



U.S. Department of Housing and Urban Development

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Ms. Cathy Buono
Director of Administration and Finance
City of Springfield
36 Court St.
Springfield, MA 01103

Dear Ms. Buono:

This letter is to advise you that the City of Springfield's NRSA request that was submitted with the 2020-2024 Consolidated Plan has been approved. The start date is July 1, 2020, and the expiration date is June 30, 2025. We find that the area served by the NRSA is primarily residential, contains over 70 percent LMI households, and contains reasonable performance benchmarks.

The City of Springfield was recognized as a Round I Enterprise Community in the fiscal year that started on July 1, 1995. The following year, the City requested that the Empowerment Zone status be extended to include designation as an NRSA, and the request was granted by the Boston Field Office. The NRSA's geographic boundaries changed in 2015 due to the Tornado that impacted Springfield in 2011.

The Springfield NRSA was established as part of a public process that considered the most effective use of the designation, considering other resources available to the City. The criteria for approval of a NRSA are established in CPD Notice 16-16. The benefits of the NRSA designation include aggregation of housing units, exemption from the aggregate public benefit standard for special economic development activities, and exemption of services carried out by Community-Based Development Organizations (CBDOs) from the public service cap.

In addition, an area designated as a NRSA must meet certain regulatory criteria as stated in 24 CFR 570.208(a)(1)(vii), and 570.208(d)(5)(i) in order to receive "job creation/retention as low/moderate income area benefit". These provisions specifically require that the area must "contain a percentage of "low-and moderate-income residents that is equal to the upper quartile percentage of the jurisdiction or 70 percent, whichever is less but, in any event, not less than 51 percent." The Springfield NRSA has been developed using the 2011-2015 ACS data, and includes 19 block groups that range from 63.83% to 100% low and moderate income, with an average of 88.26%.

The premise of a Neighborhood Revitalization Strategy Area (NRSA) is that a concentrated investment of resources in a limited impact area can have a substantial impact for a targeted revitalization area. As a neighborhood revitalization initiative, a NRSA provides local leaders with flexible funds to transform high-poverty neighborhoods with distressed housing into sustainable communities with mixed-income housing, safe streets, and economic opportunity. HUD's Office of Community Planning and Development (CPD) has emphasized the coordination

of resources to facilitate grantees' ability to engage in comprehensive community revitalization strategies. The Department seeks to create opportunity in distressed neighborhoods by stimulating the reinvestment of human and economic capital and by economically empowering low-income residents through partnerships among federal and local governments, the private sector, community organizations and neighborhood residents.

A NRSA designation can yield substantial benefits to the City through regulatory flexibilities that would otherwise require waiver approval from HUD. These benefits include increased flexibility with regard to the use of CDBG funds for housing and economic development activities that revitalize a neighborhood, exemptions from the public service cap for activities carried out by Community-Based Development Organizations, and other record-keeping requirements which are designed to promote innovative programs in economically disadvantaged areas of the community:

*(1) **Job Creation/Retention as Low/Moderate Income Area Benefit:** Job creation/retention activities undertaken pursuant to the strategy may be qualified as meeting area benefit requirements, thus eliminating the need for a business to track the income of persons that take, or are considered for, such jobs (24 CFR 570.208(a)(1)(vii) and (d)(5)(i)). Economic development activities in an approved NRSA that assist businesses and that are designed to meet the CDBG job creation or retention requirements need not track the income of applicants they interview or hire because the assistance may be qualified as meeting "area benefit" requirements. This provides a significant reduction of the administrative burden to the assisted business and the recipients.*

*(2) **Aggregation of Housing Units:** Housing units assisted pursuant to the strategy may be considered to be part of a single structure for purposes of applying the low-and moderate-income national objective criteria, thus providing greater flexibility to carry out housing programs that revitalize a neighborhood (24 CFR 570.208(a)(3) and (d)(5)(ii)). This designation allows CDBG funds to be used to support housing for a greater mix of income levels because "over-income" households can occupy single family homes as long as 51% of the homes benefit low- and moderate-income households;*

*(3) **Aggregate Public Benefit Standard Exemption:** Economic development activities carried out under the strategy may, at the grantee's option, be exempt from the aggregate public benefit standards, thus increasing a grantee's flexibility for program design as well as reducing its record-keeping requirements (24 CFR 570.209 (b)(2)(v)(L) and (M)). Economic development activities carried out in the approved neighborhood are exempt from the aggregate public benefit standards that limit the amount of assistance that can be expended on each activity.*

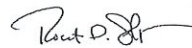
*(4) **Public Service Cap Exemption:** Public services carried out pursuant to the strategy by a Community-Based Development Organization will be exempt from the public service cap (24 CFR 570.204(b)(2)(ii)) All public services offered within the approved NRSA and carried out by Community Based Development Organizations are exempt from the 15% public services cap. This exemption permits recipients to offer a more intensive level of services within the approved area, if desired.*

The City is reminded that these flexibilities are designed to promote innovative programs in economically disadvantaged areas of the community; however, *projects are still subject to the*

individual/project public benefit standards. This flexibility includes job training and other employment related services and as such, it can provide an important foundation for economic opportunity for neighborhood residents. After approval of the NRSA, the grantee's subsequent Action Plans must describe the HUD formula program resources that may be used to achieve NRSA area goals. Each year after the initial NRSA submission, the grantee must identify in its Action Plan for that year the measurable outcomes in the form of benchmarks it expects to achieve during the year for the NRSA which are reported on annually in the CAPER.

If you have any questions, or need additional information, please contact Samantha Graves, Senior CPD Representative, at (617) 994-8353.

Sincerely,



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Robert D. Shumeyko
Regional Director

City of Springfield

**Neighborhood Revitalization
Strategy Area Plan - NRSA**

May 2020

Introduction

The City of Springfield proposes to designate the North End-Metro Center area of the City as a Neighborhood Revitalization Strategy Area (NRSA), as defined by the Department of Housing and Urban Development (HUD) CPD Notice 96-01.

These proposed areas include some of the most distressed residential neighborhoods in the city and qualifies for NRSA designation based on the high percentage of low- to moderate-income (LMI) residents, 88.9%. The selected boundaries of the proposed NRSA were selected following a collaborative planning effort by the Springfield Department of Community Development and a broad range of community stakeholders.

NRSA designation will enhance ongoing efforts in the North End-Metro Center area by using complementary strategies that prioritize the use of Community Development Block Grant (CDBG) resources. NRSA designation will encourage the development of innovative services and projects eligible for CDBG support, since a community with an approved NRSA is relieved of some regulatory requirements when undertaking economic development, housing, and public service activities with those funds. Future activities will function with fewer administrative requirements over the course of the five-year NRSA designation. City divisions, for-profit and non-profit groups will embark on programs and projects to improve neighborhood cohesion by alleviating economic and social disparity.

Each CDBG-funded activity in the NRSA will address one of the following objectives:

- Decent Housing
- Suitable Living Environment
- Economic Opportunity

The City has developed performance benchmarks for the North End-Metro Center NRSA, which are provided in this request for designation, and have been determined based on need and the feasibility of reaching goals in the short-term and long-term. Performance will be monitored over the five-year duration of the NRSA designation to ensure that satisfactory progress is made toward meeting the benchmarks. The implementation of certain strategies may continue beyond the five-year period and performance will be monitored accordingly. The City and community believe it is imperative that program initiatives have lasting effects.

The NRSA strategy and activities will be integrated into the One Year Action Plans and Consolidated Annual Performance and Evaluation Reports as a component of the City's Community Development Department's activities.

Purpose

A NRSA is established under HUD's CDBG Program to enhance a community's ability to engage in comprehensive revitalization strategies. The focus of the strategy for the NRSA must be economic empowerment of the LMI population of the area, defined as those earning less than 80% of area median income. CDBG regulations permit certain regulatory flexibilities and better coordination of resources in these areas. Partnerships among local government, the private sector, community organizations and neighborhood residents are formed to collectively pursue innovative ways to "reinvest" in human and economic capital to empower low-income residents. Successful neighborhood revitalization strategies are those that bring together neighborhood stakeholders to forge partnerships that:

- Obtain commitments to neighborhood building;
- Make neighborhoods attractive for investments, thereby creating a market for profit;
- Generate neighborhood participation to ensure that the benefits of economic activity are reinvested in the neighborhood for long-term community development;
- Support the use of neighborhood intermediary institutions to bridge the gaps between local government agencies, the business community, community groups, and residents; and
- Foster the growth of resident-based initiatives to identify and address their housing, economic, and human service's needs.

Neighborhood Revitalization Strategy Guidelines

Benefits

The benefits are described in detail in amendments to the CDBG regulations at 24 CFR 570 published in the Federal Register on January 5, 1995, and updated in the Final Rule dated November 9, 1995:

1. **Job Creation/Retention as Low/Moderate Income Area Benefit:** Job creation/retention activities undertaken pursuant to the strategy may be qualified as meeting area benefit requirements, thus eliminating the need for a business to track the income of persons that take, or are considered for, such jobs (24 CFR 570.208(a)(1)(vii) and (d)(5)(i));
2. **Aggregation of Housing Units:** Housing units assisted pursuant to the strategy may be considered to be part of a single structure for purposes of applying the low- and moderate-income national objective criterion, thus providing greater flexibility to carry out housing programs that revitalize a neighborhood (24 CFR 570.208(a)(3) and (d)(5)(ii));

3. **Aggregate Public Benefit Standard Exemption:** Economic development activities carried out under the strategy may, at the grantee's option, be exempt from the aggregate public benefit standards, thus increasing a grantee's flexibility for program design as well as reducing its record-keeping requirements (24 CFR 570.209 (b)(2)(v)(L) and (M)); and
4. **Public Service Cap Exemption:** Public services carried out pursuant to the strategy by a Community-Based Development Organization may be exempt from the public service cap (24 CFR 570.204(b)(2)(ii)).

Requirements

CPD Notice 96-01 contains certain criteria directed to public agencies when applying for an NRSA designation. This application meets all expectations as stated below:

1. The NRSA must be submitted with the 5-Year Consolidated Plan, or it must be made an amendment to the existing Consolidated Plan;
2. Grantee must clearly identify the neighborhood's boundaries and the boundaries must be contiguous;
3. The designated area must be primarily residential and contain a percentage of low- to moderate-income residents equal to the grantee's "upper quartile percentage," as determined by the most recent decennial census, or 70%, whichever is less, but in any event, not less than 51%;
4. The strategy must be developed in consultation with the areas' stakeholders, residents, owners/operators of businesses and financial institutions, non-profit organizations, and community groups that are in or serve the neighborhood;
5. An economic assessment of the area must be completed to examine (a) the current economic and neighborhood conditions, (b) opportunities for improvement, and (c) problems that are likely to be encountered within the area;
6. The implementation plan must promote the area's economic progress with a focus on activities that will create meaningful jobs for the unemployed and low- to moderate-income residents of the area;
7. The plan must promote activities for the substantial revitalization of the neighborhood; and
8. The strategy must identify readily achievable performance benchmarks.

Strategy Development

The Springfield Metropolitan Area has been identified as one of the most segregated in the nation. Analysis completed by the Pioneer Valley Planning Commission as part of the HUD-funded Sustainable Communities Initiative

Regional Planning Grant Program further identified that the majority of the region's persons of color live in the City of Springfield, and many live in very low-income neighborhoods.

Research indicates that living in a racially/ethnically concentrated area of poverty (R/ECAP) has negative impact on resident outcomes for health, education and employment. R/ECAPs are areas where the poverty rate exceeds 40% and the non-white population is 50% or more.

Springfield has identified a number of areas in the City that meet the definition of R/ECAP, and overall, it prioritizes these areas for redevelopment, economic development and jobs programs.

A key benefit of NRSA designation is that a Community Based Development Organization (CBDO) in the zone is exempt from HUD's 15% cap on the amount of CDBG funds that can be spent for public service activities. The North End-Metro Center NRSA is served by the CBDO New North Citizens Council (NNCC). With the NRSA designation, the City will partner with NNCC to provide public services, including job training programs, to assist in bringing economic opportunity to neighborhood residents. The flexibility regarding job creation reporting will also enhance the ability to provide economic development assistance to the NRSA.

The Springfield NRSA target area has many assets. The following organizations provide a variety of public services, affordable housing developments and economic development initiatives:

- Arise, Inc.: Civil Rights and Organization, including Community Coalitions, Minority Rights, and Voter Education & Registration
- Springfield Day Nursery Corporation: Preschool- daycare services, in-home daycare services, toddler daycare
- Baystate Health Inc: Community Health Services.
- Center For Human Development, Inc.: Mental health/addiction services.
- Springfield Council For Cultural And Community Affairs, Inc: Senior living and services.
- Association Properties, Inc: Residential and support services.
- Revitalize Community Development Corporation
- New North Citizens Council: Housing, Public Services
- The Gray House: Public Services

Boundaries

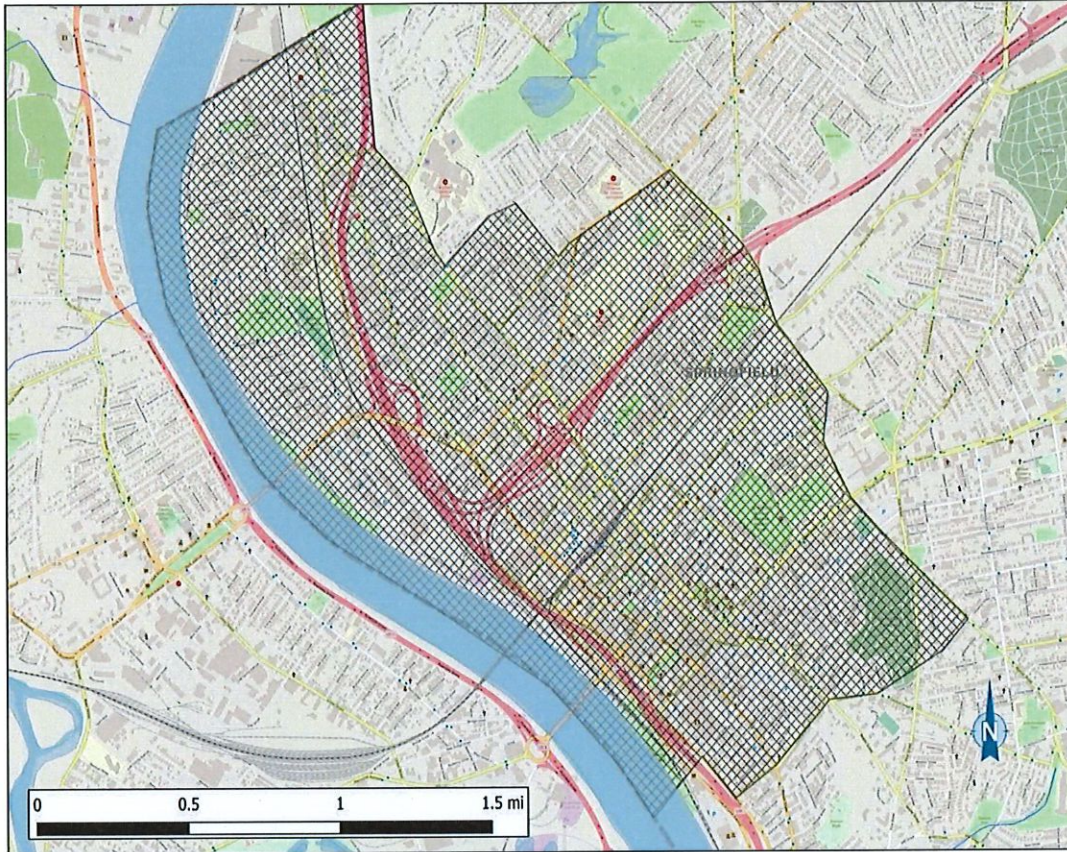
The Springfield Neighborhood Revitalization Strategy Area (NRSA) has the Connecticut River as its western/southwestern boundary, and the shared municipal boundary with Chicopee (Carew Street) as its north/northwestern boundary. The south/southeastern boundary, starting at the River, is Fremont Street, which becomes Central Street as it crosses Main Street; the boundary then follows Cedar Street to Walnut Street, the NRSA's eastern/northeastern boundary. From there, the boundary turns north on Walnut, continues along Federal Street as Walnut crosses State Street, jogging northward along Armory Street. The boundary continues along Armory until Carew Street, the north/northwestern boundary. Of the 3.1 total square miles of this NRSA, 3.5 (37%) square miles consists of residential uses, constituting the single largest land use in the district.

Contiguous Census Tracts

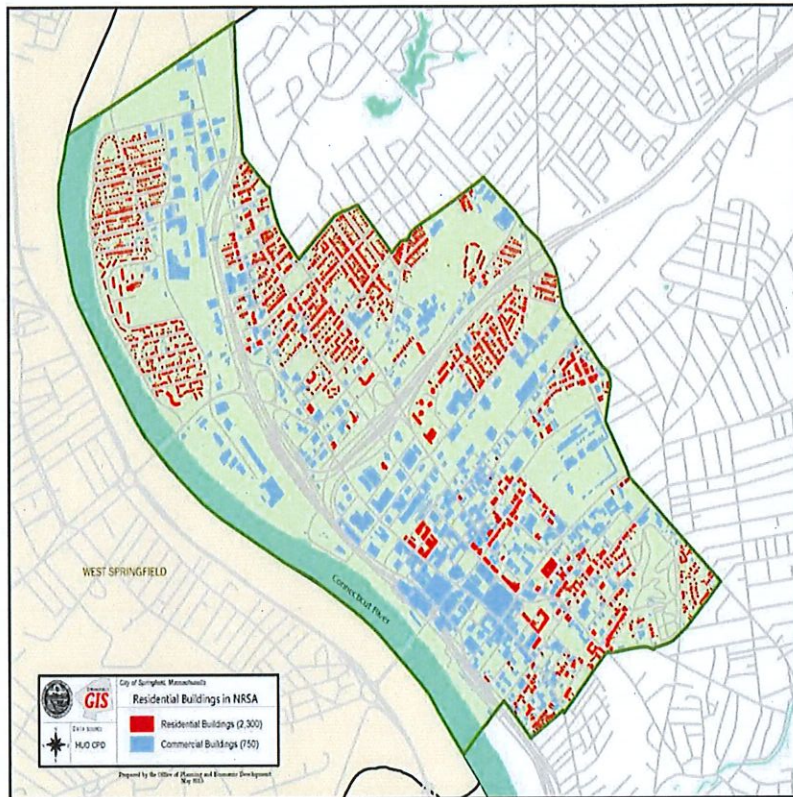
The Springfield NRSA Target area is composed of 9 census tracts and 19 block groups. All are contiguous to each other. This area is made up of parts of the neighborhoods Brightwood, Memorial Square, and Metro Center. The census tracts included are:

Census Tract	Block Group	Census Tract	Block Group
800500	2	800900	3
800600	1	801101	1
800600	2	801102	1
800600	3	801102	2
800700	1	801200	1
800700	2	801200	2
800800	1	801200	3
800800	2	801902	1
800900	1	801902	2
800900	2		

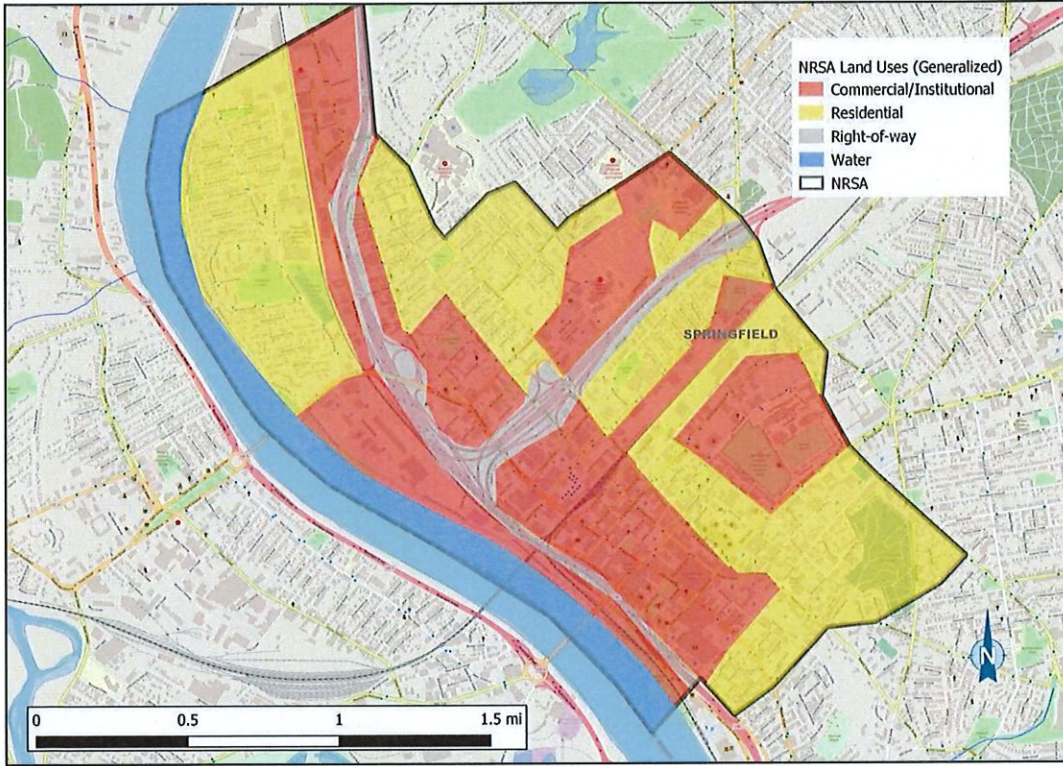
NEIGHBORHOOD REVITATIZATION STRATEGY AREA – NRSA-Map 1



NEIGHBORHOOD REVITATIZATION STRATEGY AREA - RESIDENTIAL AREAS – Map 2



NEIGHBORHOOD REVITATIZATION STRATEGY AREA – LAND USES – Map 3



<u>Land Use</u>	<u>Square Miles</u>	<u>Percent</u>
Commercial/Institutional	1.22	34.9%
Residential	1.33	37.9%
Right-of-Way	0.47	13.4%
Water	0.44	12.6%
Total	3.46	100%

Demographic Characteristics

The population of this target area is 21,915, roughly 14.7 percent of the total City population of 148,625. Residents identifying themselves as African Americans

make up 16.5 percent of the population in this target area and residents identifying themselves as Hispanic make up 74.5 percent of the population in this target area. Residents identifying themselves as White make up 59.4 percent of the population. Other racial minorities make up 24.1 percent of the population, most (20.4 percent) in the "Other" category.

Planning Process

Consultation for the NRSA included several planning efforts. In addition, this report and application to HUD is subject to community review as part of the 2020-2024 Consolidated Planning Process, and includes many elements of that larger plan.

The City began with a survey posted on the City's website. The City made the survey available to the public from November 13, 2019 until December 31, 2019. Notification of the survey included social media posts and an email via the City's listserv. The City made the survey available in both English and Spanish. The City received a total of 726 surveys in English and 13 surveys in Spanish. The City hosted six different public meetings for stakeholders to attend. Notification of the meetings included mailings, social media posts and an email via the City's listserv. Four of the meetings focused in specific areas which were housing, homelessness, public services, and economic development. All of these four meetings were held during the day to allow stakeholders to attend. A fifth meeting took place in the evening, at City hall for people and organizations that were unable to attend the other four meeting. The final meeting was held to receive comments on the DRAFT Priorities and Goals.

The NRSA document was available for a 30-day public comment period beginning April 27, 2020 through May 26, 2020. A virtual public meeting was held to receive citizen's comments on Tuesday, May 19, 2020. See Attachment A for comments received.

Assessment

Residents in the NRSA take pride in their community, despite the presence of recognizable inadequacies including disproportionate levels of crime, vacant and deteriorating structures, and limited business activity. Over the years, residents have reached a consensus on key problems that pose a threat to neighborhood growth and stability and potential opportunities to reshape business districts and improve residential cohesiveness. Actions and improvement in public safety, housing, economic development, streets and sidewalks, and public infrastructure have followed concerted efforts of community stakeholders

to effectively address problem areas by acting on opportunities and capitalizing on neighborhood attributes. Despite this, the housing crises and economic downturn has had a disproportionately negative impact on the safety and stability of these neighborhoods.

Some barriers to improvements include:

- Perceptions of neighborhood when trying to get commercial businesses to locate into the area
- High number of abandoned buildings that are substandard – would require significant amounts of funding to repair or demolish and replace
- Crumbling infrastructure – high need for street resurfacing and sidewalks
- Sidewalks in many areas are not accessible to persons with disabilities

Economic Assessment

There is a high rate of poverty in this NRSA area with 47.3 percent living below the federal poverty level of \$24,900 for a household of four people. The average household size in the area is 2.3 people. Nearly eighty-nine (88.9) percent of the population earns less than 80 percent of the area median income, and is thus considered moderate and low income, and can qualify for HUD funded programs and services. The median percent of income going to rent is 35.2%.

The high rate of households with low income may be related to the low education attainment of the adults in the community. Of the 13,452 persons over the age of 25, thirty-nine (39.5) percent of the population does not have a high school diploma or the equivalent. Twenty-eight (27.6) percent of the population does have a high school diploma, but no further education. Jobs associated with these skill levels often do not pay a living wage.

The skills gap in neighborhoods like these grows greater as employers increase their qualifications for positions. For example, hospitals in Massachusetts are now moving towards requiring a Bachelor's Degree for all bedside positions, making it difficult to access any higher wage positions for most residents in the NRSA, which has many of these positions available. As greater competition for limited job openings occurs in all economic sectors, the skills gap continues to widen.

It will be essential to improve incomes and access to employment opportunities in the NRSA to make these important connections between education, skills training, and employment opportunities.

Housing Assessment

The North End-Metro Center NRSA includes 22,474 housing units. The vast majority—88%--are renter-occupied. The area has an extensive supply of public and subsidized housing.

The housing stock is aged, and in need of rehabilitation. The small numbers of owner-occupied houses are owned by very low-income people, many of whom need assistance with repair and maintenance. The neighborhood has experienced some housing abandonment, and has vacant lots where long-abandoned buildings have been demolished. These vacant lots provide opportunity for new infill housing and for creative lot reuse—such as community gardens or pocket parks.

Strategic Plan

The priorities and strategies for the revitalization area are based on public input as described in the planning process section. The 2020-2024 Consolidated Plan has identified priority needs based on the community development needs of the city and focused on its low- and moderate- income residents. The NRSA plan directly aligns with that plan and proportionately greater amount of CDBG funds will be used to implement programs, projects, and services for the benefits of the low- to moderate -income residents of the NRSA.

The priorities and goals below are designated to address the community development needs of the NRSA. However, the specific programs and projects that will best accomplish those goals will change based on changing economic and other circumstances. Therefore, the annual objectives for the NRSA will be developed as a part of the Annual Action Plan for each program year following approval, with corresponding strategies to achieve the benchmarks described below. Taking into account the current needs of the area, the strategic plan will empower the LMI residents of the NRSA by (1) providing decent affordable housing, (2) fostering a suitable living environment, and (3) expanding economic opportunities. The City will work to expand social services and encourage non-profits and neighborhood groups to do the same.

2020-2024 Consolidated Plan Priorities:

- Foster an Inclusive Economy
- Strengthen Neighborhoods
- Provide Healthy and Affordable Housing

- Fair Housing and Administration
- COVID-19 Cares Act Response

Performance Measurers

Over the course of the 2020-2024 Consolidated Plan, the City of Springfield plans to use CDBG and HOME funding to accomplish its goals. The following are the performance measurers specifically within the boundaries of the NRSA.

The following goals will be addressed within the Springfield NRSA target area.

1. Support small businesses with façade improvements – Assist 10 businesses.
2. Support small businesses, creating or retaining jobs that target low- and moderate-income individuals – Will create/retain 15 Jobs.
3. Job training and placement with preference given to programs that focus on the hard to serve population, individuals who are out of the educational system and or workforce. Public Service - assist 50 People.
4. Fund supportive services that reduce barriers for low to moderate-income households seeking employment or have employment, reducing the risk of the "cliff effect." - Public Service - assist 25 People
5. Fund efforts around public art and growth of the creative economy to foster elimination of blight, job creation, and create sense of place. Public Service - assist 2,000 people.
6. Public Facilities/Improvements, work to improve the physical environment through enhancement of streets, parks, streetscapes, bikeways, and open space. Public Service - assist 10,000 people.
7. Public Facilities/Improvements – design and implement projects that will increase the City's resilience to natural disasters. Public Service - assist 2,000 people.
8. Public Facilities/Improvements – 20 public Facilities/Improvements that will benefit 2,000 people.
9. Support public services for low to moderate income families (not related to job training). Public Service - assist 10,000 people.
10. Clean-up of sites and structures. Graffiti Removal – 20 buildings.
11. Support housing inspectors who enforce local housing codes. Housing Code/Foreclosed Property Care – 150 Housing Units.
12. Work with neighborhood councils and stakeholder groups to advance neighborhood planning and design work for future improvement projects Public Facilities/Improvements – Neighborhood Projects - 3 facility projects that will benefit 5,000 people.
13. Work with neighborhood councils to build capacity throughout the neighborhoods. Neighborhood Councils – 1 project.

14. New affordable housing through rehab, new construction, and acquisition for households with incomes below 80 percent of AMI. 25 affordable housing rental units will be renovated and 2 new homeownership units will be constructed.
15. Assist households with income at or below 80 percent AMI to become homeowners. 100 homebuyers will receive direct financial assistance.
16. Improve the city's housing stock. Repair 25 owner occupied housing units and provide financial assistance to repair/replace heating systems for 200 housing units.
17. Advocate and promote fair housing through federally funded housing projects and programs. Public Service – Public Service - assist 100 people.