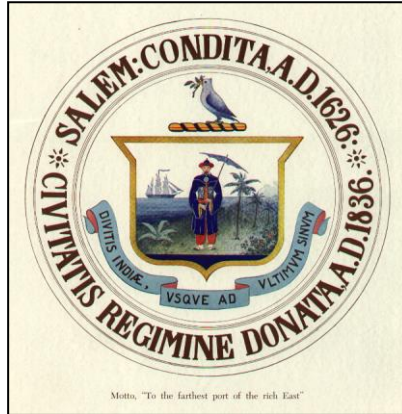


# CITY OF SALEM

## DRAFT ~ ONE-YEAR ACTION PLAN ~ (YEAR 4 OF 5 OF THE 5-YEAR CONSOLIDATED PLAN)



JULY 1, 2018 – JUNE 30, 2019  
FISCAL YEAR 2019  
(HUD 2018 FUNDS)

MAY 16, 2018  
Kimberley Driscoll  
Mayor

Tom Daniel, AICP  
Director of Planning & Community Development

Kathleen Winn  
Deputy Director of Planning & Community Development

Jane A. Guy  
Assistant Community Development Director

# HOW TO COMMENT ON THE DRAFT FY19 ONE-YEAR ACTION PLAN

This Plan is presented in DRAFT form.

Any citizen who wishes to may comment on the Draft FY19 One-Year Action Plan. This plan will be sent to the U. S. Department of Housing and Urban Development (HUD) after considering the public comment received for this Draft.

The release of this draft begins a **30-day public comment period**, which will include a **Public Hearing on May 31, 2018**. The comment period ends on June 15, 2018.

Comments on this draft plan can be made by either or both of the following:

1. At the Public Hearing, which will be held on May 31, 2018, at 6:00 p.m. in the First Floor Conference Room at Salem City Hall Annex, 98 Washington Street Salem, MA
2. By written comments, which will be accepted through June 15, 2018. Written comments should be sent to the following:

**City of Salem Department of Planning & Community Development**  
**98 Washington Street**  
**Salem, MA 01970**  
**Attention: Jane A. Guy**  
**Or (Email) [jguy@salem.com](mailto:jguy@salem.com)**

To assist the public in reviewing this plan, copies of the draft plan are available at no charge (limit one copy per person/organization) at the City of Salem Department of Planning and Community Development, 98 Washington Street, Second Floor, beginning on May 17, 2018. Reference copies are also available at the Salem Public Library and the Salem Housing Authority. Copies may also be downloaded from [www.salem.com](http://www.salem.com) or may be emailed via request to [jguy@salem.com](mailto:jguy@salem.com).

# TABLE OF CONTENTS

Introduction .....	i
CDBG 101: What Can Be Funded? .....	i
FY18 Action Plan Summary of Proposed Activities .....	iii
Executive Summary.....	1
AP-05 Executive Summary - 91.200(c), 91.220(b) .....	1
PR-05 Lead & Responsible Agencies - 91.200(b) .....	8
AP-10 Consultation - 91.100, 91.200(b), 91.215(l) .....	9
AP-12 Participation - 91.401, 91.105, 91.200(c) .....	18
Expected Resources .....	22
AP-15 Expected Resources – 91.420(b), 91.220(c) (1, 2) .....	22
Annual Goals and Objectives .....	28
AP-20 Annual Goals and Objectives.....	28
AP-35 Projects - 91.420, 91.220(d) .....	34
AP-38 Project Summary .....	36
AP-50 Geographic Distribution - 91.420, 91.220(f) .....	46
AP-75 Barriers to Affordable Housing - 91.420, 91.220(j) .....	47
AP-85 Other Actions - 91.420, 91.220(k) .....	49
Program Specific Requirements.....	54
AP-90 Program Specific Requirements.....	54

## *Appendix*

- LMI Map
- Application For Federal Funding (SF-424) & Certifications – *To be added to final plan*
- Other Resources
- Citizen Participation Comments
  - Part 1 - Public Participation Process
  - Part 2 - Review of Draft Plan
  - Written comment received

## Introduction

The Federal funding that Salem will receive for FY19 includes \$1,053,238 in CDBG funds, \$162,324 in HOME funds and a projected \$105,000 in program income. Total proposed expenditures based on current estimates of funding to be available are \$1,320,562.

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

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

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

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

- **Benefit to very low, low and moderate income persons**
  - Activities that serve a “limited clientele”
    - Limited clientele refers to certain populations presumed by HUD to have very low, low or moderate incomes: abused children, battered spouses, elderly persons, severely disabled adults, homeless persons, illiterate persons, persons living with AIDS and migrant farm workers
    - Serving people with incomes below the very low, low or moderate income threshold (see “Income Limits” below)
  - Area benefit activities
    - Activity conducted in a service area that is primarily residential, and at least 51% of the residents have very low, low or moderate incomes (see Map in Appendix). The activity must meet the needs of very low, low and moderate income persons.
  - Job creation or retention activities
    - At least 51% of the jobs created or retained must be available to and held by very low, low or moderate income people
- **Aid in the prevention or elimination of slums or blight**
  - Area Basis - Must be a formally designated area (i.e. Salem’s downtown)
  - Spot Basis – Only a limited set of activities qualify

- Urban Renewal Area
- **Meet a need having a particular urgency**
  - Recent emergency conditions only, posing an immediate threat to health or welfare of community and no other funding is available

**Eligible Activities**

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

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

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

Each year HUD publishes “income limits” that define very low, low and moderate income levels used in several housing and community development programs. The income limits are determined by household size and the median incomes in a particular area<sup>1</sup>. Below are the income limits in effect for Salem as of June 1, 2018.

Household Size	Income Limits							
	ONE	TWO	THREE	FOUR	FIVE	SIX	SEVEN	EIGHT
MODERATE (80% of Median)	56,800	64,900	73,000	81,100	87,600	94,100	100,600	107,100
LOW (50% of Median)	37,750	43,150	48,550	53,900	58,250	62,550	66,850	71,150
VERY LOW (30% of Median)	22,650	25,900	29,150	32,350	34,950	37,550	40,150	42,750

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<sup>1</sup> Salem’s median income is \$98,100 as of 4/14/17

## FY19 Action Plan Summary of Proposed Activities

The following section describes the activities proposed for FY19 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.

### FY19 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. As requested by residents to address the issue of substandard rental housing, this program also addresses building code violations and health and safety issues in investor-owned properties with preference to locations in low to moderate income neighborhoods. Upon completion of the rehabilitation, and for at least 15 years thereafter, all rental units assisted with federal funding will be restricted to affordable rents.<sup>2</sup>



34 Peabody Street is slated to become Lighthouse 34 with the construction of 21 affordable housing units.

**Projected Accomplishments:** 3 Housing Units Rehabbed

**Proposed Funding:** \$67,716 CDBG; \$32,454 HOME (If Salem's HOME allocation is more/less than estimated, HOME funds for this activity will be adjusted by the difference).

This activity may also use carried over funding from FY18 (for additional units).

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

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

**Projected Accomplishments:** 5 Households Assisted

**Proposed Funding:** \$40,000 CDBG

This activity may also use carried over funding from FY18 (for additional households).

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<sup>2</sup>. Rents are established by HUD annually.

- **Tenant Based Rental Assistance**

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

**Projected Accomplishments:** 7 Individuals assisted

**Proposed Funding:** \$75,000 HOME

- **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:** A minimum of 2 units of affordable housing as yet to be determined.

**Proposed Funding:** \$50,000 HOME, as well as carried over CDBG and HOME funding from FY18 will also be used for specific development projects 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:** \$92,000 CDBG; \$4,870 HOME

## Fiscal Year 2019 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



*Ribbon Cutting at Hotel Salem  
March, 2018*

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 (from FY18 Action Plan)

**Proposed Funding:** This activity will use carried over funding from FY18.

- **Business Technical Assistance**

The City helps to coordinate and fund technical assistance services to local business owners. In FY19, the City will continue to fund the Salem *Main Streets Downtown Program*. The goal of the Program is to assist in the revitalization of downtown Salem as a vibrant year-round retail, dining and cultural destination through business recruitment, retention and promotion. Main Streets works with entrepreneurs and business owners to secure needed resources and navigate approval processes. Main Streets also works to improve the downtown business climate in support of additional economic development.

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

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

**Projected Accomplishments:** 42 business owners/potential owners assisted, minimum 11 jobs created

**Proposed Funding:** \$190,000

## Fiscal Year 2019 Neighborhood Improvement Activities

- **Parks, Facilities & Infrastructure Improvements**

Various improvements to publicly owned resources in eligible neighborhoods. Improvements may include, pedestrian circulation, safety and aesthetics, accessibility improvements, trash receptacles, traffic improvements, lighting, public art, signage and open space improvements, as well as improvements to public facilities and public infrastructure. Improvements under consideration include the preparation of bid documents and other costs related to improvements to Palmer Cove Park currently under design, and

electrical upgrades at the fire station on Loring Avenue. Additional improvements may be targeted to Collins Cove, Memorial and/or Gallows Hill Park, bike path connections in LMI neighborhoods and/or recreational land improvements at Salem High School.

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

**Proposed Funding:** \$238,175

- **Downtown/South River Improvements**

Undertake infrastructure improvements to support Salem's slum/blight area (downtown) and complement ongoing Economic Development activities. The Downtown is bounded roughly by Bridge Street to the north, Peabody Street to the south, Summer Street to the west, and the Salem Common to





the east. The MBTA's Salem commuter rail station parking lot, located just north of Bridge Street, is included within the Downtown, as is the South River located to the South.

Just a couple years ago, the properties along the Downtown side of the South River included several vacant business spaces, including a large empty parcel that had several failed attempts at development. However, more recently, this area has started to go through a positive transition that the City would like to help further along. One building that had been vacant for over a year, as well as a former tire shop, revived as new restaurants. Notch Brewery opened its brewery with a tasting room and outdoor patio facing the South River. The Salem Waterfront Hotel has received all local permits needed to undertake an expansion of their hotel by 42 rooms within a new building on a currently underutilized lot that sits alongside of the South River. The City is pursuing state level permits and funding opportunities to dredge the South River, with the end goal of making a portion of the river open to recreational boating. The City recently acquired a large vacant parcel in the middle of this activity, currently undergoing construction as a new waterfront park. These activities will all help alleviate slum/blight conditions, create jobs and encourage further development.

The City intends to complement these efforts and other downtown efforts by contributing public investment to help further spur private investment and to help bring new customers to fledgling businesses, further increasing the vitality of the area, and thereby reducing slum/blight. Activities may include street & sidewalk improvements, pedestrian circulation, safety and aesthetics, 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. Examples of work could be the continuation of the Harborwalk or installation of permanent year-round or seasonal lighting as public art.

**Projected Accomplishments:** Facility and infrastructure improvements and/or public art

**Proposed Funding:** \$10,000. This activity may also use carried over funds from FY18

- **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.

**Proposed Funding:** \$100,000

Note: The City is also considering submitting an application for a Section 108 loan in FY19, in order to undertake comprehensive street improvements (street paving, sidewalk replacement, curbcuts and crosswalk installations) in the Point Neighborhood.

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

## Fiscal Year 2019 Social Services Activities

- **Community Support Services**

This program 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 26 social service agency programs to assist an estimated 8,200 persons.

**Proposed Funding:** \$173,700



*Guitar lessons in the park, provided by the Park & Recreation Dept.*

*Fiscal Year 2019 Social Services Funding Proposals Received:*

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

- Catholic Charities - Homeless Prevention Program
- HAWC – Legal Services for Domestic Violence Services
- Independent Living Center of the North Shore and Cape Ann
- Leap for Education - College Ready Program
- North Shore CDC - Family Resource Center
- North Shore Community Health – Increasing Access to Behavioral and Medical Services to Homeless Individuals
- Salem Community Child Care – Kindergarten Afterschool Program
- Salem Police Department - Point Targeted Patrols
- VOCES - Hispanic Education Program
- Open Door Immigration Program – Increasing Community Access to Immigration Legal Services

**Located in Downtown Salem:**

- Lifebridge - Medical & Outreach Supportive Services
- Salem YMCA - Afterschool Program
- Charter Street Tenant Association – Sunday Brunch Program

**Located within Salem:**

- Aspire Developmental Services, Inc. – Early Intervention Program
- Boys & Girls Club of Greater Salem - Power Hour
- Eastgate Christian Fellowship - Joseph’s Storehouse Food Pantry
- Inversant – Salem Families College Savings 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 Class for Senior Citizens
- Salem Park, Recreation & Community Services – Enrichment Playground Programs (Palmer Cove and Memorial Parks)
- The North Shore Moving Market – Food Delivery for Elderly, Disabled and Disadvantaged
- The Salvation Army - Homeless Prevention Program
- Wellspring House - MediClerk Job Training Program

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

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

## Fiscal Year 2019 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:** \$231,647 (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.



*Staff of the DPCD, March 2018. L-R Patti Kelleher, Ashley Green, Julia Medina, Matt Coogan, Tom Daniel, Erin Schaeffer, Deborah Greel, Kathy Winn, Tom Devine & Jane Guy. Missing: Sarah Cahill, Amanda Chiancola & Naomi Francisco.*

### Ongoing Activities

While a number of activities take place entirely in one fiscal year, the City undertakes projects of a larger size, scope or complexity as multi-year projects. The chart below provides a list of ongoing activities and those that will likely continue into FY19.

<b>Project</b>	<b>Description</b>
Economic Development Programs	Programs include Business Loans, Neighborhood Storefront Improvements. Business Technical Assistance and Salem Main Streets Initiative.
Housing Programs	Included are First-Time Homebuyers Downpayment Assistance Program, Housing Rehabilitation Loan Program and Affordable Housing Programs.
Park, Facilities & Infrastructure Improvements	Redesign and/or improvements to parks & playgrounds (i.e. McGlew park, Palmer Cove Park, etc.)
Neighborhood Street & Sidewalk Improvements	Repaving of streets, installation of curb cuts/crosswalks, and replacement of sidewalks in eligible neighborhoods.
Downtown Improvements	Infrastructure and public facility improvements to enhance pedestrian circulation, public art, safety, access and aesthetics and to compliment ongoing Economic Development activities.
Boston Street Neighborhood Improvements	Infrastructure improvements.
South River Improvements	Infrastructure improvements

# Executive Summary

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

### 1. Introduction

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

This document is the City of Salem's Action Plan for Fiscal Year 2019 (Year 4). It describes the activities that the City will undertake in the next fiscal year (July 1, 2018-June 30, 2019) with Community Development Block Grant (CDBG) and Home Investment Partnership (HOME) funds.

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

In addition, Salem is a member of the North Shore HOME Consortium and receives an allocation of **Home Investment Partnership (HOME)** funds. 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 City of Salem is one of thirty member communities in the North Shore HOME Consortium.

These funds can be used for projects or programs undertaken by the City or by organizations engaged by the City.

The complete FY19 Action Plan, with cover, table of contents, introduction and appendices will be located at [www.salem.com](http://www.salem.com).

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

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

### Objectives

Activities must meet one of the following three objectives:

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

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

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

### Outcomes

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

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

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

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

The table summarizes the proposed projects' objectives and outcomes for FY19.

Category	Source	Objective	Outcome	# (Units, persons, etc.)
<i>Housing</i>				
Housing Rehabilitation Loan Program	CDGB \$67,716; HOME \$32,454	Decent Housing	Affordability	3 Housing Units*
First Time Homebuyer Programs	CDGB \$40,000	Decent Housing	Affordability	5 Households*
Rental Assistance Programs	HOME \$75,000	Decent Housing	Sustainability	7 Households
Affordable Housing Development	HOME \$50,000	Decent Housing	Affordability	To be determined*
Rehabilitation Administration (inspections, mortgage filings, salary, benefits, non-salary expenses)	CDGB \$92,000; HOME \$4,870			
<i>Economic Development</i>				
Business Technical Assistance	CDGB \$190,000	Creating Economic Opportunities	Availability/ Accessibility	42 Businesses; 11 Jobs
Small Business Financial Assistance Programs	Carried over funds	Creating Economic Opportunities	Affordability	To be determined*
<i>Neighborhood Improvement Activities</i>				
Neighborhood Street & Sidewalk Improvements/ Tree Planting	CDGB \$100,000	Suitable Living Environment	Sustainability	Locations to be determined
Park/playground, Public Facility & Infrastructure Improvements	CDGB \$238,175	Suitable Living Environment	Sustainability	Various infrastructure improvements
Downtown Improvements	CDGB \$10,000	Creating Economic Opportunities	Sustainability	Infrastructure improvements
Program delivery (placeholder)	CDGB \$15,000			
<i>Social Service Activities</i>				
Community Support Services	CDGB \$173,700	Suitable Living Environment	Availability/ Accessibility	8,200 Persons
<i>Not-Applicable to Salem's Performance Measurement</i>				
General Program Administration (salary, benefits, non-salary expenses, planning studies & reports)	CDGB \$231,647			

\*Activities may also use carried over funds to complete or add to noted outcomes.

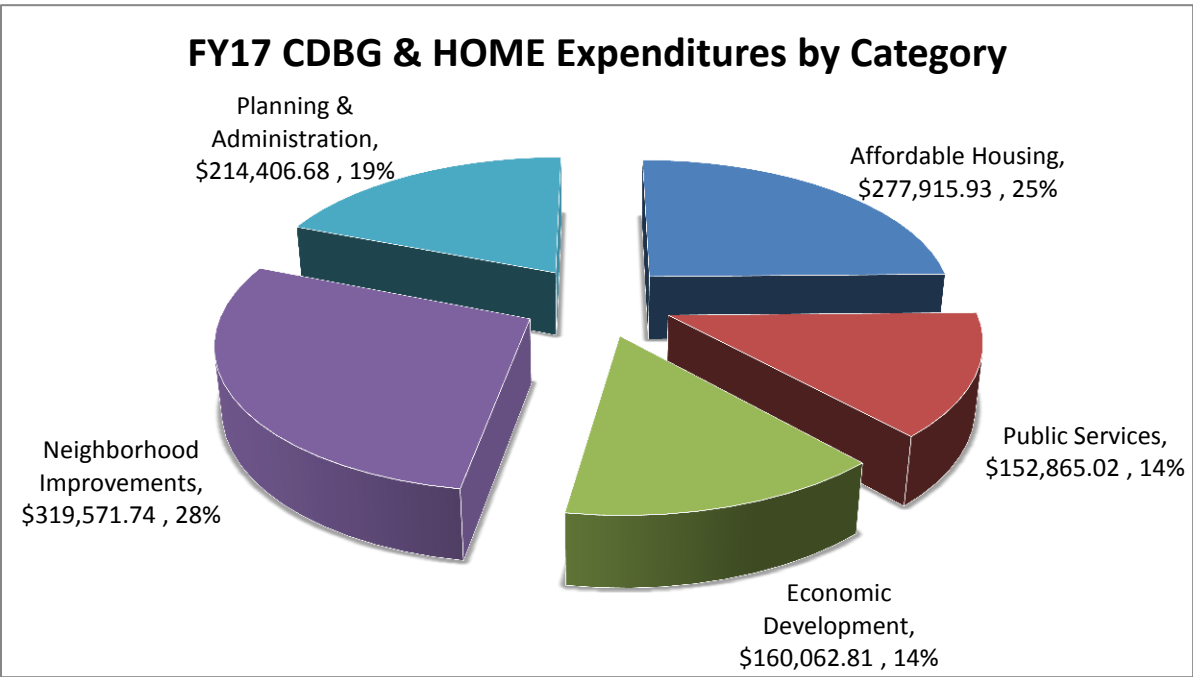
## Objectives and Outcomes

### 3. Evaluation of past performance

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

The annual Consolidated Annual Performance and Evaluation Report (CAPER) provides an analysis of the accomplishments and progress the City has made toward meeting the goals and objectives laid out in its Five Year Consolidated Plan. The FY18 CAPER, for the current fiscal year, will be available by September 30, 2018. The most recent CAPER, for FY17, evaluated the second fiscal year of the current Five Year Consolidated Plan. HUD calculated that 97.9% of CDBG funds spent in FY17 directly benefited low- and moderate-income persons. The FY17 CAPER is available at the City of Salem Department of Planning and Community Development (DPCD), the Salem Public Library and on the City's website at <https://www.salem.com/sites/salemma/files/uploads/caperfy17finalcomplete.pdf>.

The chart illustrates FY17 spending by category, as a percentage of overall CDBG and HOME expenditures.



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

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

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

For the fourth year Action Plan, citizen participation included a public hearing in January, 2018 and the collection of written comment. In order to include broad public participation, outreach to participate included an English/Spanish legal notice in the Salem News. An English/Spanish public notice was posted at City Hall and City Hall Annex, was sent to the Salem Public Library, Salem Council on Aging and the Salem Housing Authority for posting, was provided to all City Councillors, was placed on the City’s website and was mailed to various social service agencies and neighborhood associations, as well as the Citizens Advisory Committee members. A press release was sent to the Salem News, Salem Gazette and other media. An English/Spanish Community Bulletin Board request was posted with Salem Access Television.

The City publicizes the availability of the draft Action Plan and the date/time of the public hearing and the public comment period in several ways, targeting residents, businesses, social service organizations and civic groups. An English/Spanish Community Bulletin Board request 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](http://www.salem.com). Notices were provided to the Salem Public Library, Salem Council on Aging and the Salem Housing Authority, and were e-mailed or mailed to several social service agencies, neighborhood associations and Citizens Advisory Committee members. The notices were also emailed to the Salem H.O.P.E. distribution list. A press release was sent to the Salem News and the Salem Gazette and other media.

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

Copies of the draft plans are made available for all attendees of the public hearing. Copies of the draft plans were provided to the Salem City Council. The City Council will be asked to approve submission of the Application for Federal Assistance.

Public hearing minutes are located in the Appendix.

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

On January 18, 2018 a public meeting was held for all interested persons at City offices at 120 Washington Street. Spanish translation was available. A public participation guidebook was provided to all attendees. There were seven attendees. Minutes of the public hearing are located in the Appendix, along with a copy of a written submission.

The Draft Action Plan is made available for a 30 day public comment from May 17, 2018 through June 15, 2018.

Comments received on the draft will be provided in the final plan.

A second public hearing is scheduled for all interested persons at City offices at 98 Washington Street for May 31, 2018. The number of attendees and comments received will be provided in the final plan.

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

All comments and views were taken into consideration in preparation of this Action Plan. Written comment was provided from the CEO of a non-profit agency proposing that 100% of economic development and neighborhood improvement funding be used to support programs, services, activities and events in the low-income tracts of Salem and not in the downtown, which the writer did not characterize as having blight. While the City supports the request for ED and neighborhood improvement funding to low-income tracts, we also support assistance to the downtown (re-established as a slum/blight area in 2013), whose businesses employ many of our lower income residents. In FY17, CDBG assistance was provided to the Salem Main Streets Program which documented 8 new LMI jobs,



plus assistance to 6 new, 37 existing and 7 prospective business (including 34 micro-enterprises). Our small business loan program documented 8 new jobs (7 to LMI persons).

## **7. Summary**

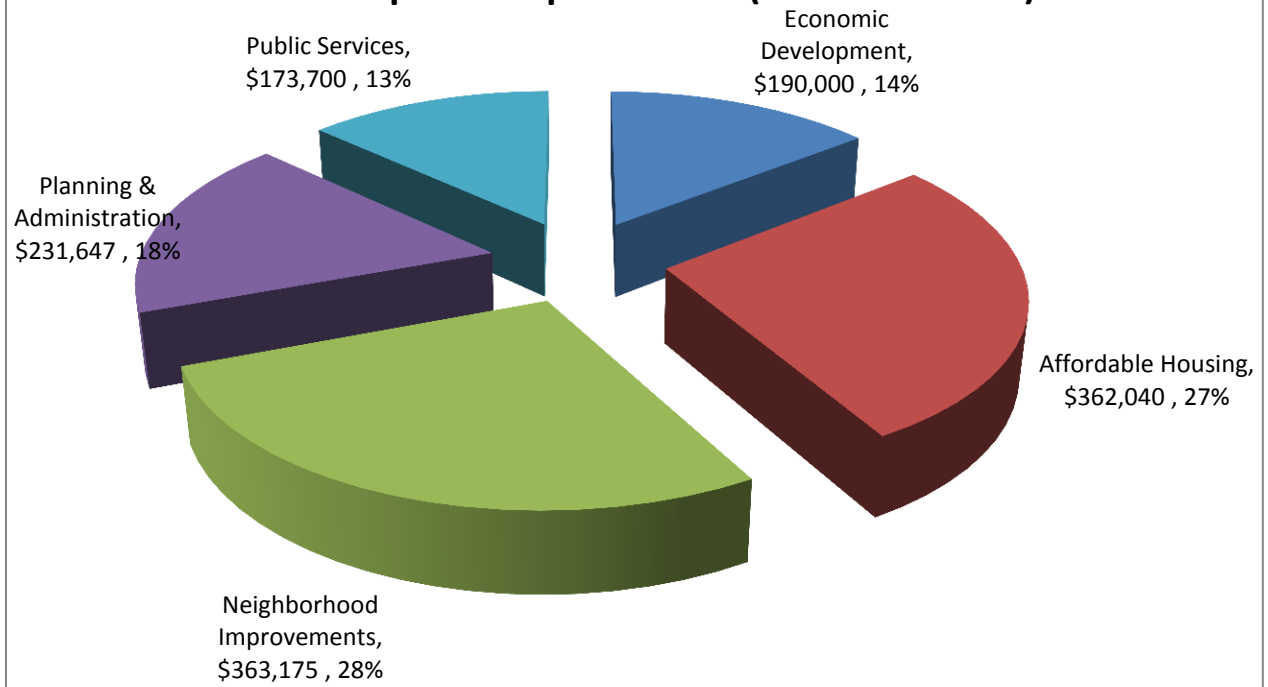
The Federal funding that Salem will receive for FY19 includes \$1,053,238 in CDBG funds, an estimated \$162,324 in HOME funds and a projected \$105,000 in program income. Total proposed expenditures based on current estimates of funding to be available is \$1,320,562.

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.

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

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.

## PY19 Proposed Expenditures (CDBG & HOME)



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

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

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

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

**Table 1 – Responsible Agencies**

### Consolidated Plan Public Contact Information

For inquiries or to send written comment contact:

City of Salem  
Department of Planning & Community Development  
98 Washington Street  
Salem, MA 01970  
Att: Jane A. Guy, Assistant Community Development Director  
T: 978-619-5685  
E: [jguy@salem.com](mailto:jguy@salem.com)

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

### **1. Introduction**

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

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

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

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

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

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

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

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

Although the City does not currently use its CDBG funds to assist the Salem Housing Authority (SHA), the DPCD coordinates with the SHA to address the housing needs of Salem’s lower-income residents. Proposed development sites or demolition or disposition of existing public housing developments must follow established regulatory procedures administered by City agencies. Some of these, such as the Board of Appeal and Planning Board have staff support from the DPCD.

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

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

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

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

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

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

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

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

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

- Added police patrols and training (i.e. the distribution of *Homeless Solutions & Resources: A Police Officer's Guide to Policing the Community*).
- Funded with CDBG, outreach workers on call out of the Salem Police Department in partnership with North Shore Community Health, to connect homeless with health and other services.
- Establishing [hope@salem.com](mailto:hope@salem.com) to report non-emergency transient or homeless issues.
- Monthly meetings of organization representatives (i.e. City of Salem, Salem Police Dept., North Shore Community Health Center, Lifebridge, NSCAP and the North Shore Workforce Investment Board).
- High Risk Homeless Task Force, where service providers review the cases of high-risk individuals and work to address individual needs.

- Launching the Changelit campaign, an alternative giving option for people to “text to give”. Donors text Salem to 50555 to make a \$5 donation, with the dual goal to raise donations for programs and decrease panhandling, which often goes to feed addictions or other unhealthy behavior.

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

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

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

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

*See Table 2 starting on next page.*

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

1	<b>Agency/Group/Organization</b>	NORTH SHORE COMMUNITY ACTION PROGRAM (NSCAP)
	<b>Agency/Group/Organization Type</b>	Services - Housing Services-Children Services-Elderly Persons
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Market Analysis Anti-poverty Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	For the Five Year Consolidated Plan, Deric LePard of North Shore Community Action Program (NSCAP) was consulted via phone interview. He provided information which was incorporated into the Needs Analysis and Market Analysis. NSCAP will continue to coordinate with the city to implement strategies that provide community services. For the FY 19 Action Plan, Deric LePard was present at the Public Hearing and provided comment on current needs. He stated that the biggest struggle is the skyrocketing rents and incomes that are not keeping up with the rents, which is especially difficult for disabled persons on fixed incomes without subsidies. He stated that CDBG funds help with back rent when a household misses a paycheck or when an emergency occurs, which can preserve the tenancy. All comments are considered during the development of the plan.
2	<b>Agency/Group/Organization</b>	INDEPENDENT LIVING CENTER OF THE NORTH SHORE & CAPE ANN, INC.
	<b>Agency/Group/Organization Type</b>	Services-Persons with Disabilities
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Non-Homeless Special Needs Market Analysis



	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	For the Consolidated Plan, Mary Margaret Moore of the Independent Living Center of the North Shore and Cape Anne participated in focus groups in the public participation process. Information provided by the organization was incorporated in the Needs Analysis and Market Analysis. For the FY19 Action Plan, Lisa Orgettas and Deborah Barber were present at the public hearing and provided comment on current needs. They stated that there is a lack of public housing and that people are on waiting lists for years. Rents are incredibly expensive forcing people to live out of cars or couch-hop. All comments are considered during the development of the plan.
3	<b>Agency/Group/Organization</b>	Brookhouse Home for Women
	<b>Agency/Group/Organization Type</b>	Services-Elderly Persons
	<b>What section of the Plan was addressed by Consultation?</b>	Non-Homeless Special Needs
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	For the FY19 Action Plan, Martha Ryan and Helen Gifford were present at the Public Hearing and provided comment on current needs. They state that the Brookhouse Home is for indigent women who could not afford to live elsewhere and that there is a need for upgrades to improve the quality of life for the women residing there. All comments are considered during the development of the plan.
4	<b>Agency/Group/Organization</b>	Salem Housing Authority
	<b>Agency/Group/Organization Type</b>	PHA
	<b>What section of the Plan was addressed by Consultation?</b>	Public Housing Needs Market Analysis Other Actions in FY19 Action Plan

	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	For the Consolidated Plan, the Salem Housing Authority was consulted via meeting and phone interview to determine the agency's most pressing needs. In addition, the SHA's Comprehensive Plan must take into account the findings of the Consolidated Plan and the City of Salem must certify that the documents are consistent. Information provided by the SHA was incorporated throughout the Consolidated Plan. For the FY 19 Action Plan, the SHA was consulted to update information provided during the Consolidated Plan process and last year's Action Plan and CAPER process.
5	<b>Agency/Group/Organization</b>	North Shore Community Development Coalition
	<b>Agency/Group/Organization Type</b>	Housing Regional organization Planning organization Community Development
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Non-Homeless Special Needs Market Analysis Economic Development Anti-poverty Strategy

<p><b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b></p>	<p>For the Consolidated Plan, the North Shore Community Development Coalition provided input through focus group meetings and interviews, and contributed data for the Needs Analysis and Market Analysis. NSCDC will continue to coordinate with the City of Salem to carry out projects in implementation of the Strategic Plan. For the FY19 Action Plan, NSCDC was consulted to update information provided during the Consolidated Plan process and last year's Action Plan and CAPER process. Also, Rosario Ubiera-Minaya, was present at the Public Hearing to provide comment on current needs. She requested that CDBG continue to support the Family Resource Stability Program. She noted that the agency conducts the majority of its work in the Point Neighborhood, the largest lower income area in Salem, which has many needs, including infrastructure, as well as small business assistance for low-income business owners and minority immigrant entrepreneurs. In addition, the agency provided a written comment letter at the start of the process (copy in Appendix). All comments are considered during the development of the plan.</p>
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**Identify any Agency Types not consulted and provide rationale for not consulting**

For the Five Year Consolidated Plan, to the City's knowledge, it consulted with all relevant agency types. There were a few individual agencies for which contact was attempted but were unable to reach.

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

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	City of Peabody	Salem DPCD works directly with Peabody and member agencies in implementation of the Strategic Plan to support and enhance its existing programs that address at-risk and homeless families.

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

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

### **Narrative**

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

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

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

For the fourth year Action Plan, citizen participation included a public hearing in January, 2018 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 was 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 the Salem Gazette and other media. The public hearing notice was also posted to the City's website and was mailed or emailed to various social service agencies and neighborhood associations, as well as the Citizens Advisory Committee members. Public hearing minutes are provided in the Appendix.

The City publicized the availability of the draft Action Plan and the date/time of the public hearing and the public comment period in several ways in order to obtain broad public comment. Information regarding the expected draft plan availability and the upcoming comment period and public hearing was provided to those attending the Salem H.O.P.E. meeting in March, 2018. An English/Spanish Community Bulletin Board request was provided to Salem Access Television. An English/Spanish legal ad was published in the Salem News indicating the availability of plans and providing notice of the 30 day comment period & scheduled public hearing. English/Spanish notices were posted at City Hall and City Hall Annex and on [www.salem.com](http://www.salem.com). Notices were provided to the Salem Public Library, Salem Council on Aging and the Salem Housing Authority, and were mailed or emailed to several social service agencies, neighborhood associations and Citizens Advisory Committee members. The notices were also emailed to the Salem H.O.P.E. distribution list. A press release was sent to the Salem News and the Salem Gazette and other media.

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

The public comment period commenced on May 17, 2018 and ends on June 15, 2018. A public hearing was scheduled for May 31, 2018 at City Hall Annex.

Copies of the draft plans were provided to the Salem City Council. The City Council will be asked to approve submission of the Application for Federal Assistance on May 24, 2018.

**Citizen Participation Outreach**

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	Public Meeting	<p>Non-English Speaking - Specify other language: Spanish</p> <p>Non-targeted/broad community</p> <p>City Councillors, Citizens Advisory Committee, public service agencies</p>	<p>On January 18, 2018 a public meeting was held for all interested persons at City offices at 120 Washington Street. Spanish translation was provided. A public participation guidebook was provided to all attendees. There were seven attendees.</p>	<p>Skyrocketing rents and incomes not keeping up are biggest struggle, particularly for disabled on fixed incomes without subsidies. Lack of public housing and people on waiting list for years. Positive support for CDBG. Need for infrastructure improvements and small business assistance for low-income businesses and minority immigrant entrepreneurs.</p>	<p>All comments and views were taken into consideration in preparation of this Action Plan. The City continues to fund housing projects to add affordable units, provide emergency funds to help avoid eviction, provide neighborhood infrastructure and public facility improvements and various public service programs including services to assist with housing (including housing assistance for disabled individuals). CDBG also funds business loans and storefront improvements for small businesses.</p>	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (if applicable)
2	Newspaper Ad	<p>Non-English Speaking - Specify other language: Spanish</p> <p>Non-targeted/broad community</p> <p>City Councillors, Citizens Advisory Committee, public service agencies</p>	<p>See summary of citizen participation above for full description of newspaper ads, public notices and press releases issued - both at the start of the Action Plan process and upon availability of the Draft FY19 Action Plan.</p>	<p>Written comment from the CEO of a non-profit agency proposing that 100% of economic development and neighborhood improvement funding be used to support programs, services, activities and events in the low-income tracts of Salem and not in the downtown, which the writer did not characterize as having blight.</p>	<p>All comments and views were taken into consideration in preparation of this Action Plan. In FY17, CDBG assistance was provided to the Salem Main Streets Program which documented 8 new LMI jobs, plus assistance to 6 new, 37 existing and 7 prospective business (including 34 micro-enterprises). Our small business loan program documented 8 new jobs (7 to LMI persons). While we support the request for ED and neighborhood improvement funding to low-income tracts, we also support assistance to the downtown (re-established as a slum/blight area in 2013), whose businesses employ many of our lower income residents.</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>City Councillors, Citizens Advisory Committee, public service agencies</p>	<p>A public meeting will be held for all interested persons at City offices at 98 Washington Street. Spanish translation will be provided. A copy of the Draft Action Plan will be provided to all attendees.</p>		<p>All comments/views will be considered in finalizing the Action Plan.</p>	
4	Newspaper Ad	<p>Non-English Speaking - Specify other language: Spanish</p> <p>Non-targeted/broad community</p> <p>City Councillors, Citizens Advisory Committee, public service agencies</p>	<p>See summary of citizen participation above for full description of newspaper ads, public notices and press releases issued - both at the start of the Action Plan process and upon availability of the Draft FY19 Action Plan.</p>		<p>All comments/views will be considered in finalizing the Action Plan.</p>	

**Table 4 – Citizen Participation Outreach**



## Expected Resources

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

#### Introduction

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

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

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

The Federal funding that Salem will receive for FY19 includes \$1,053,238 in CDBG entitlement funds. Additional funds include an estimated \$162,324 in HOME funds and approximately \$105,000 in program income (from housing and ED loans and loan interest). Some prior year resources may be available in FY19, such as unspent/unprogrammed dollars. However, it is unknown how much will be carried over until after FY18 closes.

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

The Community Preservation Act (CPA) was adopted by Salem voters in 2012. It established a local dedicated fund for the purpose of open space, historic preservation, outdoor recreation and community housing projects. It is financed by a property tax surcharge of 1%, along with annual matching funds from the statewide CPA Trust Fund. These funds can be used for a variety of purposes, including activities that acquire, create, preserve, support and rehabilitate/restore housing for low- and moderate-income households. An appointed committee recommends how the funds will be utilized each year. Massachusetts CPA regulations require that a minimum of 10% of annual CPA revenues be

set aside or spent for each of the program areas, including affordable housing, open space and recreation, and historic preservation, with the remaining 70% to be allocated to any one or more of these program areas. In the Five Year Consolidated Plan, the city projected an estimated \$531,000 annually from both local and matching funds in future years (based on FY16 funding estimates).

Several housing and community development programs are carried out by non-city agencies that operate through a variety of funding resources. Together, these resources fund a wide range of activities designed to develop and maintain affordable housing, improve neighborhood public facilities, provide economic opportunities, improve access for people with disabilities, provide critical public services, assist people who are homeless, and prevent homelessness. Salem will continue to work with community and regional partners to identify further funding opportunities that can be used to support affordable housing and other objectives served by CDBG programs, such as the anticipated National Housing Trust Fund which is expected to be available through the Commonwealth of Massachusetts sometime in the near future.

## Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 4				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	1,053,238	105,000	0	1,158,238	2,106,476	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.
Housing Trust Fund	public - federal	Acquisition Housing Other	0	0	0	0	0	Housing Trust Fund - Salem anticipates that funding from the National Housing Trust Fund will become available through the State sometime in the near future. Salem would consider using these funds for real property acquisition, site improvements and other development hard costs, related soft costs, or if eligible, for supportive services for housing previously homeless individuals or persons or households with special needs.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 4				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Other	public - federal	Acquisition Housing	162,324	0	0	162,324	324,648	HOME - Expected allocation of Home Investment Partnership (HOME) funds through North Shore HOME Consortium. 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 City of Salem is one of 30 member communities in the North Shore Home Consortium. On behalf of the member communities, the Consortium, through its lead community of Peabody, submits a Consolidated Plan for operating the HOME program.
Other	public - local	Acquisition Housing Public Improvements	736,047	0	0	736,047	1388,797	Community Preservation Act - A surcharge on the local property tax will generate approximately \$583,750 annually with an estimated State match of \$69,000 annually, which will be dedicated for affordable housing, open space, recreation, and historic preservation projects.
Other	public - local	Admin and Planning	558,500	0	0	558,500	1117000	City funds for Administration & Planning
Other	public - local	Public Improvements	675,000	0	0	675,000	825,000	City of Salem Capital Improvement Program (estimate only – allocated annually in June to specific projects)

Table 5 - Expected Resources – Priority Table

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

In FY17, CDBG funds leveraged an estimated \$39.90 in funds from other sources for every dollar of CDBG funding. The following summarizes the funds typically leveraged:

- *First Time Homebuyer Program*: matching funds and financing were projected for approximately \$131,500 annually. However, in FY17, homebuyers provided \$74,999 in private funds, as well as obtained \$1,087,685 in financing from a primary lender.
- Housing development projects by North Shore Community Development Coalition have combined Low-Income Housing Tax Credits and other state, federal funding, as well as private fundraising, grants, financing, and program fees. The \$50,000 in Salem CDBG funds for Congress Street Residences (loan closed in 2016) leveraged over \$35 million in other funds including AHTF, CATNHP, HIF, HOME and HSF in subordinate DHCD State debt, private equity, public equity, CPA funds, Eastern Bank direct bond purchase, construction loans, seller note, and Salem HOME funds. The 27 SRO units at Harbor and Lafayette Homes (financial closing of March, 2018) will have total development cost of \$7.4M, of which \$50,000 is HOME and \$100,000 is CPA..
- State programs such as *Get the Lead Out* and *MassSaves* have been used to assist in home rehabilitation.
- The *Salem Main Streets Program* leverages funds through business contributions and donations, as well as program income from events: \$20,000-\$80,000 annually.
- The City will continue to pursue grant opportunities such as the Working Cities Challenge to support economic development and job training.
- Community Preservation Act funding (\$253,005 toward housing to date) has been utilized for 3 affordable housing projects for a total of 88 housing units. One project is complete, one is near completion and one recently closed on its remaining financing.
- Salem is a Gateway City, making it eligible for certain State funds.
- The City's Capital Improvement Program averages \$100,000-150,000 annually on CDBG-funded projects.
- Other leveraged sources include the City's General Fund, State Chapter 91 and various federal, state and private grant or loan programs for brownfields, parks, and infrastructure improvements. Examples of these include Parkland Acquisitions and Renovations for Communities (PARC), Environmental Protection Agency, National Endowment for the Arts, MassDevelopment Brownfields Assessment Program, MA Office of Coastal Zone Management, MassWorks, and the Massachusetts Preservation Projects Fund. The City may also seek state grants including Green Communities, the Cultural Facilities Fund, and the Gateway Cities Park Program.
- Most subrecipient agencies use CDBG as a portion of their overall activity budgets. Examples of several major agency funding sources are provided in the appendix. Other funding sources include federal and state grants, private grants and donations, and program income.
- The City provides about \$550,000 annually for Planning and administration funds.
- Additional planning funds and technical assistance have been obtained through Massachusetts Historical Commission and Metropolitan

Area Planning Council.

- Salem was recently notified of an award of a MassHousing grant to update our zoning ordinance and add support for affordable housing development (e.g. inclusionary zoning).
- The City is also considering submitting an application for a Section 108 loan in FY19, in order to undertake comprehensive street improvements (street paving, sidewalk replacement, curbcuts and crosswalk installations) in the Point Neighborhood.

A listing of anticipated leveraged funds for FY19 is found in the Appendix, including anticipated funding resources for the City of Salem, as well as several key organizations.

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

None have been identified at this time.

## Annual Goals and Objectives

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

#### Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Housing Rehabilitation Programs	2015	2019	Affordable Housing		Affordable Housing	CDBG: \$159,716 HOME: \$32,454	Homeowner Housing Rehabilitated: 3 Household Housing Unit
2	Affordable Housing	2015	2019	Affordable Housing		Affordable Housing		Rental units rehabilitated: Household Housing Unit
3	First Time Homebuyer Program	2015	2019	Affordable Housing		Affordable Housing Homeownership Assistance	CDBG: \$40,000	Direct Financial Assistance to Homebuyers: 5 Households Assisted
4	Small Business Financial Assistance Programs	2015	2019	Non-Housing Community Development		Economic Development		Jobs created/retained:
5	Business Technical Assistance	2015	2019	Non-Housing Community Development		Economic Development	CDBG: \$190,000	Jobs created/retained: 11 Jobs Businesses assisted: 42 Businesses Assisted
6	Community Support Services	2015	2019	Homeless Non-Homeless Special Needs		Public Services	CDBG: \$173,700	Public service activities other than Low/Moderate Income Housing Benefit: 8200 Persons Assisted
7	Neighborhood Improvements Activities	2015	2019	Non-Homeless Special Needs		Neighborhood Public Facilities and Infrastructure	CDBG: \$353,175	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 8265 Persons Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
8	Downtown Improvements	2015	2019	Non-Housing Community Development		Downtown Public Facilities and Infrastructure	CDBG: \$10,000	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 5055 Persons Assisted

Table 6 - Goals Summary

## Goal Descriptions

See Table on next page.

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



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

4	<b>Goal Name</b>  <b>Goal Description</b>	<p>Small Business Financial Assistance Programs</p> <p>Businesses often need additional assistance and more creative financing options than may be offered by banks. Even the very best innovative new business idea often has difficulty filling the “gap” between what they can invest and what banks will loan, versus the cost of the project. Without capital, new equipment or storefront improvements, some of the best small businesses can fail. The <i>Salem Business Loan Program</i> offers expanded financing opportunities for local entrepreneurs, while creating jobs and revitalizing the city. The program provides these types of loans:</p> <ul style="list-style-type: none"> <li>• <i>Microenterprise Assistance</i> - provides loans to low- to moderate-income entrepreneurs to assist with their microenterprise business (5 or fewer full-time employees, including the owner)</li> <li>• <i>Commercial Revitalization</i> - provides loans to business owners in the downtown and eligible neighborhood districts to assist with the exterior rehabilitation of their business and/or to correct code violations</li> <li>• <i>Special Economic Development</i> - provides loans to business owners throughout the city in exchange for job creation and/or job retention for low- and moderate-income people.</li> </ul> <p>Low-interest loans for commercial, industrial or mixed-use projects help create and retain jobs while improving the appearance of neighborhoods and promoting economic growth. The DPCD will continue to work with business owners to help finance a small project or to assist with gap financing of larger projects.</p> <p>The <i>Storefront Improvement Program</i> helps to improve the physical appearance of districts by advocating for appropriate design and historic preservation. By offering small business loans and grants toward new signage and façade improvements, the City is helping to enhance our historic neighborhood business districts with financial incentives to Salem business and property owners. Furthermore, the City has developed the <i>City of Salem Commercial Design Guidelines</i> to help business and property owners with appropriate design. Copies are free at the DPCD office or on the City’s website.</p>
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5	<b>Goal Name</b> Business Technical Assistance	<p>Often small business owners need some degree of technical assistance to help them with managing or growing their business. The needs of local entrepreneurs range from business planning, drawing up financial statements, or navigating the city permitting process.</p> <p>The City’s Economic Development Planner assists with new business location or existing business relocation, walks new businesses through permitting processes, coordinates available loan programs, coordinates the development of tax increment financing agreements, coordinates the development of neighborhood and economic development plans, manages the Salem Main Streets contract and liaises between businesses and the Salem Redevelopment Authority, as well as with state economic development agencies to provide businesses with access to tax credits and other incentives. The City works in collaboration with several agencies to improve economic opportunity in Salem by providing technical assistance to businesses. The Salem Main Streets Initiative, Salem Partnership, Salem Chamber of Commerce, Destination Salem, SBA Small Business Development Center and Salem State University Assistance Corporation’s Enterprise Center each work in cooperation with the City to support local business, with some of the programs targeted toward low-income, minority and female entrepreneurs. The City offers a “<i>Doing Business in Salem Guide</i>” that is available on the City’s website.</p>
6	<b>Goal Name</b> Community Support Services	<p>Along with housing services to help provide decent, affordable housing and economic development activities to help provide good jobs at good wages, individuals and families may have additional needs that are specific to their household. The Five Year Consolidated Plan identified the need for various social service programs to primarily benefit Salem’s low- to moderate-income population and those with special needs (i.e. physically or mentally disabled, elderly or frail elderly, youth, non-English speaking residents, persons living with HIV/AIDS, substance abusers and homeless persons and families). Each year, Salem sets aside funds for social service programs to address these special needs.</p> <p>Through a Request for Proposals process, the city makes awards to nonprofit service organizations that offer such services. Public services eligible for funding include, but are not limited to, employment, crime prevention, child care, health, substance abuse, education, fair housing counseling, energy conservation, recreation programs, food programs and services for senior citizens. Target populations include, but are not limited to, persons with HIV/AIDS, abused children, battered spouses, elderly and frail elderly, minorities, non-English speaking residents, residents of public assisted housing, persons who are mentally ill or mentally retarded, substance abusers, youth and persons with disabilities. Funding proposals received are available for viewing at the DPCD.</p>

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

**Table 7 – Goal Descriptions**

## 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:

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

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

**Table 8 – Project Information**

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

During the development of the Five Year Consolidated Plan, Salem residents identified the community development needs and goals for Fiscal Years 2016-2020. The priority needs identified during the extensive public process included the need for affordable housing, economic development, neighborhood improvement, and social services. The City has based its funding allocations on the identified needs. The proposed activities and expected accomplishments are intended to address those needs, with the goals and accomplishments calibrated to projected funding levels. At least 70% of the FY19 CDBG funding will be used for activities that benefit low- and moderate-income persons.

- **Affordable Housing** - Approximately 17.2% of CDBG funding (including estimated program income) in FY19 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 16.4% of its CDBG funding for FY19 to efforts to revitalize commercial districts, improve exterior building facades, and assist new and existing business owners (including microenterprises), through financial and technical assistance.
- **Social Services** – In Fy19, the City intends to allocate the maximum allowable amount of 15% to support a broad range of social service programs that are consistent with the needs and goals identified in the Five Year Consolidated Plan.
- **Public Facilities and Infrastructure Improvements** - Approximately 31.4% of the City’s FY19 CDBG funding will be allocated towards public facilities and infrastructure improvements projects in LMI neighborhoods and in the Downtown Urban Renewal District.
- **Program Administration** - Not more than 20% will be allocated for the necessary general administration costs for program oversight and coordination, including plans and studies.

### AP-38 Project Summary

<b>Project Summary Information1</b>	<b>Project Name</b>	Affordable Housing
	<b>Target Area</b>	
	<b>Goals Supported</b>	Affordable Housing
	<b>Needs Addressed</b>	Affordable Housing
	<b>Funding</b>	HOME: \$50,000 Community Preservation Act: \$130,150
	<b>Description</b>	Support local non-profit housing organizations and CHDOs seeking to acquire, create, preserve and/or renovate affordable units.
	<b>Target Date</b>	6/28/2019
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	Salem will use carried over CDBG and HOME funding to complete the activities noted in last year's Action Plan (FY18), along with additional HOME funding from FY19. These funds have not been associated with a specific development project. The goals indicator for FY18 was set at a minimum of 2. CPA funds will assist 21 families.
	<b>Location Description</b>	The location of the minimum of 2 units utilizing this year's funds has not been determined.
	<b>Planned Activities</b>	
<b>2</b>	<b>Project Name</b>	Housing Rehabilitation Programs
	<b>Target Area</b>	
	<b>Goals Supported</b>	Housing Rehabilitation Programs
	<b>Needs Addressed</b>	Affordable Housing
	<b>Funding</b>	CDBG: \$159,716 HOME: \$32,454

	<b>Description</b>	Offer financial and technical assistance to eligible homeowners and investor-owners to improve housing units, including improvements for accessibility, through the Housing Rehabilitation Loan Program.
	<b>Target Date</b>	6/28/2019
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	It is estimated that a minimum of three families of low to moderate income will be assisted. This activity will also use carried over funding from the prior year to complete additional units.
	<b>Location Description</b>	Addresses will be determined from applications for assistance that will be submitted by homeowners.
	<b>Planned Activities</b>	Housing Rehabilitation Loan Program Inspectional Services Rehabilitation Administration
<b>3</b>	<b>Project Name</b>	First Time Homebuyer Program
	<b>Target Area</b>	
	<b>Goals Supported</b>	First Time Homebuyer Program
	<b>Needs Addressed</b>	Homeownership Assistance
	<b>Funding</b>	CDBG: \$40,000
	<b>Description</b>	Financial assistance to eligible households in the form of loans for downpayments and closing costs through the First Time Homebuyer Downpayment assistance Loan Program.
	<b>Target Date</b>	6/28/2019
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	A minimum of 5 low- to moderate-income households will be assisted with the purchasing of their first home.



	<b>Location Description</b>	Locations to be determined upon receipt of program applications from eligible households.
	<b>Planned Activities</b>	Loan pool for downpayment assistance loan program. As individual activities are set up for first time homebuyer loans, the loan pool is reduced.
<b>4</b>	<b>Project Name</b>	Small Business Financial Assistance Programs
	<b>Target Area</b>	
	<b>Goals Supported</b>	Small Business Financial Assistance Programs
	<b>Needs Addressed</b>	Economic Development
	<b>Funding</b>	\$0
	<b>Description</b>	Provide a Business Loan Program and a Storefront Improvement Program for new, emerging or expanding small businesses that create or retain jobs for low- and moderate-income workers, address building code violations and/or handicapped access, and/or leverage private investment.
	<b>Target Date</b>	6/28/2019
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	It is estimated that one business will be assisted, creating a minimum of 2 jobs using carried over CDBG funds from FY18. Goal outcome indicators are noted in the FY18 plan.
	<b>Location Description</b>	Point Neighborhood, Downtown Salem (slum/blight area) or other eligible LMI commercial areas.
	<b>Planned Activities</b>	Small Business Loan Program Storefront Improvement Program
<b>5</b>	<b>Project Name</b>	Business Technical Assistance
	<b>Target Area</b>	
	<b>Goals Supported</b>	Business Technical Assistance
	<b>Needs Addressed</b>	Economic Development

	<b>Funding</b>	CDBG: \$190,000
	<b>Description</b>	Offer technical assistance, training, design guidance, location service and referrals for owners of micro-enterprises or businesses that create or retain jobs for low- and moderate-income workers. Provide program delivery for the business loan program, technical support to the Salem Redevelopment Authority and funding for the Salem Main Streets Program and North Shore CDC's Small Business Engagement Program.
	<b>Target Date</b>	6/28/2019
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	It is estimated that a minimum of eleven LMI jobs will be created, as well as a minimum of forty-two businesses assisted.
	<b>Location Description</b>	Point Neighborhood, Downtown (slum/blight area) and other LMI comemrical areas.
	<b>Planned Activities</b>	Salem Main Streets Program Economic Development Program Delivery North Shore CDC Small Business Engagement Program
6	<b>Project Name</b>	Neighborhood Improvement Activities
	<b>Target Area</b>	
	<b>Goals Supported</b>	Neighborhood Improvements Activities
	<b>Needs Addressed</b>	Neighborhood Public Facilities and Infrastructure
	<b>Funding</b>	CDBG: \$353,175 City of Salem Capital Improvement Program: \$650,000 Community Preservation Act: \$130,150
	<b>Description</b>	Undertake public facility and infrastructure improvements that enhance the quality of life in eligible neighborhoods, such as, parks/playgrounds, tree planting, lighting, signage, bike paths, streets, sidewalks, crosswalks, pedestrian access & safety, trash receptacles, traffic calming, public art, accessibility, senior center, fire stations, schools, etc.

	<b>Target Date</b>	6/28/2019
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	Projects will be undertaken in LMI neighborhoods. Per the 2010 U.S. Census, it is estimated that Salem has 18,395 or 46.2% residents that are LMI persons. LMI neighborhoods have 12,565 persons of which 8,265 or 65.8% are LMI persons.
	<b>Location Description</b>	All activities will be undertaken in eligible LMI neighborhoods.
	<b>Planned Activities</b>	Street & Pedestrian Improvements Tree Planting Park/playground Improvements Lighting Installations Point Neighborhood Improvements Council on Aging Improvements Public Art
<b>7</b>	<b>Project Name</b>	Community Support Services
	<b>Target Area</b>	
	<b>Goals Supported</b>	Community Support Services
	<b>Needs Addressed</b>	Public Services
	<b>Funding</b>	CDBG: \$173,700

	<b>Description</b>	Provide grants to nonprofit agencies for social service programs such as homelessness or foreclosure prevention, housing education, food distribution, homeless services, job training, senior transportation, child care, crime prevention, immigrant service, ESL and citizenship education, youth activities, senior services and activities, adult education (financial literacy, computer train, etc.) and substance abuse prevention, and other programs that advance self-sufficiency, reduce household financial burdens or improve the quality of life, as well as other special services (legal assistance, program navigation guidance). Also to support programs that provide supplemental education and/or engagement programs to increase public school students' academic achievement.
	<b>Target Date</b>	6/28/2019
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	Approximately 8,200 persons will be assisted through approximately 26 social service programs.
	<b>Location Description</b>	Not applicable

	<p><b>Planned Activities</b></p>	<p>Grants for approximately 26 social service programs.  <i>Fiscal Year 2019 Social Services Funding Proposals Received:</i>  <b>Located within or steps from the Point Neighborhood:</b></p> <ul style="list-style-type: none"> <li>• Catholic Charities - Homeless Prevention Program</li> <li>• HAWC – Legal Services for Domestic Violence Services</li> <li>• Independent Living Center of the North Shore and Cape Ann, Inc. - Housing Assistance Services</li> <li>• Leap for Education - College Ready Program</li> <li>• North Shore CDC - Family Resource Center</li> <li>• North Shore Community Health – Increasing Access to Behavioral and Medical Services to Homeless Individuals</li> <li>• Salem Community Child Care – Kindergarten Afterschool Program</li> <li>• Salem Police Department - Point Targeted Patrols</li> <li>• VOCES - Hispanic Education Program</li> <li>• Open Door Immigration Program – Increasing Community Access to Immigration Legal Services</li> </ul> <p><b>Located in Downtown Salem:</b></p> <ul style="list-style-type: none"> <li>• Lifebridge - Medical &amp; Outreach Supportive Services</li> <li>• Salem YMCA - Afterschool Program</li> <li>• Charter Street Tenant Association – Sunday Brunch Program</li> </ul> <p><b>Located within Salem:</b></p> <ul style="list-style-type: none"> <li>• Aspire Developmental Services, Inc. – Early Intervention Program</li> <li>• Boys &amp; Girls Club of Greater Salem - Power Hour</li> <li>• Eastgate Christian Fellowship - Joseph’s Storehouse Food Pantry</li> <li>• Inversant – Salem Families College Savings Program</li> <li>• Salem Council on Aging - Senior Transportation Program</li> <li>• Salem Council on Aging –Creative Arts Program for Senior Citizens</li> <li>• Salem Council on Aging –Muscle Strength &amp; Endurance Class for Senior Citizens</li> <li>• Salem Park, Recreation &amp; Community Services – Enrichment Playground Programs (Palmer Cove and Memorial Parks)</li> </ul>
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		<ul style="list-style-type: none"> <li>• The North Shore Moving Market – Food Delivery for Elderly, Disabled and Disadvantaged</li> <li>• The Salvation Army - Homeless Prevention Program</li> <li>• Wellspring House - MediClerk Job Training Program</li> </ul> <p><b>Located outside Salem (but available to Salem residents):</b></p> <ul style="list-style-type: none"> <li>• Citizens Inn, Inc. – Haven from Hunger Food Pantry</li> <li>• North Shore Community Action Programs, Inc. - Homeless Prevention Program</li> </ul>
<b>8</b>	<b>Project Name</b>	Planning & Administration
	<b>Target Area</b>	
	<b>Goals Supported</b>	Housing Rehabilitation Programs Affordable Housing First Time Homebuyer Program Small Business Financial Assistance Programs Business Technical Assistance Community Support Services Neighborhood Improvements Activities Downtown Improvements
	<b>Needs Addressed</b>	Affordable Housing Homeownership Assistance Economic Development Public Services Neighborhood Public Facilities and Infrastructure Downtown Public Facilities and Infrastructure
	<b>Funding</b>	CDBG: \$231,647 City of Salem: \$558,500

	<b>Description</b>	Cover costs associated with planning and general administration in order to provide the tools needed to manage the CDBG program, as well as the development of plans and studies and the provision of public information. This includes funds to match grant funds being provided by the Massachusetts Historical Commission Survey and Planning Grant Program and/or other grant programs.
	<b>Target Date</b>	6/28/2019
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	Not applicable
	<b>Location Description</b>	Not applicable
	<b>Planned Activities</b>	General Program Administration Planning Studies Provision of public information
9	<b>Project Name</b>	Downtown Improvements
	<b>Target Area</b>	
	<b>Goals Supported</b>	Downtown Improvements
	<b>Needs Addressed</b>	Downtown Public Facilities and Infrastructure
	<b>Funding</b>	CDBG: \$10,000
	<b>Description</b>	Undertake infrastructure and public facility improvements to support Salem's slum/blight area (downtown) and complement ongoing Economic Development activities. Projects may include street & sidewalk improvements, pedestrian circulation, safety, access and aesthetics, accessibility improvements, tree planting, trash receptacles, traffic improvements, lighting, signage and open space improvements, as well as improvements to public facilities and public infrastructure. The City may also look at various locations in the downtown for consideration of public art projects.

	<b>Target Date</b>	6/28/2019
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	<p>5055 households are located within the block groups that comprise the Downtown (slum/blight area):</p> <p>2045003 – pop 915</p> <p>2045002 – pop 1320</p> <p>2042002 – pop 905</p> <p>2042003 – pop 900</p> <p>2043001 – pop 1015</p>
	<b>Location Description</b>	<p>Salem's downtown (slum/blight area) is just south of the North River and west of Salem Harbor. The area is bordered by dense, mostly residential areas on all sides. It is bounded roughly by Bridge Street to the north, Peabody Street to the south, Summer Street to the west, and the Salem Common to the east. The MBTA's Salem commuter rail station parking lot, located just north of Bridge Street, is included within the Downtown.</p>
	<b>Planned Activities</b>	<p>Slum/blight area improvements as the City's contribution to economic activity and private investment.</p>



## **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**

A map of the 2010 Census block groups (see Appendix) is used to identify low- to moderate-income areas. According to the 2010 Census, areas of lower income concentration are the Point Neighborhood; the neighborhood area along Boston Street; the area bordered by Jackson and Wilson Streets and Jefferson and Highland Avenues; South Salem between Lafayette, Washington and Canal Streets; a neighborhood bordered by North, School, Balcomb, Cushing, and Highland Streets; and the neighborhood bordered by Winter, Bridge, Arbella and Briggs Streets and encompassing Lee Fort Terrace, Szetela Lane and Settlers Way in Salem Neck. There is overlap between the Downtown and the Point Neighborhood, which also has the highest concentration of minority residents.

### **Geographic Distribution**

<b>Target Area</b>	<b>Percentage of Funds</b>

**Table 9 - Geographic Distribution**

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

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

### **Discussion**

In accordance with CDBG regulations, the City can undertake specific activities, such as street, sidewalk and playground improvements in the low- and moderate-income neighborhoods or in neighborhoods meeting the definition of "slums and blight." 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*, *First-Time Homebuyer Downpayment Assistance Loan Program*, and the *Small Business Loan Program* are offered citywide to allow any low- to moderate-income individual or household to take advantage of their availability.

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

### **Introduction**

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

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

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

- Continue to negotiate the inclusion of affordable units in private housing developments.
- Continue to utilize Massachusetts' Chapter 40B Comprehensive Permit program which enables the City to waive local zoning requirements including density, height, and use, for developments to create new affordable housing.
- Utilize local funding through the Affordable Housing Trust Fund and the Community Preservation Act to facilitate affordable housing development.
- The City was recently notified of a MassHousing grant award which will be used to update our zoning ordinance to add support for affordable housing development (e.g. inclusionary zoning). This is part of the Mayor's focus on affordable housing, which also includes reconstituting the Affordable Housing Trust (May, 2018) and looking at other tools and programs (in addition to zoning).

## **Discussion**

In 2015, the City was awarded \$30,000 from the MA Dept. of Housing and Economic Development's Planning Assistance Toward Housing (PATH) grant program to fund and facilitate the process of developing a 40R Smart Growth Overlay District (SGOD) in the Point Neighborhood.

The idea was that adoption would help encourage commercial and housing diversity in mixed-use developments at high minimum densities, by being allowed as-of-right rather than on a special permit basis. The process was undertaken and while the neighborhood was supportive of portions of the proposed recommendations, a 40R district was found to not be the right fit for the neighborhood. The City will explore utilizing some of the recommendations through a potential overlay district.

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

### **Introduction**

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

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

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

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

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

- The City will continue to support the creation of new affordable housing units, neighborhood improvement projects, and anti-poverty strategies through partnership with non-profit entities, supplementing state and federal subsidies with local funding, and case-by-case negotiation with private developers.
- The City will continue to utilize tools such as the Chapter 40B Comprehensive Permit program to exempt developments which create affordable housing from local land use regulations.
- The City was recently notified of a MassHousing grant award which will be used to update our zoning ordinance to add support for affordable housing development (e.g. inclusionary zoning). This is part of the Mayor's focus on affordable housing, which also includes reconstituting the Affordable Housing Trust (May, 2018) and looking at other tools and programs (in addition to zoning).

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

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

- Producing New Housing Units - Working with private and nonprofit developers, Salem supports the creation of affordable housing units through the conversion of underutilized buildings and parcels.
- Preserving Existing Affordable Units - Salem has several private rental developments with affordable units utilizing subsidies that will expire after a period of time. The city continues to negotiate the extension of affordability for expiring subsidized units.
- The City negotiates with developers on a case-by-case basis for 10% affordable units.
- 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) currently administers 1,125 Section 8 vouchers of which 930 are leased units in Salem and 195 are leased in other communities. The SHA administers 18 vouchers through the DMH program. The SHA also 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. In addition, Community Teamwork, Inc. in Lowell currently administers the following vouchers in Salem: AHVP (1 mobile), MRVP (36 mobile), MVRP Project Based Vouchers (9), Mobile Vouchers (145) and Project Based Vouchers (154).
- Providing First-Time Homebuyers Assistance - The City provides families with the opportunity to own their first home through the *First-Time Homebuyer Downpayment Assistance Loan Program*. The program also offers an additional \$1,000 for homeowners who complete Homebuyer Counseling. DPCD staff also provide assistance to coordinate other resources for homebuyers, such as programs offered by MassHousing, as well as supporting first-time homebuyer education workshops provided by various organizations.
- Rehabilitation of Existing Housing - While older homes are integral to Salem's history and neighborhood fabric, they require a great deal of maintenance and may not meet current building codes. In response, the City administers a *Housing Rehabilitation Loan Program* to provide low-interest loans to owners of single and multi-family properties to address health and safety issues. The program was expanded to investor-owners with low- to moderate-income tenants to maintain affordable, quality rental properties and to discourage the conversion of affordable rental units into condominiums. Homeowners are also referred to NSCAP's weatherization program for energy-efficiency work before utilizing Salem's loan program, thereby reducing the homeowner's loan burden. In addition, the City offers deleading assistance for homeowners with a lead poisoned child through MassHousing's *Get the Lead Out Program*, which can be combined with the City's *Housing Rehabilitation Loan Program*.
- Working Regionally to Increase the Supply of Housing - As the housing market is not confined to city boundaries, ongoing multi-jurisdiction cooperation is needed to address the region's lack of affordable housing. No one city or town can, or should, bear the responsibility of providing all of the region's affordable units. Salem is committed to working with its partners in the North Shore HOME Consortium and with the region's mayors to encourage the development of housing throughout the area in an effort to increase the supply of housing for all.

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

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

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

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

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

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

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

### Education

An adequate school system is crucial to reducing poverty in future generations. The City has used state funding to renovate and improve its educational facilities and provide school-age children with an environment conducive to learning. The Salem Public Schools support bilingual classroom settings and technology-based training that will enable those with lower incomes to improve their job opportunities. The school choice program gives residents more choices about the school they want their children to

attend, and offers education focused specific skills, such as science and technology and communication and community service. Salem's Parent Information Center coordinates the school choice program designed to improve racial balance within the school systems, and provides information about adult education programs designed to help low-income families.

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

### Job Training and Employment Resources

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

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

### Affordable Housing

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

### Social Services

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

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

The Department of Planning and Community Development (DPCD) administers the City of Salem Community Development Program as well as the formula funding received by the North Shore HOME

Consortium for which the City of Peabody is the lead agency. Under the direction of the Director of Planning and Community Development, the Assistant Community Development Director manages and monitors Salem's community development programs.

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

City departments undertake certain CDBG-funded activities, such as the tree planting program, sidewalk replacement, street paving and 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 grant monitorings. The City promptly implements recommendations arising as a result of these reviews. The DPCD continuously works to improve upon its methods and procedures for the administration of its programs.

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

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



# Program Specific Requirements

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

### Introduction

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

### Community Development Block Grant Program (CDBG) Reference 24 CFR 91.220(I)(1)

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

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

### Other CDBG Requirements

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

### Discussion

This AP covers July 1, 2018-June 30, 2019 (Salem's FY19, using HUD 2018 funds). We estimate receiving \$105,000 in program income during this program year. All program income received in FY19 will be reported and spent under FY19. 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 FY19.

Salem intends to spend at least 70% of CDBG funds to benefit persons of low and moderate income in FY19. The City of Salem primarily funds activities that serve low- to moderate-income households (limited clientele) or activities within majority low- to moderate-income neighborhoods, typically reaching a percentage of 89% or higher (97.9% in FY17).

## **Appendix**

**1 - Map**

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

**3 - Other Resources**

**4 – Citizen Participation Comments**

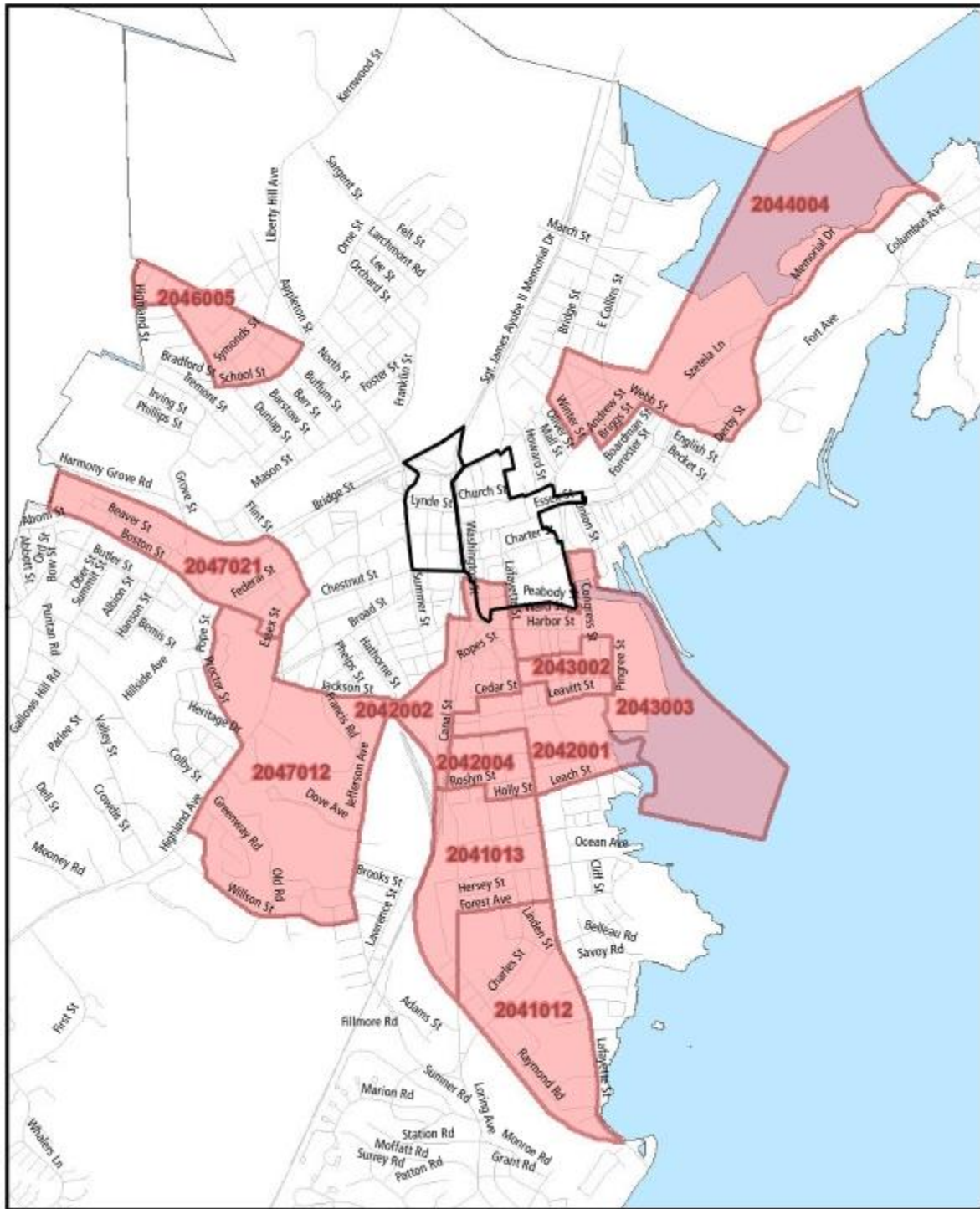
- **Part 1 - Public Participation Process**
- **Part 2 - Review of Draft Plan**
- **Written Comment Received**

# Appendix 1 – LMI Map



CITY OF SALEM  
MASSACHUSETTS

LOW TO MODERATE INCOME AREAS  
JULY 1, 2014



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

Hard copy - See next page. *To be added to final plan.*

IDIS – See separate attachment.

## **Appendix 3 – Other Resources**

This section describes the anticipated resources that assist Salem residents in addition to CDBG and HOME funds. These include leveraged funding for Salem’s CDBG and HOME activities, financial resources for Salem’s community partners and other services and resources available to Salem residents.

### Financial/Leveraged Resources

Many activities leverage funding from other sources to maximize the impact of the federal dollars the City receives. In addition to the City, several housing and community development programs are carried out by non-city agencies that operate through a variety of resources. The tables below include anticipated funding resources for the City of Salem Department of Planning & Community Development, While it is not possible to anticipate every source of funding, the table below indicates some of the sources of funds that CDBG and HOME will likely leverage during FY18. The dollar amounts are best estimates and do not indicate a minimum or maximum amount that will be leveraged.

We have also included tables for several key organizations, (Salem Housing Authority, North Shore Community Action Programs, Inc., Lifebridge and North Shore Community Development Coalition). Each indicates if the funding year that they provided, representing typical leveraged funds.

**City of Salem FY19 funding resources/anticipated leveraged funds (includes full amounts applying for, applied for, awarded or awarded and partially spent) for all programs and project to be undertaken by the DPCD or in conjunction with other City departments - not just those leveraged with CDBG funds):**

Source	Amount
<b>Federal Sources</b>	
CDBG	\$1,053,238
HOME	\$162,324
Program Income	\$105,000
<b>Subtotal Federal</b>	<b>\$1,320,562</b>
<b>Federal Sources (Non-CDBG or HOME):</b>	
U.S. Dept. of Transportation Passenger Ferry Grant Program	\$3,400,000
Environmental Protection Agency - Revolving Loan Fund (awarded with Peabody, MA - for use over 5 years 1-/2014-9/2019)	\$950,000
<b>Subtotal Federal</b>	<b>\$4,350,000</b>
<b>State Sources:</b>	
MA Office of Coastal Zone Management Coastal Resilience Grant Program (expecting to apply)	\$150,000
MassHousing Planning for Housing Production	\$58,887
MA Dept. of Energy Resources Green Communities	\$249,932
Executive Office of Energy and Environmental Affairs – Subdivision Grant	\$45,000
MA Dept. of Fish and Game Compensatory Mitigation Project for Collins Cove Living Shoreline (applied)	\$81,500
Massachusetts Cultural Council (awarded for Charter Street Cemetery Restoration)	\$125,000
MS DCR: Recreational Trails Program for Gallows Hill Footbridge (applied)	\$50,000
Gateway Cities (289 Derby Street construction)	\$1,100,000
Executive Office of Energy and Environmental Affairs – Parkland Acquisitions and Renovations for Communities (will be submitting an application)	\$400,000
Seaport Economic Council Program (small boat facilities)	\$1,000,000
EOHED – MassWorks Infrastructure Program FY2016 (awarded for Bridge Street project through Engineering Dept.)	\$3,181,471
MassDevelopment TDI Affiliate District for Congress Street (estimate)	\$20,000
Essex County Community Foundation – Arts & Culture Grant (expecting to apply)	\$30,000
MA Office of Travel & Tourism – Artists’ Row Improvement	\$100,000
Massachusetts Historical Commission – FY18 Survey & Planning Grant (awarded for South Salem Historic Resources Survey)	\$11,500
<b>Subtotal State</b>	<b>\$6,603,290</b>
<b>Local/City Sources:</b>	
Capital Improvement Program (Salem Common Fence, Phase VI and Charter Street Cemetery Restoration, 289 Derby Street) estimate	\$650,000
Capital Improvement Program (Lafayette Park renovation)	\$25,000
Community Preservation Act (total applications recommended for funding)	\$644,500
Downtown Improvement Fund (Town Pump Fountain Repair)	\$3,000
Downtown Improvement fund (alley lighting)	\$10,000
General Fund (Downtown Study)	\$50,000
General Fund (Conservation Commission, Historical Commission, Planning Department, Planning Board, Market Place) – Based on FY18	\$868,795
Tufts Health Plan Foundation (Shuttle Study through Council on Aging)	\$30,000

<b>Subtotal Local/City</b>	<b>\$2,281,295</b>
<b>Private/Other Sources:</b>	
Homebuyer private matching funds (estimate based on FY17)	\$75,000
Lender financing (estimate based on FY17)	\$1,087,685
Business leveraged funds (Main Streets estimate based on FY17)	\$76,637
<b>Subtotal Private/Other</b>	<b>\$1,239,322</b>
<b>TOTAL</b>	<b>\$15,794,469</b>

*Note: Other sources of funds that may be leveraged, but for which no dollar estimate can reasonably be determined, are MA Get the Lead Out funds, private mortgages and private donations.*

**Salem Housing Authority funding sources/anticipated leveraged funds (for year ending September 30, 201):**

Source	Amount
<b>Federal Sources</b>	
U.S. Department of Housing and Urban Development Housing Assistance Payments	\$12,905,616
HUD Capital Fund Program	\$44,297
HUD Federal Public Subsidy	\$140,500
<b>Subtotal Federal</b>	<b>\$13,090,413</b>
<b>State Sources:</b>	
MA Dept. of Housing & Community Development 4001	\$829,493
MA Dept. of Housing & Community Development MRVP	\$189,720
MA Dept. of Housing & Community Development Formula Funding	\$652,763
<b>Subtotal State</b>	<b>\$1,671,976</b>
<b>Local/City Sources:</b>	
	\$0
<b>Subtotal Local/City</b>	<b>\$0</b>
<b>Private/Other Sources:</b>	
	\$0
<b>Subtotal Private/Other</b>	<b>\$0</b>
<b>TOTAL</b>	<b>\$14,762,389</b>

**North Shore Community Development Coalition FY2016 FY2017 (1/1/17-12/31/17)**

Actual funding sources/ leveraged funds:

Source	Amount
<b>Federal Sources</b>	
HOME Funds – Congress Street Residences	\$100,000
DOL – YouthBuild	\$378,990
Americorp & WIOA – Youth	\$49,450
<b>Subtotal Federal</b>	<b>\$528,440</b>
<b>State Sources</b>	
MA Dept. Elementary Secondary Education	\$178,495

Subtotal State	\$178,495
<b>Local/City Sources</b>	
CDBG Salem	\$5,000
CDBG Peabody	\$8,000
Subtotal Private/Other	\$13,000
<b>Private/Other Sources</b>	
Grants/Foundations	\$2,119,372
Events	\$84,555
Contributions	\$47,561
Community Investment Tax Credit	\$236,575
LISC	\$0
DHCD – Housing Stabilization Funds Loan	\$1,450,000
Boston Community Loan Fund	\$0
Eastern Bank Tax Exempt Bonds	\$6,840,000
Developer Fee	\$775,500
Subtotal Private/Other	\$11,553,563
<b>TOTAL</b>	<b>\$12,273,498</b>

North Shore CDC funding for real development estate development projects is listed on the next page.



**NORTH SHORE CDC: SALEM REAL ESTATE DEVELOPMENT SOURCE SUMMARY 2009-2020**

<b>Project Name</b>	<b><u>Palmer Cove</u></b>	<b><u>Salem Point II</u></b>	<b><u>Harbor and Lafayette Homes</u></b>	<b><u>Congress Street Residences</u></b>	<b><u>The Lighthouses</u></b>	<b><u>Lafayette Housing</u></b>
Affordable Housing Units	15	77	27	64	46	79
Year Completed	2009	2015	2019	2017	2022 est.	2021 est.

<b>FEDERAL</b>	<b>LIHTC</b>	846,995	5,151,000	1,937,458	7,472,103	4,812,269	5,500,000
	City/Consortium HOME		450,000	300,000	50,000	150,000	350,000
	Community Development Block Grant (CDBG)				50,000		
	Tax Credit Assistance Program (TCAP)						
	Federal Historic Tax Credits (FHC)		1,811,000		3,331,332		2,000,000
	<b>Federal Subtotal</b>	<b>846,995</b>	<b>7,412,000</b>	<b>2,237,458</b>	<b>10,903,435</b>	<b>4,962,269</b>	<b>7,850,000</b>
<b>STATE</b>	<b>Affordable Housing Trust (AHT)</b>	1,211,922		1,000,000	1,000,000	1,050,000	
	CATNHP					750000	
	Housing Stabilization Fund (HSF)	1,211,923		700,000	1,450,000	500,000	
	HPSTF						
	Facilities Consolidation Fund (FCF)	548,580					
	State HOME				550,000	550,000	
	Housing Innovations Fund (HIF)	573,081	230,402	500,000	1,000,000	1,165,000	
	Danvers State Preservation Fund	182,000					
	State Low-Income Housing Tax Credits (STC)			1,182,600	2,699,520	2,070,000	
	State Historic Tax Credits (SHC)		1,221,750		1,254,000		1,500,000
	Green Aff Hsg Dev Program						
	MassHousing Design Grant						
	Brownfields Redevelopment Fund		55,750				
	Community-Based Housing					585000	
	LEAN Multi-family Program			25,995	360,824		
	<b>State Subtotal</b>	<b>3,727,506</b>	<b>1,507,902</b>	<b>3,408,595</b>	<b>8,314,344</b>	<b>6,670,000</b>	<b>1,500,000</b>
<b>LOCAL</b>	<b>Community Preservation Act (CPA)</b>	0		100,000	93,505	250,000	150,000
	City of Salem Loans	0	105,898				
	<b>Local Subtotal</b>	<b>0</b>	<b>105,898</b>	<b>100,000</b>	<b>93,505</b>	<b>250,000</b>	<b>150,000</b>

North Shore Community Action Programs, Inc. FY19 funding resources/projected revenues:

Source	Amount
<b>Federal Sources</b>	
Emergency Food and Shelter Program	16,000
Subtotal Federal - Direct	16,000
<b>Federal Indirect</b>	
LIHEAP (Fuel Assistance)	2,404,000
Community Services Block Grant	350,780
HEARTWAP	170,160
HOME (City of Salem)	30,000
HOME (North Shore HOME Consortium)	145,000
Community Development Block Grant (City of Salem)	9,000
Community Development Block Grant (City of Peabody)	10,000
DOE – Action, Inc.	21,000
Title III Older Americans Act (NESE)	3,000
Title III Older Americans Act (LGSS)	2,500
HOPWA (Lynn Housing Authority & Neighborhood Development)	50,000
<b>Subtotal Federal – Indirect</b>	<b>3,195,440</b>
<b>State Sources</b>	
Department of Housing & Community Development	2,896,671
Department of Elementary & Secondary Education	210,618
<b>Subtotal State</b>	<b>4,107,309</b>
<b>Local/City Sources</b>	
Peabody Municipal Light Plant	35,000
Danvers Electric	7,000
Trust Fund (Salem)	20,000
<b>Subtotal Local/City</b>	<b>44,000</b>
<b>Private/Other Sources</b>	
Donations	145,000
Private Contracts & Grants	65,000
Tuition & Fees	1,542,000
<b>Subtotal Private/Other</b>	<b>1,752,000</b>
<b>TOTAL</b>	<b>9,114,749</b>

**Lifefridge FY19 funding sources/anticipated leveraged funds:**

Source	Amount
<b>Federal Sources</b>	
HUD – ESG (Emergency Solutions Grant)	\$218,313
<b>Subtotal Federal</b>	\$218,313
<b>State Sources:</b>	
DHCD	\$608,596
<b>Subtotal State</b>	\$608,596
<b>Local/City Sources:</b>	
CDBG	\$9,800
<b>Subtotal Local/City</b>	\$9,800
<b>Private/Other Sources:</b>	
Donations	\$350,000
<b>Private Contracts &amp; Grants</b>	\$210,000
<b>Commercial Income</b>	\$480,000
<b>Private Client Fees</b>	\$79,200
<b>Subtotal Private/Other</b>	\$1,119,200
<b>TOTAL</b>	<b>\$1,955,909</b>

Services

In addition to financial assistance provided to Salem residents through the City and its community partners, there are numerous programs and services available to Salem residents. Some are funded through CDBG. Some non-CDBG funded resources not previously mentioned in this plan include, but are not limited to:

[Greater Lynn Senior Services](#) - THE RIDE

THE RIDE paratransit service provides door-to door, shared-ride transportation to eligible people who cannot use fixed-route transit (bus, subway, trolley) all or some of the time because of a physical, cognitive or mental disability. [THE RIDE is operated by the Massachusetts Bay Transportation Authority \(MBTA\)](#) in compliance with the federal Americans with Disabilities Act (ADA). THE RIDE in North area of Massachusetts is provided through Greater Lynn Senior Services (GLSS). GLSS provided 36,699 total trips for Salem residents in FY17, including Ride trips under GLSS (28,910), Ride trips under The Ride Access Center (3,931) and non-Ride trips (3,858)..

[Independent Living Center of the North Shore and Cape Ann, Inc.](#)

The Independent Living Center is a service and advocacy agency for people of all ages who live with all types of disabilities within City of Salem and 24 other municipalities on the North Shore and Cape Ann. ILCNSCA is run by and for people with disabilities. The agency is available to provide information and resources regarding disability related services and programs for people living with disabilities. The agency assists people with completion of SSI/SSDI, food stamps and various housing applications. ILCNSCA hosts a monthly “Guide to finding Housing” workshop where staff are available in a group setting to offer guidance on completing the Standard Universal Application for State Aided Housing (UHA) used to apply for public housing across Massachusetts. Approximately 100 people annually are assisted in learning about housing opportunities, complete housing applications (UHA, Section 8 centralized waiting list or regional Section 8 waiting list, and privately operated subsidized housing opportunities.) Community workshops also provide a variety of information on how to find affordable, accessible, and available housing with a focus on Salem housing opportunities, as well as a housing rights workshop to inform persons with disabilities regarding

their rights as tenants, reasonable accommodation requests, as well as what to disclose about one's disability when applying and searching for housing.

#### North Shore Community Development Coalition

The North Shore CDC invests in neighborhoods to create thriving communities, striving to provide quality affordable housing and foster economic empowerment and community development on the North Shore. Located in the Point Neighborhood, its residents make up the majority of their clients. North Shore CDC continues to advance quality programming that offers residents in the region basic life skills to aid in achieving economic stability and a self-sufficient life. Programming includes YouthBuild North Shore, Homeownership Training and Counseling, Community English Program and Family Stability Program. Along with its programming, North Shore CDC provides bilingual assistance to complete various applications. Annual numbers for FY17 include:

- Financial counseling – 18 workshops; 21 clients served one-on-one counseling
- Housing applications – 47
- First Time Home Buyer – 6 workshops serving 48 clients
- ESL/ELL Classes – 158 residents served

#### Catholic Charities

Catholic Charities North began more than 95 years ago with initial sites in Salem and Lynn. The programs at Catholic Charities North strive to prevent hunger and homelessness for local families in a financial emergency; engage youth in education and employment programs focused on long term solutions to poverty; and support families in their effort to build safe, nurturing environments for children. The Salem office, in the Point Neighborhood, offers basic needs, family support, ESL/ELL classes and counselling services. Just over 50% of Catholic Charities Salem Basic Needs clients reside in the Point Neighborhood. Budgeting and financial education are offered to all Basic Needs clients. The agency will also assist with providing information and assistance with applications upon request.

#### HAWC

HAWC provides free, confidential services and support to victims of domestic abuse residing in 23 cities and towns on Massachusetts' North Shore. HAWC services include a 24-hour hotline, Emergency Shelter, Support Groups, Advocacy & Education, Community Education, and Children's Services, including a Parent-Child Trauma Recovery Program. Advocates meet with individuals one-on-one to support them with identifying their needs and accessing resources. The agency is located at Shetland Properties in the Point Neighborhood. Last Spring, HAWC's two contracts with the Department of Public Health for its shelter and community-based programming were renewed for 11 years of funding, ensuring the agency remains a steadfast resource for survivors for years to come. HAWC is also celebrating its 40th anniversary in 2018 as the domestic violence agency of the North Shore.

#### Citizens Inn

Citizens Inn works on an individual basis to help families and individuals who are experiencing a housing crisis or food insecurity. Their full spectrum of services provides comprehensive assistance to each person based on their specific needs. Citizens Inn, now merged with Haven from Hunger, has served the North Shore for over 35 years. Their programs – Citizens Inn Between, Citizens Inn Transition, Citizens Inn Homes, and Citizens Inn Haven from Hunger – are designed to help their clients prepare for and transition to a sustainable life. Through their work, they not only provide a safe place to stay and a meal on the table, but offer tools to empower their clients to find permanent solutions to break the patterns of instability in their lives. Nearly

one third of their residents are from Salem and/or find housing in Salem upon exit from temporary family shelter, while 49% of the food pantry clients at Haven from Hunger are Salem residents.

#### [North Shore Community Action Program Inc.](#)

North Shore Community Action Programs, Inc. (NSCAP) provides social services that enable low-income families and individuals to obtain the skills and knowledge they need to become economically self-sufficient, civically engaged, and to live in dignity and decency. To achieve its mission, NSCAP provides a range of programs and services in five key areas: Education and Training, Economic Stabilization, Housing and Homelessness Prevention, Energy Services, and Home Care.

Under Energy Services, NSCAP provides Fuel Assistance to eligible households in Salem. For FY17-18, 887 Salem families have been determined eligible for \$540,019 in benefits.

NSCAP will also assist clients who have case management (i.e. rep payees, shelter clients, chronically homeless and chronically ill clients, ABE clients, etc.) with preparation of applications for MassHealth, food stamps/SNAP, Fuel Assistance, Social Security paperwork, etc.

#### Other agencies/collaborations

At [Salem High School](#), students have the option to choose an elective course that allows them to build their knowledge of money and how investing works.

[New Liberty Charter School](#) provides academic skill, employability and personal stability programs for homeless and at-risk students, and partners with North Shore CDC to provide a YouthBuild program..

[The Boys and Girls Club of Greater Salem](#) periodically provides a financial literacy program to its teens through local banks, most recently Salem Five.

[Salem State University](#) offers many programs that are open to residents, teachers and Salem High School students. Along with non-credit classes and programs, the community can enjoy an award-winning theatrical performance, take advantage of the print and electronic resources of the library, or bring the family to an exciting athletic event. There are athletic camps and clinics, a Center for the Arts, the Explorers Institute for Learning & Retirement, along with part-time degree programs.

Salem is fortunate to also host many State offices, several of which are located in or near the Point neighborhood. Agency offices in Salem include, but are not limited to, the [Salem Juvenile Court](#), [Probate and Family Court](#), [Transitional Assistance Department](#), Department of Children & Families, [North Shore Career Center](#), [MA Rehabilitation Commission](#) and the Committee for Public Counsel – [Children and Family Law Division](#) and [Youth Advocacy Division](#).

Links to social service agency websites are located at

<http://www.salem.com/planning-and-community-development/pages/dpcd-links>

The Independent Living Center also provides an on-line “yellow pages” of resources. It is located at <http://www.ilcnsc.org/yellowpages.php>

## Appendix 4 – Citizen Participation Comments

### Part 1 – Public Participation Process

**Public Hearing, 6:00 PM, January 18, 2018**

**Staff Present:** Jane Guy, Assistant Community Development Director  
Naomi Francisco, Housing Coordinator & Spanish translator

**Attendees:** 7, plus 2 city staff

Jane Guy, Assistant Community Development Director opened the Community Development Block Grant public hearing. Ms. Guy stated that an Action Plan is done every year and that the process is kicked off by this public hearing, where the public is asked to comment on community needs, particularly for the low-to-moderate neighborhoods and households, along with ideas as to how to meet those needs. She stated that the purpose of the meeting is to obtain citizen views on the Action Plan for the period of July 1, 2018 through June 30, 2019. It is a one year document outlining activities to be undertaken using CDBG and HOME funding, including activities identified from the 5-Year Consolidated Plan completed in 2015, as well as any additional activities that are determined to meet any new or increasing needs and priorities that have since been identified. She stated that the City has not been notified of its HUD allocation, and for the purposes of the plan, will use an estimate of level funding until notification of the allocations have been announced.

Deborah Barber from Independent Living Center of the North Shore and Cape Ann, Inc., noted that funding has been decreasing and asked if this is a sign of the times and re-prioritizing with the government.

Ms. Guy replied that while there are some members of Congress would like to eliminate CDBG altogether, there is mostly bipartisan favorability. There is always an attempt to reduce or eliminate CDBG, while others feel strongly to keep CDBG. She stated that it is important to advocate for CDBG and is the reason why, for those who get CDBG funding through Public Service contracts, that we ask for information on who is being served and the outcomes of the programs. This information goes into an online system to HUD that gets reported out to Congress, so that can see what is being done with the money, as well as showing funds leveraged.

Ms. Guy stated that for the current fiscal year, Salem received approximately \$30,000 less than the previous year. The highest allocation was in FY96 in the amount of \$1,502,000, the lowest was in FY13 with \$903,833. For HOME in FY18, the allocated amount was \$99,497, down \$1,800 from the year before. The highest allocation for HOME was \$215,186 in FY04, and the lowest was \$84,612 in FY16. The City was receiving a little more back in the nineties.

Ms. Guy explained that to utilize CDBG or HOME funds, activities must be considered eligible by HUD's definition and must primarily assist low, very low, moderate income households or neighborhoods. Ms. Guy pointed to the neighborhoods highlighted on the map that are considered low to moderate income, based on the U.S. census. The map can potentially change every ten years. Ms. Guy also referred to the black boarded area on the map where CDBG funds can be utilized for projects in the downtown area; however, the majority of the funding, at least 70 percent, must serve low to moderate households or neighborhoods.

Ms. Guy stated that some examples of funds used for projects include the business loan program to create or retain jobs, Housing Rehabilitation Loan program, and First Time Homebuyer loan program.

We have done handicap access improvements, public facility improvements, such as improvements to a firehouse or playground, infrastructure improvements such as tree planting, sidewalks, curb cuts, street resurfacing, studies (i.e. to preserve a historic building), grants to social service agencies for various programs such as funds to prevent eviction, food pantries, youth activities, senior transportation, child care, neighborhood police bike patrols, job training and several others. Activities can be projects or programs that are managed directly by the City or projects/programs that are managed by other organizations through by either contracting through a grant or through purchasing as a vendor.

Ms. Guy mentioned that the brochure provides a schedule of the Action Plan process. She stated that, as part of the process, a request for proposals is issued to enable non-profit agencies to request funds so that they can provide programs that meet one or more needs within the Consolidated Plan. Issued are Public Services, Housing and Economic Development Request for Proposals.

Ms. Guy stated that the process starts with this public meeting and with the funding requests that will be due February 23<sup>rd</sup>. The draft plan will then be made available for 30-day public comment period toward the end of March, along with a second public meeting to unveil the plan. In April, there will be a submission to City Council for approval to apply for funding and the plan will be finalized and submitted to HUD in May.

Ms. Guy opened the meeting to questions/comments from the audience asking thoughts on emerging, increasing or decreasing priority needs that have occurred in the last year or since the Consolidated Plan.

Deric LePard, from North Shore Community Action Programs, Inc. stated the agency is grateful for the CDBG funding received. Mr. LePard stated that the biggest struggle is the skyrocketing rents and the incomes not keeping up with the rents, making it extremely difficult, especially for the disabled people on fixed incomes without subsidies. He added that the CDBG funding helps with back rent when a household misses a paycheck or when an emergency occurs, which can preserve the tenancy. Mr. LePard noted that the situation has worsen, noting rents reached a severe increase last year and has continued to increase.

Ms. Guy commented that buyers don't have a lot of homes to buy and are often outbid, which increases the rents as well.

Lisa Orgettas, from the Independent Living Center of the North Shore and Cape Ann Inc., mentioned another issue is the lack of public housing and that people on waiting lists for years.

Deborah Barber, also from the Independent Living Center of the North Shore and Cape Ann Inc., stated that the rents are incredibly expensive and that she has a customer who will may become homeless because the rent is so high, and she can't find anything. She noted people are on a two to three-year waitlist and are desperate, living out of their car or couch-hopping as much as they can. People state that they can't live in Salem because it's too expensive. She stated that she sees all these buildings coming up and questioned who can afford to live there paying \$2,500 per month because it's next to the T-Station.

Ms. Guy stated that in Salem there are also some developers who create affordable housing in the City. She assumed that the rental issue is not just specific to Salem.

Ms. Barber was in agreement and stated that in Beverly contractors choose to pay the fines in order to avoid creating affordable housing. She questioned where the average people go, noting that if her partner passed away, she could potentially be out on the street, because she couldn't afford to pay

\$1,200/\$1,300 dollars in rent, plus utilities, car etc. It is very frustrating because people need get off the streets. It is a common problem.

Martha Ryan, stated that she represents the Brookhouse Home for Women, which was gifted to the City of Salem for indigent women who couldn't afford to live anywhere else. It has an endowment that keeps the house going. It is a non-profit, with 36-beds in individual rooms, subsidized by MassHealth. She stated that it fills the space between assisted living, which is really expensive, and nursing homes, which take all your money up front before MassHealth kicks in. She stated that the Brookhouse Home is kind of a happy medium, with each resident completing its own daily activities. Ms. Ryan added that the Brookhouse is nice living, but relies on grants to help subsidize some of the costs, which is her interest in the CDBG.

Ms. Guy asked if Ms. Ryan was looking for CDBG funding the costs for the building or the programs.

Ms. Ryan replied that it would be more for upgrades to improve the quality of living for the women residing there.

Ms. Guy referred Ms. Ryan to Naomi Francisco, Housing Coordinator, who administers the City's Housing Rehabilitation Loan Program, and who can determine if the Brookhouse Home would be eligible. Ms. Guy stated that for program funding, the agency would need to respond to the Public Service Request for Proposals. For instance, they could apply to create a new exercise program for seniors living there, rather than an existing program. Ms. Ryan asked if the Community Block Grant was for specific programs, such as elder abuse. Ms. Guy stated there is a housing rehabilitation loan program, as well as public service programs where the City enters into agreements with different social service agencies to provide programs to low to moderate income persons.

Rosario Ubiera-Minaya, from North Shore Community Development Coalition, requested that CDBG continue to support the Family Resource Stability Program. Ms. Ubiera-Minaya stated the agency conducts the majority of its work in the Point Neighborhood area, which is the largest low-income area in Salem. She would like to see additional attention and funding allocated to the area because it is dense and heavily populated, and is in need of many things, including infrastructure, as well as small business assistance for low-income business owners and minority immigrant entrepreneurs. Her agency has started working with local businesses within the neighborhood.

Ms. Guy stated that NSCDC will be receiving the RFP for Economic Development Programs. Ms. Guy stated she understands NSCDC will be submitting a comment letter and suggested, as far as infrastructure, that it would be helpful to identify specific needs.

Ms. Ubiera-Minaya stated that with the Public Art program that the agency is managing, they have identified needs in various areas, which they can provide, noting that there's more foot traffic coming into the neighborhood.

Mr. LePard asked if it can include sidewalks.

Ms. Guy responded in the affirmative. She noted that sidewalks are prioritized by the DPW Director who will determine which are in the worse condition in the low/mod areas. The City can also specify specific locations, if aware, or if focusing a project on a particular corridor that should be completed all at once.

Mr. LePard asked if Ms. Guy would be the person to be notify.



Ms. Guy stated Mr. LePard could let her know. In addition, the City can be notified by utilizing the See/Click/Fix application. She noted that CDBG funds can be utilized to resurface streets, but not for repair of potholes or other ordinary maintenance.

**Part 2 – Review of Draft Plan**

**Public Hearing, scheduled for 6:00 PM, May 31, 2018**

**Part 3 – Written Comment Received**



North Shore Community Development Coalition  
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January 19, 2018

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Jane A. Guy  
Assistant Community Development Director  
City of Salem  
Department of Planning & Community Development  
120 Washington St., 3rd Floor  
Salem, MA 01970

Dear Ms. Guy,

North Shore Community Development Coalition, Inc. (North Shore CDC) would like to commend the City of Salem and its Planning Department for managing the Community Development Block Grant (CDBG) and the Home Investment Partnerships Program (HOME) funds. Please accept this comment letter to be considered for decisions related to the funds the City of Salem is anticipating it will receive for Fiscal Year 2019 (July 1st 2018 to June 30, 2019). North Shore CDC appreciates the opportunity to submit written comments on the economic and community development needs of Salem's low to moderate income residents and on the types of activities that should be undertaken to meet those needs.

As stated in the City of Salem's five-year Consolidated Plan, the City receives federal funds for housing and community development activities. These funds are used to undertake community and economic development projects and housing programs that assist very-low, low- and moderate-income families and neighborhoods. However, at the moment, close to \$237,000 of Salem's CDBG monies fund Economic Development and Neighborhood Improvement activities that primarily enrich Salem's downtown area – an area not identified as very low or low income.

We think highly of these programs and applaud their mission and successes. However, we feel they should not be funded by scarce federal funds specifically intended to benefit low income people.

While the use of CDBG is allowable in urban renewal areas, urban renewal was created to address the clearance of slums and blight. No one would characterize downtown Salem in 2018 as having blight. North Shore CDC proposes that 100% of the economic development and neighborhood improvement funding support programs, services, activities and events in the low-income tracts of Salem.

Thank you for the opportunity to voice our comments. We look forward to continued engagement in this process to ensure successful programming and outcomes for the CDBG FY19 plan.

Respectfully,

Mickey Northcutt, CEO  
North Shore Community Development Coalition