

City of Springfield

DRAFT

Neighborhood Revitalization Strategy Area Plan - NRSA

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. 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 near and short-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;
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 of 2010 census data indicates that the metropolitan area is ranked #1 in the country for Hispanic-White segregation and #22 for Black-White segregation. 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.

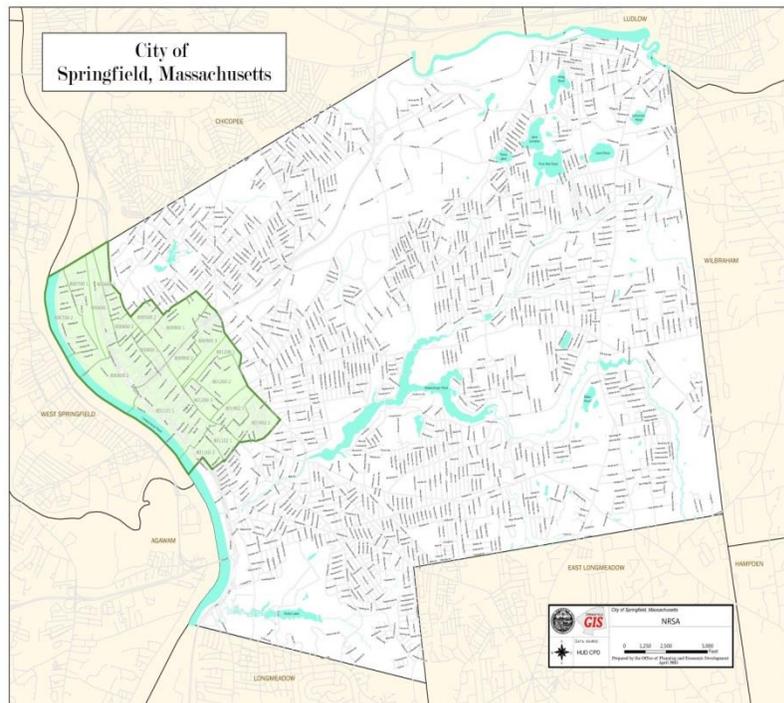
Research indicates that living in a racially/ethnically concentrated area of poverty (R/ECAP) has negatives impact on resident outcomes for health, education and employment. R/ECAPs are areas where the poverty rate exceeds 40% and the non-white population is 50% or more.

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. The City initially considered designation of all R/ECAPs as its NRSA, but received feedback that this area was too large to meet the focused intent of a NRSA.

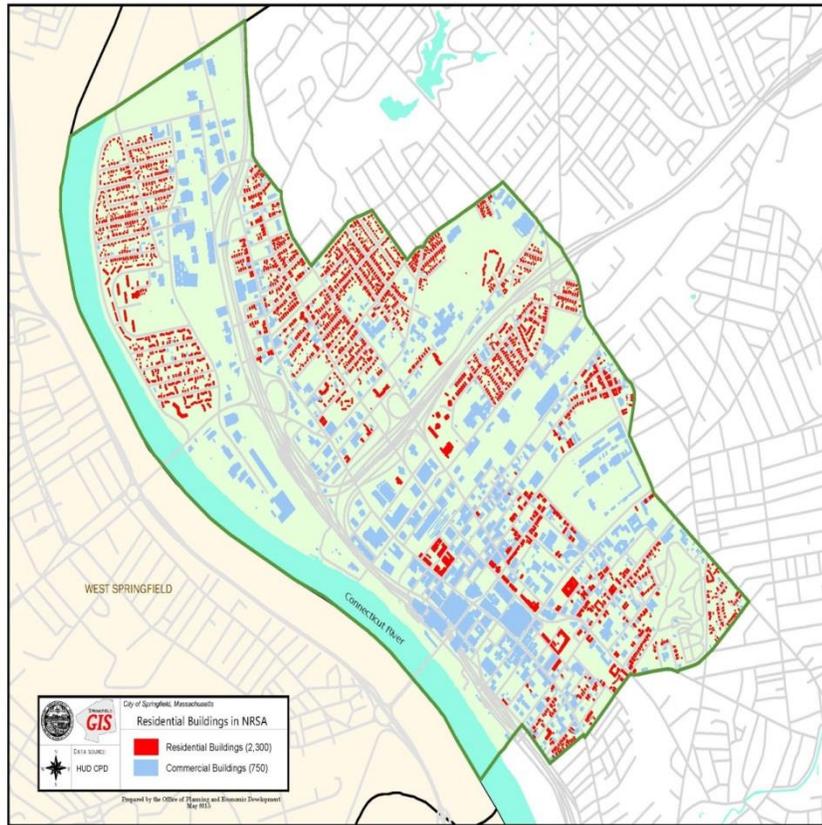
Among the City's largest R/ECAPs, the primary areas are North End-Metro Center, South End, and Old Hill/Six Corners. The South End and Old Hill/Six Corners areas were severely damaged by a tornado in 2011, and the City is currently spending the majority of its CDBG-Disaster Recovery (CDBG-DR) funds, in the amount of \$21.9 million, to revitalize these areas. The City made the determination that, since it was otherwise focusing funding and strategies in those neighborhoods with a different funding source, it should designate the remaining area, not hit by the tornado, as its 2015-2019 NRSA. This enables the City to provide targeted investment throughout its R/ECAPs.

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.

NEIGHBORHOOD REVITATIZATION STRATEGY AREA – NRSA-Map 1



NEIGHBORHOOD REVITATIZATION STRATEGY AREA - RESIDENTAL AREAS – Map 2



Boundaries

The NRSA comprises parts of nineteen census tracts and block groups. This area is made up of parts of the neighborhoods Brightwood, Memorial Square, and Metro Center.

Census Tract	Block Group	Census Tract	Block Group
8005	2	8009	3
8006	1	8011.01	1
8006	2	8011.02	1
8006	3	8011.02	2
8007	1	8012	1
8007	2	8012	2
8008	1	8012	3
8008	2	8019.02	1
8009	1	8019.02	2
8009	2		

Contiguous Census Tracts

The borders of the revitalization area are highlighted on Map 1, which shows that the census tracts and block groups form a contiguous border. Programs and projects will qualify for NRSA benefits if activities take place within, or serve the needs of residents of the defined area.

Low-to-moderate Income Analysis

An analysis of the 2006 ACS demographic information for the proposed NRSA shows that the proposed NRSA exceeds the low-moderate-income requirements of HUD CPD Notice 96-01. The percentage of LMI residents within this area is above the 70.17% upper quartile percentage for the City of Springfield.

Tract	BlkGrp	LMI Population	Total Population	% LMI
8005	2	800	1,035	77.29%
8006	1	650	740	87.84%
8006	2	885	955	92.67%
8006	3	870	960	90.63%
8007	1	1,290	1,525	84.59%
8007	2	2,120	2,460	86.18%
8008	1	1,180	1,235	95.55%
8008	2	575	605	95.04%
8009	1	1,445	1,570	92.04%
8009	2	1,020	1,120	91.07%
8009	3	955	1,125	84.89%
8011.01	1	1,675	1,910	87.70%
8011.02	1	810	1,000	81.00%
8011.02	2	375	385	97.40%
8012	1	1,025	1,095	93.61%
8012	2	610	750	81.33%
8012	3	390	510	76.47%
8019.02	1	1,500	1,735	86.46%
8019.02	2	655	895	73.18%
TOTAL NRSA		18,830	21,610	87.14%

Demographic Characteristics

The North End-Metro Center NRSA has a 50% poverty rate and 22% unemployment rate. The Neighborhood is 86% non-white—it is 12% black and 74% Hispanic. 70% of households are female-headed single-parent families. In addition, 24% of the NRSA’s population has a primary language other than English and speaks English “less than well.”

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 2015-2019 Consolidated Planning Process, and includes many elements of that larger plan.

The City of Springfield consults with many agencies in the City and region to understand local needs as it created its Consolidated Plan and NRSA. Springfield held two public hearings, community meetings and focus groups to obtain input from the citizens. The City distributed over 500 surveys to residents and organizations. The surveys were also available on survey monkey. The survey was used to determine and establish community goals, needs, and priorities for the next five years, 2015-2019. The results of the survey are used to determine these needs and priorities. The survey was completed by 1925 people.

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.

Economic Assessment

The North End-Metro Center NRSA includes some of the lowest income neighborhoods in both the City of Springfield and the Commonwealth of Massachusetts. The goal of establishing the NRSA in this district is to create targeted opportunities for residents for further education, skills training, quality housing opportunities, and ultimately sustained employment and increased income.

The district includes parts of the City's Metro Center, Memorial Square, and Brightwood neighborhoods, each of which have their own distinct attributes. Metro Center, while the center of commerce and business for Springfield, is also home to a concentration of income restricted residential rental units and a median household income of under \$16,000. It is within Metro Center in the NRSA where the skills gap between the many high wage employment opportunities in the neighborhood and residents skills and education levels is most obvious. Of residents over 25 years old in the 2011.11 census tract which encompasses much of Metro

Center, over 27% have an educational attainment of 9th grade or lower and over 47% do not have a high school diploma or equivalent. Just 9.4% have received a Bachelor's Degree or higher. The difference in earnings between these categories indicates the small percentage with a Bachelor's Degree is earning over two times as much annually as those without a high school diploma.

These trends of lower educational attainment play out throughout the NRSA district producing similar and worse gaps. Census tract 8006 in the Memorial Square neighborhood is host to 59.1% of all residents over 25 years of age without a high school diploma. Just 4.5% of residents in this tract have a Bachelor's Degree or higher. The correlation between education and income is stark, with those without high school diploma's earning just over \$13,000 per year on average.

The Memorial Square neighborhood is located adjacent to Baystate Medical Center, the largest employer in Western Massachusetts and one that has a constant flow of openings for a variety of jobs. Also nearby are two other major hospitals, Mercy Hospital and Shriners Hospital, as well as a significant amount of private medical development in the Main Street and Wason Street areas. The city worked with UMASS Amherst to complete a 2012 analysis of the Medical District, looking at trends of employees in the district – one of the clearest trends being a zip code analysis showing the highest wage employees live furthest from the district, and the lowest wage earners live in much of the NRSA.

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.

Although Springfield's unemployment has dropped from 11.6% in March, 2014 to 9.0% in March, 2015, it still ranks far higher than both Massachusetts (4.8%) and National (5.5%) levels. The city has focused its attention on creating job opportunities through significant projects such as MGM Springfield, a mixed-use entertainment complex that will create 3,000 new permanent jobs and 2,000 construction jobs.

In addition, CNR Railways announced a major new facility in the East Springfield neighborhood that will employ hundreds in construction and ultimately manufacturing of railcar vehicles for the MBTA. These new projects as well as many others will result in the need for a skilled workforce. The city has been investing in workforce training programs and has begun initial

planning work around a Center of Excellence for workforce training and innovation on the campus of Springfield Technical Community College's Tech Park.

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 number 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 assessments section. The 2015-2019 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 goals and objectives 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.

2015-2019 Consolidated Plan Goals

Economic Development: Over the next five years the City will expand job training, job development, and job readiness programs to effectively develop a competitive workforce. It will promote an environment that encourages entrepreneurship and small business growth, strengthens existing businesses, and expands economic opportunities. The City will support organizations that contribute to the revitalization of neighborhood commercial districts. In addition, Springfield will promote sustainability and smart growth development through improvements in transportation choices of all modes, brownfields remediation, and historic preservation.

Neighborhood Stabilization and Housing: The City will improve the quality of the City's housing stock and undertake coordinated development projects in order to revitalize its most distressed neighborhoods. The City will preserve and expand housing options for residents to access safe, sanitary, and affordable homes.

Community Development: The City will work to improve the physical environment through enhancement of streets, parks, streetscapes, open space, and remediation of blight. It will strive to create and maintain appropriate community facilities, to provide support and increased opportunities for residents of Springfield with particular focus on City's youth, and to design and implement projects which will increase the City's resilience to natural disasters.

Homeless and Special Needs Populations: The City will continue to undertake coordinated strategies to end homelessness. It will support special needs populations with housing options, supportive services and facilities as appropriate.

Performance Measurers

Over the course of the 2015-2019 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.

Within NRSA:

Economic Development:

- Assisting Businesses: 25 Businesses
- Jobs Created: 10 Jobs
- Jobs Training: 100 persons trained
- Historic Preservation: 1 Housing Unit

Neighborhood Stabilization and Housing:

- Rental Units Rehabilitated: 10 Housing Units

- Homeowner Housing Added: 3 Housing Unit
- Homeowner Housing Rehabilitated: 20 Housing Units
- Direct Financial Assistance to Homebuyers: 50 Households Assisted

Community Development:

- Persons Assisted: 45,000 persons
- Clearance and Demolition: 10 Buildings/Housing Units
- Housing Code Enforcement/Foreclosed Property Care: 1200 Housing Units
- Public Facilities/Infrastructure Improvements: 15,000 Persons Assisted
- Energy Efficiency: 250 Housing Units
- Graffiti: 25 Buildings
- Capacity: 5 organizations

Homeless and Special Needs Populations:

- Tenant-based Rental Assistance/Rapid Rehousing: 100 Households Assisted
- Homeless Person Overnight Shelter: 1000 Persons Assisted
- Homelessness Prevention: 150 Persons Assisted