persons
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	For the FY20 Action Plan, Laurie Fullerton was present at the Public Hearing and stated that the Brookhouse Home is for women 65+ and they get calls almost daily about housing. They rely on grants to address building issues that are due to the building's age. They have individuals with behavioral health issues and they are slowly transitioning to meet the greatest needs. All comments are considered during the development of the plan.
4	<b>Agency/Group/Organization</b>	Salem Housing Authority
	<b>Agency/Group/Organization Type</b>	PHA
	<b>What section of the Plan was addressed by Consultation?</b>	Public Housing Needs Market Analysis Other Actions in FY18 Plan

	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	For the Consolidated Plan, the Salem Housing Authority was consulted via meeting and phone interview to determine the agency's most pressing needs. In addition, the SHA's Comprehensive Plan must take into account the findings of the Consolidated Plan and the City of Salem must certify that the documents are consistent. Information provided by the SHA was incorporated throughout the Consolidated Plan. For the FY20 Action Plan, the SHA was consulted to update information provided during the Consolidated Plan process and last year's Action Plan and CAPER process.
5	<b>Agency/Group/Organization</b>	North Shore Community Development Coalition
	<b>Agency/Group/Organization Type</b>	Housing Regional organization Planning organization Community Development Financial Institution
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Non-Homeless Special Needs Market Analysis Economic Development Anti-poverty Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	For the Consolidated Plan, the North Shore Community Development Coalition provided input through focus group meetings and interviews, and contributed data for the Needs Analysis and Market Analysis. NSCDC will continue to coordinate with the City of Salem to carry out projects in implementation of the Strategic Plan. For the FY20 Action Plan, NSCDC was consulted to update information provided during the Consolidated Plan process and last year's Action Plan and CAPER process. All comments are considered during the development of the plan.

6	<b>Agency/Group/Organization</b>	NORTH SHORE COMMUNITY HEALTH CENTER
	<b>Agency/Group/Organization Type</b>	Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Persons with HIV/AIDS Services-homeless Services-Health Health Agency
	<b>What section of the Plan was addressed by Consultation?</b>	Homeless Needs - Chronically homeless Homeless Needs - Families with children Non-Homeless Special Needs
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	For the FY20 Action Plan, Linda Weibner was present at the Public Hearing and stated a lot of her patients are homeless and some have issues paying for utilities.

### **Identify any Agency Types not consulted and provide rationale for not consulting**

Please see PR-10 in the 5-Year Consolidated Plan for a complete list of agencies consulted during its development. For the Five Year Consolidated Plan, to the City's knowledge, it consulted with all relevant agency types. There were a few individual agencies for which contact was attempted but were unable to reach.



### Other local/regional/state/federal planning efforts considered when preparing the Plan

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	City of Peabody	Salem DPCD works directly with Peabody and member agencies in implementation of the Strategic Plan to support and enhance its existing programs that address at-risk and homeless families.
North Shore HOME Consortium Consolidated Plan	City of Peabody	HOME programs overlap with affordable housing-related goals in the Consolidated Plan.
Salem Housing Authority Comprehensive Plan	Salem Housing Authority	The Salem Housing Authority seeks to address the housing needs of lower-income residents in Salem.
NSWIB 2015-2017 Strategic Plan	North Shore Workforce Investment Board, Inc.	The WIB seeks to create economic opportunities that benefit low- and moderate-income residents and align with the anti-poverty strategy of the Consolidated Plan.
Downtown Salem Retail Market Strategy/Action Plan	Salem Redevelopment Authority	The SRA seeks to create economic opportunities that benefit low- and moderate-income residents and to improve the downtown which is designated as a slum & blight area.

**Table 3 - Other local / regional / federal planning efforts**

### Narrative

The Department of Planning and Community Development (DPCD) coordinates and communicates with other municipal departments, local and regional agencies, and public and private housing organizations. The DPCD coordinates the Salem H.O.P.E. effort and communicates regularly with subcontracted agencies delivering social services and subrecipients of federal funds. DPCD also works with the Salem Housing Authority (SHA), nonprofit organizations, and housing developers to produce affordable housing in the City. The strength of these relationships is beneficial in streamlining housing development and leveraging additional funds for projects.

## **AP-12 Participation - 91.401, 91.105, 91.200(c)**

### **1. Summary of citizen participation process/Efforts made to broaden citizen participation Summarize citizen participation process and how it impacted goal-setting**

For the fifth year Action Plan, citizen participation included a public hearing in January, 2019 and the collection of written comment. In order to include broad public participation, outreach to participate includes an English/Spanish legal notice in the Salem News and an English/Spanish notice posted at City Hall & City Hall Annex. Notices were provided to the Salem Public Library, Salem Council on Aging and the Salem Housing Authority for posting. An English/Spanish Community Bulletin Board request was posted with Salem Access Television. Notices and a cover letter were provided to all City Councillors. A press release was sent to the Salem News, the Salem Gazette and other media. The public hearing notice was also posted on the City's website and was mailed or emailed to various social service agencies and neighborhood associations, as well as the Citizens Advisory Committee members. Public hearing minutes are provided in the Appendix.

The City publicized the availability of the draft Action Plan and the date/time of the public hearing and the public comment period in several ways in order to obtain broad public comment. Information regarding the expected draft plan availability and the upcoming comment period and public hearing was provided to those attending the Salem H.O.P.E. meeting in March, 2019. An English/Spanish Community Bulletin Board request was provided to Salem Access Television. An English/Spanish legal ad was published in the Salem News indicating the availability of plans and providing notice of the 30-day comment period & scheduled public hearing. English/Spanish notices were posted at City Hall and City Hall Annex and on [www.salem.com](http://www.salem.com). Notices were provided to the Salem Public Library, Salem Council on Aging and the Salem Housing Authority, and were mailed or emailed to several social service agencies, neighborhood associations and Citizens Advisory Committee members. The notices were also emailed to the Salem H.O.P.E. distribution list. A press release was sent to the Salem News, the Salem Gazette and other media.

Copies of the plans were provided to the Salem Housing Authority and Salem Public Library for public viewing and copies were available at the Department of Planning & Community Development. Copies of the plan were provided to the members of the Citizens Advisory Committee. The plan was made available for download on [www.salem.com](http://www.salem.com).

The public comment period commenced on May 30, 2019 and ended on June 28, 2019. A public hearing was held on June 20, 2019 at City Hall Annex. Copies of the draft plans are provided to the Salem City Council. The City Council approved submission of the Application for Federal Assistance in June, 2019.

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## Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	Public Meeting	<p>Non-English Speaking - Specify other language: Spanish</p> <p>Non-targeted/broad community</p> <p>City Councillors, Citizens Advisory Committee, public service agencies</p>	<p>On January 17, 2019 a public meeting was held for all interested persons at City offices at 98 Washington Street. Spanish translation was provided. A public participation guidebook was provided to all attendees. There were nine attendees.</p>	<p>Affordable housing is priority, particularly senior housing. Consistent need for rental arrearage and utility assistance and assistance with rental start-up costs. Populations in need are persons with disabilities, low income and elderly. Concerns about lengthy waiting lists for affordable senior housing. Good practice used by the City to use CDBG to leverage other funding sources.</p>	<p>All comments and views were taken into consideration in preparation of this Action Plan. The City continues to fund housing projects to add affordable units, provide emergency funds for rental arrearages and utilities to help avoid eviction, to provide rental start-up assistance and provide various public service programs including services to assist with housing (including assistance for seniors, disabled, and homeless individuals).</p>	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
2	Newspaper Ad	<p>Non-English Speaking - Specify other language: Spanish</p> <p>Non-targeted/broad community</p> <p>City Councillors, Citizens Advisory Committee, public service agencies</p>	See summary of citizen participation above for full description of newspaper ads, public notices and press releases issued - both at the start of the Action Plan process and upon availability of the Draft FY20 Action Plan.	No written comments were received.	All comments and views were taken into consideration in preparation of this Action Plan.	
3	Public Meeting	<p>Non-English Speaking - Specify other language: Spanish</p> <p>Non-targeted/broad community</p> <p>City Councillors, Citizens Advisory Committee, public service agencies</p>	On June 20, 2019 a public meeting was held for all interested persons at City offices at 98 Washington Street. Spanish translation was available. Copies of the Draft Action Plan were available. There were no attendees present	No comments were received.	N/A	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
4	Newspaper Ad	<p>Non-English Speaking - Specify other language: Spanish</p> <p>Non-targeted/broad community</p> <p>City Councillors, Citizens Advisory Committee, public service agencies</p>	<p>See summary of citizen participation above for full description of newspaper ads, public notices and press releases issued - both at the start of the Action Plan process and upon availability of the Draft FY20 Action Plan.</p>	<p>An email was received from Darlene Story of Catholic Charities. She stated that she would want to express the need for the continued support for homeless prevention for the residence of Salem.â€</p>	<p>All comments and views were taken into consideration in preparation of this Action Plan.</p>	

**Table 4 – Citizen Participation Outreach**

## Expected Resources

### AP-15 Expected Resources - 91.420(b), 91.220(c)(1,2)

#### Introduction

The City of Salem receives Community Development Block Grant (CDBG) funds from HUD to benefit low- and moderate-income persons or to prevent or eliminate slums or blight in Salem through a variety of community development programs. CDBG is a formula-based program designed to develop viable urban communities by providing decent housing, a suitable living environment, and expanded economic opportunities for persons of low- and moderate-income.

As one of thirty member communities of the North Shore HOME Consortium, Salem receives an allocation of Home Investment Partnership (HOME) funds from HUD. HOME funds are dedicated solely for housing programs, and can be used to fund a wide range of activities that build, buy and/or rehabilitate affordable housing for rent or home ownership. The Consortium, through its lead community of Peabody, submits a Consolidated Plan for operating the HOME program. The City of Salem will not use HOME funds to refinance any existing debt secured by multi-family housing developments.

Along with HUD funds, Salem's housing and economic loan programs generate program income, which the City directs to existing or new programs as needed. Income is generated as loans are repaid or recaptured from an assisted property or business. The City typically receives program income funds each year and they help extend its ability to support CDBG-eligible activities.

The Federal funding that Salem will receive for FY20 includes \$1,065,891 in CDBG entitlement funds. We estimate program income of \$100,000 (from housing and ED loan repayments). Some prior year resources may be available in FY20, such as unspent/unprogrammed dollars. However, it is unknown how much will be carried over until after FY19 closes. Additional federal funds include an estimated \$145,619 in HOME funds.

In addition to these resources, many activities leverage funding from other government and private sources to maximize the impact of the federal dollars the city receives.

The Community Preservation Act (CPA) was adopted by Salem voters in 2012. It established a local dedicated fund for the purpose of open space, historic preservation, outdoor recreation and community housing projects. It is financed by a property tax surcharge of 1%, along with annual matching funds from the statewide CPA Trust Fund. These funds can be used for a variety of purposes, including activities that acquire, create, preserve, support and rehabilitate/restore housing for low- and moderate-income households. An appointed committee recommends how the funds will be utilized each year. Massachusetts CPA regulations require that a minimum of 10% of annual CPA revenues be set aside or spent for each of the program areas, including affordable housing, open space and recreation, and historic preservation, with the remaining 70% to be allocated to any one or more of these program areas. In the Five Year Consolidated Plan, the city projected an estimated \$531,000 annually

from both local and matching funds in future years (based on FY16 funding estimates).

Several housing and community development programs are carried out by non-city agencies that operate through a variety of funding resources. Together, these resources fund a wide range of activities designed to develop and maintain affordable housing, improve neighborhood public facilities, provide economic opportunities, improve access for people with disabilities, provide critical public services, assist people who are homeless, and prevent homelessness. Salem will continue to work with community and regional partners to identify further funding opportunities that can be used to support affordable housing and other objectives served by CDBG programs.

## Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	1,065,891	100,000	0	1,165,891	0	CDBG is a formula-based program that provides decent housing, a suitable living environment, and expanded economic opportunities for persons with low- and moderate income. This is Year 5 of the 5-Year Consolidated Plan. Therefore, there would be no remaining funds following this year.
Other	public - federal	Other	1,184,098	0	0	1,184,098	0	CDBG-CV is a special allocation of funds through the Coronavirus Aid, Relief and Economic Security Act that has been allocated to prepare for, prevent and respond to COVID-19.

Table 5 - Expected Resources – Priority Table

**Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied**

The following are the funds typically leveraged:

- *First Time Homebuyer Program:* matching funds and financing were projected for approximately \$131,500 annually. In FY18, homebuyers provided \$84,712 in private funds, as well as obtained \$1,066,054 in financing from a primary lender.
- Housing development projects by non-profit developers combine Low-Income Housing Tax Credits and other state, federal funding, as



well as private fundraising, grants, financing, and program fees. The 27 SRO units at Harbor and Lafayette Homes (financing closed March, 2018) will have total development cost of \$7.4M, of which \$50,000 is HOME and \$100,000 is CPA.

- State programs such as *Get the Lead Out* have been used to assist in home rehabilitation.
- The *Salem Main Streets Program* leverages funds through business contributions and donations, as well as event fees and donations to cover costs: \$20,000-\$80,000 annually.
- Community Preservation Act funding (\$383,155 toward housing to date) has been utilized for 4 affordable housing project for a total of 109 housing units. Two projects are complete, one is under construction and one is in pre-development.
- Salem is a Gateway City, making it eligible for certain State funds.
- The City's Capital Improvement Program provides funding annually on a project-specific basis for both CDBG and non-CDBG activities.
- Other sources include the City's General Fund, State Chapter 91 and various federal, state and private grant or loan programs for brownfields, parks, and infrastructure improvements. Examples of these include Parkland Acquisitions and Renovations for Communities (PARC), Environmental Protection Agency, National Endowment for the Arts, MassDevelopment Brownfields Assessment Program, MA Office of Coastal Zone Management, MassWorks, and the Massachusetts Preservation Projects Fund. The City may also seek state grants including Green Communities, the Cultural Facilities Fund, and the Gateway Cities Park Program.
- Most subrecipient agencies use CDBG as a portion of their overall activity budgets. Examples of several agency funding sources are provided in the appendix. Other funding sources include federal and state grants, private grants and donations, and program income.
- The City provides about \$550,000 annually for planning and administration funds.
- Additional planning funds and technical assistance have been obtained through Massachusetts Historical Commission and Metropolitan Area Planning Council.
- Salem was recently awarded a \$59,000 MassHousing grant to implement the City's Imagine Salem vision by studying neighborhood mixed use zoning, conducting a citywide public engagement campaign around affordable housing needs and advancing a new inclusionary zoning ordinance.
- The City is also considering submitting an application for a Section 108 loan in FY19, in order to undertake comprehensive street improvements (street paving, sidewalk replacement, curbcuts and crosswalk installations) in the Point Neighborhood.

A listing of anticipated leveraged funds for FY20 is found in the FY20 Companion document, including anticipated Federal, State and private funding resources for the City of Salem and several key organizations.

**If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan**

None have been identified at this time.

## **Discussion**

## Annual Goals and Objectives

### AP-20 Annual Goals and Objectives - 91.420, 91.220(c)(3)&(e)

#### Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Housing Rehabilitation Programs	2015	2019	Affordable Housing		Affordable Housing	CDBG: \$167,600	Homeowner Housing Rehabilitated: 3 Household Housing Unit
2	Affordable Housing	2015	2019	Affordable Housing		Affordable Housing	CDBG: \$0.00	Rental units rehabilitated: Household Housing Unit
3	First Time Homebuyer Program	2015	2019	Affordable Housing		Affordable Housing Homeownership Assistance	CDBG: \$0.00	Direct Financial Assistance to Homebuyers: 0 Households Assisted
4	Small Business Financial Assistance Programs	2015	2019	Non-Housing Community Development		Economic Development	CDBG: \$70,000	Jobs created/retained: 3 Jobs Businesses assisted: 2
5	Business Technical Assistance	2015	2019	Non-Housing Community Development		Economic Development	CDBG: \$140,000	Jobs created/retained: 4 Jobs Businesses assisted: 50
6	Community Support Services	2015	2019	Homeless Non-Homeless Special Needs		Public Services	CDBG: \$174,883	Public service activities other than Low/Moderate Income Housing Benefit: 8800 Persons Assisted
7	Neighborhood Improvements Activities	2015	2019	Non-Homeless Special Needs		Neighborhood Public Facilities and Infrastructure	CDBG: \$398,200	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 12,180 Persons Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
8	Downtown Improvements	2015	2019	Non-Housing Community Development		Downtown Public Facilities and Infrastructure	CDBG: \$0.00	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 4735 Persons Assisted

**Table 6 - Goals Summary**

**Estimate the number of extremely low-income, low-income, and moderate-income families to whom the jurisdiction will provide affordable housing as defined by HOME 91.215(b)**

Estimates for HOME funds are provided through the North Shore Home Consortium's Action Plan.

Note: The City of Salem has also targeted \$215,208 in CDBG funds for General Program Administration (salary, benefits, non-salary expenses, planning studies & reports, grant matching funds) to provide for CDBG program oversight.

**Goal Descriptions**

*See table on next page.*

1	<b>Goal Name</b>	Housing Rehabilitation Programs
	<b>Goal Description</b>	<p>The majority of Salem’s housing stock pre-dates 1949. While older homes are an integral part of Salem’s history and neighborhood fabric, they also require a great deal of maintenance and may not meet current building codes. In response to this issue, the City administers a <i>Housing Rehabilitation Loan Program</i> (funded with both CDBG and HOME funds) to provide low-interest loans to owners of single and multi-family properties to address cost-prohibitive health and safety issues. Through the rehabilitation of existing housing stock, more homeowners, as well as tenants residing in rental units, can live in decent housing. The City has expanded the program to investor-owners with low- to moderate-income tenants, to address code compliance and health and safety issues and to maintain affordable, quality rental properties and to discourage the conversion of affordable rental units into market rate condominiums.</p> <p>In June, 2007, the North Shore HOME Consortium voted to adopt the federal Energy Star Standards. The implementation of this new policy for the use of HOME funds began in October, 2007. All new HOME-assisted units are required to be certified as Energy Star compliant whenever either new construction is involved or where the rehabilitation of an existing structure involves the gutting of the structure to the bare walls. Homeowners are also referred to NSCAP’s weatherization program, where they can get energy-efficiency work undertaken, and then utilize Salem’s loan program, thereby reducing the homeowner’s loan burden.</p> <p>In addition, the City offers deleading assistance for homeowners with a lead poisoned child through MassHousing’s <i>Get the Lead Out Program</i>. This program can be combined with the City’s <i>Housing Rehabilitation Loan Program</i>. As a Local Rehabilitation Agency (LRA) for the <i>Get the Lead Out Program</i>, Salem is responsible for intake of application information, technical assistance, working with the applicant through the construction process and acting as the escrow agent for the loan funds.</p>

2	<b>Goal Name</b>	Affordable Housing
	<b>Goal Description</b>	Salem utilizes CDBG, HOME and CPA funds to provide a local match for non-profit development projects that result in long-term and permanent affordable housing, often by creating new affordable housing units through the conversion of old, abandoned or underutilized buildings and. A pool of funds for affordable housing is often set aside to provide resources for the City or a nonprofit partner, such as the North Shore CDC or Harborlight Community Partners, to take advantage of opportunities that arise to acquire available abandoned, derelict properties and turn them back into decent, affordable homes. The local match shows City support so that these agencies can leverage financing from various other funders. Salem will continue to work with nonprofit partners, as well as to negotiate on a case-by-case basis with private developers, to facilitate the creation of new affordable housing units.
3	<b>Goal Name</b>	First Time Homebuyer Program
	<b>Goal Description</b>	<p>The City continues its goal to provide families with the opportunity to own their first home through the <i>First-Time Homebuyer Downpayment Assistance Loan Program (FTHB)</i>. In addition to basic downpayment assistance, the program offers a \$1,000 increase over the maximum loan amount for homeowners who complete First-Time Homebuyer Counseling through a qualified training program.</p> <p>In addition to administering the <i>First-Time Homebuyer Downpayment Assistance Loan Program</i>, DPCD staff provides assistance to coordinate other resources for down payment assistance, such as homeownership programs offered by MassHousing, as well as supporting first time homebuyer education workshops provided by various organizations.</p>

4	<b>Goal Name</b>	Small Business Financial Assistance Programs
	<b>Goal Description</b>	<p>Businesses often need additional assistance and more creative financing options than may be offered by banks. Even the very best innovative new business idea often has difficulty filling the “gap” between what they can invest and what banks will loan, versus the cost of the project. Without capital, new equipment or storefront improvements, some of the best small businesses can fail. The <i>Salem Business Loan Program</i> offers expanded financing opportunities for local entrepreneurs, while creating jobs and revitalizing the city. The program provides these types of loans:</p> <ul style="list-style-type: none"> <li>• <i>Microenterprise Assistance</i> - provides loans to low- to moderate-income entrepreneurs to assist with their microenterprise business (5 or fewer full-time employees, including the owner)</li> <li>• <i>Commercial Revitalization</i> - provides loans to business owners in the downtown and eligible neighborhood districts to assist with the exterior rehabilitation of their business and/or to correct code violations</li> <li>• <i>Special Economic Development</i> - provides loans to business owners throughout the city in exchange for job creation and/or job retention for low- and moderate-income people.</li> </ul> <p>Low-interest loans for commercial, industrial or mixed-use projects help create and retain jobs while improving the appearance of neighborhoods and promoting economic growth. The DPCD will continue to work with business owners to help finance a small project or to assist with gap financing of larger projects.</p> <p>The <i>Storefront Improvement Program</i> helps to improve the physical appearance of districts by advocating for appropriate design and historic preservation. By offering small business loans and grants toward new signage and façade improvements, the City is helping to enhance our historic neighborhood business districts with financial incentives to Salem business and property owners. Furthermore, the City has developed the <i>City of Salem Commercial Design Guidelines</i> to help business and property owners with appropriate design. Copies are free at the DPCD office or on the City’s website.</p>

5	<b>Goal Name</b>	Business Technical Assistance
	<b>Goal Description</b>	<p>Often small business owners need some degree of technical assistance to help them with managing or growing their business. The needs of local entrepreneurs range from business planning, drawing up financial statements, or navigating the city permitting process.</p> <p>The City's Economic Development Planner assists with new business location or existing business relocation, walks new businesses through permitting processes, coordinates available loan programs, coordinates the development of tax increment financing agreements, coordinates the development of neighborhood and economic development plans, manages the Salem Main Streets contract and liaises between businesses and the Salem Redevelopment Authority, as well as with state economic development agencies to provide businesses with access to tax credits and other incentives. The City works in collaboration with several agencies to improve economic opportunity in Salem by providing technical assistance to businesses. The Salem Main Streets Initiative, Salem Partnership, Salem Chamber of Commerce, Destination Salem, SBA Small Business Development Center and Salem State University Assistance Corporation's Enterprise Center each work in cooperation with the City to support local business, with some of the programs targeted toward low-income, minority and female entrepreneurs. The City offers a <i>"Doing Business in Salem Guide"</i> that is available on the City's website.</p>
6	<b>Goal Name</b>	Community Support Services
	<b>Goal Description</b>	<p>Along with housing services to help provide decent, affordable housing and economic development activities to help provide good jobs at good wages, individuals and families may have additional needs that are specific to their household. The Five Year Consolidated Plan identified the need for various social service programs to primarily benefit Salem's low- to moderate-income population and those with special needs (i.e. physically or mentally disabled, elderly or frail elderly, youth, non-English speaking residents, persons living with HIV/AIDS, substance abusers and homeless persons and families). Each year, Salem sets aside funds for social service programs to address these special needs.</p> <p>Through a Request for Proposals process, the city makes awards to nonprofit service organizations that offer such services. Public services eligible for funding include, but are not limited to, employment, crime prevention, child care, health, substance abuse, education, fair housing counseling, energy conservation, recreation programs, food programs and services for senior citizens. Target populations include, but are not limited to, persons with HIV/AIDS, abused children, battered spouses, elderly and frail elderly, minorities, non-English speaking residents, residents of public assisted housing, persons who are mentally ill or mentally retarded, substance abusers, youth and persons with disabilities. Funding proposals received are available for viewing at the DPCD.</p>



7	<b>Goal Name</b>	Neighborhood Improvements Activities
	<b>Goal Description</b>	<p>Residents depend on neighborhood infrastructure and public facility improvements to make the city the livable community that it is. By continually investing in neighborhoods, Salem strives to be the best place it can be for people to live and work. In FY19, the City will continue the investment in eligible neighborhoods through public infrastructure and traffic improvements (i.e. street paving, new sidewalks, curbcuts/crosswalks, traffic/pedestrian improvements and the removal of architectural barriers), public art and through neighborhood improvement initiatives (e.g., parks/playgrounds, lighting, trash receptacles, tree planting, signage and bike paths).</p> <p>The City will continue to invest in efforts that strengthen its public facilities, including improvemetns to fire stations. Salem's goal to have a new senior center will be realized in the Fall of 2018.</p>
8	<b>Goal Name</b>	Downtown Improvements
	<b>Goal Description</b>	<p>Healthy vibrant downtown and neighborhood commercial districts are essential to Salem's overall economic health. Salem will continue to work toward the implementation of the Salem Downtown Renewal Plan, including historic preservation, public art and other improvements that help discourage neglect and disinvestment and eliminate slums/blight.</p>

## AP-35 Projects - 91.420, 91.220(d)

### Introduction

Salem will carry out the following programs to address the goals identified in the Five Year Consolidated Plan (Note: Some activities will use prior year funds):

- **Housing Rehabilitation Program** - Offer financial and technical assistance to eligible homeowners and investor-owners to improve housing units, including improvements for accessibility.
- **Affordable Housing** - Support for local non-profit housing organizations and CHDOs seeking to acquire, create, preserve, and/or renovate affordable units.
- **First Time Homebuyer Program** - Financial assistance to eligible households in the form of loans for downpayments and closing costs.
- **Small Business Financial Assistance Programs** - Business Loan Program and Storefront Improvement Program for new, emerging or expanding small businesses that create or retain jobs for low- and moderate-income workers or eliminate or prevent blight, address building code violations and/or improve access, and/or leverage private investment.
- **Business Technical Assistance** - Technical assistance, training, design guidance, location service and referrals for owners of microenterprises or businesses that create or retain jobs for low- and moderate-income workers. Program delivery for the business loan program, oversight of the Salem Redevelopment Authority and funding for the Salem Main Streets Program and the micro-enterprise programs offered by Salem State University's Enterprise Center.
- **Neighborhood Improvement Activities** - Public facility and infrastructure improvements that enhance the quality of life in eligible neighborhoods, such as, parks/playgrounds, tree planting, lighting, signage, bike paths, streets, sidewalks, crosswalks, pedestrian safety, trash receptacles, traffic calming, accessibility, public art, senior center, fire stations, schools, etc.
- **Community Support Services** - Grants to nonprofit agencies for social services programs such as homelessness and foreclosure prevention, housing education, food distribution, homeless services, job training, senior transportation, childcare, crime prevention, immigrant services (cultural orientation and acclimation), ESL and citizenship education, youth activities, senior services, adult education (financial literacy, computer training, etc.) and substance abuse prevention, and other programs that advance self-sufficiency, reduce household financial burdens or improve the quality of life, as well as other special services (legal assistance, program navigation guidance). Also to support programs that provide supplemental education and/or engagement programs to increase public school students' academic achievement.
- **Planning & Administration** - Planning and general administration necessary to provide the tools needed to manage the CDBG program, as well as the development of plans and studies and the provision of public information.
- **Downtown Improvements** - Public facilities and infrastructure improvements that are located in Salem's slum/blight area and/or that benefit people with disabilities, such as lighting, signage, pedestrian safety, streets, sidewalks, crosswalks, trash receptacles, accessibility, public art and/or tree planting.

#	Project Name
1	Affordable Housing
2	Housing Rehabilitation Programs
3	First Time Homebuyer Program
4	Small Business Financial Assistance Programs
5	Business Technical Assistance
6	Neighborhood Improvement Activities
7	Community Support Services
8	Planning & Administration
9	Downtown Improvements
10	CV - Business Technical Assistance
11	CV - Small Business Financial Assistance
12	CV - Community Support Services
13	CV - Planning & Administration
14	CV - Neighborhood Improvement Activities

**Table 7 – Project Information**

### **Describe the reasons for allocation priorities and any obstacles to addressing underserved needs**

During the development of the Five Year Consolidated Plan, Salem residents identified the community development needs and goals for Fiscal Years 2016-2020. The priority needs identified during the extensive public process included the need for affordable housing, economic development, neighborhood improvement, and social services. The City has based its funding allocations on the identified needs. The proposed activities and expected accomplishments are intended to address those needs, with the goals and accomplishments calibrated to projected funding levels. At least 70% of the FY20 CDBG funding will be used for activities that benefit low- and moderate-income persons.

- **Affordable Housing** - Approximately 14.4% of CDBG funding (including estimated program income) in FY20 will be allocated to affordable housing, along with 100% of Salem's HOME funding allocation through the North Shore Home Consortium. This funding will be used to facilitate rehabilitation, acquisition and rental assistance for low- and moderate-income households.
- **Economic Development** – The City intends to allocate approximately 18% of its CDBG funding for FY20 to efforts to revitalize commercial districts, improve exterior building facades, and assist new and existing business owners (including microenterprises), through financial and technical assistance.
- **Social Services** – In FY20, the City intends to allocate the maximum allowable amount of 15% to support a broad range of social service programs that are consistent with the needs and goals identified in the Five Year Consolidated Plan.
- **Public Facilities and Infrastructure Improvements** - Approximately 34% of the City's FY20 CDBG funding will be allocated towards public facilities and infrastructure improvements projects in LMI neighborhoods and in the Downtown Urban Renewal District.
- **Program Administration** - Not more than 20% will be allocated for the necessary general administration costs for program oversight and coordination, including plans and studies.

## AP-38 Project Summary

<b>Project Summary Information1</b>	<b>Project Name</b>	Affordable Housing
	<b>Target Area</b>	
	<b>Goals Supported</b>	Affordable Housing
	<b>Needs Addressed</b>	Affordable Housing
	<b>Funding</b>	:
	<b>Description</b>	Support local non-profit housing organizations and CHDOs seeking to acquire, create, preserve and/or renovate affordable units.
	<b>Target Date</b>	6/30/2020
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	Salem will use carried over CDBG and HOME funding to complete the activities noted in a prior year's Action Plan (FY18). These funds have not been associated with a specific development project. The goals indicator for FY18 was set at a minimum of 2 units for LMI families.
	<b>Location Description</b>	The location of the minimum of 2 units utilizing FY18 funds has not been determined.
	<b>Planned Activities</b>	This activity is expected to utilize carried over funds from the prior years to meet accomplishments estimated in prior years.
<b>2</b>	<b>Project Name</b>	Housing Rehabilitation Programs
	<b>Target Area</b>	
	<b>Goals Supported</b>	Affordable Housing
	<b>Needs Addressed</b>	Affordable Housing
	<b>Funding</b>	CDBG: \$167,600
	<b>Description</b>	Offer financial and technical assistance to eligible homeowners and investor-owners to improve housing units, including improvements for accessibility, through the Housing Rehabilitation Loan Program.

	<b>Target Date</b>	6/30/2020
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	It is estimated that a minimum of three families of low to moderate income will be assisted. This activity may also use carried over funding from the prior year to complete additional units.
	<b>Location Description</b>	Addresses will be determined from applications for assistance that will be submitted by homeowners.
	<b>Planned Activities</b>	Housing Rehabilitation Loan Program Inspectional Services Rehabilitation Administration
<b>3</b>	<b>Project Name</b>	First Time Homebuyer Program
	<b>Target Area</b>	
	<b>Goals Supported</b>	First Time Homebuyer Program
	<b>Needs Addressed</b>	Affordable Housing
	<b>Funding</b>	:
	<b>Description</b>	Financial assistance to eligible households in the form of loans for downpayments and closing costs through the First Time Homebuyer Downpayment assistance Loan Program.
	<b>Target Date</b>	6/30/2020
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	Salem will use carried over CDBG funding to complete the activities noted in a prior year's Action Plan (FY19). As of 5/21/19, these funds had not been associated with a specific address. The goals indicator for FY19 was set at 5 LMI households.
	<b>Location Description</b>	Locations to be determined upon receipt of program applications from eligible households.

	<b>Planned Activities</b>	Loan pool for downpayment assistance loan program. As individual activities are set up for first time homebuyer loans, the loan pool is reduced.
<b>4</b>	<b>Project Name</b>	Small Business Financial Assistance Programs
	<b>Target Area</b>	
	<b>Goals Supported</b>	Small Business Financial Assistance Programs
	<b>Needs Addressed</b>	Economic Development
	<b>Funding</b>	CDBG: \$70,000
	<b>Description</b>	Provide a Business Loan Program and a Storefront Improvement Program for new, emerging or expanding small businesses that create or retain jobs for low- and moderate-income workers, address building code violations and/or handicapped access, and/or leverage private investment.
	<b>Target Date</b>	6/30/2020
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	It is estimated that one business will be assisted, creating a minimum of 2 LMI jobs.
	<b>Location Description</b>	Point Neighborhood, Downtown Salem (slum/blight area) or other eligible LMI commercial areas.
	<b>Planned Activities</b>	Small Business Loan Program Storefront Improvement Program
<b>5</b>	<b>Project Name</b>	Business Technical Assistance
	<b>Target Area</b>	
	<b>Goals Supported</b>	Business Technical Assistance
	<b>Needs Addressed</b>	Economic Development

	<b>Funding</b>	CDBG: \$140,000
	<b>Description</b>	Offer technical assistance, training, design guidance, location service and referrals for owners of micro-enterprises or businesses that create or retain jobs for low- and moderate-income workers. Provide program delivery for the business loan program, technical support to the Salem Redevelopment Authority and funding for the Salem Main Streets Program and North Shore CDC's Small Business Engagement Program.
	<b>Target Date</b>	6/30/2020
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	It is estimated that a minimum of four LMI jobs will be created, as well as a minimum of fifty businesses assisted.
	<b>Location Description</b>	Point Neighborhood, Downtown (slum/blight area) and other LMI commercial areas.
	<b>Planned Activities</b>	Salem Main Streets Program Economic Development Program Delivery North Shore CDC Small Business Engagement Program
<b>6</b>	<b>Project Name</b>	Neighborhood Improvement Activities
	<b>Target Area</b>	
	<b>Goals Supported</b>	Neighborhood Improvements Activities
	<b>Needs Addressed</b>	Neighborhood Public Facilities and Infrastructure
	<b>Funding</b>	CDBG: \$398,200

	<b>Description</b>	Undertake public facility and infrastructure improvements that enhance the quality of life in eligible neighborhoods such as, parks/playgrounds, clean-up of vacant lots, open space improvements, tree planting, lighting, signage, bike paths, streets, sidewalks, crosswalks, pedestrian access & safety, trash receptacles, traffic calming, public art, accessibility, senior center, fire stations, teen center, schools, etc.
	<b>Target Date</b>	6/30/2020
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	Projects will be undertaken in LMI neighborhoods. Per the American Community Survey 2011-2015 5-year estimates, it is estimated that Salem has 21,395 or 52.7% residents that are LMI persons.  LMI neighborhoods have 17,600 persons of which 12,180 or 69.2% are LMI persons. We have used 17,600 as the estimated for the number of persons to be assisted.
	<b>Location Description</b>	All activities will be undertaken in eligible LMI neighborhoods.
	<b>Planned Activities</b>	Street & Pedestrian Improvements Tree Planting Park/playground Improvements Lighting Installations Point Neighborhood Improvements Council on Aging Improvements Public Art
<b>7</b>	<b>Project Name</b>	Community Support Services
	<b>Target Area</b>	
	<b>Goals Supported</b>	Community Support Services
	<b>Needs Addressed</b>	Public Services
	<b>Funding</b>	CDBG: \$174,883



	<b>Description</b>	Provide grants to nonprofit agencies for social service programs such as homelessness or foreclosure prevention, housing education, food distribution, homeless services, job training, senior transportation, child care, crime prevention, immigrant service, ESL and citizenship education, youth activities, senior services and activities, adult education (financial literacy, computer train, etc.) and substance abuse prevention, and other programs that advance self-sufficiency, reduce household financial burdens or improve the quality of life, as well as other special services (legal assistance, program navigation guidance). Also to support programs that provide supplemental education and/or engagement programs to increase public school students' academic achievement.
	<b>Target Date</b>	6/30/2020
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	Approximately 8,800 persons will be assisted through approximately 29 social service programs. It is estimated that 97% of the persons served will be low to moderate income.
	<b>Location Description</b>	Not applicable

<p>OMB Control No: 2506-0117 (exp. 09/30/2021)</p>	<p><b>Planned Activities</b></p>	<p>Grants for up to 28 social service programs.</p> <p><i>Fiscal Year 2020 Social Services Funding Proposals Received:</i></p> <p><b>Located within or steps from the Point Neighborhood:</b></p> <ul style="list-style-type: none"> <li>• Catholic Charities - Homeless Prevention Program</li> <li>• HAWC – Children’s Services for Domestic Violence Victims in Emergency Shelter</li> <li>• Disability Resources Center, Inc. - Housing Assistance Services</li> <li>• Leap for Education - College and Career Ready Program</li> <li>• North Shore CDC - Family Resource Center</li> <li>• North Shore Community Health – Increased Access to Behavioral and Medical Services to Homeless Individuals</li> <li>• Salem Community Child Care – Kindergarten Afterschool Program</li> <li>• Salem Police Department - Point Targeted Patrols</li> <li>• VOCES - Hispanic Education Program</li> <li>• Open Door Immigration Program – Increasing Community Access to Immigration Legal Services</li> </ul> <p><b>Located in Downtown Salem:</b></p> <ul style="list-style-type: none"> <li>• Lifebridge - Medical &amp; Outreach Supportive Services</li> <li>• New Liberty Innovation School – Teacher Home Visits &amp; Family Engagement</li> <li>• Salem YMCA - Afterschool Program</li> </ul> <p><b>Located within Salem:</b></p> <ul style="list-style-type: none"> <li>• Aspire Developmental Services, Inc. – Early Intervention Program</li> <li>• Bentley Academy Charter School – Home Visits &amp; Family Engagement</li> <li>• Boys &amp; Girls Club of Greater Salem - Power Hour</li> <li>• Eastgate Christian Fellowship - Joseph’s Storehouse Food Pantry (<i>withdrawn</i>)</li> <li>• Inversant – Salem Families College Savings Program</li> <li>• Salem Council on Aging - Senior Transportation Program</li> <li>• Salem Council on Aging –Creative Arts Program for Senior Citizens</li> <li>• Salem Council on Aging –Muscle Strength &amp; Endurance for Senior Citizens</li> <li>• Salem Park, Recreation &amp; Community Services – Enrichment Playground Programs (Palmer Cove, 289 Derby and Memorial Parks)</li> <li>• The North Shore Moving Market – Food Delivery for Elderly and Disabled Persons</li> <li>• The Salvation Army - Homeless Prevention Program</li> <li>• The Salvation Army – Winter Emergency Cot Shelter</li> <li>• Wellspring House - MediClerk Job Training Program</li> </ul> <p><b>Located outside Salem (but available to Salem residents):</b></p> <ul style="list-style-type: none"> <li>• Citizens Inn, Inc. – Haven from Hunger Food Pantry</li> <li>• North Shore Community Action Programs, Inc. - Homeless Prevention Program</li> </ul>
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8	<b>Project Name</b>	Planning & Administration
	<b>Target Area</b>	
	<b>Goals Supported</b>	Housing Rehabilitation Programs Affordable Housing First Time Homebuyer Program Small Business Financial Assistance Programs Business Technical Assistance Community Support Services Neighborhood Improvements Activities Downtown Improvements
	<b>Needs Addressed</b>	Affordable Housing Homeownership Assistance Economic Development Public Services Neighborhood Public Facilities and Infrastructure Downtown Public Facilities and Infrastructure
	<b>Funding</b>	CDBG: \$215,208
	<b>Description</b>	Cover costs associated with planning and general administration in order to provide the tools needed to manage the CDBG program, as well as the development of plans and studies and the provision of public information. This includes funds to match grant funds being provided by the Massachusetts Historical Commission Survey and Planning Grant Program and/or other grant programs.
	<b>Target Date</b>	6/30/2020
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	Not applicable

	<b>Location Description</b>	Not applicable
	<b>Planned Activities</b>	General Program Administration Planning Studies Provision of public information
9	<b>Project Name</b>	Downtown Improvements
	<b>Target Area</b>	
	<b>Goals Supported</b>	Downtown Improvements
	<b>Needs Addressed</b>	Downtown Public Facilities and Infrastructure
	<b>Funding</b>	:
	<b>Description</b>	Undertake infrastructure and public facility improvements to support Salem's slum/blight area (downtown) and complement ongoing Economic Development activities. Projects may include street & sidewalk improvements, pedestrian circulation, safety, access and aesthetics, accessibility improvements, tree planting, trash receptacles, traffic improvements, lighting, signage and open space improvements, as well as improvements to public facilities and public infrastructure. The City may also look at various locations in the downtown for consideration of public art projects.
	<b>Target Date</b>	6/30/2020
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	4735 persons are located within the block groups that comprise the Downtown (slum/blight area): 2045003 – pop 710 2045002 – pop 1250 2042002 – pop 495 2042003 – pop 1250 2043001 – pop 1030

	<b>Location Description</b>	Salem's downtown (slum/blight area) is just south of the North River and west of Salem Harbor. The area is bordered by dense, mostly residential areas on all sides. It is bounded roughly by Bridge Street to the north, Peabody Street to the south, Summer Street to the west, and the Salem Common to the east. The MBTA's Salem commuter rail station parking lot, located just north of Bridge Street, is included within the Downtown.
	<b>Planned Activities</b>	Slum/blight area improvements are the City's contribution to economic activity and private investment. This activity is expected to utilize carried over funds from the prior year to meet accomplishments estimated in FY18/19.
<b>10</b>	<b>Project Name</b>	CV - Business Technical Assistance
	<b>Target Area</b>	
	<b>Goals Supported</b>	Business Technical Assistance
	<b>Needs Addressed</b>	Economic Development
	<b>Funding</b>	CDBG-CV: \$60,340
	<b>Description</b>	Provide consulting services and peer group advisory support to address needs of small businesses made vulnerable as a result of COVID-19.
	<b>Target Date</b>	6/30/2021
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	N/A
	<b>Location Description</b>	Point Neighborhood, Downtown (slum/blight area) and other commercial areas.
	<b>Planned Activities</b>	Enterprise Center Small Business Technical Assistance Services Program
<b>11</b>	<b>Project Name</b>	CV - Small Business Financial Assistance
	<b>Target Area</b>	
	<b>Goals Supported</b>	Small Business Financial Assistance Programs

	<b>Needs Addressed</b>	Economic Development
	<b>Funding</b>	CDBG-CV: \$250,000
	<b>Description</b>	Provision of loans or grants to qualified small businesses that have been impacted by COVID-19.
	<b>Target Date</b>	6/30/2021
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	N/A
	<b>Location Description</b>	Point Neighborhood, Downtown (slum/blight area) and other commercial areas.
	<b>Planned Activities</b>	Microenterprise and small business relief grant program.
<b>12</b>	<b>Project Name</b>	CV - Community Support Services
	<b>Target Area</b>	
	<b>Goals Supported</b>	Community Support Services
	<b>Needs Addressed</b>	Public Services
	<b>Funding</b>	CDBG-CV: \$764,553
	<b>Description</b>	Grants to nonprofit agencies for social services programs that address the urgent basic human services needs of Salem's most vulnerable residents, including meal delivery, grocery purchase/delivery, purchase of personal protection equipment, provision of services for homeless individuals, wellness programs, emergency homeless prevention/rental assistance, childcare for essential employees, temporary shelter due to social distancing needs, and other programs that combat emergency needs as a result of the crisis.
	<b>Target Date</b>	6/30/2021

	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	Approximately 4,800 persons will be assisted through a approximately 9 social service programs. It is estimated that 97% of the persons served will be low to moderate income.
	<b>Location Description</b>	Not applicable.
	<b>Planned Activities</b>	Grants to approximately nine social service agencies.
<b>13</b>	<b>Project Name</b>	CV - Planning & Administration
	<b>Target Area</b>	
	<b>Goals Supported</b>	Small Business Financial Assistance Programs Business Technical Assistance Community Support Services Neighborhood Improvements Activities
	<b>Needs Addressed</b>	Economic Development Public Services Neighborhood Public Facilities and Infrastructure
	<b>Funding</b>	CDBG-CV: \$80,000
	<b>Description</b>	Cover costs associated with the general administration of CV funds and activities.
	<b>Target Date</b>	6/30/2021
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	N/A
	<b>Location Description</b>	N/A
	<b>Planned Activities</b>	Administration costs associated with the general oversight of CV funds and activities.
<b>14</b>	<b>Project Name</b>	CV - Neighborhood Improvement Activities

	<b>Target Area</b>	
	<b>Goals Supported</b>	Neighborhood Improvements Activities
	<b>Needs Addressed</b>	Neighborhood Public Facilities and Infrastructure
	<b>Funding</b>	CDBG-CV: \$29,205
	<b>Description</b>	Undertake infrastructure and/or public facility activities in response to COVID-19.
	<b>Target Date</b>	6/30/2022
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	To be determined
	<b>Location Description</b>	Point Neighborhood, Downtown (slum/blight area) or other LMI neighborhoods.
	<b>Planned Activities</b>	Infrastructure Improvements in response to COVID-19 impacts. Public Facility Improvements in response to COVID-19 impacts.



## **AP-50 Geographic Distribution - 91.420, 91.220(f)**

### **Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed**

As of 4/1/19, HUD announced the publication of low- and moderate-income summary data based on the American Community Survey 2011-2015 R-year estimates (2015 ACS). A map of the 2015 Census block groups (see Appendix) is used to identify low- to moderate-income (LMI) areas. According to the 2015 ACS, Salem is now 52.7% LMI, with block groups of lower income concentration in the neighborhood roughly between Boston Street and Dunlap/Balcomb Streets; the area bordered by Witch Way, Puritan Road, Ord and Summit Streets, Berube Road, Rawlins and Boston Streets and the City of Peabody line, the neighborhood bordered by Boston, Pope, Proctor, Jackson and Wilson Streets and Jefferson and Highland Avenues; and a large, contiguous, 9 block group area that includes portions of the downtown, the Point Neighborhood and South Salem, boarded by Bentley, Essex, Summer, Broad Street and Hathorne Streets, Jefferson Avenue, crossing over to and along the railroad thru to the bike path parallel to Raymond Road until the Marblehead line, then proceeding up Lafayette Street to Willow Avenue and the Atlantic Ocean, (with the exception of one block group – 2042.004). There is overlap between the Downtown and the Point Neighborhood, which also has the highest concentration of minority residents.

### **Rationale for the priorities for allocating investments geographically**

The City typically supports programs that benefit low- and moderate-income households or specific population groups such as senior citizens, disabled persons and minorities. Although some programs support the needs of these populations throughout the city, many activities are targeted to specific neighborhoods with concentrations of low- and moderate-income households. When prioritizing activities, the City pays special attention to those low- and moderate-income neighborhoods where the greatest needs have been identified and whose public facilities and infrastructure are in the worst condition. In addition, the City has also undertaken improvements in the Downtown Urban Renewal Area, which is designated as a Slum and Blight District.

### **Discussion**

In accordance with CDBG regulations, the City can undertake specific activities, such as street, sidewalk and playground improvements in the low- and moderate-income neighborhoods or in neighborhoods meeting the definition of “slums and blight.” With the change to 52.7% LMI city-wide, the City has an opportunity for expansion of CDBG programs and improvements to places that may not be located within LMI areas, but may still serve LMI populations. To this end, the City will look closely at activities that can address comprehensive needs. In addition, the *Housing Rehabilitation Loan Program*, *First-Time Homebuyer Downpayment Assistance Loan Program*, and the *Small Business Loan Program* will continue to be offered citywide, to allow any low- to moderate-income individual or household to take advantage of their availability.

## **AP-75 Barriers to affordable housing -91.420, 91.220(j)**

### **Introduction**

Throughout the process of gathering input through public meetings and through interviews with service providers, business associations, and housing professionals during the 5-Year Consolidated Plan process, the City did not find that its housing policies create impediments to fair housing. Compared to other cities and towns within the region, Salem offers a greater diversity of housing, and a higher proportion of affordable housing overall, having exceeded the State's 10% affordable housing goal. Nonetheless, several factors contribute to the difficulty of increasing the availability of affordable housing, including a shortage of land, environmental conditions, constraints on development finance, and the lack of regulatory tools to require affordable housing in new developments. Like other communities, Salem is not in control of all of these barriers.

### **Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment**

Salem's zoning does not require developers to provide affordable housing via an inclusionary zoning ordinance. As a result, the redevelopment of obsolete residential and commercial space for new condominium or rental housing has produced higher-end units that are not affordable to a large percentage of the City's existing residents. While the infusion of more people and disposable income in the downtown area supports local economic development goals, a lack of a sufficient supply of housing for low-, moderate-, and middle-income households may create negative social and economic consequences for the City as a whole. The City will:

- Continue to negotiate the inclusion of affordable units in private housing developments.
- Continue to utilize Massachusetts' Chapter 40B Comprehensive Permit program which enables the City to waive local zoning requirements including density, height, and use, for developments to create new affordable housing.
- Expand affordable housing stock through work of the Affordable Housing Trust Fund Board (AHTF). Utilizing a \$59,000 housing planning grant from Massachusetts Housing Partnership (MHP), the AHTF has begun to implement the vision of the city's recent "Imagine Salem" planning process. The project supports Salem's efforts to meet new housing demand, estimated by the Metropolitan Area Planning Council, of 2,700 new housing units by the year 2030. The AHTF is evaluating opportunities to leverage public owned land for affordable housing. The City is collaborating with MHP to identify the sites that would be the easiest for Salem to move towards a Request for Proposal for disposition. MHP will assist the City in providing third party technical assistance to do a Phase I Environmental, Site Survey and flagging (identifying also extent of abutters encroachment) and some borings to understand geotechnical conditions. Once the technical assistance is done, MHP staff will work with City to put together fiscally-feasible options that meet community needs/goals and help craft an RFP for developers.

## Discussion

There are regulatory barriers that prevent the full realization of Salem's vision for housing growth. Among these barriers are regulations relating to the inability to use historic buildings in single-family zones as multi-family, parking requirements, and dimensional requirements. The City will continue to review the existing zoning ordinance and identify opportunities to make changes that would reduce barriers to housing production while also protecting neighborhood character. For example:

- In the summer of 2018 the parking minimums in the North River Canal Corridor (NRCC) Zoning District, a corridor in walking distance to the commuter rail, were reduced from 2 spaces per unit to 1.5 spaces per unit.
- The City is currently developing a permitting path that will allow for large historic buildings in single-family residential zones that were developed for a use other than housing, e.g. religious uses, to be adaptively reused as multifamily uses.
- The AHTF has identified updating the Accessory Dwelling Unit (ADU) ordinance as a priority for 2019. The current ADU limits the eligibility of ADUs to units that will be occupied by family members and/or caretakers to the main residential unit. In addition, the ordinance requires a special permit to create an ADU. The goal of updating the ordinance is to look at ways to remove exclusionary barriers in the ordinance, i.e. the family and caretaker requirement and identify whether there is an opportunity to allow ADUs by right rather than requiring a special permit. While the accessory units created through the amended ordinance will not be deed restricted affordable housing, these are naturally more affordable than a standard market rate 1- or 2-bedroom apartment in Salem. Thus, the units created as a result of the amended ordinance will increase the housing stock and the range of housing options.
- The City is analyzing data on the usage of variances for multi-family development to identify whether there are opportunities to amend the dimensional standards and/or revising the dimensional relief process from a variance to a special permit.

## **AP-85 Other Actions - 91.420, 91.220(k)**

### **Introduction**

This section addresses other actions that the City of Salem will undertake including:

- Actions planned to address obstacles to meeting underserved needs;
- Actions planned to foster and maintain affordable housing;
- Actions planned to reduce lead-based paint hazards;
- Actions planned to reduce the number of poverty-level families;
- Actions planned to develop institutional structure; and
- Actions planned to enhance coordination between public and private housing and social service agencies.

### **Actions planned to address obstacles to meeting underserved needs**

The Five Year Consolidated Plan outlines several barriers to housing affordability and reducing the impacts of poverty in Salem: the cost of permitting and developing land with environmental constraints, the lack of regulatory tools to require or encourage affordable housing in new developments, the lack of resources to finance affordable housing development, an economy imbalanced by lower-wage jobs, and local government's dependence on the property tax to finance City services.

Like other communities, Salem is not in control of all of these barriers, and as a result, its ability to solve them is constrained by financial resources and legal requirements. Nevertheless, Salem has identified several strategies to overcome these obstacles in its goals to increase affordable housing, provide a decent living environment, and increase economic opportunities for low- and moderate-income residents.

- The City will continue to support the creation of new affordable housing units, neighborhood improvement projects, and anti-poverty strategies through partnership with non-profit entities, supplementing state and federal subsidies with local funding, and case-by-case negotiation with private developers.
- The City will continue to utilize tools such as the Chapter 40B Comprehensive Permit program to exempt developments which create affordable housing from local land use regulations.
- Utilize local funding through the Community Preservation Act to facilitate affordable housing development.

### **Actions planned to foster and maintain affordable housing**

The following summarizes Salem's strategy to address housing needs, which includes both new housing production and preserving the existing housing stock for working families. Key components are:

- Producing New Housing Units - Working with private and nonprofit developers, such as North Shore CDC

and Harborlight Community Partners, Salem supports the creation of affordable housing units through the conversion of underutilized buildings and parcels, often assisted with Salem's CDBG, HOME and/or CPA funds.

- Preserving Existing Affordable Units - Salem has several private rental developments with affordable units utilizing subsidies that will expire after a period of time. The city continues to negotiate the extension of affordability for expiring subsidized units.
- The City negotiates with developers on a case-by-case basis for 10% affordable units.
- The City's Community Preservation Act funds require a minimum spending (or reserve) of 10% of the annual budget on affordable housing projects.
- The Salem Housing Authority (SHA) currently administers 1,117 Section 8 vouchers of which 929 are leased units in Salem and 171 are leased in other communities, and currently administers 17 for other communities/housing authorities in Salem. The SHA administers 16 vouchers through the DMH program, as well as 125 project-based vouchers. The SHA owns and manages a portfolio of 715 units of public housing for low income elderly, family, and handicapped residents scattered across the city. Funding to preserve and maintain these properties is provided by DHCD and HUD.
- Community Teamwork, Inc. in Lowell currently administers the following vouchers in Salem: AHVP (1), MRVP (47 mobile), MVRP Project Based Vouchers (35).
- Providing First-Time Homebuyers Assistance - The City provides families with the opportunity to own their first home through the *First-Time Homebuyer Downpayment Assistance Loan Program*. The program also offers an additional \$1,000 for homeowners who complete Homebuyer Counseling. DPCD staff also provide assistance to coordinate other resources for homebuyers, such as programs offered by MassHousing, as well as supporting first-time homebuyer education workshops provided by various organizations.
- Rehabilitation of Existing Housing - While older homes are integral to Salem's history and neighborhood fabric, they require a great deal of maintenance and may not meet current building codes. In response, the City administers a *Housing Rehabilitation Loan Program* to provide low-interest loans to owners of single and multi-family properties to address health and safety issues. The program was expanded to investor-owners with low- to moderate-income tenants to maintain affordable, quality rental properties and to discourage the conversion of affordable rental units into condominiums. Homeowners are also referred to NSCAP's weatherization program for energy-efficiency work before utilizing Salem's loan program, thereby reducing the homeowner's loan burden. In addition, the City offers deleading assistance for homeowners with a lead poisoned child through MassHousing's *Get the Lead Out Program*, which can be combined with the City's *Housing Rehabilitation Loan Program*.
- Working Regionally to Increase the Supply of Housing - As the housing market is not confined to city boundaries, ongoing multi-jurisdiction cooperation is needed to address the region's lack of affordable housing. No one city or town can, or should, bear the responsibility of providing all of the region's affordable units. Salem is committed to working with its partners in the North Shore HOME Consortium and with the region's mayors to encourage the development of housing throughout the area in an effort to increase the supply of housing for all.

## **Actions planned to reduce lead-based paint hazards**

The Salem Board of Health disseminates information regarding the proper disclosure of lead hazards upon selling or renting a housing unit and inspects rental units for lead paint hazards. In Salem, a landlord is required to obtain a Certificate of Fitness inspection when an apartment becomes vacant. Board of Health personnel conduct this inspection and enforce the State Sanitary Code for Housing. When the information is sent to the landlord prior to this inspection, a letter describing the Federal law is included, as is a copy of the Tenant Notification Form in English and Spanish. Also, the Board of Health periodically sends notification of regulations regarding lead-based paint to area realtors. In addition, Board of Health personnel are trained Lead Determinators.

Should the Board receive a call from a tenant who is concerned that there may be lead-based paint in his/her apartment, potentially affecting their children under six years of age, the Board is able to send out a Sanitarian to conduct a Lead Determination. If lead paint is detected, an order is sent to the landlord requiring compliance with the State Lead Law. The Board ensures compliance with the order. The Massachusetts Childhood Lead-Paint Poisoning Prevention Program is notified of the results of all Lead Determinations.

In cooperation with the Commonwealth of Massachusetts and other municipal departments, the City of Salem, through its DPCD, works to decrease the number of housing units containing lead-based paint hazards. The City actively works to reduce lead-paint hazards in pre-1978 housing occupied by lower-income households through the City of Salem's *Housing Rehabilitation Loan Program*. Through the *Salem Housing Rehabilitation Loan* and *Get the Lead Out Programs*, the City provides loan funds for qualified applicants for lead testing, hazard reduction and abatement activities, and temporary relocation reimbursements. Lead-based paint hazard control measures are consistent with the federal Title X requirements and State lead based paint regulations. MassHousing's *Get the Lead Out Program* is also available to homeowners with a lead poisoned child.

Finally, all participants in the *First-Time Homebuyer Downpayment Assistance Loan Program* are given a copy of the EPA brochure "Protecting Your Family from Lead in Your Home."

## **Actions planned to reduce the number of poverty-level families**

Salem uses CDBG and other funds to pursue an anti-poverty strategy carried out by the City and a variety of social service subrecipients. The strategy consists of four components: education, job training, affordable housing and social services.

### Education

An adequate school system is crucial to reducing poverty in future generations. The City has used state funding to renovate and improve its educational facilities and provide school-age children with an environment conducive to learning. The Salem Public Schools support bilingual classroom settings and technology-based training that will enable those with lower incomes to improve their job opportunities. The school choice program gives residents more choices about the school they want their children to attend, and offers education focused specific skills, such as science and technology and communication and community service. Salem's Parent Information Center

coordinates the school choice program designed to improve racial balance within the school systems, and provides information about adult education programs designed to help low-income families.

The City will continue to support various educational programs for youth, adults, and the Spanish-speaking population with CDBG funds, which may include Salem Public Schools, and programs administered by non-profit agencies such as Aspire Developmental Services, Inc., LEAP for Education, the Boys and Girls Club, Wellspring House, North Shore Community Development Coalition, and VOCES.

#### Job Training and Employment Resources

Salem collaborates with numerous job training, and workforce development programs in the region such as The North Shore Career Center and the North Shore Workforce Investment Board.

The City will continue to use CDBG funds to support job training and employment assistance programs, such as the Wellspring House MediClerk Program.

#### Affordable Housing

Providing adequate, affordable housing for low- and moderate-income residents is critical to the success of an anti-poverty strategy. City agencies such as the Salem Housing Authority and the DPCD are committed to providing safe, appropriate, and affordable housing opportunities to very-low, and low- and moderate-income family, elderly, and disabled households. In addition, many housing providers and social service agencies work in concert to combat poverty in Salem. The City's established partnerships with agencies such as the NSCAP, the North Shore HOME Consortium and the North Shore Community Development Coalition increase its success at bringing services to lower income residents and encouraging them to participate in revitalizing their community.

#### Social Services

Through a competitive funding round, the City of Salem uses CDBG funds to support 20-25 non-profit social service programs annually. These organizations provide services to help families meet the costs of living, promote family self-sufficiency, serve special populations and/or provide crisis intervention assistance – programs seeking to break the cycle of poverty. CDBG funds support several programs which indirectly assist with housing in many ways such as increased pay (i.e. job training, ESL programs) and decreased monthly expenditures (i.e. child care, food programs) so households can better afford rent or mortgages. There are also many non-CDBG funded programs available to Salem residents to help households overcome various obstacles to self-sufficiency.

#### **Actions planned to develop institutional structure**

The Department of Planning and Community Development (DPCD) administers the City of Salem Community Development Program as well as the formula funding received by the North Shore HOME Consortium for which the City of Peabody is the lead agency. Under the direction of the Director of Planning and Community Development, the Assistant Community Development Director manages and monitors Salem's community

development programs.

Salem's housing programs are administered by the DPCD Housing Coordinator under the direction of the Director of Planning and Community Development. In addition, local non-profit agencies, CHDOs and CDCs administer certain housing activities. Many housing activities leverage funds through private lender financing.

City departments undertake certain CDBG-funded activities, such as the tree planting program, sidewalk replacement, street paving and curbside installation. These departments may subcontract work under public bidding procedures and provide requests for reimbursement and any required documentation (i.e., prevailing wage documentation) to the DPCD.

Each year the City of Salem issues a Request for Proposals to nonprofit organizations that offer social service, housing or economic development programs. CDBG funds are awarded to organizations that demonstrate programmatic needs and the capacity to administer the proposed program. The City's Assistant Community Development Director coordinates the management of the public service and housing subcontracts and the Economic Development Planner coordinates the management of the economic development subcontracts.

In general, DPCD staff carries out the remaining activities, including the hiring of consultants or other private businesses through established municipal purchasing procedures.

The City's auditing firm audits Salem's CDBG program delivery system annually. In addition, HUD staff conducts periodic reviews and grant monitorings. The City promptly implements recommendations arising as a result of these reviews. The DPCD continuously works to improve upon its methods and procedures for the administration of its programs.

### **Actions planned to enhance coordination between public and private housing and social service agencies**

DPCD will continue to administer Salem H.O.P.E. (Human Organization Partnership Effort), a networking group of human service agencies that serve Salem residents, offering a forum for agencies to learn about the services being provided by other agencies in order to fill in gaps, coordinate efforts and avoid the duplication of services. All human service agency representatives are invited to attend the quarterly Steering Committee breakfast meetings held at rotating agency locations. Through this program, agency representatives are introduced to each other and exchange information, announcements and updates.

### **Discussion**



## Program Specific Requirements

### AP-90 Program Specific Requirements - 91.420, 91.220(l)(1,2,4)

#### Introduction

Over the past five years, Salem met all timeliness requirements, and program expenditures were consistent with its Five Year Consolidated Plan and annual Action Plan goals. Funds drawn down are always used within the year they are received; no program income is carried over.

#### Community Development Block Grant Program (CDBG)

##### Reference 24 CFR 91.220(l)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	0
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
<b>Total Program Income:</b>	<b>0</b>

#### Other CDBG Requirements

1. The amount of urgent need activities	0
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	70.00%

#### Discussion

This AP covers July 1, 2019-June 30, 2020 (Salem's FY20, using HUD 2019 funds). We estimate receiving \$100,000 in program income during this program year. All program income received in FY20 will be reported and spent under FY20. We do not have any lump sum drawdown agreements, nor reimbursements other than program income, made to the local account, expected to be available during FY20.

Salem intends to spend at least 70% of CDBG funds to benefit persons of low and moderate income in FY20. The City of Salem primarily funds activities that serve low- to moderate-income households (limited clientele) or activities within majority low- to moderate-income neighborhoods, typically reaching a percentage of 89% or higher (99.6% in FY18)