

# Executive Summary

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

### 1. Introduction

The North Shore HOME Consortium and the City of Peabody have analyzed the effectiveness of prior years' programs, reviewed public comment received at Community meetings and public hearings, and reviewed Housing Market and Needs Analysis data to create this One Year Action Plan for Program Year 2021. Because of their effectiveness and due to the continued need for affordable housing for low income households, the NSHC will administer the same programs administered last year.

The City of Peabody has utilized CDBG funds to spur private investment, particularly in the downtown.

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

This could be a restatement of items or a table listed elsewhere in the plan or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis or the strategic plan.

The North Shore HOME Consortium has prioritized the following activities to be funded with federal HOME funds in Program year 2021 (if a change of funding amount occurs, all projects will be funded in the same proportion as shown below):

- Affordable Rental Housing: \$1,250,053 for the construction of approximately 25 Rental housing units for low income households.
- Rental Subsidies (TBRA): \$347,630 to provide assistance to approximately 30 extremely low income special needs households who are either homeless or precariously housed.
- Homeowner Rehabilitation: \$106,513 to rehabilitate existing housing units for 4 low income households to allow households to remain housed.
- Creation of Affordable Ownership Housing: \$213,023 to assist in the new construction of 4 new ownership housing units for very low income households.
- Administration: \$213,023 for cost related to the administration of the North Shore HOME Consortium.

Peabody has prioritized the following activities to be funded with CDBG funds in Program year 2021: Social Service projects that provided homelessness assistance prevention, educational service for low-moderate income households, domestic violence services, assistance to the elderly and daycare services for low-moderate income households; investment in Peabody's downtown through the continued support of the Riverwalk project, assisting Peabody Main Street with capacity building and staff to help book the many venues in Peabody's downtown, supporting North Shore Transportation Association in expanding public transportation opportunities, implementing a parking management program and supporting the Outside the Box public art project.

### **3. Evaluation of past performance**

This is an evaluation of past performance that helped lead the grantee to choose its goals or projects.

The North Shore HOME Consortium and the City of Peabody have been effective in meeting goals and in serving the needs of residents during the current program year and in years prior, but continues to re-evaluate and to make adjustments to their areas of focus to ensure that the available funding resources are directed to areas of the greatest need. For many years the NSHC has seen the increasing crisis of the shortage of affordable housing, and all analyses have agreed that the greatest need in the region is the creation of affordable rental housing. Several years ago, it was decided not to include First Time Homebuyer Downpayment Assistance in the list of projects we will undertake going forward so that more funding could be directed toward the creation of Affordable Rental Housing. In recent years, after close scrutiny of the program and the state of housing in the region, we also increased the amount of funding for Tenant Based Rental Assistance Activities in an attempt to help address the high numbers of extremely low income, homeless individuals living out of doors or in places not meant for human habitation. The Covid pandemic has also exacerbated the problems of an already financially strained population. With many people in danger of losing income and facing eviction, and TBRAs will be an even larger part of the efforts to address the housing needs that arise from the financial impacts of the pandemic. The Consortium will continue to work with its' member communities and developers to both create new affordable housing units, including a small number of affordable ownership units, both targeted at those with very low incomes, and to provide short term rental assistance to stabilize those precariously housed and to prevent homelessness.

Several of the City's CDBG funded projects, including the implementation of the parking management program, were delayed due to COVID and the subsequent shutdowns incurred as a response. Projects that were scheduled for the spring of 2020 are now underway for completion in 2021.

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

Summary from citizen participation section of plan.

Extensive outreach was conducted in advance of all community hearings soliciting suggestions for inclusion in the draft plan, of all public hearings requesting feedback and comments on that plan, and notices regarding the availability of the draft action plan. 14 days in advance of each meeting an advertisement was placed in the major newspapers covering the Consortium region, and ads were also placed in the two minority publications, the Bay State Banner and El Mundo Newspaper. Notice was placed on the City of Peabody website, and e-mail notices were sent to all known contacts in the Consortium region, including community action agencies, local and regional housing authorities, area agencies on aging, and those agencies serving those with disabilities and the homeless. In an effort to broaden public participation in the development of the plan, additional e-mail reminders were sent out to ask for participation. Unfortunately no comments were received.

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

This could be a brief narrative summary or reference an attached document from the Citizen Participation section of the Con Plan.

Unfortunately, despite great outreach efforts, no public comment was received at our community meetings. (Additional info about comment from public hearings will be inserted here). At our regular provider meetings (Continuum of Care Meeting, Homelessness Task Force) those present showed support for programs to assist those who are the most in need and for truly affordable housing for the very low income. All comments received were taken into account, and the consensus was the pressing need for affordable rental housing, tenant based rental assistance, and for services for the very low income.

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

No comments were put forth that were not accepted.

## **7. Summary**

The PY 2021 Action plan was created after consulting with many agencies and with support of data from the Housing Market and Needs Analysis completed as part of the Consolidated Plan. Feedback from those asked indicated support of programs to assist those who are the most in need and for truly affordable housing for the very low income.

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

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

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

Agency Role	Name	Department/Agency
CDBG Administrator	PEABODY	Community Development Department
HOME Administrator	PEABODY	Community Development Department

**Table 1 – Responsible Agencies**

**Narrative**

**Consolidated Plan Public Contact Information**

Stacey Bernson and Lisa Greene  
City of Peabody Dept. of Community Development and Planning  
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Peabody, MA 01960

Stacey.bernson@peabody-ma.gov and lisa.greene@peabody-ma.gov

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

### **1. Introduction**

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

**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.**

**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**

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

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

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

**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?

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

**Narrative**

**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**

**Citizen Participation Outreach**

<b>Sort Order</b>	<b>Mode of Outreach</b>	<b>Target of Outreach</b>	<b>Summary of response/attendance</b>	<b>Summary of comments received</b>	<b>Summary of comments not accepted and reasons</b>	<b>URL (If applicable)</b>

**Table 4 – Citizen Participation Outreach**

## Expected Resources

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

#### Introduction

The North Shore HOME Consortium is a direct recipient of Federal HOME funds for its' 30 communities, and the City of Peabody receives a direct award of CDBG funds for the City. In addition, three other communities within the Consortium, Salem, Gloucester, and Haverhill, also receive CDBG funds directly from HUD for their communitites, and some other member communitites may be funded through the state CDBG application process. Additionally, the Cities of Peabody and Salem have CPA allocations which can be accessed to develop affordable housing deveopment. Other resources are leveraged by developers to create affordable housing in the region, including private lenders, LITC or Historic tax credits, and rental vouchers.

#### Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	460,559	10,000	0	470,559	1,882,236	The City of Peabody expects to receive \$4460,559 in CDBG funds and approx. \$10,000 in CDBG Program Income next year and anticipates being levelly funded for each of the five years covered by this plan. The resources available will be used to assist low income households by creating or maintaining affordable housing.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	2,030,243	100,000	0	2,130,243	8,520,972	The NSHC expects to receive \$2,030,243 in HOME funds and approx. \$100,000 in HOME Program Income next year and expects to be levelly funded for each of the five years covered by this plan. The resources available will be used to assist low income households by creating or maintaining affordable housing.

Table 2 - 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**

There are several major program types where leveraged funds play a significant role in program objectives and some of which contribute to the HOME Match requirement.

1. Investments in LIHTC or Historic Tax Credit projects with private funding and/bond financing, to assist in the creation of new affordable housing units.

2. Private (lending institutions) mortgage funding leveraged to assist low income families with the purchase of their first home, especially in conjunction with HCV vouchers. The use of HCV vouchers for homeownership has not been a common practice used in the region, but where it has been used it has been successful. In addition, permanent mortgage financing is provided for affordable rental housing developments.
3. Community Preservation Funds [CPA]. Sixteen Consortium communities have established a Community Preservation Fund to preserve open space, historic resources and community housing, by imposing a surcharge of up to 3% on local property taxes.
4. Inclusionary Zoning and Linkage Fees. Several Consortium communities have linkage and/or inclusionary zoning requirements which provide either affordable housing units or funds for affordable housing.
5. Local funds from some cities and towns provide other resources such as CDBG and Housing Trust funds.
6. Municipality Donated Land. Some communities have designated or are contemplating the use of surplus, abandoned or undeveloped land for affordable housing.
7. Massachusetts Rental Voucher Program (MRVP). In recent rental development funding rounds. DHCD has made MRVP's available as project-based vouchers, primarily targeted to homeless individuals and families.
8. Project Based Vouchers. PHAs and the State can provide up to 20% of their HCV vouchers for specific projects.

To satisfy HOME match requirements the Consortium utilizes any allowable source, but relies mostly on the Massachusetts Rental Voucher Program match, which was over of \$1,000,000 for the City of Peabody alone in 2020, to meet the HOME matching requirement.

There is no match requirement for CDBG funds; however, there are several major program types where leveraged funds play a significant role in program objectives. Brownfields Revolving Loan Funds, Community Development Authority Business Loan Program, Community Preservation funds, HOME Funds, DLTA grants, Massworks, MassDevelopment and Masshousing.

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

Within the Consortium many communities have created specialized Housing Production Plans in response to the call from the Commonwealth of Massachusetts to show how each community plans to develop a minimum of 10% affordable housing units for their residents. In these plans the communities identify actual locations where they could see or would like to see housing developed. However in most cases the developable sites identified are privately owned properties, since, in our area, land has for the most part developed. In some rare instances, for instance, the case of a public school or other building being decommissioned, communities may issue an RFP for a developer to take possession to create affordable housing, as has been done in Beverly with the Briscoe School Development. At this time we are not aware of any other publicly owned land that could be utilized for the creation of affordable housing.

The City of Peabody currently owns several properties throughout the City, many have been acquired for open space; however, some have been acquired through tax title, for economic development purposes, or inherited. The City of Peabody is currently in the process of selling 2, 12 and 16 Washington Street to a private developer to invest in Peabody's downtown through the creation of new restaurant space, parking and much needed housing.

**Discussion**

## Annual Goals and Objectives

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

#### Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Creation of Affordable Rental Housing	2020	2025	Affordable Housing	Member Communities of the North Shore HOME Consortium	New Rental Housing	HOME: \$1,250,053	Rental units constructed: 25 Household Housing Unit
2	Tenant Based Rental Subsidies (TBRA)	2020	2025	Affordable Housing	Member Communities of the North Shore HOME Consortium	Short Term Rental Assistance	HOME: \$347,630	Tenant-based rental assistance / Rapid Rehousing: 30 Households Assisted
3	Rehabilitation of Ownership Housing	2020	2025	Affordable Housing	Member Communities of the North Shore HOME Consortium	Ownership Housing	HOME: \$106,513	Homeowner Housing Rehabilitated: 3 Household Housing Unit
4	Creation of Affordable Homeownership Housing Units	2020	2025	Affordable Housing	Member Communities of the North Shore HOME Consortium	Ownership Housing	HOME: \$213,023	Homeowner Housing Added: 4 Household Housing Unit

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
5	Public Services	2015	2020	Homeless Non-Homeless Special Needs Non-Housing Community Development	City of Peabody CDBG Funding Distribution	Public Services Short Term Rental Assistance	CDBG: \$69,084	Public service activities for Low/Moderate Income Housing Benefit: 800 Households Assisted Tenant-based rental assistance / Rapid Rehousing: 6 Households Assisted Homelessness Prevention: 30 Persons Assisted
6	Economic Development	2015	2020	Non-Housing Community Development	City of Peabody CDBG Funding Distribution	Economic Development Infrastructure Improvements	CDBG: \$299,363	Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit: 3500 Households Assisted Businesses assisted: 25 Businesses Assisted

**Table 3 – Goals Summary**

**Goal Descriptions**

1	<b>Goal Name</b>	Creation of Affordable Rental Housing
	<b>Goal Description</b>	The creation of New units of affordable rental housing.

<b>2</b>	<b>Goal Name</b>	Tenant Based Rental Subsidies (TBRA)
	<b>Goal Description</b>	The Consortium will allocate funding to non-profit organizations to administer short term rental assistance programs for low income households.
<b>3</b>	<b>Goal Name</b>	Rehabilitation of Ownership Housing
	<b>Goal Description</b>	The North Shore HOME Consortium will provide funding for member communities to administer Housing Rehabilitation Programs to assist low income homeowners to make necessary repairs to their homes.
<b>4</b>	<b>Goal Name</b>	Creation of Affordable Homeownership Housing Units
	<b>Goal Description</b>	The Consortium will support developers who will create truly affordable ownership housing units for households with incomes at or below 60% AMI.
<b>5</b>	<b>Goal Name</b>	Public Services
	<b>Goal Description</b>	Funds will be distributed to projects that support basic human service needs through funding of homelessness assistance prevention, educational service for low-moderate income households, domestic violence services, assistance to the elderly and daycare services for low-moderate income households.

6	<b>Goal Name</b>	Economic Development
	<b>Goal Description</b>	<p>The City of Peabody has allocated CDBG funds to further invest in the City’s downtown economic revitalization, which includes further implementation of handicapped accessibility measures, public safety improvements, indirect and direct assistance to small businesses and non-profit enterprises that have set up shop in the downtown and implementations of a parking management plan. The City will continue to invest in the redevelopment of the City's riverfront and implementation of the Riverwalk Plan, which will not only beautify the downtown by making the river an amenity, but also provide flood mitigation and water retention to help mitigate the effects of sea level rise in the years to come. This next phase will include environmental testing of those parcels along the river, most of which were old tannery sites, for purposes of obtaining funds through the EPA's Revolving Loan Fund. Additionally, funds will be used towards the removal of buildings that are deemed a public hazard and/or to expand the greenspace needed for compensatory flood storage. The City of Peabody will continue its partnership with the Main Streets program to further spur economic development and interest in the downtown. Additionally, the City has combined resources with a local non-profit to fund a position to assist in the marketing and booking of several public and private venues in our downtown, which also generates business for supportive businesses such as florists, transportation and restaurants. As part of the downtown revitalization and beautification, the City of Peabody will partner with local artists to support the City’s "Outside the Box" public arts program. CDBG funds will also be used to explore potential options for improved/increased access to public transportation.</p>

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

### **Introduction**

In the selection of local projects to be developed or assisted with HOME funds, several matters are taken into consideration.

Because of the extensive research required by the ConPlan’s Housing Market Analysis and Needs Assessment, and the data that is made available as a result, the priorities of need that are identified by this process are given primary consideration. Where it is clear that a type of housing need is not currently being met, or that the needs of a certain population or income group is unmet, these priorities take precedence in the Consortium’s funding decisions. This work is implemented by the work of the Consortium’s Allocation Committee and the manner in which that committee prioritizes need for the region. In actual practice, these types of proposals for funding do not always present themselves.

Because the Consortium was created to provide financial assistance to all of its member communities in the development of affordable housing, each community’s needs – as they identify them – are also taken into consideration. As long as a proposed project is consistent with the priorities outlined in the Consolidated Plan, efforts are made to be responsive to local needs as well as regional needs.

<b>#</b>	<b>Project Name</b>
1	Creation of Affordable Rental Housing
2	Tenant Based Rental Assistance
3	Homeowner Housing Rehabilitation
4	Creation of Affordable Ownership Units
5	HOME 2021 Administration

**Table 4 – Project Information**

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

As the Consortium strives to be responsive to the actual data in the ConPlan, and to comply with the process outlined by HUD, greater emphasis is now being given to the development of affordable rental housing over those programs that would provide assistance to populations with higher incomes. For example, the Consortium has discontinued programs that provide assistance to households at 80% of median family income – such as Homebuyer Assistance Programs – in favor of serving very-low, or extremely-low income households. The creation of rental housing that is genuinely affordable to lower-income households is intended to provide for those households that are in severe housing crisis or coming out of homelessness. The use of HOME funds to provide short-term rental assistance is necessary under normal circumstances but during the pandemic even more so and will help to address and to prevent homelessness as well. Service agencies have warned that, although the number of Covid

cases is decreasing, the number of households in need of rental assistance continues to grow and that it will take some time before things return to pre-covid levels.

There are obstacles to serving underserved needs, and one of them is the lack of sufficient funding to support the numbers of projects proposed, or to provide an adequate level of support to ensure the long-term viability of a development without multiple funding sources. Of course, the decisions from other funders are out of the Consortium's control. Another unexpected barrier is the lack of proposals to serve the populations with the lowest incomes. Generally, a high level of subsidy may be needed for such a project, and it is easier to obtain funding for those projects where the projected income (rental income, for example) offsets the operating expenses and demonstrate the viability of a project.

The City of Peabody has allocated resources to address some of the various needs of Peabody's low-income household. The City strives to use CDBG funds to leverage other resources available to have a greater community impact. As is the case with rest of the region, the City of Peabody has a housing shortage, which has resulted in exorbitant housing costs, leaving many struggling to find/and or pay for housing. Regrettably, the coronavirus has only served to exacerbate the issue with a rising cost of living and job loss.

**AP-38 Project Summary**  
**Project Summary Information**

1	<b>Project Name</b>	Creation of Affordable Rental Housing
	<b>Target Area</b>	Member Communities of the North Shore HOME Consortium
	<b>Goals Supported</b>	Creation of Affordable Rental Housing
	<b>Needs Addressed</b>	New Rental Housing
	<b>Funding</b>	HOME: \$1,250,053
	<b>Description</b>	Assistance to developers to create new units of affordable Rental Housing
	<b>Target Date</b>	12/31/2022
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	Approximately 25 households are expected to benefit from this activity, including families and individuals, with income levels at 60% of AMI and below.
	<b>Location Description</b>	Across the Consortium region.
	<b>Planned Activities</b>	Assisting non-profit and for profit developers in creating new affordable rental housing units.
2	<b>Project Name</b>	Tenant Based Rental Assistance
	<b>Target Area</b>	Member Communities of the North Shore HOME Consortium
	<b>Goals Supported</b>	Tenant Based Rental Subsidies (TBRA)
	<b>Needs Addressed</b>	Short Term Rental Assistance
	<b>Funding</b>	HOME: \$347,630
	<b>Description</b>	Providing funding to non-profit organizations to provide short-term rental assistance to very low and extremely low income households to prevent homelessness or to rehouse after homelessness.
	<b>Target Date</b>	12/31/2022
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	Approximately 30 households will be assisted with either security deposit/down-payment assistance or short term rental assistance through these programs. The majority of households will have incomes at or below 30% AMI, with some at income levels at or below 50% AMI and some, not to exceed 10%, with incomes up to 80% AMI..
	<b>Location Description</b>	Consortium wide.
<b>Planned Activities</b>	TBRA programs will be funded to assist households to remain housed and to house people after they have become homeless.	
	<b>Project Name</b>	Homeowner Housing Rehabilitation

<b>3</b>	<b>Target Area</b>	Member Communities of the North Shore HOME Consortium
	<b>Goals Supported</b>	Rehabilitation of Ownership Housing
	<b>Needs Addressed</b>	Ownership Housing
	<b>Funding</b>	HOME: \$106,513
	<b>Description</b>	Rehabilitation of Ownership Housing
	<b>Target Date</b>	12/31/2022
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	Approximately four families or individual homeowners with incomes at or below 80% AMI will be assisted.
	<b>Location Description</b>	Consortium wide.
	<b>Planned Activities</b>	Member communities will provide emergency homeowner rehabilitation programs for low income homeowners.
	<b>4</b>	<b>Project Name</b>
<b>Target Area</b>		Member Communities of the North Shore HOME Consortium
<b>Goals Supported</b>		Creation of Affordable Homeownership Housing Units
<b>Needs Addressed</b>		Homeownership
<b>Funding</b>		HOME: \$213,023
<b>Description</b>		Non-profit organizations will create new, truly-affordable homeownership housing units for households with incomes at or below 60% AMI.
<b>Target Date</b>		12/31/2022
<b>Estimate the number and type of families that will benefit from the proposed activities</b>		
<b>Location Description</b>		Four low income family households with annual incomes at or below 60% AMI will benefit from this assistance.
<b>Planned Activities</b>		
<b>5</b>	<b>Project Name</b>	HOME 2021 Administration
	<b>Target Area</b>	Member Communities of the North Shore HOME Consortium

<b>Goals Supported</b>	Creation of Affordable Rental Housing Tenant Based Rental Subsidies (TBRA) Creation of Affordable Homeownership Housing Units Rehabilitation of Ownership Housing
<b>Needs Addressed</b>	New Rental Housing Short Term Rental Assistance Homeownership Ownership Housing
<b>Funding</b>	HOME: \$213,024
<b>Description</b>	Funding to allow the North Shore HOME Consortium to work with its' member communities and agencies to administer the programs detailed in this plan.
<b>Target Date</b>	12/31/2022
<b>Estimate the number and type of families that will benefit from the proposed activities</b>	Approximately 63 low income households will be assisted by the programs and activities that the NSHC will be supporting.
<b>Location Description</b>	Consortium wide.
<b>Planned Activities</b>	Funding for administration costs of the Consortium.

## **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**

The North Shore HOME Consortium allocates funds to each member community based upon the number of low income household there, and allows each community to use those funds to target what they see is their greatest housing problems. Additional funding is allocated competitively, and projects are chosen based upon merit and not location.

The City of Peabody will invest in those neighborhoods in the City with highest concentration of low-income households in the City, two of those census tracts are Peabody's downtown neighborhoods. This includes Main Street and several adjoining neighborhoods, including the river front area. As funds will be used for a number of projects that address a variety of needs from food insecurity to flood mitigation, CDBG funds will address the needs of income eligible households citywide.

### **Geographic Distribution**

<b>Target Area</b>	<b>Percentage of Funds</b>
Member Communities of the North Shore HOME Consortium	100
City of Peabody CDBG Funding Distribution	100

**Table 5 - Geographic Distribution**

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

Significant concentrations of poverty and of low and moderate income subsidized households, provides pertinent information when decisions are made of where resources might be concentrated. Racial/ethnic concentration is more complicated in that HUD regulations (Site and Neighborhood Standards) affect the planning and approval of new or significantly rehabbed housing which utilizes Federal resources.

### **Discussion**

On the one hand, HUD directs us to be aware of the threat of creating concentrations of poverty. Instead, as public policy, we should endeavor to diffuse such concentrations, and to encourage the development of affordable housing in communities with high housing costs. At the same time, households with limited incomes often prefer to reside in locations that have access to community services such as public transportation, anti-poverty programs communities that have the strength of ethnic diversity and communities that provide faith-based and family-based supports.

# Affordable Housing

## AP-55 Affordable Housing - 91.420, 91.220(g)

### Introduction

The work of the North Shore HOME Consortium, and its entire allocation of HOME funds, is focused on the development of affordable housing. The Consortium has identified that the greatest need at this time in this region is for the creation of additional affordable rental housing for low, very low, and extremely low income households, including the homeless. While working toward its goal of creating these units, the Consortium also acknowledges the need for different types of affordable housing for specific groups. This includes tenant based rental assistance to meet the immediate need of people who are homeless or on the verge of homelessness or those who have a special need that would benefit from a short term of rental assistance, housing rehabilitation for homeowners, including the elderly or disabled, who need assistance to remain in their home, down payment assistance, and the creation of ownership housing.

City of Peabody: In addition to CDBG funds the City of Peabody will invest Community Preservation Act Funds and apply the City's Inclusionary Zonng to provide affordable housing.

Table 57 - One Year Goals for Affordable Housing by Support Requirement

Table 58 - One Year Goals for Affordable Housing by Support Type

One Year Goals for the Number of Households to be Supported	
Homeless	28
Non-Homeless	24
Special-Needs	2
Total	54

Table 6 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	30
The Production of New Units	22
Rehab of Existing Units	2
Acquisition of Existing Units	0
Total	54

Table 7 - One Year Goals for Affordable Housing by Support Type

## **Discussion**

The Consortium places the greatest priority upon housing that will serve the homeless and those on the verge of becoming homeless. Proposals for new rental housing or for TBRA programs which prioritize these groups receive priority in the Consortium's Competitive Funding Process, and by that prioritization the Consortium works to shift funding to those most in need. The creation of new affordable rental housing is the highest priority, with tenant based rental assistance in second place as a tool to try to slow the flood of persons moving into homelessness. In addition to affordable rental housing and TBRA, the Consortium will continue to support communities that wish to provide housing rehabilitation assistance, and homeownership creation programs to meet the needs in their communities.

The City of Peabody has allocated funds, including CDBG, to projects that: provide homelessness prevention to households at risk of becoming homeless. Additionally, the City has invested other public dollars, primarily Community Preservation funds, to increase the supply of affordable rental housing and maintain the current inventory of housing and or improve the current housing stock.

## **AP-60 Public Housing - 91.420, 91.220(h)**

### **Introduction**

#### Consortium:

HOME funds are not disbursed to any public housing authorities. It has been a longstanding policy to not allow for HOME funds to be used for the normal maintenance and repairs of existing public housing stock, because it is seen that other public funds are available for that purpose. Local PHA's are encouraged to apply for HOME funds to create new affordable units, often combining those resources with multiple funding sources.

However housing authorities can benefit from CDBG entitlement funds for housing rehab, public facilities, public infrastructure and public services related activities which can directly or indirectly benefit public housing residents.

### **Actions planned during the next year to address the needs to public housing**

#### Consortium:

It is possible that the Commonwealth of Massachusetts through its CDBG program may assist the other PHAs in the region.

CDBG funds can also be used to conduct public services activities that will directly and indirectly benefit residents of PHA properties.

Home funded homeownership programs are open to PHA residents. NSHC refers PHA residents to organizations which provide down payment and closing cost assistance under the HOME program.

#### City of Peabody:

- General Physical Improvements to include: Kitchens, baths, safety, HVAC, elevators, finishes and site work.
- Improving/Increasing access to social services. Kitchens, baths, safety, HVAC, elevators, finishes, site work

### **Actions to encourage public housing residents to become more involved in management and participate in homeownership**

#### Consortium:

The following are initiatives the PHAs may implement to encourage tenant participation and further

benefit residents.

1. Increase social services department
2. Ongoing modernization

City of Peabody:

The Housing Authority has no plans to encourage public housing residents to participate in homeownership.

While the NSHC sees a higher priority in creating affordable rental housing, PHAs can use their Housing Choice Vouchers and Family Self Sufficiency program to encourage residents to improve themselves and become independent homeowners.

**If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance**

N/A - There are no troubled Federal Housing Authorities located in the Consortium area.

**Discussion**

Consortium:The Housing Authorities have their own funding sources, priorities, management and maintenance issues. The NSHC's involvement is to ensure that that the PHA Plans (for those with Federal public housing and/or Federal vouchers) are consistent with this Consolidated Plan and also the CDBG Consolidated Plans of Haverhill, Gloucester, Peabody, Salem and the State.

City of Peabody:There is a legal relationship between the City and its PHA. The Housing Authority is a semi-independent agency governed by a Board of Commissioners. One member of the Board is appointed by the Governor of Massachusetts and the other four members are appointed by the Mayor. The authority to budget funds and expend them is contained within the statutes permitting the establishment of the PHA and also in the regulations published by the Federal Government through HUD and/or those published by the Commonwealth of Massachusetts through DHCD. Operating funds, from DHCD, are provided by formula and expenditure decisions are made by the local PHA Board. Capital funds from DHCD have been provided by competition in the past and are now in transition to a formula system and expenditure decisions are made by the local PHA Board with approval from DHCD. The PHA also receives funding for Housing Choice Vouchers (HCV – Section 8) and for the Massachusetts Rental Voucher Program (MRVP). The operation of these programs is managed by the PHA. It should be noted that DHCD receives HCV funding which it then distributes to 5 regional agencies, which in turn make them available to applicants.

## **AP-65 Homeless and Other Special Needs Activities - 91.420, 91.220(i)**

### **Introduction**

#### Consortium:

The HOME Consortium's primary focus will be to provide funding support for new affordable rental housing developments as lack of affordable rentals is the greatest concern in the region cited by homeless service providers; the Consortium will continue to play an active role in convening the North Shore Continuum of Care Alliance and the CoC's efforts to end homelessness in the region. The NSHC coordinated with member agencies to create a Coordinated Entry system which allows people in need to access services with a no wrong door approach. All CoC-funded units designated to serve the homeless are required to fill these units through the CE system and the process has demonstrated its effectiveness over several years.

#### City of Peabody:

While the City's primary role would be to provide support for any new permanent supportive housing requests, the City will continue to play an active role in the CoC's efforts to end homelessness in the region.

### **Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including**

#### **Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs**

#### Consortium:

The NSCofC has always made a concerted effort to strategize with all of the shelter providers on a periodic basis to determine how best to prioritize the HUD funds that are available through the CofC process. The resources are limited, and are sought as part of a nation-wide competition. Funds are received to support a coordinated entry system to track available resources and to connect people in need with those resources. Moving forward, the member agencies of the NS CofC have voted to join the Balance of State CofC, which will commence as of the next fiscal year. Monthly meetings of the former NSCofC providers will continue, however, and the City of Peabody will continue to support these agencies in their work to obtain necessary funding for their programs.

The NSHC is taking steps to move toward using a larger percentage of its HOME allocation for affordable rental housing in order to try to alleviate the shortage of affordable rental units in the region. Each year the NSHC prioritizes HOME funding for those proposed developments that will serve homeless families and individuals as long as the developer can demonstrate that it has the capacity and experience and can secure adequate funding to complete the project. Readiness to proceed is also a

strong consideration.

Each year the NSCoC coordinates an annual point in time count of homeless persons. Agencies track homeless individuals and continue to make connections with those individuals and to connect them with services. Through the coordinated entry system those homeless persons willing to go into housing are connected with available housing units and services.

The NSHC also encourages both private and public developers to set-aside and dedicate a percentage of the total number of units in any development to serve the homeless on a long-term basis. Prioritizing units of permanent housing to serve very-low income and extremely low-income households is also a strong consideration.

The Consortium will continue to work with the Continuum of Care to coordinate services to the homeless.

City of Peabody:

The City will continue to work with the Continuum of Care to coordinate services to the homeless. The City has expanded its collaborative efforts with the local CAP agency - the North Shore Community Action Programs, Inc. - to provide funding to its Outreach Program where NSCAP staff interacts directly with those who are living outdoors and with the local community policing division to bring individuals - sometimes couples - indoors into studio apartments. A broad range of supportive services are offered, but not always accepted.

**Addressing the emergency shelter and transitional housing needs of homeless persons**

Consortium:

The Consortium will continue to work with the Continuum of Care to coordinate services to the homeless.

The primary objective of the Continue of Care Alliance is to help homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) to make the transition to permanent housing and independent living. This includes shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again. This third point is among the most difficult to achieve because of the current need, the number of homeless families and individuals in need has reached crisis proportions. The NSCoC's coordinated entry system is an important tool in addressing the emergency and transitional housing needs of homeless persons. The intake process identifies and prioritizes the needs of individuals and families and matches them with appropriate

services and units.

City of Peabody:

The City will continue to work with the Continuum of Care to coordinate services to the homeless. Additionally, the establishment of the Peabody Task Force on Homelessness has made strides through a collaborative effort from a wide segment of the community to provide for some Temporary Overnight Emergency Shelter in a downtown church basement. The overall purpose is the prevention of loss of life. Several different local organizations are directly involved in supporting this effort.

**Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again**

Consortium:

The Consortium's efforts to increase the supply of affordable rental housing will provide increased opportunities for homeless or near homeless individuals and families to find permanent affordable housing.

As part of these efforts, the Continuum is fortunate to have a well-established network of local providers and state officials. Having these longstanding connections as well as an ever-changing number of new programs, actually does facilitate low-income individuals and families avoiding becoming homeless, especially extremely low-income individuals and families and those who are being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities and corrections facilities and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs.

The Consortium will continue to work with the Continuum of Care to coordinate services to the homeless. In the course of selecting projects to fund, the NSHC plays close attention to how any one project is connected to the efforts of the CoC and its partners in serving the homeless, especially in terms of permanent housing. For the past several years, one of the highest stated priorities of the NSHC has been the creation of new affordable rental units to assist homeless families and individuals. The availability of supportive services – funded by other sources – would enhance a proposal for the use of HOME funds. The specific needs of homeless families and individuals are continuously being evaluated throughout the year. Prioritizing the needs of the homeless and the formerly homeless in funding HOME-assisted developments has eventually gained some 'traction' with local developers. Over the past

few years some proposed developments- each year - are setting aside units to serve this population.

City of Peabody:

The Consortium's efforts to increase the supply of affordable rental housing will provide better opportunities for homeless or near homeless individuals and families to find permanent affordable housing in the City. Greater emphasis has been placed on providing resources for the most vulnerable members of the community and for those in the lowest income groups.

**Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs.**

Consortium: Members of this region's CoC participate in advocacy at the state level to insure that monitoring and discharge protocols are given ongoing priority. The Continuum is fortunate to have a well-established network of local providers and state officials. Having these longstanding connections as well as an ever-changing number of new programs, actually does facilitate low-income individuals and families avoiding becoming homeless, especially extremely low-income individuals and families and those who are being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities and corrections facilities and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs.

City of Peabody:

The City will continue to work with the Continuum of Care to coordinate services to the homeless. A growing collaborative effort among health care providers, state agencies, area nonprofit organizations, school systems, communities of faith and others have developed a strong network of caring professionals who are enthusiastic in serving these populations.

## **Discussion**

Consortium:

The Consortium and City of Peabody will continue to work with the Continuum of Care to coordinate services to the homeless and those with special needs. In the course of selecting projects to fund, the NSHC plays close attention to how any one project is connected to the efforts of the CoC and its partners in serving the homeless, especially in terms of permanent housing. For the past several years, one of the highest stated priorities of the NSHC has been the creation of new affordable rental units to

assist homeless families and individuals. The availability of supportive services – funded by other sources – would enhance a proposal for the use of HOME funds. The specific needs are continuously being evaluated throughout each year and we are seeing some progress in establishing a more collaborative system. The Coordinated entry system which is used to track resources and to connect people with those resources is also regularly evaluated to ensure that it is effective in keeping the flow of available units and people looking for those units up to date.

City of Peabody: In the course of selecting projects to fund, the City pays close attention to how any one project is connected to the efforts of the CoC and its partners in serving the homeless, especially in terms of permanent housing. New collaborations established within the past five years are yielding results and a more consistent community-wide conversation.

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

### **Introduction**

In addition to the high cost, developers report that the greatest obstacle to the development of affordable housing is public policy. Communities have over many years built up land use controls, zoning ordinances, growth limitations and other policies that limit developers ability to site new affordable housing developments. Residents on one hand complain at the high cost of housing and lack of affordable housing opportunities for their children while simultaneously fighting any steps being proposed to expand upon policies to allow greater flexibility for more development. Citizens often cite quality of life complaints when faced with the premise of a large scale development being sited in their neighborhoods, yet many decry the extended length of waiting lists at senior housing developments for their parents. This disconnect of causation on such important issues shows a great need for more discussion on these topics. Short of taking away communities' rights to self govern, there is little that can be done besides offering information to help bring about change.

**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**

#### Consortium:

The Commonwealth of Massachusetts has implemented laws to encourage communities to reach a minimum of 10% affordable housing for their residents. Part of these regulations includes the option to receive funding for the creation of a housing production plan which will assist the community to plan for future housing development and identify potential sites for affordable housing. The City of Peabody and several other Consortium communities have developed housing production plans, and will use these tools to plan for future housing development. The Consortium has little control over the housing policies of its member communities, but does provide information to the public officials in this service area on these topics and encourage communities to come to learn more about these issues.

#### City of Peabody:

In general, public policies affecting the cost and production of affordable housing are modified by specific zoning by-laws. Production is enhanced in Massachusetts through the following:

- inclusionary zoning (a percentage of housing developed in the marketplace being set aside for affordable use and usually placed within mixed income developments);
- accessory apartments (particularly effective in enabling low income elderly owners to continue

living in the community);

- overlay districts permit increased density and state funding support and enable affordable units within mixed income developments;
- Chapter 40R is a state law, which encourages and provides incentives for the development of transit related housing;
- Chapter 40B is a state law which permits it to override local zoning if local government does not have the zoning tools to permit affordable housing production. There is a voluntary process known as LIP [Local Initiative Plan] which a local government can use and thus not invoke state override of zoning.

The City is utilizing such features as density bonus provisions and inclusionary zoning. Inclusionary Zoning was established in 2004, to enhance the public welfare through increasing the production of housing affordable to persons of very low, low and moderate income. The City requires new, converted or renovated housing development to include 15% of housing units that shall be affordable to persons of very-low, low and moderate income. Accordingly, the provisions of this section are designed to:

1. increase the supply of rental and ownership housing in the City of Peabody that is available and affordable to low and moderate income households;
2. exceed the 10% affordable housing threshold established by the Commonwealth in M.G.L. Chapter 40B, Section 20;
3. encourages greater diversity and distribution of housing to meet the needs of families and individuals of all income levels.

The City of Peabody created an updated Housing Production Plan (HPP). This is a community's proactive strategy for planning and developing affordable housing by: creating a strategy to enable it to meet its affordable housing needs in a manner consistent with the Chapter 40B statute and regulations; and producing housing units in accordance with the HPP. If a community has a DHCD approved HPP and is granted certification of compliance with the plan by DHCD, a decision by the Zoning Board of Appeals (ZBA) relative to a comprehensive permit application will be deemed "consistent with local needs" under MGL Chapter 40B. "Consistent with local needs" means the ZBA's decision will be upheld by the Housing Appeals Committee.

## **Discussion**

### Consortium:

The NSHC is aware that it is assigned by statute the daunting task of working to remove or overcome 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. However, the responsibility does not come with any associated power or strength to convince member communities to make changes to their policies. The Consortium tries to keep an open and amicable relationship with its 30 member communities, and to convince each that it should utilize

the HOME funds available to try to help meet the need for affordable housing in the region, but in some areas, resistance to affordable housing is a reality, and we have little power to make change, but continue to make the funds available and to share opportunities for trainings to try to educate on the need for affordable housing.

City of Peabody:

See paragraph above.

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

### **Introduction**

No additional actions beyond those described in the priorities and goals outlined in the AP above are planned at this time.

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

#### Consortium:

The creation of the Consortium's Five-Year Consolidated Plan including its Housing Market Analysis and Needs Assessment serves to inform the Consortium member communities about current housing needs. Collaborating with emergency shelter providers on a regular basis underscored the need for additional rental units that are genuinely affordable.

#### City of Peabody:

No additional actions beyond those described in the priorities and goals outlined in the SP and AP sections above are planned at this time.

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

#### Consortium:

By collaborating with local nonprofit organizations and bring these current needs to the attention of elected officials can help to foster the production of new units. The affordable housing restriction required by the HOME program is one component that maintains the affordability for an extended period.

#### City of Peabody:

No additional actions beyond those described in the priorities and goals outlined in the SP and AP sections above are planned at this time.

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

#### Consortium:

The data made available from the Massachusetts Department of Public Health concerning the presence of hazards associated with the presence of lead-based paint will serve to call attention to the extent of this problem. While HOME funds may not be used to de-lead a unit without bringing that same unit up to the requirement of the Massachusetts Sanitary Code [Code Enforcement], HOME funds can be used

for the rehabilitation of existing residential structures. Creating new affordable units will be prioritized over units that may already have an affordability restriction.

City of Peabody:

No additional actions beyond those described in the priorities and goals outlined in the SP and AP sections above are planned at this time.

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

Consortium:

All of the shelter providers participating in the Continuum of Care are involved with job search and job readiness programs, some created by the Massachusetts Department of Employment and Training [DET]. In addition, all shelter providers utilize Case Management services upon interviewing each person or family seeking assistance. Often a client can be directed to a variety of programs to maximize benefits for which that individual may be eligible.

City of Peabody:

No additional actions beyond those described in the priorities and goals outlined in the SP and AP sections above are planned at this time.

**Actions planned to develop institutional structure**

Consortium:

The Consortium's institutional structure is constantly modifying and expanding with new members, shifting and providing re-consideration of the priorities as they see them locally, regionally and nationally. The NSHC CofC has modified its structure and process in the past, but over the next year its' most drastic change will happen when the NSCoC group will merge into the Mass Balance of State CoC. This merger came about in an effort to prevent duplication of efforts and to streamline duties and costs, specifically, the cost of the HUD required HMIS, which is cost prohibitive for the NSCoC to administer but by merging the CoC will have access at no cost to the State's HMIS systems. The NSHC will make other adjustments as needed to address the changing needs of the population that it serves.

City of Peabody:

No additional actions beyond those described in the priorities and goals outlined in the SP and AP

sections above are planned at this time.

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

#### Consortium:

Efforts continue to engage public and private housing agencies and developers in addressing the needs of the homeless. Longstanding perceptions concerning the homeless as being too difficult to serve, requiring services that housing agencies are unable to provide and generally being most costly than the general population makes it challenging to engage housing developers in serving this population. Housing the homeless is seen by some as economically draining.

#### City of Peabody:

No additional actions beyond those described in the priorities and goals outlined in the SP and AP sections above are planned at this time.

### **Discussion**

#### Consortium

By conducting a regional housing market analysis and needs assessment the Consortium has informed each community about housing needs. By convening its Continuum of Care Alliance the NSHC has kept up on the needs of those most in need in the region and transmit information on the availability of funding for the creation of affordable housing. Despite the merger with the State CoC, the NS CofC group will continue to meet to ensure that the needs of this specific region continue to be addressed.

#### City of Peabody:

No additional actions beyond those described in the priorities and goals outlined in the SP and AP sections above are planned at this time.

## Program Specific Requirements

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

#### Introduction

Members of the NSHC staff attend seminars and webinars to keep abreast of these changes in regulations and program requirements and the dates of implementation.

#### 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% |

#### HOME Investment Partnership Program (HOME)

##### Reference 24 CFR 91.220(I)(2)

1. A description of other forms of investment being used beyond those identified in Section 92.205 is

as follows:

The NSHC will not utilize any other form of investment beyond those identified in section 92.205.

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

The NSHC's policy for Resale and Recapture in Homeownership Assistance Projects has different parameters for its former First Time Homebuyer Down Payment Assistance activities and for Homeownership Development Projects.

In the case of First Time Homebuyer Down Payment Assistance, the NSHC has put in place the Recapture model. Recapture provisions ensure that NSHC recoups all or a portion of the HOME assistance to the homebuyers if the housing does not continue to be the principal residence of the family for the duration of the period of affordability. The Consortium requires that the full amount of the initial HOME investment be repaid, unless insufficient funds are available from the sale of the property to repay, in which case the shared net proceeds method is implemented. If the net proceeds are not sufficient to recapture the full HOME investment plus enable the homeowner to recover the amount of the homeowner's down payment and any capital improvement investment made by the owner since purchase, the NSHC may share the net proceeds. The net proceeds are the sales price minus loan repayment (other than HOME funds) and closing costs. The net proceeds may be divided equally.

In the case of the new Development of Ownership Housing units, the NSHC utilizes the Resale model. Resale requirements must ensure, if the housing does not continue to be the principal residence of the family for the duration of the period of affordability, that the housing is made available for subsequent purchase only to a buyer whose family qualifies as a low-income family and will use the property as its principal residence. The price at resale must provide the original HOME-assisted owner a fair return on investment (including the homeowner's investment and any capital improvement) and ensure that the housing will remain affordable to a reasonable range of low-income homebuyers. The period of affordability is based on the total amount of HOME funds invested in the housing. An affordability restriction, running with the land, is used as the mechanism to impose the resale requirements. The affordability restrictions may terminate upon occurrence of any of the following termination events: foreclosure, transfer in lieu of foreclosure or assignment of an FHA insured mortgage to HUD. The NSHC may use purchase options, rights of first refusal or other preemptive rights to purchase the housing before foreclosure to preserve affordability. The affordability restrictions shall be revived according to the original terms if, during the original affordability period, the owner of record before the termination event, obtains an

ownership interest in the housing.

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

Every HOME-assisted unit is covered by legally binding agreements that require that the affordability restrictions must be met or exceeded. It is typical for a borrower to execute a Loan Agreement, a Promissory Note, a Mortgage and an Affordable Housing Restriction. Where multiple funding sources come into play, including funds from DHCD and/other state agencies (such as the Massachusetts Housing Partnership Funds [MHP], the Community Economic Development Assistance Corporation [CEDAC] or similar sources, MassDocs are used. These loan documents have been developed to encompass the lending requirements of multiple agencies including the requirements of the HOME Program. See above for the resale and recapture policy for the NSHC.

#### Rental Housing Development

The development of affordable rental housing will continue to be the primary goal of the NSHC during this funding period. HOME funds will be leveraged to enlist additional sources of funds wherever possible to maximize the limited resources available to this organization. Every effort will be made to engage those engaged in developing affordable housing, both private and public, for-profit and nonprofit, to further the development of affordable rental units.

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

Although the Consortium did implement a change in its local policies to accommodate the refinancing of existing debt to in the instance of housing rehabilitation, this was enacted on a trial basis for a two-year cycle. One HOME-assisted multi-family development (four units) utilized this policy change. However, after that two-year cycle, no other development proposal sought that refinancing capacity, and the policy was discontinued. Although there may be a possibility of reviving that policy, if needed, there tends to be a priority to use these resources to create new units and not to refinance the debt of an existing affordable development.

None

