

CITY OF SALEM

FY24 COMPANION
to, and
ONE-YEAR ACTION PLAN
(YEAR 4 OF 5 OF THE 5-YEAR CONSOLIDATED PLAN)



JULY 1, 2023 – JUNE 30, 2024
FISCAL YEAR 2024
(HUD 2023 FUNDS)

March 27, 2023
Robert K. McCarthy
Acting Mayor

Tom Daniel, AICP
Director of Planning & Community Development

Amanda Chiancola, AICP
Deputy Director of Planning & Community Development

Jane A. Guy
Assistant Community Development Director

This Page is intentionally left blank.

TABLE OF CONTENTS

FOR BOTH THE FY24 COMPANION AND FY24 ACTION PLAN

FY24 COMPANION

Introduction	i
CDBG 101: What Can Be Funded?	i
FY24 Action Plan Summary of Proposed Activities.....	v

FY24 ACTION PLAN

Executive Summary	1
AP-05 Executive Summary - 91.200(c), 91.220(b)	1
PR-05 Lead & Responsible Agencies - 91.200(b)	5
AP-10 Consultation - 91.100, 91.200(b), 91.215(l)	5
AP-12 Participation – 91.401, 91.105, 91.200(c).....	9
Expected Resources	14
AP-15 Expected Resources - 91.420(b), 91.220(c)(1,2)	14
Annual Goals and Objectives	18
AP-20 Annual Goals and Objectives - 91.420, 91.220(c)(3)&(e)	19
AP-35 Projects - 91.420, 91.220(d)	24
AP-38 Project Summary	27
AP-50 Geographic Distribution - 91.420, 91.220(f)	36
AP-75 Barriers to affordable housing -91.420, 91.220(j).....	38
AP-85 Other Actions - 91.420, 91.220(k)	38
AP-90 Program Specific Requirements - 91.420, 91.220(l)(1,2,4).....	45

Appendix

1. LMI Maps
2. Application for Federal Funding (SF-424) & Certifications

This Page is intentionally left blank.

Introduction

The Federal funding that Salem will receive for FY24 includes \$1,059,113.00 in CDBG funds, an estimated \$180,000 in HOME funds and a projected \$110,000 in program income. Total proposed expenditures based on current estimates of funding to be available are \$1,349,113.00.

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 area¹. Below are the income limits in effect for Salem as of June 15, 2022.

Household Size	Income Limits							
	ONE	TWO	THREE	FOUR	FIVE	SIX	SEVEN	EIGHT
MODERATE (80% of Median)	78,300	89,500	100,700	111,850	120,800	129,750	138,700	147,650
LOW (50% of Median)	49,100	56,100	63,100	70,100	75,750	81,350	86,950	92,550
VERY LOW (30% of Median)	29,450	33,650	37,850	42,050	45,450	48,800	52,150	55,550

Addressing the COVID-19 pandemic

The COVID-19 pandemic began during the final stages of the development of the 5-Year Consolidated Plan. The City acknowledges that additional needs have arisen as a result. Salem 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,

¹ The Boston-Cambridge-Quincy, MA-NH HUD median income is \$140,200 as of 6/15/2022

location or beneficiaries of activities and may use CDBG, CDBG-CARES (CDBG_CV) 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.

FY24 Action Plan Summary of Proposed Activities

The following section describes the activities proposed for FY24 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.

FY24 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.² Housing rehabilitation may also be undertaken by non-profit owners of rental properties.

Projected Accomplishments: 2 Households Assisted

Proposed Funding: 135,000 CDBG

This activity may also use carried over funding from FY23

- **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: \$15,000 CDBG

This activity may also use carried over funding from FY23

- **Rental Downpayment Assistance Program**

The Rental Downpayment Assistance Program, administered through local social service agencies, provides rental start-up assistance to low- and very low-income Salem residents to help pay first and last month's rent and security deposits directly to landlords to enable them to obtain decent housing.

Projected Accomplishments: 27 Households assisted

Proposed Funding: \$94,000 HOME

² Rent limits are established by HUD annually.

- **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: HOME: \$80,600 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: \$68,000 CDBG; \$5,400 HOME

Fiscal Year 2024 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 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: \$50,000. This activity may also use carried over funding from FY23

- **Business Technical Assistance**

The City helps to coordinate and fund technical assistance services to local business owners. 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.



Salem's So Sweet Ice Sculpture Festival
Photo Credit – John Andrews / Creative
Collective

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.

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

Projected Accomplishments: Minimum 7 jobs created

Proposed Funding: \$217,500. This activity may also use carried over funding from FY23.

Fiscal Year 2024 Neighborhood Improvement Activities

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

Various improvements to publicly owned resources in eligible neighborhoods. Improvements may include, broadband, traffic/pedestrian circulation/calming, safety and aesthetics, accessibility improvements, trash receptacles, bike paths, lighting, public art, signage, park and playground improvements, flood drain improvements, climate resilience, historic preservation, cleanup of vacant lots and open space improvements, as well as improvements to fire stations, the Community Life Center, homeless facilities,



Palmer Cove Park

schools and neighborhood facilities (which may include ventilation or fire suppression improvements) and other public facilities and public infrastructure, such as the area along the South River. Examples of projects under consideration include improvements to Palmer Cove Park, Old Town Hall, Dickson Memorial Chapel window restoration, a rock climbing wall, improvements to Curtis Park, as well as infrastructure and accessibility improvements to the City's fire stations.

Projected Accomplishments: Various park, public facility and infrastructure improvements

Proposed Funding: \$242,500. This activity may also use carried over funding from FY23.

- **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.

Projected Accomplishments: Various park, public facility and infrastructure improvements

Proposed Funding: \$127,500. The amount for street and sidewalk improvements will be determined from the Parks, Public Facilities and Infrastructure Improvements total.

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

- **Downtown Improvements**

Undertake infrastructure improvements to support Salem's slum/blight area (downtown) and complement ongoing Economic Development activities. The City intends to complement the economic

development efforts by contributing public investment. Projects may include street and sidewalk improvements, pedestrian circulation, safety and aesthetic improvements, accessibility improvements, tree planting, trash receptacles, traffic improvements, lighting, public art, signage and open space improvements, as well as improvements to public facilities and public infrastructure.

Projected Accomplishments: Various park, public facility, tree planting, public art, lighting, and infrastructure improvements including a permanent public art sculpture and shade structure at Charlotte Forten park.

Proposed Funding: \$56,991. This activity may also use carried over funding from FY23

Fiscal Year 2024 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 20 social service agency programs to assist an estimated 6,307 persons.

Proposed Funding: \$140,000

This activity may also use carried over funding from FY23



Students at Witchcraft Heights School with plush community police dogs

Fiscal Year 2024 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 Success Program
- Salem Police Department - Point Targeted Patrols

Located in Downtown Salem:

- Salem Pantry, Inc. – Hunger Relief Program
- Salem YMCA - Afterschool Program
- Lifebridge – Medical Services Program

Located within Salem:

- Boys & Girls Club of Greater Salem - Teen Program
- 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 Council on Aging- Memory Café
- Salem Park, Recreation & Community Services – Playground Enrichment Program
- Sail Salem- Seafarer Transportation
- Salem Police Department – Community Policing

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
- Open Door Immigration Program – Increasing Community Access to Immigration Legal Services

Fiscal Year 2024 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: \$233,822 (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.

This Page is intentionally left blank.

Executive Summary

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

Introduction

Each year, the City of Salem receives federal funds for housing and community development activities. The City uses these funds 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. The Consolidated Plan process identifies needs as a result of gathering information from many sources. The outcome of this needs assessment (completed through research and compilation of data and direct, personal consultations) is a comprehensive strategy for the use of Salem's federal housing and community development funds to address unmet needs identified during the Consolidated Plan process. The Consolidated Plan establishes a vision for attaining a higher quality of life for low- and moderate-income residents and each annual Action Plan outlines specific activities that work toward accomplishing that vision. 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 funds to be received from the U.S. Department of Housing and Urban Development (HUD). Salem's current Consolidated Plan was completed in 2020 (for activities to take place from July 1, 2020 through June 30, 2025), along with the Fiscal Year 2021 Action Plan (Year 1).

This document is the City of Salem's Action Plan for Fiscal Year 2024 (Year 4). It describes the activities that the City will undertake in the next fiscal year (July 1, 2023 - June 30, 2024) 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, eliminate slums or blight or address urgent needs 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, these funds are reported through the North Shore HOME Consortium.

The FY24 Action Plan, including appendices, will be located at www.salem.com, along with a companion document that provides a summary of activities proposed for FY24.

COVID-19 Pandemic - Just before the Consolidated Plan was completed, the COVID-19 pandemic occurred. Salem has made an effort to respond to new and increased needs by reprogramming available 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.

Summarize the objectives and outcomes identified in the Plan

The primary objective of HUD's Entitlement Programs is to develop viable communities through the provision of decent housing, suitable living environments, and expanded economic opportunities. Through Salem's needs assessment, several priority needs were identified, and goals were developed as corresponding to those needs. The priority needs were determined by review of data, community meetings, and public and stakeholder engagement.

Decent Housing

- Housing affordable to people of all income levels was consistently identified as a priority need by stakeholders and public participants. In particular, seniors, families, people with disabilities, low- to moderate-wage employees of businesses based in Salem, and individuals experiencing homelessness or transitioning from homelessness are most impacted by the cost of housing. Purchase prices are out of reach for low- and moderate-income households trying to become homeowners, and renters are vulnerable to displacement due to rent increases and evictions.
- Much of Salem's housing stock is in century-old, 2-4 family structures. Over 80 percent of the housing stock was built before 1979. Due to the frequent presence of stairs, lead paint, code violations, and in some cases discrimination, it can be difficult for families, disabled, senior, and minority households to find housing appropriate to their needs. Many homeowners are in housing that is inadequate or does not fit their needs because they cannot afford repairs or modifications, access financing, or find alternative housing.

Suitable Living Environment

- Needs for social services including transportation, nutrition, housing advocacy, legal services, education, childcare, crime prevention, youth and adult programming, and emergency funds for homelessness prevention were identified. Mental health issues are a concern for many homeless individuals, and access to a sustained continuum of care is critical. Incidences of drug addiction have been increasing, and more capacity is needed for prevention and treatment around substance abuse.
- Participants highlighted the need for public realm improvements to beautify LMI neighborhoods, increase tree canopies, provide safe and accessible sidewalks, improve

resiliency against flooding and the impacts of climate change, and improve circulation for pedestrians, bicycles, vehicles, and public transit.

Expanded Economic Opportunities

- There is a need for economic development to support business growth in Salem. There is a need for more local or nearby living wage jobs, as well as paths for career advancement. Access to job training and ESL classes would help to match the available work-force with jobs in the region. Services to provide orientation to new immigrants, as well as financial management or life skills to those emerging from homelessness, would help these individuals gain economic independence. Affordable childcare and after-school care is a barrier to full employment for many workers, along with transportation constraints. Support is also needed to help local businesses to thrive.

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 previous Five Year Consolidated Plan. The FY23 CAPER, for the current fiscal year, will be available by September 30, 2023. The most recent CAPER, for FY22, evaluated the third fiscal year of the previous Five Year Consolidated Plan. HUD calculated that 97.82% of CDBG funds spent in FY21 directly benefited low- and moderate-income persons. The FY22 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 www.salem.com.

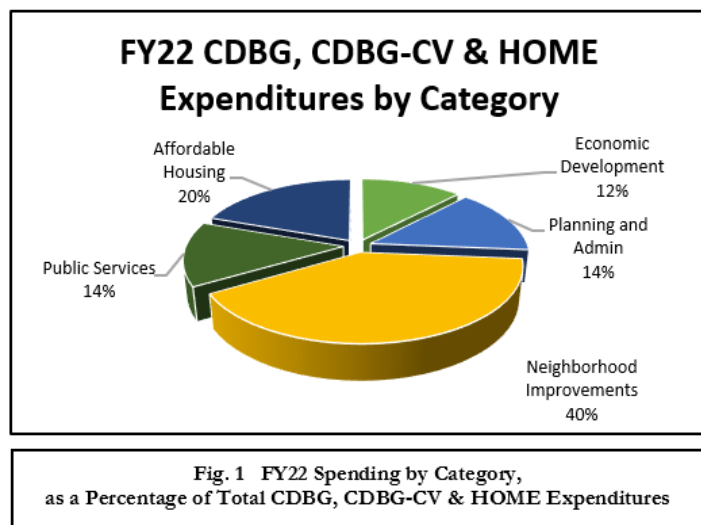


Figure 1 illustrates FY22 spending by category, as a percentage of overall CDBG and HOME expenditures.

Summary of Citizen Participation Process and consultation process

As part of the process in developing the FY24 Action Plan, the DPCD conducted an initial public hearing on January 19, 2023 to seek public input from residents, businesses, social service organizations and various stakeholders. Notices of the meeting were published in the Salem News (legal ad) and on Salem Access TV, were posted at Salem City Hall, at the Salem Public Library, at the Salem Community Life Center, at the Salem Housing Authority and on www.salem.com. The notice was also emailed to a distribution list of nearly 300 representatives of social service agencies that serve Salem residents and a press release was issued. In addition, a Request for Proposals was issued to non-profit agencies for public service, economic development and housing programs to meet Salem resident needs, as well as to city departments for public facilities and infrastructure proposals.

Copies of the Draft Action Plan were available at www.salem.com and a thirty-day comment period is being held from March 30, 2023 through May 1, 2023, during which a public hearing will be held on April 20, 2023. Notices of the availability of the plan were distributed in the same manner as the notices for the January public hearing. The Salem City Council will be requested to authorize the submission of the Application for Federal Funding at its meeting of April 13, 2023.

Summary of public comments

A summary of public comments from the citizen participation process can be found in section AP-12 of this Action Plan.

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 Consolidated Plan.

Summary

The City of Salem has identified a wide range of activities designed to develop and maintain affordable housing, improve neighborhood facilities, provide economic opportunities, improve access for people with disabilities, provide critical public services, assist people who are homeless, and prevent homelessness. The FY24 Action Plan includes many of Salem's core programs in the categories of affordable housing, economic development, neighborhood improvements, public services and planning and administration, including:

- Housing Rehabilitation Loan Program
- First Time Homebuyer Downpayment Assistance Loan Program
- Rental Downpayment Assistance Program
- Affordable Housing Development
- Small Business Financial Assistance Programs
- Business Technical Assistance
- Parks, Public Facilities & Infrastructure Improvements
- Neighborhood Street and Sidewalk Improvements/Tree Planting
- Community Support Services
- General Program Administration and Rehabilitation Administration

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

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

Consolidated Plan Public Contact Information

City of Salem
Department of Planning & Community Development
98 Washington Street
Salem, MA 01970
Att: Amanda Chiancola, Deputy Director Planning & Community Development
T: 978-619-5685
E: achiancola@salem.com

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

Introduction

In 2019, the City of Salem retained a consultant, Community Opportunities Group, Inc. (COG), to prepare its Five Year Consolidated Plan (covering city Fiscal Years 2021-2025) and first year Action Plan (FY21). In developing this 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 the Community Life Center, at community organizations, and at Salem State University, to reach as broad of a population as possible. The focus groups targeted persons with disabilities, housing service 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. To supplement these, COG interviewed and consulted with staff from provider agencies who serve Salem residents, both those located in and outside of Salem. In addition, an on-line survey (in Spanish and English) generated 455 responses. A second public hearing was held during the 5-day comment period after the release of the Draft plans.

For this Action Plan (FY24), the process began with a public hearing on January 19, 2023 to solicit community comments. A Request for Proposals was issued for public service, economic development and housing programs, as well as to City departments for public facilities and infrastructure improvement proposals. Following development of the plan, a second public hearing will be held on

April 20, 2023. The City Council will be requested to authorize submission of the Application for Federal Funding on April 13, 2023.

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(I)).

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.

In January of 2023 the City hired a Neighborhood Stability Coordinator. This is a new position created to enhance coordination between the public and assisted housing providers and government services by building partnerships with housing, utility, homeless, and related service organizations. The coordinator is a point of contact for Salem residents to connect them with housing providers and other related social service agencies. The Neighborhood Stability Coordinator works with the City's Latino Affairs Coordinator. The Latino Affairs Coordinator also aids residents navigating government services and programs and particularly focuses on strengthening connections with Latino and Latina residents.

The DPCD leads Salem H.O.P.E. (Human Organization Partnership Effort), a networking group of human service agencies that serves Salem residents. Salem H.O.P.E. provides a distribution list for agencies to share virtual events, programs, job opportunities and other information 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.

The DPCD coordinates with the Salem Housing Authority (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 Appeals and Planning Board, have staff support from the DPCD. The SHA recently received an award of Salem Community Preservation Act funds to coordinate a Transitional Housing Program.

The City also works with nonprofit agencies to administer social service activities. The City issues an annual Request for Proposals (RFP) for CDBG public services 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, such as MassHousing's "Get the Lead Out" and Massachusetts Housing Partnership's "One Mortgage" program.

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.

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.

The Balance of State (BoS) CoC, under the supervision of the Massachusetts Department of Housing and Community Development, implements the continuum's homelessness strategy across 120 member communities, including Salem. This encompasses the administration of federal and state resources, submission of the Consolidated Application for McKinney-Vento funds, completion of regional needs assessments, and supervision of projects addressing homelessness assistance and prevention.

The City relies on its CDBG funding to address homeless needs and conduct homelessness prevention activities through public social services funding. Each year, through the public services program, the City of Salem solicits proposals from nonprofit organizations for housing and community services. Through this process, the City funds various homeless programs which may include rental down payment assistance, homelessness prevention emergency assistance, medical services, outreach, and transitional housing. Salem provides NSCAP, Salvation Army, and Catholic Charities with CDBG funding for Homelessness Prevention Programs and provides HOME funding to NSCAP and Citizens for Adequate Housing to assist households with first/last/security payments for rental housing. In addition, NSCAP receives funding for a Housing First program, tenant based rental assistance targeted to high risk homeless individuals.

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.

The City of Salem does not receive a direct award of ESG funds. MA DHCD oversees ESG Funds through the BoS. In fiscal year 2023, Lifebridge received ESG funds directly from DHCD. However, as of April 1st, Lifebridge will no longer receive ESG funds from DHCD as they have signed a new contract with the state that does not include any Federal funding.

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

Table 2 – Agencies, groups, organizations who participated

1	Agency/Group/Organization	NORTH SHORE COMMUNITY DEVELOPMENT CORPORATION
	Agency/Group/Organization Type	Housing Services - Housing Services-Employment Regional organization Planning organization Neighborhood Organization
	What section of the Plan was addressed by Consultation?	Public Housing Needs Non-Homeless Special Needs Market Analysis Economic Development Anti-poverty Strategy Public Hearing Attendee
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The NSCDC provided input through focus group meetings and interviews, and contributed data for the Consolidated Plan 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.

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

During development of the 5-Year Consolidated Plan, twenty-three agencies/groups/organizations participated in the process. A list of all the agencies is provided in Table 2 of PR-10. To the City's knowledge, it consulted with all relevant agency types.

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.

Table 3 - Other local / regional / federal planning efforts

Narrative

Table 3 of the 5-Year Consolidated Plan outlines eleven local/regional/federal planning efforts considered when preparing the plan. The DPCD coordinates and communicates with other municipal departments, local and regional agencies, and public and private housing organizations. The DPCD communicates regularly with its subrecipients and subcontracted agencies delivering social services. The DPCD also works with the Salem Housing Authority, nonprofit organizations and housing developers to produce affordable housing in the City.

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

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

In developing the 5-Year Consolidated Plan, the City and the City's consultant preparing the plan held a series of nine community and focus group meetings throughout the city, including a public hearing. The meetings were held at the Salem Housing Authority, at neighborhood locations within specific wards with large LMI populations (such as at Espacio and at Salem State University), in the City Hall offices, at Old Town Hall, at the Community Life Center, and at Salem Access Television, to reach as broad of a population as possible. The focus groups targeted persons with disabilities, housing providers, businesses and seniors, while individual stakeholder interviews were conducted with city staff, service providers, residents, business owners, and other interested parties. To augment the outreach process, the City conducted an online survey in English and Spanish (also available in a hard copy format), for which the City had 455 responses. All public comment was considered during the development of the draft and final plans.

For the FY24 Action Plan, citizen participation included a public hearing in January 19, 2023 held virtually on Zoom, 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 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.

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. 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 and scheduled public hearing. English/Spanish notices were posted at City Hall and City Hall Annex and on www.salem.com. Notices were provided to the Salem Public Library, Salem Council on Aging and the Salem Housing Authority, and were emailed to the Salem H.O.P.E. distribution list,

subrecipient agencies and various City departments. A press release was sent to the Salem News and other media.

The plan was made available for download on www.salem.com.

The public comment period commenced on March 30, 2023 and will end on May 1, 2023. A public hearing will be held on April 20, 2023 virtually on Zoom.

The City Council will be requested to approve submission of the Application for Federal Assistance on April 13, 2023.

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>Public Service Agencies</p>	<p>On January 19, 2023, a virtual public hearing was held for all interested persons on Zoom. Spanish translation was available. A PowerPoint presentation was provided.</p>	<p>There were no attendees of the public hearing.</p>	<p>n/a</p>	
2	Newspaper Ad	<p>Non-English Speaking - Specify other language: Spanish</p> <p>Non-targeted/broad community</p> <p>Social Service agencies</p>	<p>A newspaper ad was published on 1/5/23 to advertise the January 19, 2023 public hearing and the acceptance of written comments.</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)
3	Public Meeting	<p>Non-English Speaking - Specify other language: Spanish</p> <p>Non-targeted/broad community</p> <p>Public Service Agencies</p>	<p>On April 20, 2023, a virtual public hearing will be held for all interested persons on Zoom. Spanish translation will be available. A PowerPoint presentation will be provided.</p>			
4	Newspaper Ad	<p>Non-targeted/broad community</p> <p>Public service agencies</p>	<p>A newspaper ad will be published on March 30, 2023 to advertise the April 20, 2023 public hearing, the availability of the draft plan and the 30-day comment period.</p>			

This Page is intentionally left blank.

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 a \$1,059,113 allocation for FY24.

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. An allocation of approximately \$180,000 is anticipated for FY24.

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 \$110,000 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 FY22, the local surcharge revenues were \$782,363.04 generating \$295,527 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.

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	1,059,113	110,000	0	1,169,113	1,169,113	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.

Table 1 - 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

In order to maximize accomplishments and make projects feasible, the DPCD combines the funds with other funding sources. For example, most of the public service agencies funded use CDBG funds as a portion of their overall activity budgets. Based on leveraged funds reports provided by each agency at the end of the 2022 program year, the amount leveraged is over \$2.5 million in other federal, state, private or other funds.

The following summarizes the funds that are expected to be leveraged in program year 2023, fiscal year 2024:

- *First Time Homebuyer Program:* Homebuyers provide matching funds and obtain financing from a primary lender. The CDBG program will also leverage \$200,000 of American Rescue Plan Act (APRA) funds that have been allocated towards the City’s first time home buyer program. Half of the ARPA funded program will be for a Saving Toward Affordable, Sustainable Housing ownership (STASH) program for first time, first generation homebuyers.

- Housing development projects by NSCDC, WinnDevelopment, Harborlight Homes and Beacon Communities have combined Low-Income Housing Tax Credits and other state, federal funding, as well as private fundraising, grants, financing, and program fees.
- State programs such as *Get the Lead Out* and *MassSaves* have been used to assist in home rehabilitation.
- Salem is a Housing Choice Community. This designation provides Salem exclusive access to a Housing Choice Grant.
- The *Salem Main Streets Program* leverages approximately nearly \$200,000 annually through state/local funds, business contributions, private funds, event fees and donations.
- 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.
- 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 \$810,465.23 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 such as Old Town Hall/infrastructure improvements.

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

Leefort Terrace is on 3.2 acres of land owned the Salem Housing Authority. Beacon Communities, in collaboration with the Salem Housing Authority, will redevelop the property into a 124-unit, 100% affordable rental, intergenerational, regenerative and climate resilient development. The Salem Redevelopment Authority owns a vacant one acre parcel adjacent to the MTBA that will be developed into 120 mixed income apartments. Both of these projects leverage publicly owned land to address the need identified in the Consolidated Plan for affordable housing in Salem.

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. In 2021 the Urban Land Institute commenced a technical assistance panel to analyze the challenges and opportunities of increasing its affordable housing stock by developing the City's high school property.

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.

This Page is intentionally left blank.

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	Improve the Condition of Existing Housing.	2020	2024	Affordable Housing	City-wide	Affordable Housing	CDBG: \$135,000	Homeowner Housing Rehabilitated: 2
2	Increase the Supply of Affordable Housing	2020	2024	Affordable Housing	City-wide	Affordable Housing	CDBG: \$0	Rental units rehabilitated: 0 Household Housing Unit
3	Facilitate Homeownership	2020	2024	Affordable Housing	City-wide	Affordable Housing Homeownership Assistance	CDBG: \$15,000	Direct Financial Assistance to Homebuyers: 2 Households Assisted
4	Financially Support Small Businesses	2020	2024	Non-Housing Community Development	LMI Areas Downtown City-wide	Economic Development	CDBG: \$50,000	Jobs created/retained: 2 Jobs
5	Offer Business Technical Assistance	2020	2024	Non-Housing Community Development	LMI Areas Downtown City-wide	Economic Development	CDBG: \$217,500	Jobs created/retained: 7 Jobs

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
6	Provide Community Support Services	2020	2024	Homeless Non-Homeless Special Needs	City-wide	Public Services	CDBG: \$140,000	Public service activities other than Low/Moderate Income Housing Benefit: 6,307 persons Persons Assisted
7	Invest in Parks Infrastructure & Public Facilities	2020	2024	Non-Housing Community Development	LMI Areas City-wide	Neighborhood Public Facilities and Infrastructure	CDBG: \$115,000	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 17,600 Persons Assisted
8	Neighborhood Street and Sidewalk Improvements/Tree Planting	2020	2024	Non-Housing Community Development	LMI Areas City-wide	Neighborhood Public Facilities and Infrastructure	CDBG: \$127,500	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 17,600 Persons Assisted
9	Improve Downtown Slums/Blight Area	2020	2024	Non-Housing Community Development	Downtown	Downtown Public Facilities and Infrastructure	CDBG: \$56,991	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 4,735

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
10	Undertake Planning & Administration	2020	2024	Planning & Administration	LMI Areas Downtown City-wide	Affordable Housing Homeownership Assistance Economic Development Public Services Neighborhood Public Facilities and Infrastructure Downtown Public Facilities and Infrastructure	CDBG: \$233,822.00	

Table 4 – Goals Summary

Goal Descriptions

1	Goal Name	Improve the Condition of Existing Housing.
	Goal Description	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.
2	Goal Name	Increase the Supply of Affordable Housing
	Goal Description	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.
3	Goal Name	Facilitate Homeownership
	Goal Description	Offer financial assistance to eligible households in the form of loans for downpayments and closing costs through the First-Time Homebuyer Downpayment Assistance Program.
4	Goal Name	Financially Support Small Businesses
	Goal Description	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.
5	Goal Name	Offer Business Technical Assistance
	Goal Description	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.

6	Goal Name	Provide Community Support Services
	Goal Description	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.
7	Goal Name	Invest in Parks Infrastructure & Public Facilities
	Goal Description	Undertake public facility, infrastructure and traffic/pedestrian improvements that enhance the quality of life in eligible neighborhoods, such as, broadband, parks/playgrounds, tree planting, lighting, public art, signage, bike paths, streets, sidewalks, crosswalks, pedestrian safety, safety/security, trash receptacles, traffic calming, flood drain improvements, 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. Examples of projects under consideration include but are not limited to improvements to Palmer Cove Park, Old Town Hall, Dickson Memorial Chapel window restoration, a rock climbing wall, improvements to Curtis Park, Salem Street improvements, as well as infrastructure and accessibility improvements to the City's fire stations.
8	Goal Name	Improve Downtown Slums/Blight Area
	Goal Description	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. As public facility and infrastructure project locations are identified, such as street improvements and tree planting, funds from the goal of "Invest in parks Infrastructure & Public Facilities" may be transferred to this goal.
9	Goal Name	Undertake Planning & Administration
	Goal Description	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.

#	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

Table 5 – 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 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 FY24 CDBG funding will be used for activities that benefit low- and moderate-income persons.

- **Affordable Housing** - Approximately 20% of CDBG funding (including estimated program income) in FY24 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 23% of its CDBG funding for FY24 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 12% 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 26% of the City’s FY24 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% will be allocated for the necessary general administration costs for program oversight and coordination, including plans and studies.

The COVID-19 pandemic began during the final stages of the development of the 5-Year Consolidated Plan. Salem made an effort to respond to new and increased needs, by reprogramming available FY19 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-38 Project Summary

Project Summary Information

1	Project Name	Housing Rehabilitation Programs
	Target Area	City-wide
	Goals Supported	Improve the Condition of Existing Housing.
	Needs Addressed	Affordable Housing
	Funding	CDBG \$203,000.
	Description	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. This activity will use carried-over funds identified in FY22/23.
	Target Date	6/30/2024
	Estimate the number and type of families that will benefit from the proposed activities	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. This activity may also use carried over funding from the prior year to complete additional units.
	Location Description	This activity would be offered city-wide to income-eligible households.
	Planned Activities	Housing Rehabilitation Loan Program Inspectional Services Rehabilitation Administration
2	Project Name	Affordable Housing
	Target Area	City-wide
	Goals Supported	Increase the Supply of Affordable Housing
	Needs Addressed	Affordable Housing
	Funding	CDBG \$0
	Description	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. This activity will use carried-over funds identified in FY22/23
	Target Date	6/30/2024

	Estimate the number and type of families that will benefit from the proposed activities	This activity may use carried over funding from the prior year to complete units indicated in the prior plan.
	Location Description	This activity would be offered city-wide.
	Planned Activities	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.
3	Project Name	First Time Homebuyer Program
	Target Area	City-wide
	Goals Supported	Facilitate Homeownership
	Needs Addressed	Homeownership Assistance
	Funding	CDBG \$15,000
	Description	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.
	Target Date	6/30/2024
	Estimate the number and type of families that will benefit from the proposed activities	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.
	Location Description	This activity would be offered city-wide to income-eligible households.
	Planned Activities	Loan Pool for downpayment assistance loan program. As individual activities are set up for first time homebuyer loans, the loan pool is reduced.
4	Project Name	Small Business Financial Assistance Programs
	Target Area	City-wide, LMI Areas, Downtown
	Goals Supported	Financially Support Small Businesses
	Needs Addressed	Economic Development
	Funding	CDBG \$50,000

	<p>Description</p> <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"> • 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). • 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. • 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. <p>Provide a Storefront Improvement Program to help improve the physical appearance of districts by advocating for appropriate design and historic preservation.</p>
	<p>Target Date</p> <p>6/30/2024</p>
	<p>Estimate the number and type of families that will benefit from the proposed activities</p> <p>It is estimated that one business will be assisted, creating a minimum of 2 LMI jobs. This activity may also use carried over funds from FY22/23 for additional job retention.</p>
	<p>Location Description</p> <p>This activity would be offered city-wide to micro-enterprise businesses or businesses that agree to create/retain LMI jobs.</p>
	<p>Planned Activities</p> <p>Small Business Loan Program Storefront Improvement Program</p>
5	<p>Project Name</p> <p>Business Technical Assistance</p> <p>Target Area</p> <p>City-wide, LMI Areas, Downtown</p> <p>Goals Supported</p> <p>Offer Business Technical Assistance</p> <p>Needs Addressed</p> <p>Economic Development</p> <p>Funding</p> <p>CDBG \$217,500</p>

	Description	The City’s Economic Development Planners assist 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.
	Target Date	6/30/2024
	Estimate the number and type of families that will benefit from the proposed activities	It is estimated that a minimum of seven LMI jobs will be created. This activity may also use carried over funds from FY22/23 for additional job retention.
	Location Description	This program would be available to eligible businesses city-wide.
	Planned Activities	Salem Main Streets Program Economic Development Program Delivery Small Business Engagement Program
6	Project Name	Neighborhood Improvement Activities
	Target Area	LMI Areas, City wide
	Goals Supported	Invest in Parks Infrastructure & Public Facilities
	Needs Addressed	Neighborhood Public Facilities and Infrastructure
	Funding	CDBG \$242,500.

	Description	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 and aesthetics, trash receptacles, traffic circulation/calming, flood drain improvements, climate resilience, historic preservation, accessibility, clean-up of vacant lots, open space improvements and improvements to the Palmer Cove Park, homeless facilities, fire stations, schools, and neighborhood facilities (which may include ventilation or fire suppression improvements), and/or the area along the South River.
	Target Date	6/30/2024
	Estimate the number and type of families that will benefit from the proposed activities	<p>Projects will be undertaken in LMI neighborhoods. Per the most recent low- and moderate-income summary data (LMISD), which is based on the ACS 2011-2015 5-year estimates, it is estimated that Salem has 21,395 or 52.7% residents that are LMI persons.</p> <p>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.</p> <p>This activity may also use carried over funds from FY22/23.</p>
	Location Description	These activities will be located in LMI neighborhoods as well as at locations of public facilities that serve LMI and/or presumed benefit persons.
	Planned Activities	<ul style="list-style-type: none"> Street Improvements Pedestrian and accessibility improvements Tree Planting Park Improvements Point Neighborhood Improvements Homeless Facility Improvements Public Facility Improvements Climate Resilience Infrastructure Improvements
7	Project Name	Community Support Services
	Target Area	City-wide
	Goals Supported	Provide Community Support Services
	Needs Addressed	Public Services
	Funding	CDBG: \$140,000

Description	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.
Target Date	6/30/2023
Estimate the number and type of families that will benefit from the proposed activities	Approximately 6,307 persons will be assisted through approximately 18 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 carried over funding from FY 22/23 and CDBG-CARES funds.
Location Description	This activity would be available to non-profit agencies that serve LMI or presumed benefit clientele.
Planned Activities	<p>Grants for approximately 20 social service programs. <i>FY24 Social Services Funding Proposals Received:</i></p> <p>Located within or steps from the Point Neighborhood:</p> <ul style="list-style-type: none"> • 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 Success Program • Salem Police Department - Point Targeted Patrols <p>Located in Downtown Salem:</p> <ul style="list-style-type: none"> • Salem Pantry, Inc. – Hunger Relief Program • Salem YMCA - Afterschool Program • Lifebridge – Medical Services Program <p>Located within Salem:</p> <ul style="list-style-type: none"> • Boys & Girls Club of Greater Salem - Teen Program • 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 Council on Aging- Memory Café

		<ul style="list-style-type: none"> • Salem Park, Recreation & Community Services – Playground Enrichment Program • Sail Salem- Seafarer Transportation • Salem Police Department – Community Policing <p>Located outside Salem (but available to Salem residents):</p> <ul style="list-style-type: none"> • Citizens Inn, Inc. – Haven from Hunger Food Pantry • North Shore Community Action Programs, Inc. - Homeless Prevention Program • Open Door Immigration Program – Increasing Community Access to Immigration Legal Services
--	--	---

8	Project Name	Downtown Improvements
	Target Area	Downtown
	Goals Supported	Improve Downtown Slums/Blight Area
	Needs Addressed	Downtown Public Facilities and Infrastructure
	Funding	CDBG: \$56,991
	Description	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 including Old Town Hall and public infrastructure.
	Target Date	6/30/2024
	Estimate the number and type of families that will benefit from the proposed activities	4,735 persons are located within the block groups that comprise the Downtown (slum/blight area): <ul style="list-style-type: none"> • 2045003 – pop 710 • 2045002 – pop 1,250 • 2042002 – pop 495 • 2042003 – pop 1,250 • 2043001 – pop 1,030 As public facility and infrastructure project locations are identified, such as street improvements and tree planting, funds from the goal of "Invest in parks Infrastructure & Public Facilities" may be transferred to this goal.
	Location Description	This activity would be located within the Downtown Renewal Area as depicted on the LMI Map.
Planned Activities	Slum/blight area improvements.	
9	Project Name	Planning & Administration
	Target Area	LMI Areas, Downtown, City-wide
	Goals Supported	Undertake Planning & Administration
	Needs Addressed	Affordable Housing, Homeownership Assistance, Economic Development, Public Services, Neighborhood Public Facilities and Infrastructure, Downtown Public Facilities and Infrastructure
	Funding	CDBG: \$233,822.
	Description	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.
	Target Date	6/30/2024

Estimate the number and type of families that will benefit from the proposed activities	Not applicable
Location Description	Not applicable
Planned Activities	General Program Administration Planning Studies

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

Per the most recent American Community Survey (ACS) 2021 5-year estimate available Salem's median income, adjusted for household size of \$72,884 is below the 80 percent of the area median income of \$112,160. Per table B19019 of the 2021 5-year ACS, all census tracts in Salem are below the median household income, adjusted for household size. The lowest-income census tracts are located around The Point and South Salem (Census Tracts 2043 and 2042), with median household incomes ranging from around \$34,474 to \$62,023 respectively. When prioritizing activities, the City pays special attention to those low- and moderate-income neighborhoods in the east and southeast, particularly The Point and South Salem, given that they have significantly lower income levels. The Point and South Salem census tracts also have higher percentages of linguistically isolated populations, and higher percentages of non-White residents as well as low to moderate income neighborhoods where the greatest needs have been identified and whose public facilities and infrastructure are in the worst condition.

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. Targeted areas for neighborhood improvements are identified by the most recent low- and moderate-income summary data (LMISD) at the block group level with the Community Survey 2011-2015 5-year estimates (2015 ACS). A map of the LMI based on the LMISD data is available in the Appendix. In addition, the City also undertakes improvements in the Downtown Renewal Area, which was established as a Slum/Blight Area (November, 2013).

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". The City will continue to use the most current Low and Moderate Summary Income Data U.S. Census Block Group level information to prioritize the use of funds. 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 City typically supports programs that benefit low- and moderate-income households or specific populations such as senior citizens, disabled persons and minorities as well as the Housing Rehabilitation Loan Program and First-Time Homebuyer Downpayment Assistance Loan Program which 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. Although those 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.

Geographic Distribution

Target Area	Percentage of Funds
LMI Areas	25%
Downtown	9%
City-wide	67%

Table 6 - Geographic Distribution

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 selected to address identified priority needs rather than allocated to a particular neighborhood. In Year 3 of the Consolidated Plan, CDBG funds are also targeted to address City-wide needs of affordable housing, to support economic development efforts, and to provide needed social services, as well as infrastructure and public facilities improvements that are in neighborhoods with concentrations of low and moderate income households or that support vulnerable populations.

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 or retain jobs available to LMI persons.

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

Introduction

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. Salem has permitted 399 affordable units since 2022. Nonetheless, Salem has a very low vacancy rate of 2.2 percent, the cost of housing continues to rise and the demand for affordable housing outpaces the supply of affordable housing in Salem. Several factors contribute to the difficulty of increasing the availability of affordable housing, including construction costs, 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

In December of 2022, the City Council adopted a housing production plan. A housing production plan (HPP) is a state-recognized planning tool that establishes a strategic plan for affordable housing production and goals. There are several recommendations for policies, programs, and initiatives to address local housing needs and recommendations for zoning strategies, potential municipal and private development or redevelopment sites, and ways to further participate in regional collaborations. The City plans to remove or ameliorate the negative effects of land use policies by implementing the strategies identified in the HPP. The strategies include an inclusionary housing ordinance, offering incentives to multifamily property owners for the right of first refusal, tax increment finance exemptions for affordable housing and smart growth zoning districts.

The city is also proposing a condominium conversion ordinance to provide protection to tenants when their apartments are proposed to be converted into condominiums.

Discussion

There are regulatory barriers that prevent the full realization of Salem's vision for housing growth. Among these barriers are regulations relating to parking requirements and dimensional requirements. The housing production plan will identify strategies to remove these barriers and identify opportunities to make changes that would reduce barriers to housing production while also protecting neighborhood character.

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. The City plans to continue implementation of several of the actions to reduce barriers to housing production. For example:

- In 2023 the City approved an Urban Center Housing Tax Increment Financing tool to support affordable housing.
- In 2023, the City Council adopted a revision to the Accessory Dwelling Unit (ADUs) ordinance that allows ADUs in detached structures.
- In 2022, the City directed over \$9 Million in American Rescue Plan Award (ARPA) Funds to Affordable Housing initiatives and programs that will help address affordability, connectivity, and sustainability of housing. For example the ARPA funds were used to support a new Neighborhood Stability Coordinator position and used to create a grant program to assist homeowners in creating Accessory Dwelling Units with a maximum rent of 50% FMR
- In 2022, the City of Salem completed a housing production plan.
- The City of Salem's Affordable Housing Trust Fund Board and Planning Board collaboratively developed a housing policy in 2022 that requires developers to create units affordable to households at or below 60% of the area median income as part of market rate development.
- In May 2022 the City adopted the Bridge Street Neck Zoning Overlay District Ordinance, which allows a residential density of 25 units per acre. The overlay also includes progressive parking requirements and uses a form-based code approach to ensure creation of a walkable district with high quality design.
- In 2019, the City adopted an expansion of the Housing Development Incentive Program (HDIP) throughout the city. HDIP is a tax exemption tool that the City will continue to use to increase the feasibility of affordable development projects by providing a tax exemption to overcome financial barriers of creating affordable housing.

Actions planned to address obstacles to meeting underserved needs

The Five Year Consolidated Plan outlines several barriers to housing affordability and actions for reducing the impacts of poverty in Salem including: displacement of renters, the cost of permitting/developing land with environmental constraints, the lack of regulatory tools to require/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 property tax to finance City services. While not in control of all of these barriers, and often constrained by financial resources and legal requirements, Salem has nevertheless identified several strategies to address obstacles to meet underserved needs.

- Salem's rental housing is vulnerable to conversion into ownership units given not just its tenure but also its age and scale, protections for renters displaced by conversions is an underserved need. To that end the City is working on a condominium conversion ordinance that will provide protections to tenants of rental housing when a property owner proposes to convert units to condominium or cooperative ownership.
- The City provides financial support to rental assistance programs managed by the Salem Housing Authority and the North Shore Community Action Programs to maintain Salem households that are at risk of displacement.

- Since 2020 the City has offered the Skipper, an on-demand transportation service for only \$2 per ride. The Skipper is a fast, easy, and affordable shared ride service available for all and allows residents to live in Salem without a car thus saving on household costs.

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 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.
- The City of Salem Planning Board will continue to implement their policy that requires 10 percent of new housing to be set aside as affordable to households that earn 60 percent of the AMI or less. The City will consider an inclusionary housing ordinance that would codify the policy.
- 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’s Neighborhood Stability Coordinator and housing stability program offers free services Salem owners and renters about their housing options and opportunities as they relate to renting in Salem. These consultations will help with developing solutions and resolving housing matters in order to foster housing stabilization.
- The City will be launching a right of first refusal program in 2023. The program is an incentive based approach that will offer multifamily homeowners funding in return for the right of first refusal to the City as a method to maintain existing affordable homes.
- 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 1,335 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 licensed 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 programs administered by non-profit agencies such as the 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

The DPCD leads Salem H.O.P.E. (Human Organization Partnership Effort), a networking group of human service agencies that serves Salem residents. Salem 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. Prior to the pandemic all human service agencies were invited to attend the quarterly Salem H.O.P.E. breakfast meetings held at rotating agency locations. Through this program, agency representatives (re-)introduced to each other and exchange information, announcements and updates. Since the COVID-19 pandemic, Salem HOPE does not meet. However, remaining active was the Salem HOPE distribution list for agencies to share virtual events, programs, job opportunities and other information.

The City has a Neighborhood Stability Coordinator position that was created in 2022 and filled in 2023. This is a new position created to enhance coordination between public and assisted housing providers and government services by building partnerships with housing, utility, homeless, and related service organizations and providers to ensure public awareness of the resources. The coordinator is a point of contact for Salem residents to connect them with housing providers and social service agencies. The Neighborhood Stability Coordinator fworks with the City's Latino Affairs Coordinator. The Latino affairs coordinator also aids residents navigating government services and programs and particularly focuses on strengthening connections with Latino and Latina residents.

Program Specific Requirements

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

Introduction

Salem consistently meets all timeliness requirements, and program expenditures are 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
Total Program Income:	0

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, 2023-June 30, 2024 (Salem FY24, using HUD 2023 funds). We estimate receiving \$110,000 in program income during this program year. All program income received in FY24 will be reported and spent under FY24. 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 FY24.

Salem intends to spend at least 70% of CDBG funds to benefit persons of low and moderate income in FY24. 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 - Maps

2 - Application for Federal Funding and Certifications

This Page is intentionally left blank.

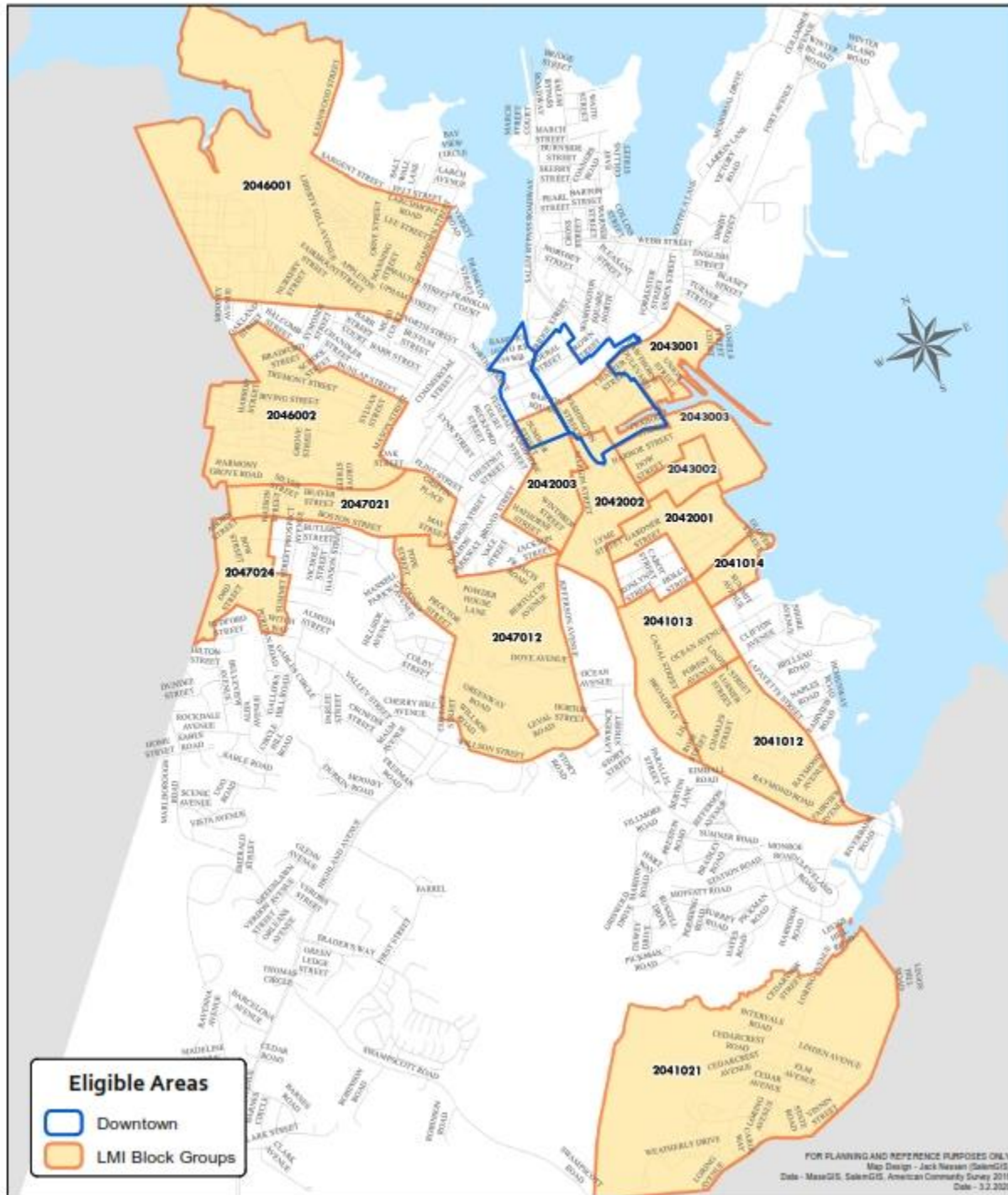
Appendix 1 – LMI Maps



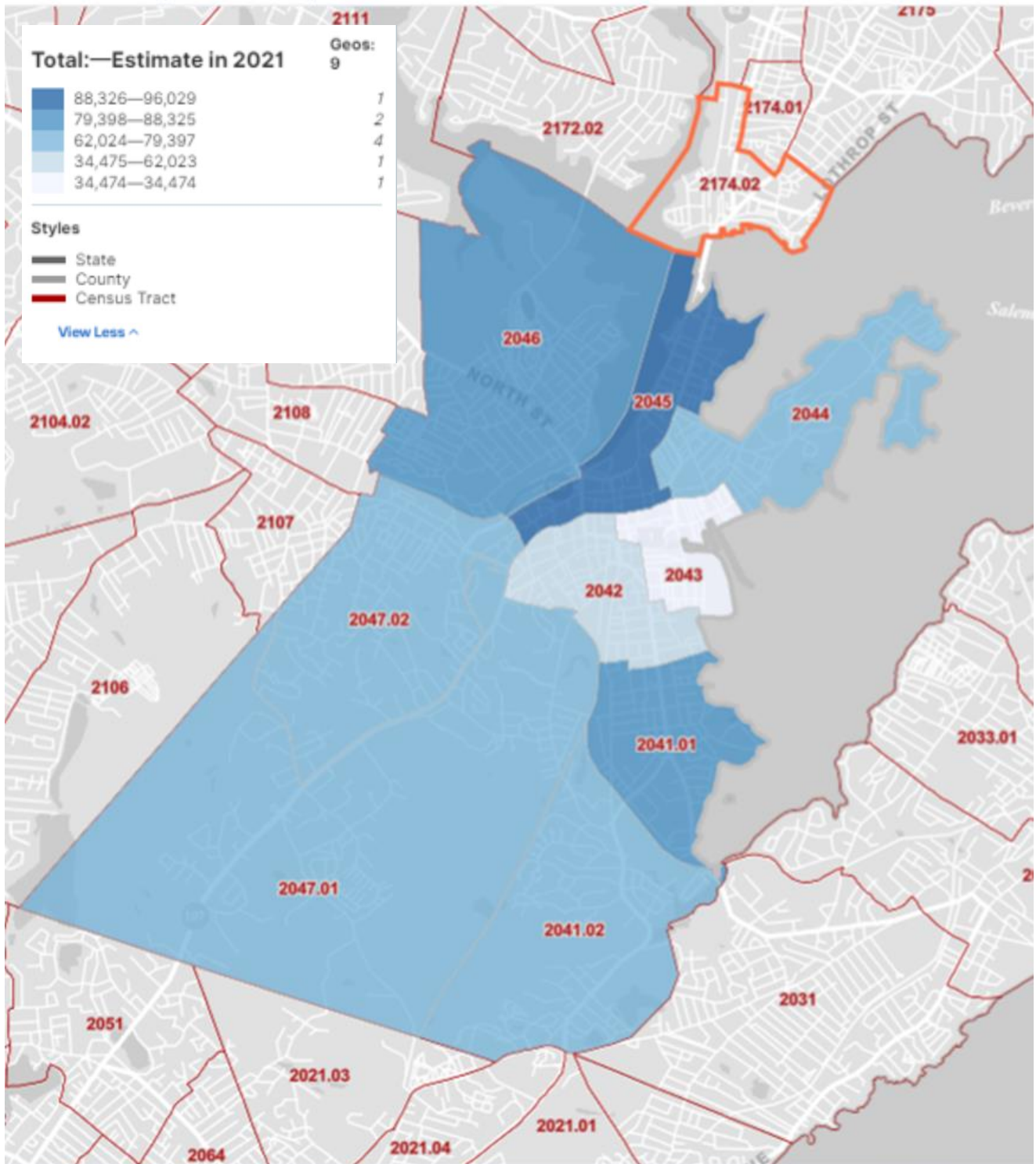
City Of
SALEM

Low to Moderate Income Areas Effective April 1, 2019

1 inch equals 2,100 feet



Median Household Income In The Past 12 Months (In 2021 Inflation-adjusted Dollars) By Household Size ACS 2021 Table B19019



Appendix 2 - Application for Federal Funding & Certifications

Hard copy - See next pages in Final Action Plan.

IDIS – See separate attachment.