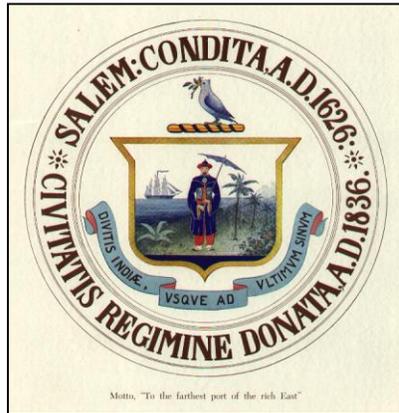


# CITY OF SALEM

FY21 COMPANION  
to, and  
ONE-YEAR ACTION PLAN  
(YEAR 1 OF 5 OF THE 5-YEAR CONSOLIDATED PLAN)



JULY 1, 2020 – JUNE 30, 2021  
FISCAL YEAR 2021  
(HUD 2020 FUNDS)

11/12/2020  
Kimberley Driscoll  
Mayor

Tom Daniel, AICP  
Director of Planning & Community Development

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Deputy Director of Planning & Community Development

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FOR BOTH THE FY21 COMPANION AND FY21 ACTION PLAN

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## Introduction

The Federal funding that Salem will receive for FY21 includes \$1,098,733 in CDBG funds, an estimated \$168,650 in HOME funds and a projected \$74,000 in program income. Total proposed expenditures based on current estimates of funding to be available are \$1,341,383.

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.

### **CDBG 101: What Can Be Funded?**

Although CDBG funds can be used for many types of housing, community and economic development activities, some restrictions apply. CDBG funds must be used for an eligible activity, must address at least one of three “national objectives” set by Congress, and a majority of the funds must be spent on activities that benefit very low, low or moderate income people.

#### ***National Objectives***

- **Benefit to very low, low and moderate income persons**
  - Activities that serve a “limited clientele”
    - Limited clientele refers to certain populations presumed by HUD to have very low, low or moderate incomes: abused children, battered spouses, elderly persons, severely disabled adults, homeless persons, illiterate persons, persons living with AIDS and migrant farm workers
    - Serving people with incomes below the very low, low or moderate income threshold (see “Income Limits” below)
  - Area benefit activities
    - Activity conducted in a service area that is primarily residential, and at least 51% of the residents have very low, low or moderate incomes (see Map in Appendix). The activity must meet the needs of very low, low and moderate income persons.
  - Job creation or retention activities
    - At least 51% of the jobs created or retained must be available to and held by very low, low or moderate income people
- **Aid in the prevention or elimination of slums or blight**
  - Area Basis - Must be a formally designated area (i.e. Salem’s downtown)
  - Spot Basis – Only a limited set of activities qualify
  - Urban Renewal Area
- **Meet a need having a particular urgency**
  - Recent emergency conditions only, posing an immediate threat to health or welfare of community and no other funding is available

### **Eligible Activities**

CDBG funds may be used for a variety of activities. In general, the activities fall into these categories:

- Anti-Crime Programs
- Economic Development
- Homeless & HIV/Aids Programs
- Housing
- Infrastructure
- Planning & Administration
- Public Facilities
- Public Services
- Senior Programs
- Youth Programs

### **What Does “Very Low, Low or Moderate Income” Mean?**

Each year HUD publishes “income limits” that define very low, low and moderate income levels used in several housing and community development programs. The income limits are determined by household size and the median incomes in a particular area<sup>1</sup>. Below are the income limits in effect for Salem as of July 1, 2020.

Income Limits								
Household Size	ONE	TWO	THREE	FOUR	FIVE	SIX	SEVEN	EIGHT
MODERATE (80% of Median)	67,400	77,000	86,650	96,250	103,950	111,650	119,350	127,050
LOW (50% of Median)	44,800	51,200	57,600	63,950	69,100	74,200	79,300	84,450
VERY LOW (30% of Median)	26,850	30,700	34,550	38,350	41,450	44,500	47,600	50,650

### **Addressing the COVID-19 pandemic**

Just before the draft of this plan was completed, the COVID-19 pandemic occurred. The City acknowledges that additional needs have arisen as a result. Salem has made an effort to respond to immediate needs, by reprogramming available 2019 CDBG funds, as well as through the use of CDBG-Coronavirus Aid, Relief, and Economic Security Act (CARES) funds.

The authorizing statute of the CDBG program requires that each activity funded, except for program administration and planning activities, must meet one of three national objectives. As previously stated, the three national objectives are:

- Benefit to low- and moderate- income (LMI) persons;
- Aid in the prevention or elimination of slums or blight; and
- Meet a need having a particular urgency (referred to as urgent need).

Moving forward, with regard to urgent needs due to infectious disease or Federal/State/Local declared disasters, additional CDBG funds may be reprogrammed to activities to address those needs, including housing, infrastructure, public facilities, assistance to affected businesses, public services or planning, capacity building or technical assistance. Such changes may include a modification in purpose, scope, location or beneficiaries of activities and may use CDBG, CDBG-CARES or other awarded federal funds under the LMI and/or Urgent Need National Objective. Therefore, Salem may will utilize all three national objectives during this period.

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<sup>1</sup> Salem's median income is \$119,000 as of 7/1/2020

## FY21 Action Plan Summary of Proposed Activities

The following section describes the activities proposed for FY21 in the categories of Affordable Housing, Economic Development, Neighborhood Improvements, Public Services and Planning & Administration that will be undertaken with CDBG and/or HOME funds. The activities listed are a combination of those managed by the city and by community organizations.

Typically, the City identifies activities to be funded from a specific year's resources, but 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.

### FY21 Affordable Housing Activities

- **Housing Rehabilitation Loan Program**

The *Housing Rehabilitation Loan Program* provides technical and financial assistance to help homeowners make needed improvements to their properties. The program's primary objectives are the elimination of lead paint, hazardous health and safety conditions, code violations, and barriers to accessibility. The program rehabilitates owner-occupied single and multi-family properties, which also creates and/or improves rental opportunities. Upon completion of the rehabilitation, and for at least 15 years thereafter, all rental units assisted with federal funding will be restricted to affordable rents.<sup>2</sup> Housing rehabilitation may also be undertaken by non-profit owners of rental properties.



*One of three buildings in the New Point Acquisitions Project*

**Projected Accomplishments:** 3 Housing Units Rehabbed with CDBG

**Proposed Funding:** \$125,740 CDBG;

This activity will also use carried over funding from FY20 (for additional units).

- **First-Time Homebuyer Downpayment Assistance Loan Program**

The *First-Time Homebuyer Downpayment Assistance Loan Program* provides 0 percent interest, deferred-payment loans to households that wish to purchase a home in the City of Salem. The loan is deferred, as long as ownership of the property is not sold, transferred or refinanced. This program provides renters with the opportunity to become homeowners, while potentially freeing up a rental unit for another family.

**Projected Accomplishments:** 2 Households Assisted

**Proposed Funding:** \$15,400 CDBG

This activity will also use carried over funding from FY20.

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<sup>2</sup> Rent limits are established by HUD annually.

- **Rental Assistance Programs**

The City hopes to create new rental assistance programs to be administered through the City, local social service agencies or the Salem Housing Authority that will help increase the inventory of homes restricted to low-moderate income households.

**Projected Accomplishments:** 8 Households assisted

**Proposed Funding:** \$55,000 HOME

- **Tenant Based Rental Assistance (Housing First)**

Tenant Based Rental Assistance will target homelessness in Salem through North Shore Community Action Programs. It will provide 12-24 months of temporary rental assistance for high risk homeless individuals. Support services will be provided separately through the agency.

**Projected Accomplishments:** 1 Individual assisted

**Proposed Funding:** \$3970 HOME

This activity will also use carried over funding from FY20 (for additional individuals assisted)

- **North Shore Community Development Coalition Affordable Housing Development**

Assistance will be provided toward pre-development, acquisition and/or rehabilitation of affordable housing units (at or below 80% of AMI) for the projects known as Lafayette Housing II Limited Partnership and New Point Acquisitions. These multi-building, multi-unit properties in the Point Neighborhood utilize a local match in order to access millions of dollars in other project funding.

**Projected Accomplishments:** 79 affordable housing units to be completed in FY22

**Proposed Funding:** HOME: \$104,621 (split to be determined)

Each project will also utilize \$25,000 in carried over CDBG funding from FY20.

Lafayette Housing II Limited Partnership has also been awarded \$100,000 in CPA funding. New Point Acquisitions was also awarded \$100,000 in CPA funding in 2020 and \$25,000 in HOME funds in 2019.

- **Affordable Housing Development**

Pool of funds for when opportunities arise for pre-development, acquisition and/or rehabilitation of affordable housing units (at or below 80% of AMI) by non-profit housing developers and/or CHDO's.

**Projected Accomplishments:** To be determined.

**Proposed Funding:** CDBG: \$50,000 will be used for a specific development project(s) to be determined.

- **Rehabilitation Administration**

Provides for the administration costs necessary to manage our rehabilitation programs, including inspectional services, mortgage filings, salary, benefits and non-salary expenses.

**Proposed Funding:** \$77,400 CDBG; \$5,059 HOME

## Fiscal Year 2021 Economic Development Activities

- **Small Business Financial Assistance Programs**

The City provides financial assistance to local business owners through its *Business Loan Program* and *Storefront Improvement Program*, which are operated out of a funding pool. The Salem *Business Loan Program* works to expand financing opportunities for local entrepreneurs, while creating jobs for low- and moderate-income individuals and revitalizing the city's downtown and income-eligible neighborhoods. The program provides low-interest loans to



*View of Essex Street in downtown Salem*

qualified entrepreneurs to cover the gap between the amount of financing needed for an economic development project and the amount that conventional lenders can finance. Funds are available for acquisition, construction, or rehabilitation of real property and for financing related to the purchase of equipment, fixtures, inventory, leasehold improvements and working capital. Terms/conditions of the loans vary. The *Storefront Improvement Program* is designed to encourage private investment and reinvestment by new and existing property/business owners in eligible commercial districts, by offering a one-to-one match for façade improvements. The match from the city is up to \$5,000 for each storefront.

**Projected Accomplishments:** 1 business assisted, minimum of 2 jobs created

**Proposed Funding:** \$44,000

- **Business Technical Assistance**

The City helps to coordinate and fund technical assistance services to local business owners. In FY21, the City will continue to fund the Salem *Main Streets Downtown Program*. The goal of the Program is to assist in the revitalization of downtown Salem as a vibrant year-round retail, dining and cultural destination through business recruitment, retention and promotion. Main Streets works with entrepreneurs and business owners to secure needed resources and navigate approval processes. Main Streets also works to improve the downtown business climate in support of additional economic development.

Technical assistance is also provided to new and existing businesses by the City's Economic Development Planner, who administers the City's financial assistance programs and provides administration to the Salem Redevelopment Authority, which has approval authority over projects occurring in the Downtown Area (slum/blight area).

Continuing this year will be assistance for a North Shore Community Development Coalition's Small Business Engagement Program that will serve minority entrepreneurs with a business workshop series, mentoring sessions, networking groups and referrals to partner agencies. The program will assist the development and growth of immigrant-owned businesses that provide products and services to the Point Neighborhood.

**Projected Accomplishments:** Minimum 5 jobs created

**Proposed Funding:** \$162,650

## Fiscal Year 2021 Neighborhood Improvement Activities

- **Parks, Public Facilities & Infrastructure Improvements**

Various improvements to publicly owned resources in eligible neighborhoods. Improvements may include, traffic/pedestrian circulation, safety and aesthetics, accessibility improvements, trash receptacles, bike paths, lighting, public art, signage, park and playground improvements, climate resilience, cleanup of vacant lots and open space



*Peabody Street Park*

improvements, as well as improvements to fire stations, the Community Life Center, homeless facilities, schools and other public facilities and public infrastructure, such as the area along the South River. Examples of projects under consideration are improvement at Lifebridge's Grace Center and the improvement of Peabody Street Park.

**Projected Accomplishments:** Various park, public facility and infrastructure improvements

**Proposed Funding:** \$49,962.81

- **Neighborhood Street and Sidewalk Improvements/Tree Planting**

The City's *Street Improvement Program* funds the repaving of streets, installation of curb cuts/crosswalks, replacement of sidewalks and planting of street trees in eligible neighborhoods or the downtown slum/blight area. An example of a project under consideration is the replacement of sidewalks along Prince Street.

**Proposed Funding:** \$240,309.19

Note: The City may consider submitting an application for a Section 108 loan in FY21, in order to undertake comprehensive street improvements (street paving, sidewalk replacement, curbcuts and crosswalk installations) in the Point Neighborhood or other eligible neighborhoods.

The Neighborhood Improvement category will also include \$15,000 for program delivery costs.

## Fiscal Year 2021 Social Services Activities

- **Community Support Services**

The City provides grants to nonprofit agencies for social service programs that assist homeless individuals and families, as well as low- and moderate-income Salem residents in need. Funded programs are selected through a competitive Request for Proposal process.

**Proposed Accomplishments:** Grants for approximately 25 social service agency programs to assist an estimated 9,000 persons.

**Proposed Funding:** \$179,321



*Creative Arts Class at the Community Life Center*

*Fiscal Year 2021 Social Services Funding Proposals Received:*

**Located within or steps from the Point Neighborhood:**

- Catholic Charities - Homeless Prevention Program
- HAWC – Children’s Services for Domestic Violence Victims in Emergency Shelter
- Disability Resources Center - Housing Assistance Services
- Leap for Education - College and Career Ready Program
- North Shore CDC - Family Resource Center
- Salem Community Child Care – Kindergarten Afterschool Program
- Salem Police Department - Point Targeted Patrols
- VOCES - Hispanic Education Program
- Open Door Immigration Program – Increasing Community Access to Immigration Legal Services

**Located in Downtown Salem:**

- Lifebridge - Medical & Outreach Supportive Services
- Salem Pantry, Inc. – Mobile Market Expansion
- Salem YMCA - Afterschool Program

**Located within Salem:**

- Aspire Developmental Services, Inc. – Early Intervention Program
- Bentley Academy Charter School – Home Visits and Family Engagement
- Boys & Girls Club of Greater Salem - Power Hour
- Inversant – Salem Families College Savings Program
- The North Shore Moving Market – Food Delivery for Elderly and Disabled persons
- Salem Council on Aging - Senior Transportation Program
- Salem Council on Aging –Creative Arts Program for Senior Citizens
- Salem Council on Aging –Muscle Strength & Endurance for Senior Citizens
- Salem Park, Recreation & Community Services – Enrichment Playground Program
- The Salvation Army - Homeless Prevention Program
- The Salvation Army – Winter Emergency Cot Shelter

**Located outside Salem (but available to Salem residents):**

- Citizens Inn, Inc. – Haven from Hunger Food Pantry
- North Shore Community Action Programs, Inc. - Homeless Prevention Program

**Fiscal Year 2021 Planning & Administration Activities**

• **General Program Administration**

This activity provides for the necessary general administration costs of the CDBG program oversight and coordination. It also includes the development of plans and studies and the provision of public information. General administration costs are capped at 20 percent of the available CDBG funds.

**Proposed Funding:** \$212,950 (salary, benefits, non-salary expenses, studies). This may include funds required to match grant funds being provided by Massachusetts Historical Commission to undertake Survey and Planning Grant projects and/or other grant-funded projects.



*Salem Historical Commission Guidelines  
Needs updating*

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## 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. Salem expects to receive approximately \$5,494,540 in CDBG funds over the 5 years of this plan (receiving a \$1,098,733 allocation for FY21).

As one of 30 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. Based on the FY21 allocation of \$168,650, Salem expects to receive a total of \$843,250 in HOME funds over the 5 years of this plan.

Salem will also likely receive additional Federal funding to address COVID-19 in the form of CDBG-CARES and/or HOME-CARES funds, so that Salem can respond to emerging housing, business and public service needs.

Along with HUD funds, 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 estimates it will generate approximately \$74,000 annually in program income.

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, establishing a local fund for open space, historic preservation, outdoor recreation, and affordable housing. 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. 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, and the remaining 70% may be dedicated to any eligible program area. The amount of state matching funds varies depending on the availability of funds and the number of communities participating, ranging between 17-31% in the past five years. In FY19, the local surcharge revenues were approximately \$666,000, generating approximately \$117,000 in State match funds.

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. The City 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.

**Table 1 - Expected Resources – Priority Table**

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	1,098,733	74,000	0	1,172,733	4,691,807	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.

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

In FY19, CDBG funds leveraged an estimated \$30 from other sources for every dollar of CDBG funding. The following summarizes the funds typically leveraged:

- *First Time Homebuyer Program:* Homebuyers provide matching funds and obtain financing from a primary lender.
- Housing development projects by NSCDC have combined Low-Income Housing Tax Credits and other state, federal funding, as well as private fundraising, grants, financing, and program fees. North Shore CDC’s 64-unit Congress Street Residences (2017), had a total development cost of \$18 million, of which \$100,000 came from CDBG and HOME, while the 27 unit Harbor and Lafayette Homes project (2019), had a total development cost of \$14 million, of which \$405,000

came from CDBG and HOME. Further projects in the pipeline (2021 and 2022) have secured funding commitments of over \$29 million to create 125 units of affordable housing.

- State programs such as *Get the Lead Out* and *MassSaves* have been used to assist in home rehabilitation. In, FY19, NSCAP's Energy Conservation program leveraged \$414,881, providing weatherization, improvements to heating systems, insulation, and installing energy efficient appliances and LED light bulbs.
- The *Salem Main Streets Program* leverages approximately \$100,000 annually through business contributions, event fees and donations.
- Salem is a Gateway City, making it eligible for certain State funds.
- Salem received \$75,000 through the Massachusetts Office on Disability (MOD) to complete an ADA transition plan, which enables the City to request additional funding to implement projects identified in the plan.
- Salem is a Housing Choice Community. This designation provides Salem exclusive access to a grant program open only to Housing Choice Communities and the City earns bonus points and other considerations to certain State funds.
- Most subrecipient, non-profit agencies use CDBG as a portion of their overall activity budgets. Based on reports provided by each agency at the end of the program year, the amount leveraged in 2019 was \$4.7 million in other federal, state, private or other funds.
- The City's Capital Improvement Program provides funding annually on a project-specific basis for both CDBG and non-CDBG activities.
- The City's General Fund, State Chapter 91 and various federal, state and private grant or loan programs are often sources 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, the Massachusetts Preservation Projects Fund, Green Communities, the Cultural Facilities Fund, and the Gateway Cities Park Program.
- The City provides about \$550,000 annually for planning and administration costs.
- Additional planning funds and technical assistance have been obtained through Massachusetts Historical Commission, MassHousing, Massachusetts Housing Partnership and Metropolitan Area Planning Council.

The City may consider submitting an application for a Section 108 loan in the future for housing, economic development and/or public facilities/infrastructure improvements.

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

The City is studying several publicly owned sites and if it is feasible to develop affordable homes on the publicly owned land, the City may leverage that land to address the need for more affordable homes.

Public infrastructure and facilities including buildings, parks, roads, sidewalks, the Community Life Center and other public properties continue to enhance the mobility, economic vitality, and quality of life for low- and moderate-income persons.

## Annual Goals and Objectives

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

**Table 2 – Goals Summary**

<b>Goal Name</b>	<b>Start Year</b>	<b>End Year</b>	<b>Category</b>	<b>Geographic Area</b>	<b>Needs Addressed</b>	<b>Funding</b>	<b>Goal Outcome Indicator</b>
Improve the Condition of Existing Housing.	2020	2024	Affordable Housing	City-wide	Affordable Housing	CDBG: \$203,140	Homeowner Housing Rehabilitated: 3 Household Housing Unit
<b>Goal Description</b>	Offer financial and technical assistance to eligible homeowners and investor-owners to improve housing units, including improvements for accessibility for low- to moderate-income renters through the Housing Rehabilitation Loan Program. The goal is also to offer assistance to rehabilitate CHDO, non-profit owned or Salem Housing Authority owned affordable housing.						
<b>Goal Name</b>	<b>Start Year</b>	<b>End Year</b>	<b>Category</b>	<b>Geographic Area</b>	<b>Needs Addressed</b>	<b>Funding</b>	<b>Goal Outcome Indicator</b>
Increase the Supply of Affordable Housing	2020	2024	Affordable Housing	City-wide	Affordable Housing	CDBG: \$50,000	Rental units rehabilitated: 2 Household Housing Unit
<b>Goal Description</b>	Support the Salem Housing Authority, Affordable Housing Trust Fund Board, local non-profit housing organizations and CHDOs seeking to acquire, create, preserve, and/or renovate affordable units.						

<b>Goal Name</b>	<b>Start Year</b>	<b>End Year</b>	<b>Category</b>	<b>Geographic Area</b>	<b>Needs Addressed</b>	<b>Funding</b>	<b>Goal Outcome Indicator</b>
Facilitate Homeownership	2020	2024	Affordable Housing	City-wide	Affordable Housing Homeownership Assistance	CDBG: \$15,400	Direct Financial Assistance to Homebuyers: 2 Households Assisted
<b>Goal Description</b>	Offer financial assistance to eligible households in the form of loans for downpayments and closing costs through the First-Time Homebuyer Downpayment Assistance Program.						
<b>Goal Name</b>	<b>Start Year</b>	<b>End Year</b>	<b>Category</b>	<b>Geographic Area</b>	<b>Needs Addressed</b>	<b>Funding</b>	<b>Goal Outcome Indicator</b>
Financially Support Small Businesses	2020	2024	Non-Housing Community Development	LMI Areas Downtown City-wide	Economic Development	CDBG: \$44,000	Jobs created/retained: 2 Jobs
<b>Goal 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, handicapped access, and/or leverage private investment.						
<b>Goal Name</b>	<b>Start Year</b>	<b>End Year</b>	<b>Category</b>	<b>Geographic Area</b>	<b>Needs Addressed</b>	<b>Funding</b>	<b>Goal Outcome Indicator</b>
Offer Business Technical Assistance	2020	2024	Non-Housing Community Development	LMI Areas Downtown City-wide	Economic Development	CDBG: \$162,650	Jobs created/retained: 5 Jobs
<b>Goal Description</b>	Offer 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. Provide program delivery for the business loan program, oversight of the Salem Redevelopment Authority, and funding for the Salem Main Streets, North Shore CDC's Small Business Engagement Program and other economic development programs.						

<b>Goal Name</b>	<b>Start Year</b>	<b>End Year</b>	<b>Category</b>	<b>Geographic Area</b>	<b>Needs Addressed</b>	<b>Funding</b>	<b>Goal Outcome Indicator</b>
Provide Community Support Services	2020	2024	Homeless Non-Homeless Special Needs	City-wide	Public Services	CDBG: \$179,321	Public service activities other than Low/Moderate Income Housing Benefit: 9000 Persons Assisted
<b>Goal Description</b>	Provide 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, 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). Also support programs that provide supplemental education and/or engagement programs to increase public school students' academic achievement and ability to move on to higher education.						
<b>Goal Name</b>	<b>Start Year</b>	<b>End Year</b>	<b>Category</b>	<b>Geographic Area</b>	<b>Needs Addressed</b>	<b>Funding</b>	<b>Goal Outcome Indicator</b>
Invest in Parks Infrastructure & Public Facilities	2020	2024	Non-Housing Community Development	LMI Areas City-wide	Neighborhood Public Facilities and Infrastructure	CDBG: \$305,272	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 17600 Persons Assisted
<b>Goal Description</b>	Undertake public facility, infrastructure and traffic/pedestrian improvements that enhance the quality of life in eligible neighborhoods, such as, parks/playgrounds, tree planting, lighting, public art, signage, bike paths, streets, sidewalks, crosswalks, pedestrian safety, safety/security, trash receptacles, traffic calming, climate resilience, accessibility, and improvements to fire stations, the Community Life Center, schools, Lifebridge's homeless day center and/or the area along the South River.						

<b>Goal Name</b>	<b>Start Year</b>	<b>End Year</b>	<b>Category</b>	<b>Geographic Area</b>	<b>Needs Addressed</b>	<b>Funding</b>	<b>Goal Outcome Indicator</b>
Improve Downtown Slums/Blight Area	2020	2024	Non-Housing Community Development	Downtown	Downtown Public Facilities and Infrastructure	CDBG: \$0	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 0 Persons Assisted
<b>Goal Description</b>	Undertake infrastructure improvements to support Salem’s Downtown Renewal Area and complement ongoing Economic Development activities. Projects may include but are not limited to street & sidewalk improvements, tree planting, trash receptacles, traffic/pedestrian improvements, bike paths, accessibility, lighting, public art, signage and open space improvements, as well as improvements to public facilities and public infrastructure.						
<b>Goal Name</b>	<b>Start Year</b>	<b>End Year</b>	<b>Category</b>	<b>Geographic Area</b>	<b>Needs Addressed</b>	<b>Funding</b>	<b>Goal Outcome Indicator</b>
Planning and Administration	2020	2024	Planning & Administration			CDBG: \$212,950	
<b>Goal Description</b>	The City will continue to undertake the planning and general administration necessary to manage the CDBG program and to carry out studies and initiatives that address specific needs and strategies.						

## 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:

- **Affordable Housing** - Support for public housing authority, housing trusts, local non-profit housing organizations and CHDOs seeking to acquire, create, preserve, and/or renovate affordable units or to offer programs that provide gap funding assistance.
- **Downpayment Assistance for First Time Homebuyers** - Financial assistance to eligible households in the form of loans for downpayments and closing costs.
- **Housing Rehabilitation Program** - Offer financial and technical assistance to eligible homeowners and investor-owners to improve housing units, including improvements for accessibility.
- **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 Small Business Engagement Program offered by North Shore CDC or others.
- **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 slum/blight conditions, address building code violations and/or improve access, and/or leverage private investment.
- **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.
- **Neighborhood Improvement Activities** - Undertake public facility and infrastructure improvements that enhance the quality of life in eligible neighborhoods, such as, parks/playgrounds, tree planting, lighting, public art, signage, bike paths, streets, sidewalks, crosswalks, pedestrian safety, trash receptacles, traffic calming, climate resilience, accessibility, Community Life Center, fire stations, schools, etc.
- **Downtown Improvements** - Public facilities and infrastructure improvements that are located in Salem's Downtown Renewal area and/or benefit people with disabilities such as lighting, signage, pedestrian safety, streets, sidewalks, crosswalks, trash receptacles, accessibility, public art and/or tree planting.
- **General Program Administration** - Planning and general administration is 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.

**Table 3 – Project Information**

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

## AP-38 Project Summary

### Project Summary Information

1	<b>Project Name</b>	Housing Rehabilitation Programs
	<b>Target Area</b>	City-wide
	<b>Goals Supported</b>	Improve the Condition of Existing Housing.
	<b>Needs Addressed</b>	Affordable Housing
	<b>Funding</b>	CDBG \$203,140
	<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. Offer assistance to rehabilitate CHDO, non-profit owned or Salem Housing Authority owned affordable housing.
	<b>Target Date</b>	6/30/2021
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	It is estimated that a minimum of 3 families of very low, low or 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>	This activity would be offered city-wide to income-eligible households.
	<b>Planned Activities</b>	Housing Rehabilitation Loan Program Inspectional Services Rehabilitation Administration
2	<b>Project Name</b>	Affordable Housing
	<b>Target Area</b>	City-wide
	<b>Goals Supported</b>	Increase the Supply of Affordable Housing
	<b>Needs Addressed</b>	Affordable Housing
	<b>Funding</b>	CDBG \$50,000
	<b>Description</b>	Support the Salem Housing Authority, Affordable Housing Trust Fund Board, local non-profit housing organizations and CHDOs seeking to acquire, create, preserve, and/or renovate affordable units.

	<b>Target Date</b>	6/30/2022
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	These funds have not been associated with a specific development or program. It is estimated that a minimum of 2 families of very low, low or moderate income will be assisted.
	<b>Location Description</b>	This activity would be offered city-wide.
	<b>Planned Activities</b>	Pre-development, acquisition and/or rehabilitation of affordable housing units, for households at or below 80% of AMI. As projects are designated, individual activities are set up.
<b>3</b>	<b>Project Name</b>	First Time Homebuyer Program
	<b>Target Area</b>	City-wide
	<b>Goals Supported</b>	Facilitate Homeownership
	<b>Needs Addressed</b>	Homeownership Assistance
	<b>Funding</b>	CDBG \$15,400
	<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. In addition to basic downpayment assistance, the program offers an increase over the maximum loan amount for homeowners who complete First-Time Homebuyer Counseling through a qualified training program.
	<b>Target Date</b>	6/30/2021
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	These funds have not yet been associated with specific addresses. It is estimated that a minimum of 2 families of very low, low or moderate income will be assisted.
	<b>Location Description</b>	This activity would be offered city-wide to income-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>	City-wide, LMI Areas, Downtown
	<b>Goals Supported</b>	Financially Support Small Businesses

	<b>Needs Addressed</b>	Economic Development
	<b>Funding</b>	CDBG \$44,000
	<b>Description</b>	<p>Provide a Business Loan 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. The program provides these types of loans:</p> <ul style="list-style-type: none"> <li>• Microenterprise Assistance - 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>• Commercial Revitalization - 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>• Special Economic Development - 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>Provide a Storefront Improvement Program to help improve the physical appearance of districts by advocating for appropriate design and historic preservation.</p>
	<b>Target Date</b>	6/30/2021
	<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. This activity may also use CDBG-CARES funds for additional job retention.
	<b>Location Description</b>	This activity would be offered city-wide to micro-enterprise businesses or businesses that agree to create/retain LMI jobs.
	<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>	City-wide LMI Areas, Downtown
	<b>Goals Supported</b>	Offer Business Technical Assistance
	<b>Needs Addressed</b>	Economic Development
	<b>Funding</b>	CDBG \$162,650

	<b>Description</b>	The City's Economic Development Planner assists with new business location or existing business relocation, walks new businesses through the permitting process, coordinates available loan programs, provides design guidance, develops tax increment financing agreements, coordinates the development of neighborhood and economic development plans, manages the Salem Main Streets contract, manages the North Shore CDC Small Business Engagement 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 Salem Main Streets and the North Shore CDC programs receive CDBG support to provide technical assistance to small businesses including one-on-one consultations on facility design, appearance and marketing (including social media), target market research, business plan development, business models, advocacy, strategy, expansion assistance, peer support, recognizing/addressing operating and financial risks, location assistance for new or relocating businesses, business structuring (i.e. sole proprietor vs LLC), sales project analysis, building brand awareness, IT services, securing capital assistance, permitting navigation, client analysis, event planning, community engagement, developing partnerships, improved business operations, inventory assistance, supply chain management analysis, goal setting, patent applications, wholesale pitch development, increase sales opportunities, hiring, and general business planning.
	<b>Target Date</b>	6/30/2021
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	It is estimated that a minimum of five LMI jobs will be created.
	<b>Location Description</b>	This program would be available to eligible businesses city-wide.
	<b>Planned Activities</b>	Salem Main Streets Program Economic Development Program Delivery Enterprise Center Micro-Enterprise Program
<b>6</b>	<b>Project Name</b>	Neighborhood Improvement Activities
	<b>Target Area</b>	LMI Areas, City wide
	<b>Goals Supported</b>	Invest in Parks Infrastructure & Public Facilities
	<b>Needs Addressed</b>	Neighborhood Public Facilities and Infrastructure
	<b>Funding</b>	CDBG \$305,272

	<b>Description</b>	Undertake public facility, infrastructure and traffic/pedestrian improvements that enhance the quality of life in eligible neighborhoods, such as, parks/playgrounds, tree planting, lighting, public art, signage, bike paths, streets, sidewalks, crosswalks, pedestrian safety, trash receptacles, traffic calming, climate resilience, accessibility, and improvements to the Community Life Center, homeless facilities, fire stations, schools, and/or the area along the South River.
	<b>Target Date</b>	6/30/2021
	<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 total persons of which 12,180 or 69.2% are LMI persons. We have used 17,600 as the estimate for the number of persons to be assisted.
	<b>Location Description</b>	These activities will be located in LMI neighborhoods as well as at locations of public facilities that serve LMI and/or presumed benefit persons.
	<b>Planned Activities</b>	Street Improvements Pedestrian and accessibility improvements Tree Planting Park Improvements Point Neighborhood Improvements Homeless Facility Improvements Climate Resilience Infrastructure Improvements
<b>7</b>	<b>Project Name</b>	Community Support Services
	<b>Target Area</b>	City-wide
	<b>Goals Supported</b>	Provide Community Support Services
	<b>Needs Addressed</b>	Public Services
	<b>Funding</b>	CDBG: 179,321

<b>Description</b>	Through a Request for Proposals process, provide 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 and senior programming, adult education (financial literacy, computer training, etc.) and substance abuse prevention and treatment, 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 academic achievement for public school students.
<b>Target Date</b>	6/30/2021
<b>Estimate the number and type of families that will benefit from the proposed activities</b>	Approximately 9,000 persons will be assisted through approximately 25 social service programs. It is estimated that 96% of the persons served will be very low, low or moderate income. This activity may also use CDBG-CARES funds for additional persons served.
<b>Location Description</b>	This activity would be available to non-profit agencies that serve LMI or presumed benefit clientele.
<b>Planned Activities</b>	<p>Grants for approximately 25 social service programs. <i>FY21 Social Services Funding Proposals Received: Located within or steps from the Point Neighborhood:</i></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 - Housing Assistance Services</li> <li>• Leap for Education - College and Career Ready Program</li> <li>• North Shore CDC - Family Resource Center</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>• Salem Pantry, Inc. – Mobile Market Expansion</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> </ul>

		<ul style="list-style-type: none"> <li>• Bentley Academy Charter School – Home Visits and Family Engagement</li> <li>• Boys &amp; Girls Club of Greater Salem - Power Hour</li> <li>• Inversant – Salem Families College Savings Program</li> <li>• The North Shore Moving Market – Food Delivery for Elderly and Disabled persons</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 Program</li> <li>• The Salvation Army - Homeless Prevention Program</li> <li>• The Salvation Army – Winter Emergency Cot Shelter</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>
8	<b>Project Name</b>	Downtown Improvements
	<b>Target Area</b>	Downtown
	<b>Goals Supported</b>	Improve Downtown Slums/Blight Area
	<b>Needs Addressed</b>	Downtown Public Facilities and Infrastructure
	<b>Funding</b>	CDBG: 0.00
	<b>Description</b>	Undertake infrastructure improvements to support the Downtown Renewal Area and complement ongoing Economic Development activities. Projects may include, but are not limited to, street & sidewalk improvements, accessibility tree planting, trash receptacles, traffic/pedestrian improvements, lighting, public art, bike paths, signage and open space improvements, as well as improvements to public facilities and public infrastructure.
	<b>Target Date</b>	6/30/2021
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	<p>4,735 persons are located within the block groups that comprise the Downtown (slum/blight area):</p> <ul style="list-style-type: none"> <li>• 2045003 – pop 710</li> <li>• 2045002 – pop 1,250</li> <li>• 2042002 – pop 495</li> <li>• 2042003 – pop 1,250</li> <li>• 2043001 – pop 1,030</li> </ul> <p>This activity will use carried over CDBG funding from the prior year.</p>

	<b>Location Description</b>	This activity would be located within the Downtown Renewal Area as depicted on the LMI Neighborhood Map provided in the Appendix.
	<b>Planned Activities</b>	Slums/blight area improvements.
9	<b>Project Name</b>	Planning & Administration
	<b>Target Area</b>	
	<b>Goals Supported</b>	
	<b>Needs Addressed</b>	
	<b>Funding</b>	CDBG \$212,950
	<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.
	<b>Target Date</b>	6/30/2021
	<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

## **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 2021-2025. 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 FY21 CDBG funding will be used for activities that benefit low- and moderate-income persons.

- **Affordable Housing** - Approximately 23% of CDBG funding (including estimated program income) in FY21 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 FY21 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** - 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. Note: This percentage may be adjusted due to the COVID-19 pandemic, as HUD has waived the 15% requirement.
- **Public Facilities and Infrastructure Improvements** - Approximately 26% of the City's FY21 CDBG funding will be allocated towards public facilities and infrastructure improvements projects in LMI neighborhoods and in the Downtown Renewal Area.
- **Program Administration** - Not more than 20% (18% proposed) will be allocated for the necessary general administration costs for program oversight and coordination, including plans and studies.

The primary obstacle to addressing underserved needs in the categories listed above is the lack of adequate funding. For FY21, the City's allocation of CDBG funds is approximately 3% increase over FY20, and its HOME allocation reflects a nearly 16% percent increase. However, it should be noted that CDBG funding has been reduced by an additional 12% since 2010, while HOME funding has been reduced by an additional 20%.

Just before the draft of this plan was completed, the COVID-19 pandemic occurred. With FY19 funds, Salem has made an effort to respond to new and increased needs, by reprogramming available 2019 CDBG funds, as well as through the use of CDBG-CARES funds. Moving forward, with regard to urgent needs due to infectious disease or Federal/State/Local declared disasters, CDBG funds may be reprogrammed to activities to address those needs, including housing, infrastructure, public facilities, assistance to affected businesses, public services or planning, capacity building or technical assistance. Such changes may include a modification in purpose, scope, location or beneficiaries of activities and may use CDBG, CDBG-CARES or other awarded federal funds under the LMI and/or Urgent Need National Objective.

## **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 5-year estimates (2015 ACS). According to the ACS, Salem is now 52.7% low- to moderate-income households and there are fifteen census block groups that make up the areas of LMI concentration, having a majority of households who earn less than 80% of area median income. They include the neighborhood roughly between Boston and Dunlap/Balcomb Streets; certain streets surrounding Ord Street; the area bordered by Jackson, Essex, Boston, Pope and Proctor Streets, Highland Avenue, Willson Street and Jefferson Avenue; a neighborhood along Loring Avenue (from Leggs Hill Road to the City line); a neighborhood bordered by North, Dearborn, Felt, Sargent and Kernwood Streets; 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 established Downtown Renewal Slum/Blight Area and three LMI block groups. Seven of the fifteen total LMI block groups each contain more than 70% LMI households (the three block groups with the highest percentage of LMI households located in Point Neighborhood). The Point neighborhood also has the highest concentration of minority residents. A map of the LMI areas is in the Appendix.

The City typically supports programs that benefit low- and moderate-income households or specific populations 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 neighborhoods that have a concentration 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 also undertakes improvements in the Downtown Renewal Area, which was established as a Slum/Blight Area (November, 2013).

The City has undertaken planning for several areas, including the Point Neighborhood, North River Canal Corridor, Derby Street Corridor, Highland Avenue, and Bridge Street Neck, identifying needed infrastructure and public realm improvements to support neighborhood businesses and residents. Recognizing aging infrastructure throughout Salem that is in need of replacement or improvement, the City has identified and is planning or implementing numerous capital projects – especially roadway and complete streets, water/sewer, and drainage improvements that are needed to support business investment in the Downtown, the Point Neighborhood, as well as the city's Entrance Corridors and beyond.

In accordance with CDBG regulations, the City can undertake activities such as street, sidewalk and playground improvements in the low- and moderate-income neighborhoods or in neighborhoods meeting the definition of "slum/blight". However, recognizing that needs are not solely located in

distressed neighborhoods, the City also offers programs that may be accessed by people living outside these areas. For example, the Housing Rehabilitation Loan Program and First-Time Homebuyer Downpayment Assistance Loan Program are offered city-wide to allow any low- to moderate-income household to take advantage of their availability. The City’s small business loan programs are available to any business that meets certain eligibility requirements or agrees to create or retain jobs available to LMI persons.

**Table 4 - Geographic Distribution**

Target Area	Percentage of Funds
LMI Areas	32
Downtown	0
City-wide	68

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

The City uses its programs and gives consideration to projects, which are in high poverty or minority concentration areas, or which target low and very low income households or individuals with disabilities, in order to better meet underserved needs. At the same time, the City endeavors to diffuse concentrations of poverty by providing services and support where needed throughout the city.

While the City’s CDBG program identifies low-mod and target areas within the City, projects are prioritized to address identified need rather than allocated to a particular neighborhood. In Year 1 of the Consolidated Plan, the CDBG funds are targeted to address City-wide needs of housing affordability, housing conditions, economic development, and social services, as well as infrastructure and public facilities improvements to neighborhoods with high concentrations of low and moderate income households or that support vulnerable populations or that support economic development efforts.

**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 “slum/blight.” However, recognizing that needs are not solely located in distressed neighborhoods, the City also offers programs that may be accessed by people living outside these areas. For example, the *Housing Rehabilitation Loan Program and First-Time Homebuyer Downpayment Assistance Loan Program* are offered citywide to allow any low- to moderate-income household to take advantage of their availability. The City’s small business loan programs are available to any business that meets certain eligibility requirements or agrees to create of retain jobs available to LMI persons.

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

### **Introduction**

Salem has undertaken numerous planning initiatives within the past five years to identify needs for affordable housing, economic development, transportation, public facilities, and revitalization of distressed neighborhoods, and to identify actions to meet these needs.

- In 2017, the City undertook a vision plan, Imagine Salem, which entailed an extensive bilingual public process (English and Spanish) which established goals and guiding principles for housing, employment, transportation, and community life.
- A Hazard Mitigation Plan (2020), Bicycle Master Plan (2018), and improvement plans for specific roadways and parks identify actions to improve facilities in LMI neighborhoods or that serve city-wide needs.
- The City has also evaluated strategies for revitalization of underutilized spaces in the downtown including the reuse of the Salem Superior Court and County Commissioners Building and potentially other institutional buildings (ongoing), and to support the retail market in downtown (2017 Downtown Salem Retail Plan).
- The Salem Community Food Assessment (2018) identified gaps in Salem’s food delivery system impacting low and moderate income residents, including infrastructure and transportation barriers, as well as strategies for improving access to markets and nutritional programs.
- In 2020 Salem received a \$250,000 Workforce Transportation Program grant from the Massachusetts Department of Transportation to help launch an on-demand ride share shuttle service, emerging from a feasibility study leveraging several public and private community partners.
- The City also hosted a collaboration of community partners to evaluate needs and services for addressing homelessness.

### **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, a mismatch between local wages and housing costs, limited availability of public transit, 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.

- Promote the creation of affordable units through inclusionary zoning, which requires a percent of units in new housing to be affordable for income-eligible households.

- Leverage publicly-owned land to create affordable housing. The Affordable Housing Trust Fund Board has identified a few City-owned properties that may be feasible for new housing.
- Remove zoning barriers and incentivize revitalization/adaptation of existing building stock:
  - In 2019, the City passed zoning to allow the adaptive reuse of municipal and religious buildings to create affordable housing.
  - Also in 2019, the City adopted an expansion of a zone that incentivizes housing development. The Housing Development Incentive Program (HDIP) provides Gateway municipalities (like Salem) with a tool to increase residential growth, expand the diversity of housing stock, support economic development, and promote neighborhood stabilization in designated areas through tax incentives to encourage the substantial rehabilitation of multifamily properties.
  - Proposed zoning would facilitate the development of accessory dwelling units (ADU), which typically rent below what other market rate apartments cost and can help to generate rental income to help homeowners cover mortgage payments or make ends meet. If this zoning is approved, a proposed loan program would incentivize the restriction of accessory units to LMI households.
  - In 2020, the City is reviewing an inclusionary housing ordinance that would require the creation of new affordable units.
  - The City developed a Vision Update Study for the Bridge Street Neck. The study specifically recommends a zoning amendment to address the current zoning barriers. A zoning amendment will be considered in 2020.
  - In 2019, the City collaborated with Salem State University and the state Division of Capital Asset Management and Maintenance, on a community vision-ing process led by Sasaki to develop reuse concepts of the University's South Campus property, which is approximately 22 acres of land and buildings. Opportunities to remove the zoning barriers are identify in the visioning report.

Salem continues to identify funding opportunities and coordinate partnerships to implement strategies identified in the planning initiatives described above.

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

The following summarizes Salem's strategy to foster new housing production and preserving the existing housing stock. The key components are:

- Producing New Housing Units - Working with private and nonprofit developers or the Salem Housing Authority, Salem will support 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.

- Coordinating Funding to Support Affordable Housing - The Affordable Housing Fund established by the City Council in 2006 and reactivated in 2018 provides resources to create and preserve affordable housing. The Trust obtained grant funds which were used in FY19 for planning and advocacy around affordable housing needs.
- Raising Local Revenue to Address Housing Needs - In 2012 the City passed the Community Preservation Act, which raises funds through a surcharge on property tax bills. CPA requires a minimum spending (or reserve) of 10% of the annual budget on community housing projects.
- Improving Public Housing - The Salem Housing Authority (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.
- Providing Rental Assistance - SHA also administers 1,355 Section 8 vouchers. In addition, there are people residing in Salem with vouchers administered by other housing authorities and organizations in the region.
- 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 offers an additional \$1,000 for homeowners who complete Homebuyer Counseling. DPCD staff also provide assistance to coordinate other resources for homebuyers, including programs offered by Massachusetts Housing Partnership and MassHousing.
- 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 provides information regarding the proper disclosure of lead paint and lead hazards to property owners renting residential housing units. As necessary, the Board of Health will also notify area realtors of new or amended regulations regarding lead-based paint. In Salem, a property owner is required to obtain a Certificate of Fitness inspection when an apartment becomes vacant. These inspections are conducted to ensure compliance with the State Sanitary Code for Housing. Board

of Health personnel are licenses Lead Paint Determinators. Should the Board receive a call from an occupant who is concerned that there may be lead-based paint in their apartment, potentially affecting their child(ren) under the age of six(6), a Board of Health Sanitarian is able to conduct a Lead Determination. If a lead paint hazard(s) is detected during the determination, an order to correct that hazard(s) is sent to the property owner. The order requires the property owner to bring the property into compliance with the State Lead Law. The Board ensures compliance with the order and, if necessary, will begin legal proceedings against the property owner to gain compliance. The results of all lead determinations are reported to the MA Childhood Lead Poisoning Prevention Program. Residents who have questions about lead-based paint and the MA Lead Law can contact the Salem Board of Health.

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 of 1-4 family properties, as well as for non-profits and for investor-owners that rent to income-eligible households.

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. A Strategic Plan completed in 2017 outlines a framework for ensuring access to high quality education for all students. 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, including Salem Public Schools (for student home visits by

teachers and after-school enrichment programs), and programs administered by non-profit agencies such as the Aspire Developmental Services, Inc., LEAP for Education, the Boys and Girls Club, 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, the North Shore Workforce Board, and the North Shore CDC. The City will continue to use CDBG funds to support ELL, GED and citizenship classes, job training and employment assistance programs and to support small business with technical assistance and loan programs.

### Affordable Housing

Providing adequate, affordable housing for low- and moderate-income residents is critical to the success of an anti-poverty strategy. The City, and its partner agencies such as the Salem Housing Authority, are committed to providing safe, appropriate, and affordable housing opportunities to very-low, and low- and moderate-income family, elderly, and disabled households. Salem will continue to use its CDBG and HOME funds to provide FTHB and housing rehabilitation programs, rental assistance, homeless prevention, and to provide assistance to housing development organizations to create additional affordable housing units. The City's established partnerships with agencies such as the NSCAP, the North Shore HOME Consortium and the North Shore Community Development Coalition also increase its success at bringing affordable housing and related services to lower income residents.

### 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 funded with CDBG, 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. Policy efforts to preserve existing affordable housing units and to increase the supply of affordable units is overseen by a Senior Planner. 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, stormwater management improvements, sidewalk replacement, street paving and curbcut 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 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.

## Program Specific Requirements

### AP-90 Program Specific Requirements - 91.420, 91.220(I)(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(I)(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, 2020-June 30, 2021 (Salem FY21, using HUD 2020 funds). We estimate receiving \$74,000 in program income during this program year. All program income received in FY21 will be reported and spent under FY21. 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 FY21.

Salem intends to spend at least 70% of CDBG funds to benefit persons of low and moderate income in FY21. 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 82% or higher.

With regard to urgent needs due to infectious disease or Federal/State/Local declared disasters, CDBG funds may be reprogrammed to activities to address those needs, including housing, infrastructure, public facilities, assistance to affected businesses, public services or planning, capacity building or technical assistance. Such changes may include a modification in purpose, scope, location or beneficiaries of activities.

## **Appendix**

**1 - Map**

**2 - Application for Federal Funding and Certifications**

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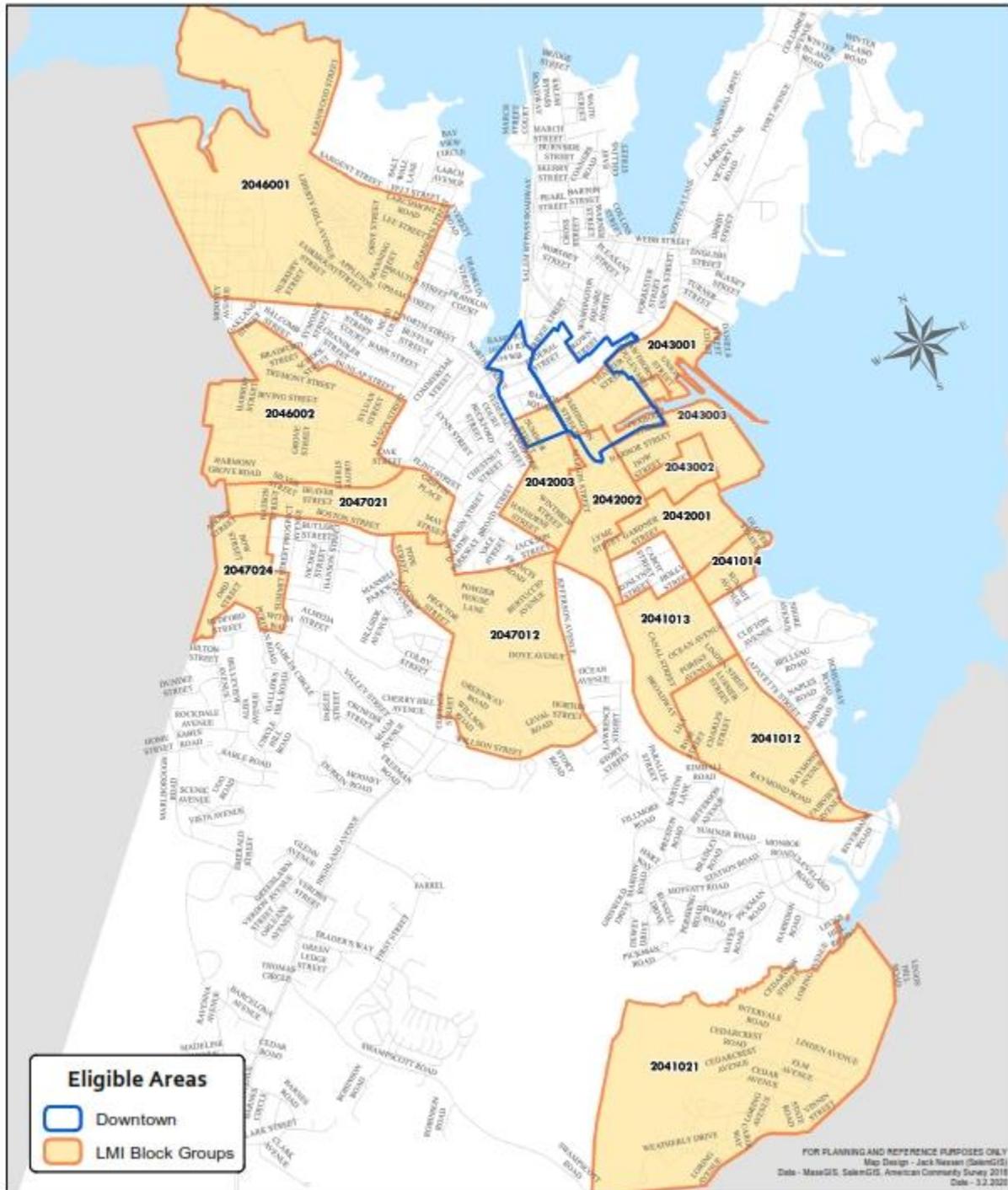
# Appendix 1 – LMI Map



City Of  
**SALEM**

## Low to Moderate Income Areas Effective April 1, 2019

1 inch equals 2,100 feet



**Eligible Areas**

- Downtown
- LMI Block Groups

FOR PLANNING AND REFERENCE PURPOSES ONLY  
Map Design - Jack Neeson (SalemGIS)  
Date - MassGIS, SalemGIS, American Community Survey 2018  
Date - 3.3.2019

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## **Appendix 2 - Application for Federal Funding & Certifications**

*Hard copy - See next pages in Final Action Plan.*

*IDIS – See separate attachment.*

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