

# CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT



## CITY OF SALEM, MASSACHUSETTS

*Fiscal Year 2011*  
*July 1, 2010 to June 30, 2011*

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## EXECUTIVE SUMMARY

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

During Fiscal Year 2011, we expended \$1,453,154.17 in CDBG funds to assist our low- and moderate-income residents. The focus of the program continued to target affordable housing programs, neighborhood improvements, public service programs, and economic development initiatives. In addition to CDBG funds, we expended \$243,982 in HOME funds - including \$5,169 in American Dream Downpayment Initiative (ADDI) funds, exhausting the remaining funds for which Salem had contracted from a prior year with the North Shore HOME Consortium to use to assist first time homebuyers.

The FY11 Consolidated Annual Performance and Evaluation Report (CAPER) provides an analysis of the first fiscal year - July 1, 2010 through June 30, 2011 - of the City's 5-Year Consolidated Plan completed in 2010. This report is an opportunity to demonstrate our progress and report our successes over the past fiscal year and to inform the community of how federal and local programs are making a difference in the lives of low- and moderate-income residents throughout Salem.

### **Overview**

Overall, we made notable progress during the past fiscal year. As this report indicates, we made a significant advancement in meeting the goals and objectives stated in the 5-Year Consolidated Plan and FY11 Action Plan. We also continued to meet HUD required funding and expenditure caps and timeliness requirements.

We use various indicators to measure our success. In our housing programs, we continue to attract first time homebuyers in neighborhoods throughout the city, improve housing conditions, help renters move into decent, affordable housing and work toward increasing our affordable housing stock. Our economic development programs continue to attract new businesses that create jobs in our city and to improve existing businesses that retain jobs and enhance economic vibrancy. Public service agencies continue to reach our low- to moderate-income residents with their valuable programs that work toward family self-sufficiency. Finally, our neighborhood improvement projects made visible changes to areas in the City of greatest need and helped all residents gain access to both public and private services. Perhaps the greatest indicator of our success is illustrated in the positive feedback we receive from those affected by our programs.

### **Organization of the Report**

In this report, we included data to fulfill HUD requirements, as well as information that may be of interest to our residents. The CAPER is broken up into four sections—Assessment of Goals and Objectives, Supplementary Narratives, Funds Leveraged, and Citizen Participation Summary—in order to provide residents with an overview of our accomplishments and allow readers to track our progress throughout the fiscal year.

- *Assessment of Goals and Objectives* – Throughout this section we provide a summary of our accomplishments over the past fiscal year, including a summary of our expenditures. It provides an overview of each program area including an assessment of goals and how activities met the objectives laid out in the Consolidated Plan.
- *Supplementary Narratives* – As part of our reporting requirements for HUD, we must answer certain questions regarding our program expenditures and activities. In this section, we provide supplementary narratives that provide answers to these questions.
- *Funds Leveraged* – Another measure of the success of our program is the funds we leverage with our federal grants. This section includes a table outlining the funds leveraged from CDBG and HOME.
- *Citizen Participation Summary* – In this section, we outline how we solicit public comment on our programs and list the comments heard, if any, during the Public Comment Period, along with our response to those comments.

The Appendix includes maps, a Financial Summary and tables and spreadsheets to help illustrate program expenditures and progress.

### **Contact Information**

We are always open to feedback on our progress, as well as to answer questions regarding any of our programs mentioned in this report. If you would like more information please contact the Department of Planning and Community Development at 978-619-5685.

# TABLE OF CONTENTS

INTRODUCTION .....	1
Assessment of Goals and Objectives.....	3
Affordable Housing Programs .....	4
Public Services .....	14
Economic Development .....	18
Neighborhood Improvements .....	21
Planning & Administration .....	23
Other Actions .....	24
Summary/Program Evaluation/Conclusions .....	28
Supplementary Narratives.....	30
Funds Leveraged .....	33
Citizen Participation Summary .....	35
Appendix	
Financial Summary	
Progress of Consolidated Plan 5-Year Goals	
IDIS Report PR23 Excerpts	
Total CDBG Beneficiaries by Racial/Ethnic Category	
CDBG Beneficiaries by Income Category	
IDIS PR54	
Maps	
Section 3 Report	

*Cover photo: Salem Harbortalk along South River, July, 2010*

# INTRODUCTION

The Consolidated Annual Performance and Evaluation Report (CAPER) is a summary of the annual accomplishments produced by the City of Salem and its community partners, as the goals and objectives of the 5-Year Consolidated Plan (Fiscal Years 2011-2015 (FY11-15)) were implemented. The current 5-Year Consolidated Plan began on July 1, 2010. The FY11 CAPER provides an analysis of the first fiscal year of the 5-Year Consolidated Plan — July 1, 2010 through June 30, 2011.

## Program Goals

One of the overarching goals of the City of Salem is to provide a healthy, affordable and accessible community for its residents to live and work and for its businesses to thrive. To accomplish this goal, the City uses grants from the U.S. Department of Housing and Urban Development (HUD)—Community Development Block Grant (CDBG) and Home Investment Partnership Program (HOME)—which are administered through the Department of Planning and Community Development (DPCD). The following describes each of the grants and their program objectives.

- **CDBG** is a formula-based program designed to develop viable urban communities by providing decent housing, a suitable living environment, and expanding economic opportunities for persons of low- and moderate-income<sup>1</sup>.
- **HOME** is a formula-based program for expanding and improving the supply of decent, safe and affordable housing for low- and moderate-income persons.

These resources fund a wide range of projects designed to develop and maintain affordable housing, improve neighborhood public facilities, provide economic opportunities, improve access to public facilities for people with disabilities, provide critical public services, assist people who are homeless, and prevent homelessness.

## Importance of the Consolidated Plan, Annual Action Plan, and CAPER

In a streamlining effort initiated in the mid-1990s, HUD consolidated the various planning efforts required by the National Affordable Housing Act of 1990 and the Housing and Community Development Act of 1992. A Consolidated Plan for Housing and Community Development (Consolidated Plan) must be prepared every five years in order to receive CDBG and HOME funds from HUD. Prior to the start of each fiscal year within the five-year Consolidated Plan period, an Annual Action Plan must also be prepared which lists the specific projects that will be undertaken with CDBG and HOME funds during that year.

In addition to streamlining planning efforts, HUD also streamlined reporting requirements through the development of the Consolidated Annual Performance and Evaluation Report (CAPER). The CAPER must be prepared annually and must describe how CDBG and HOME program activities address goals and objectives identified in the Consolidated Plan.

This approach to planning and reporting eliminates duplication in preparing separate applications and reports that, in turn, require multiple planning, development and citizen participation meetings throughout the year. More importantly, the Consolidated Plan, Annual Action Plan, and CAPER provide a comprehensive analysis of community needs, identify goals, and lay out objectives that will

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<sup>1</sup> Low- to moderate- income individuals equals less than 50 or 80 percent of the Boston area median income respectively.

be undertaken to address those needs, as well as provide a mechanism for reporting accomplishments.

The Consolidated Plan, Annual Action Plan, and the CAPER provide a means to evaluate each community's situation and determine the most effective ways to use funds received from HUD. The Consolidated Plan establishes a vision for attaining a higher quality of life for low- and moderate-income residents, the Annual Action Plan outlines specific activities that work toward accomplishing that vision, and the CAPER measures the success in achieving that vision.



*Fall, 2010 MediClerk Students*

## ASSESSMENT OF GOALS AND OBJECTIVES

During FY11, the DPCD continued to make significant progress toward meeting the goals and objectives laid out in the 5-Year Consolidated Plan and FY11 Action Plan. The CDBG entitlement funds from HUD for the fiscal year was \$1,125,447 and program income received during the program year was \$151,366.03. Our HOME funding allocation was \$208,768. We also used any available carried over CDBG, HOME and ADDI funds from prior years.

### CDBG Expenditures

In FY11, we expended a total of \$1,453,154.17 in CDBG funds. Expenditures were divided into five program areas — Affordable Housing, Neighborhood Improvements, Planning & Administration, Public Services and Economic Development. In FY11, we met all timeliness requirements and program expenditures were consistent with our 5-Year Consolidated Plan and FY11 Action Plan goals. Furthermore, Public Service programs were at 15 percent, the maximum allowable for such activities, and we did not exceed the 20 percent Administration spending cap. In the Financial Summary tables found in each program area, “funding available” indicates the total CDBG funds available during the fiscal year, including FY11 and prior year carried over funds+/- any adjustments made during the year.

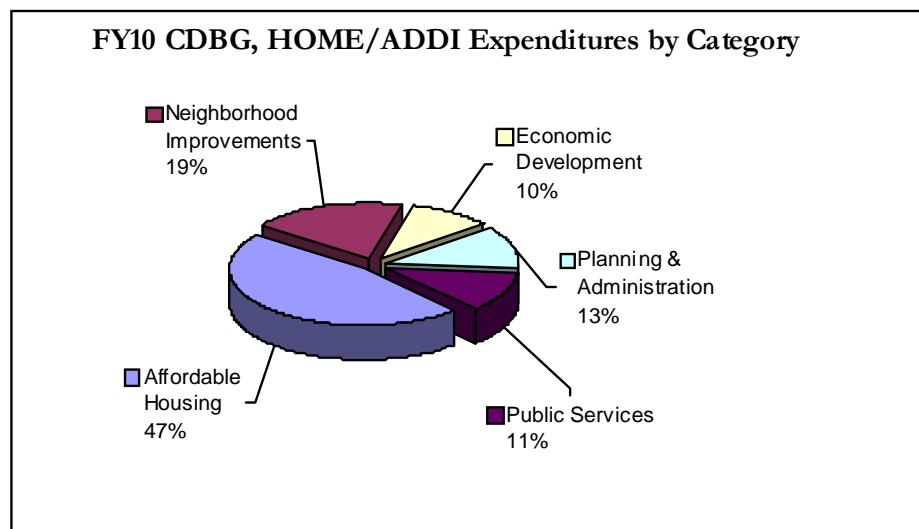
### HOME Expenditures

In addition to CDBG funds, the DPCD also spent \$243,982 in HOME funds to undertake affordable housing activities (including \$5,169 in ADDI funds). When added to the \$510,971.21 spent in CDBG funds for affordable housing programs, the total amount spent for housing programs is \$754,953.21 – representing the highest level of funding for any of our funding categories. The City of Salem is a member of the North Shore HOME Consortium and the specific accomplishments of HOME activities are reported to HUD through the Consortium by the City of Peabody. However, a summary of our activities are reported throughout this document.

### Program Accomplishments

Overall, we were on target in meeting our Consolidated Plan goals and objectives. The following sections provide a summary of accomplishments for each of our program areas and evaluate our progress based on the needs outlined in the 5 Year Consolidated Plan and FY11 Action Plan. The final section provides an overall evaluation of our programs. The Financial Summary of our expenditures found in the Appendix illustrates our compliance with program expenditure caps as well as expenditures by category (see Figure 1).

Fig. 1 FY11 Spending by Category,  
as a Percentage of Total CDBG, HOME/ADDI Expenditures



## AFFORDABLE HOUSING PROGRAMS

Due to the high cost of housing in Massachusetts and the high rate of foreclosures, we continue to place the creation and preservation of affordable housing as the highest priority of Salem's CDBG and HOME. The City of Salem has a number of services that address housing issues including rehabilitating and maintaining current housing stock, developing new housing opportunities, assisting families in acquiring housing and enabling struggling families to remain in their homes.



*Before and After of 155 Bridge Street with owner Charles Reardon.*

In FY11, the City of Salem spent \$754,953.21 in CDBG, HOME and ADDI funds on affordable housing projects and programs. The project accomplishments attained with these funds during FY11 are described in the following table.

**Table 1: FY11 Housing Financial Summary**

Project	Project Description	Funding Available <sup>2</sup>	Status
First Time Homebuyer Program	Provides 0% interest deferred payment loans to low- to moderate-income families that wish to purchase a home in the City of Salem.	\$48,775 HOME  \$5,169 ADDI	<ul style="list-style-type: none"> <li>• \$48,775 HOME funds spent</li> <li>• \$5,169 ADDI funds spent</li> <li>• 7 Salem families assisted</li> <li>• 9 total units</li> </ul>
Housing Rehabilitation Loan Program	Provides a combination of technical and financial assistance to help Salem's low- to moderate-income homeowners and landlords make much needed improvements to their properties.	\$488,803.95 CDBG  \$54,350.00 HOME <i>(does not include program income, unprogrammed or carried over funds)</i>	<ul style="list-style-type: none"> <li>• \$399,921.45 CDBG funds spent</li> <li>• \$54,350 HOME funds spent</li> <li>• 17 units improved (15 owners)</li> <li>• 3 additional units underway (3 CDBG projects)</li> </ul>
Rental Assistance Programs	<i>Rental Downpayment Assistance Program</i> - funds are used to help low- and extremely low-income Salem residents move into decent, affordable rental units. Programs are administered through NSCAP, HAWC and the Salvation Army.	\$215,911.37 in open HOME Contracts	<ul style="list-style-type: none"> <li>• \$105,549.50 in HOME funds spent</li> <li>• 47 families assisted thru Rental Downpayment Program Assistance</li> </ul>

<sup>2</sup> "Funding available" indicates the total funds available during the fiscal year, including FY11 and prior year carried over funds +/- any adjustments made during the year.



Project	Project Description	Funding Available <sup>3</sup>	Status
HAWC	Tenant Based Rental Assistance	\$10,000.00	<ul style="list-style-type: none"> <li>• \$10,000 added to existing N. S. HOME Consortium contract (accomplishments to be reported by the Consortium)</li> </ul>
Housing Program Delivery	Costs associated with providing rehabilitation programs & inspectional services.	\$121,384.76 CDBG \$20,138.50 HOME \$855 Get the Lead Out Program	<ul style="list-style-type: none"> <li>• \$111,049.76 in CDBG funds, \$20,138.50 in HOME and \$855 in GTLO funds for housing program delivery and inspectional services, including lead inspection</li> </ul>

### Other Priority Housing Strategies

In addition to the projects listed above that were undertaken with CDBG and HOME program funds, we also worked on the development of our other priority housing strategies listed in the Consolidated Plan and the FY11 Action Plan. The following discusses the status of these projects and the steps taken to achieve these strategies.

- **Producing New Housing Units**

Salem consistently provides support toward the creation of new affordable housing units through the conversion of old, abandoned or underutilized buildings and parcels into new residential housing units. For example, the City has committed funding to develop affordable housing units at the former St. Joseph's Church site. The Planning Office for Urban Affairs (POUA) is the developer. The proposed project includes the razing of the former church and convent building, the renovation of the former rectory and school buildings and the construction of a new four-story building on the site. The mixed-use development will include 76 dwelling units (51 in the new building, up to 25 in the renovated school and rectory), 4,400 s.f. of commercial space and a neighborhood community center. The 51 units in the new building are the first phase of the development and consist of affordable rental units. The City has committed \$300,000 of CDBG/HOME funds towards the redevelopment project. In addition, \$1 Million in PWED funds have been allocated for traffic and infrastructure improvements to the adjacent intersection, for which the City has allocated approximately \$185,000 in matching funds. These funds were leveraged by and will benefit the St. Joseph's Redevelopment. The development was recently awarded funding through DHCD's One Stop Funds Program, enabling the project to finally move forward. Other funding sources for the project include funds from the North Shore HOME Consortium

- **An Affordable Housing Fund**

In 2003, the City entered into a Memorandum of Agreement with a housing developer which resulted in a \$50,000 contribution in 2005 for affordable housing activities. The City Council created an Affordable Housing Trust at the end of 2006 to create and preserve affordable housing. The first meeting of the Trust took place in March, 2007, and the Trust continues to meet as needed. The City continues to negotiate with developers on a case by case basis for

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<sup>3</sup> "Funding available" indicates the total funds available during the fiscal year, including FY11 and prior year carried over funds+/- any adjustments made during the year.

affordable units or a contribution to the Trust. The Trust has contributed \$25,000 to Salem Lafayette Development as predevelopment funding for the St. Joseph's Church redevelopment, as well as \$24,175 to a local shelter for ADA and safety repairs.

- Preserving Existing Affordable Units

Salem has five private subsidized rental housing developments – Salem Heights, Loring Towers, Pequot Highlands, Princeton Crossing, and Fairweather Apartments. Each of these properties was built with the requirement that they remain affordable for a minimum of 40 years (or until the mortgage was paid). Recently, the affordability of two of these developments was in jeopardy. The city took the following actions:

- In February 2003, the city reached an agreement that will keep Salem Heights' 283 apartments rented at affordable rates for 100 years.
- The City negotiated with the owners and tenants of Loring Towers, a HUD 236 property that the owner had proposed to convert to a Low Income Housing Tax Credit (LIHTC) project. In June 2007, in order to protect the long-term affordability, as well as the affordability for existing tenants, the Mayor signed a 121A Agreement and entered into a Memorandum of Understanding that will ensure that 90 percent of the 250 units will be reserved for families and individuals at or below 60 percent AMI. Furthermore, 10 percent will be reserved for those at or below 30 percent AMI for a period of forty years.

In addition, the Preservation of Affordable Housing (POAH) purchased Fairweather Apartments. This purchase will ensure the continued affordability of these 127 units.

- Foreclosure Prevention

Located at [www.salem.com/pages/salemma\\_dpced/additionalresources/other](http://www.salem.com/pages/salemma_dpced/additionalresources/other), the city's website contains a list of links to various resources for foreclosure prevention and legal assistance. Additional links are added as they become known. Housing staff are contacting and offering assistance to families threatened with the possibility of foreclosure and are maintaining a tracking list of all pre-foreclosure, foreclosure and bank-owned properties in the city. In addition, we are mailing information on tenant's rights regarding displacement to renters in buildings that are on the foreclosure tracking list.

The City encourages first-time homebuyers to complete a certified homebuyer education course, such as the one funded with CDBG funds through Community Teamwork, Inc. Furthermore, the City continues to fund homeless prevention programs through Catholic Charities, Salvation Army, NSCAP and Healing Abuse Working for Change (HAWC). These programs provide emergency financial assistance to prevent eviction.

- Eliminating Vacancies as a Result of Foreclosure

Foreclosure often results in families being displaced from their home. Foreclosures also result in an increased demand for affordable rental units by both the former homeowner and by any displaced tenants. In addition, foreclosure can result in vacant buildings, which can have a deteriorating effect on neighborhoods.

The following chart shows the number of Foreclosure Deeds (properties that became bank-owned) in Salem for the past four complete calendar years<sup>4</sup>.

<b>YEAR</b>	<b>1-FAMILY</b>	<b>CONDO</b>	<b>ALL</b>
2010	18	33	64
2009	19	25	62
2008	19	32	73
2007	18	25	55

The City continues to fund Rental Downpayment Assistance programs at Salvation Army, NSCAP and HAWC to provide first/last month's rent and security which can be used by displaced families. The city monitors vacant, abandoned and problem properties through collaborative efforts between the Health Inspector, Fire Chief, Building Inspector, City Solicitor and Housing Coordinator and has mapped those properties in GIS. Abutters of bank-owned properties are sent letters asking them to be observant and report problems.

The City's First-Time Homebuyer Downpayment Assistance Loan Program is available to first-time buyers who hope to take advantage of the lower price that they may get by purchasing a foreclosed upon home. The City's Housing Rehabilitation Loan Program is available to investors who purchase foreclosed properties so that they can bring the property up to code and turn them into affordable rental units.

An important part of the City's recovery and revitalization efforts is helping to re-occupy and repair foreclosed properties. From August, 2007 through June, 2011, the City helped a total of fourteen homebuyers to purchase bank-owned properties, with approximately \$134,000 in downpayment assistance. In addition, the City has aided four homebuyers and investors who have purchased foreclosed properties in making repairs through the Housing Rehabilitation Loan Program. As part of the program, any renovated rental units are restricted to affordable rents and must be occupied by low- to moderate-income households for a period of 15 years.

- **Improving Public Housing**

The Salem Housing Authority continues to manage and maintain its 715 units of elderly, family, and handicapped housing stock. Modernization work is progressing through funding of applications made by the SHA to Massachusetts Department of Housing and Community Development and to HUD. The following modernization work is underway or expected to begin in FY11:

- \$225,000 elevator replacement at the Morency Manor elderly housing development;
- \$200,000 elevator replacement project at the Phillips House family handicapped housing development;
- \$38,000 flashing repair project at the 27 Charter Street elderly housing development
- \$661,000 heating system upgrade project at the 197 public housing units at Garden Terrace, 117 Congress Street, 26 Prince Street, 33 Park Street and Farrell Court family housing developments as well as Leefort Terrace, Morency Manor and the Dalton Building elderly housing; and,
- \$220,000 door replacement and related work at the Leefort Terrace elderly housing development.

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<sup>4</sup> The Warren Group, "Foreclosure Stats", [www.thewarrengroup.com](http://www.thewarrengroup.com).

- Providing Expanded First Time Homebuyers Assistance

The City continues its goal to provide families with the opportunity to own their first home. One of the most popular programs the City operates is the First-Time Homebuyer Downpayment Assistance Loan Program (FTHB). In addition to basic downpayment assistance, the program offers a \$1,000 increase over the maximum loan amount for homeowners who complete First-Time Homebuyer Counseling through a qualified training program.

In addition to administering the City's First-Time Homebuyer Downpayment Assistance Loan Program, DPCD staff provides assistance to coordinate other resources for down payment assistance, such as Massachusetts Housing Partnership (MHP) SoftSecond Loan program and a variety of homeownership programs offered by MassHousing, as well as supporting first-time homebuyer education workshops provided by the Community Teamwork, Inc.

- Providing Assistance to Renters

The city continues its commitment to assist families with Rental Downpayment Assistance (first and last month's rent and security deposit) in order to provide families with the funds necessary to secure housing. The program is an important tool for helping families with the cost of moving into a decent apartment.

- Rehabilitation of Existing Housing

The majority of the housing stock in the city was built prior to 1949. While older homes are an integral part of Salem's history and neighborhood fabric, they also require a great deal of maintenance and may not meet current building codes. In response to this issue, the city administers a Housing Rehabilitation Loan Program to provide low-interest loans to owners of single and multi-family properties to address cost-prohibitive health and safety issues. Through the rehabilitation of existing housing stock, more homeowners, as well as tenants residing in rental units, can live in decent housing. The program is also available to investor-owners with low- to moderate-income tenants, to address code compliance and health and safety issues and to maintain affordable, quality rental properties and to discourage the conversion of affordable rental units into market rate condominiums.

In addition, the City offers deleading assistance for homeowners through MassHousing's *Get the Lead Out Program*. This program can be combined with the City's Housing Rehabilitation Loan Program. As a Local Rehabilitation Agency (LRA) for the Get the Lead Out Program, the City is responsible for intake of application information, technical assistance, working with the applicant through the construction process and acting as the escrow agent for the loan funds.

- Work Regionally to Increase the Supply of Housing

The housing market operates regionally and the impact of the market is not confined to city boundaries. Salem has more affordable housing than many cities in the region. At 12.9 percent, Salem has the second highest percentage of affordable housing of the 30 cities and towns in the North Shore Home Consortium. However, multi-jurisdiction cooperation is needed to address the region's lack of affordable housing opportunities. No one city or town can, or should, bear the responsibility of providing all of the region's affordable units. Salem is committed to working with its partners in the North Shore HOME Consortium and with the region's mayors to encourage the development of housing throughout the area in an effort to increase the supply of housing for all.

### **Affirmatively Furthering Fair Housing**

The North Shore HOME Consortium, through Western Economic Services, LLC, updated the Analysis of Impediments to Fair Housing Choice (AI) in 2007-2008, of which the complete AI is included by reference. The AI covers all communities in the NS HOME consortium, including the City of Salem. As part of the research process, the consultant reviewed available data from the U.S. Census Bureau, HMDA data and discrimination complaint logs. Furthermore, the consultant conducted public forums and phone interviews of interested parties including, but not limited to: service providers, real estate professionals, property managers, lenders, local officials and staff. Many of the organizations contacted for interviews are located in Salem and/or operate in the city. The City of Salem's Affordable Housing Trust Fund Board provided a letter, dated January 8, 2008, commenting on the Draft AI. The final AI did not identify any specific actions for Salem to undertake in order to overcome the effects of any impediments identified through that analysis. It did recommend that the Consortium consider taking the following actions:

1. Assist in improving awareness of fair housing law
2. Assist in improving understanding of available fair housing services
3. Assist in improving fair housing delivery system
4. To counteract high denial rates, consider implementing first-time homebuyer training program targeted at particular types of consumers
5. Incorporate more formalized elements of fair housing planning in Consolidated Plan
6. To aid in expanding awareness of inclusive land use policies, the Consortium might wish to consider extending fair housing training to the area's boards and commissions, as well as public and elected officials
7. Assist in alerting involved agencies to the prospects of their involvement in institutional barriers that detract from affirmatively furthering fair housing or acting in the public interest of furthering education of fair housing and the fair housing system.

The City of Salem acknowledges its responsibility to consider and address its own unique impediments to fair housing should the Consortium's AI insufficiently address them. In general, the City determined that the AI was thoroughly researched and inclusive of Salem's fair housing concerns. While the AI established findings and recommendations on a consortium-wide basis, the consultant noted circumstances when a community's statistics and demographics differed from the others. For example, the racial and ethnic makeup of residents of the consortium cities differs from that of the suburban communities. Following are findings pertinent to Salem:

- Salem has high ethnic and minority concentrations in some neighborhoods.
- Salem has a high proportion of lower-income households compared to other communities.
- People living in Salem with disabilities are not concentrated in one area.
- While mortgage denials are higher in some neighborhoods than others, Salem has proportionately fewer residents who were denied mortgage loans than areas in other consortium communities. (Note: While the trend holds, the number of sub-prime loans denied to Salem residents was higher than loans from prime lenders.)
- Salem has lower levels of homeownership than other consortium communities; this is primarily due to the diversity of Salem's housing stock.

The City has used the Consortium's AI and its own experience to inform its approach to affirmatively furthering fair housing. City staff are regularly informed about fair housing-related issues and concerns through their interactions with the public and local organizations. While the consultant identified various impediments to fair housing choice for the consortium as a whole, City staff with their intimate knowledge and experience of the city's dynamics and neighborhoods, and

through information gathered for the city's FY2005 and FY2011 Five Year Consolidated Plans, has determined that the following selected impediments, excerpted from the AI, are relevant to Salem:

1. Lack of awareness of fair housing rights;
2. Lack of awareness and understanding of available fair housing services;
4. High home mortgage loan denial rates for selected minorities;
5. Unlawful discrimination appears to be occurring in rental markets, particularly as it relates to disability, familial status, and race or national origin;
7. The high concentrations of minority and disabled populations tends to support the notion that housing location policies are not as inclusive as may be desired in affirmatively furthering fair housing;
8. Recent case history shows that local housing authorities within the Consortium award preference to individuals on subsidized housing waiting lists based upon local residency. This may be viewed as an impediment to fair housing choice for individuals not residing within each of these local communities who may wish to move to another community; furthermore, this practice may contribute to a lack of demographic diversity within the Consortium's thirty communities.

*Note: Establishing local preferences, including preferences for people who reside and/or work in a community, is a common practice of housing authorities and is not specific to the City of Salem or the NS HOME Consortium communities. This practice is acceptable to HUD.*

The City of Salem acknowledges that affirmatively furthering fair housing is not limited to addressing issues of income and housing affordability and therefore, the City's actions to affirmatively further fair housing are not limited to promoting affordable housing. The City of Salem has worked and continues to work to address the impediments identified above (1, 2, 4, 5 and 7), by carrying out the following activities:

- Local officials receive training so they understand the Fair Housing Law and can educate others: In 2009, the City's Assistant Community Development Director, the Housing Coordinator and a board member of the City's Affordable Housing Trust attended a Fair Housing Training hosted by the North Shore Home Consortium and conducted by The Fair Housing Center. Staff shared information received at the training with the remainder of the AHTF board members. (These efforts work to address impediments 1 and 2.)
- The City provides information to its residents, property owners and real estate professionals regarding the fair housing law, including protected classes, individual rights and resources: In January 2009, the DPCD created a separate page on the city's website for [Fair Housing and Housing Discrimination](#). The page explains housing discrimination and fair housing laws and is designed to assist consumers, real estate professionals and lenders. The page also lists resources available to victims of discrimination. (These efforts work to address impediments 1 and 2.)
- The City reaches out to potential victims of discrimination and persons who have limited housing choice through its work with local housing and human service providers: The City of Salem provides public service and housing assistance funding to agencies whose activities assist specific populations with improving their quality of life. Provider assistance may include locating appropriate and, if needed, accessible housing, as well as a range of human services. Providers regularly interact with minority, disabled and low-income populations. These interactions present opportunities for providers to understand their clients' housing concerns and to assist them in cases of discrimination. Therefore, it is critical that providers understand the fair housing laws and available resources for addressing fair housing issues. To this end, the City's

community development staff provide technical assistance and guidance to local housing and service providers.

In addition, the City directs its CDBG funding to programs that promote fair housing through the provision of other services. For example, the City funds the Independent Living Center's Accessible Housing Education Services Program. Furthermore, the city requires all sub-recipients to comply with the Fair Housing Act. (These efforts work to address impediments 1, 2, 4, 5 and 7.)

- The City calls attention to local housing issues and encourages people, organizations and agencies to work together to address them: In light of recent changes in lending practices and increases in foreclosures, in April 2009, the City's Affordable Housing Task Force sponsored a Housing Summit to provide a forum for discussing the housing challenges facing Salem. Over 30 people attended the summit including: Affordable Housing Task Force board members, real estate professionals, directors of local non-profits, regional planners and other housing advocates. Recommendations from the meeting included that the AHTF work with the local landlord association to increase awareness of fair housing laws, and specifically, discrimination against families. In addition, it was recommended that the AHTF board work with neighborhood associations and the public to further fair housing and advocate for universal design standards for accessibility.

In addition, the City of Salem administers Salem HOPE, a networking group of social service providers that meets quarterly at rotating public service agency locations. It is open to all social service agency representatives serving Salem residents and is a forum to work toward filling gaps in services and sharing insights and concerns. Members often discuss issues that have arisen (including those relating to housing, employment and disabilities) and providers have the opportunity to coordinate efforts. (These efforts work to address impediments 1, 2, 4, 5 and 7.)

- The City takes advantage of opportunities to interact directly with the public to promote awareness of fair housing laws and available resources that work toward the intent of fair housing: The City's housing staff regularly participate in homebuyer fairs held by lending institutions and real estate professionals. At these fairs, the City provides information and counseling to attendees regarding its first-time homebuyer, rehabilitation and deleading programs. In addition, staff disseminate information regarding the fair housing law, including protected classes, typical violations and resources available to victims of discrimination. This is an opportunity for staff to talk one-on-one with residents who may be victims of discrimination in lending and/or victims of steering. By speaking with people first-hand, staff are able to learn about the fair housing climate in the city and identify fair housing issues. Most recently, staff presented at in October, 2010 at a workshop held at the Senior Center by Tache Realty and Union Trust Mortgage Company. (These efforts work to address impediments 1, 2, 4 and 7.)

- The City creates partnerships with local organizations to educate minority and low-income homebuyers about their rights under the fair housing law: The City provides financial assistance to Community Teamwork, Inc., a nonprofit organization that conducts CHAPA-certified, first time homebuyer educational courses. These courses are held primarily in the Point Neighborhood, where Salem has its highest concentration of racial and ethnic minorities. Among other things, courses inform participants about their rights when working with real estate agents and lenders. The program covers fair housing issues and what to do if someone is a victim of discrimination. In addition, the program covers the responsibilities of landlords under

fair housing laws. Most recently, Community Teamwork has conducted training sessions in September 2009, June 2010 and in March, 2011. City housing staff gave presentations during a class for two of these training sessions. (These efforts work to address impediments 1, 2 and 4.)

The City of Salem has also examined issues pertaining to fair housing directly through its consolidated planning processes in 2005 and 2010. During this planning, the City held a series of public meetings and interviews with neighborhood groups, service providers, business associations and housing professionals. Participants were asked to comment on fair housing and discrimination in the city. Perhaps surprisingly, these discussions did not point to any particularly unique impediments to fair housing.

In addition, we have reviewed the following possible impediments and provide our perspective on them as follows:

- *Whether subsidized and affordable housing is concentrated in minority areas* - Salem has one of the largest inventories of subsidized and affordable housing in the consortium. Salem's subsidized and affordable housing is located citywide, including in some of Salem's areas of minority concentration (see "Subsidized Housing Inventory" map located in Salem's 2010 Consolidated Plan). The City does not conclude that its subsidized and affordable housing is disproportionately located in areas of minority concentration to a degree that presents an impediment to fair housing choice.
- *Lending, mortgage availability, and foreclosure issues affecting minority homebuyers* - Salem property owners have been greatly affected by the downturn in the housing market and the prevalence of foreclosures. Foreclosures have occurred citywide (see map "Mortgage Foreclosures" located in Salem's 2010 Consolidated Plan). It is clear from this map that as of January 2010, foreclosures are not concentrated in areas of minority concentration. The NS HOME Consortium analyzed the level of mortgage denial in each of its communities by block group. While denial rates were higher in Salem's minority block groups, they were within the overall average of all loan denials in all consortium communities, and therefore we cannot conclude this to be an impediment at this time.
- *Neighborhood objections and zoning restrictions limiting the availability of supportive housing for persons with disabilities* - As part of its 2010 Consolidated Planning process, Salem reviewed its zoning bylaw to identify barriers to affordable housing. This review determined that as the city is nearing build-out, it is essential to preserve existing affordable units and encourage high density and affordable housing in appropriate areas. Salem has not experienced neighborhood objection and zoning practices that limit development of supportive housing for persons with disabilities, specifically.
- *Availability of accessible housing units for disabled persons* - Salem is one of the region's providers of services for persons with disabilities and, as one of the region's suppliers of subsidized housing also is a provider of its affordable, accessible housing. While the consortium's AI notes that Salem does not have a disproportionate share of persons with disabilities living in the city, there are concentrations in some neighborhoods. The City acknowledges the need to examine, on an ongoing basis, whether accessible alternatives are sufficiently available to meet demand. In addition, priority on the Salem's Housing Rehabilitation Loan Program wait list is given to persons who need home modifications to accommodate accessibility needs.
- *Issues affecting persons with limited English proficiency (LEP issues)* - Given the ethnic diversity in Salem, the City continually works to face the challenge of how to serve its non-English speaking residents. In addition to language barriers, often there are cultural barriers that make it difficult to reach out to people who may benefit from social services, may have housing issues, or may experience discrimination. The City translates several of its public notices into Spanish. In



addition, service providers receiving CDBG funds must provide translated information in their marketing materials into a language that best serves the needs of their clientele. Most providers translate materials into Spanish, Portuguese or Russian. Furthermore, three DPCD employees (including one of our two housing staff and our Economic Development Planner) are bilingual (Spanish/English). This not only helps break language barriers, but also helps with cultural barriers.

- *Willingness of landlords to rent to families with children* - The consortium's AI identifies discrimination in rental housing as one of the impediments to fair housing in the region. Salem's housing stock is old and lead paint is prevalent. This presents a concern to landlords who may otherwise rent units to families with children. One of the ways the City of Salem works to address this is by operating a deleading assistance program that offers financial assistance to property owners to remove lead paint from their properties.

The City acknowledges that given the ethnic and racial composition of its population, age of housing stock and prevalence of renter housing, it must examine the potential for housing discrimination and submit any known AI issues exclusive to Salem during the development of the next Consortium AI, as well as the actions it is undertaking to address them. Salem will also continue to work with the Consortium to identify and address fair housing issues and impediments both for the city and the region. We will continue to monitor our programs and look for new ways to further fair housing.

### **Continuum of Care**

During FY11, the city continued to support local agencies that provide direct assistance to homeless families and individuals in Salem, such as Lifebridge (formerly the Salem Mission) and HAWC, and to agencies that help households avoid homelessness. Agencies funded and their accomplishments are provided in the Table 1 above, as well as in the Public Services Section of this report. It should be noted that 156 persons avoided homelessness through city-funded Homeless Prevention and Transitional Housing Programs (reported in Public Services). The city also continues to be a member of the local Continuum of Care Alliance administered by the North Shore HOME Consortium. An overview of the activities of the Alliance can be found in the CAPER submitted by the North Shore HOME Consortium (through the City of Peabody).

### **Evaluation of Goals**

This year, we did not meet our estimate to assist 16 households to purchase their first home. This year, only 7 income-eligible families applied for First Time Homebuyer Loan funds, entered into purchase and sale agreements and received primary mortgages.

The Housing Rehabilitation Loan Program continues to assist families in need and to exceed the goals laid out in the Consolidated Plan. In FY11, we exceeded our Action Plan goal of rehabilitating 8 housing units, with 17 units completed and 3 more underway.

The Rental Downpayment Assistance Program, administered through local social service agencies to provide grants to low- and extremely low-income Salem residents to help pay first and last month's rents and security deposits to enable them to obtain decent, affordable housing, has also been a success. The FY11 Action Plan projected that up to 75 households would be assisted; 47 families were assisted through contracts with North Shore Community Action Program, Inc., the Salvation Army and HAWC.

Finally, we continue to place importance on the ongoing review and update of our program policies and guidelines. All program materials are available on the city's website.

The Consolidated Plan identified the need for various social service programs that primarily benefit Salem's low- to moderate-income population and those with special needs (such as physically or mentally disabled, elderly or frail elderly, youth, non-English speaking residents, persons living with HIV/AIDS, substance abusers and homeless persons and families). In FY11, our priority goals were to continue to support a broad range of social service programs that are consistent with the needs and goals identified in the Consolidated Plan and the FY11 Action Plan.



*Affordable, Accessible, Available Housing Education Workshop at the Independent Living Center of the North Shore and Cape Ann, Inc.*

According to HUD regulations, we are allowed to commit up to 15 percent of our CDBG allocation to public service activities. In FY11, as in past years, our agencies expended just under that limit. These public service activities provide direct benefit to our low- and moderate-income residents; therefore it is important to continue funding at this level.

Public service projects funded during FY11 were selected using a Request for Proposals (RFP) process. The Citizen Advisory Committee reviewed all applications received, using criteria that included project eligibility and documented need for services. Recommendations on funding levels were provided to the Mayor following this review.

In FY11, we were able to expend \$204,547.49 on 38 open public service contracts, which, in turn, assisted 11,895 people, including at least 944 children/youth and 378 seniors (see Table 2 for Active Projects).

**Table2: FY11 Public Services Financial Summary**

Agency	CDBG Funding Available	CDBG Funds Spent	Number Assisted	Program Impact
Bentley Elementary School After School Program	\$5,000.00,	\$4,784.78	88 youth	Provided after school activities including, games, hip-hop, yoga, drama, basketball and other social, educational and/or athletic activities.
Salem Community Child Care	\$10,000.00	\$10,000.00	13 youth	Provided child care for 205 days which also helped prepare the children for first grade.
Haven From Hunger Food Pantry	\$10,000.00	\$10,000.00	490 persons	Provided food to 231 families through 1072 visits to the food pantry.
North Shore CDC Community English Program	\$5,000	\$5,000.00	49 persons	Students completed three 12-week Community English Program training courses.
H.A.W.C. Children's Program	\$10,000.00	\$10,000.00	63 persons	Provide 30 hours of parenting group, 26 hours of domestic violence education group and 24 hours of self-sufficiency group.
Community Teamwork, Inc. First Time Homebuyer Training Program	\$1,050	\$140.00	4 households/ persons	One certified training course, for which all 4 participants received certificates.

Agency	CDBG Funding Available	CDBG Funds Spent	Number Assisted	Program Impact
Lifebridge Medical Support Services	\$10,000.00	\$5,465.98	244	Provided health assessments, including respiratory, blood sugar assessments, psyche/physical intake history, referral to detox, referral to primary care physicians, referral to hospital/emergency room, and flu and TB shots.
Lifebridge Outreach Street Advocate	\$407.00 FY10: \$7,200.00 FY11	\$5,140.61	75 persons	Funds to engage street homeless and connect them with supportive services. Of the 75, 40 received basic shelter services (food, shower, laundry), 7 were admitted to a detoxification facility, 2 secured a shelter bed, 18 were placed under arrest or protective custody and 2 were admitted to a mental health facility
Salem Police Department Bicycle and Walk/Ride Patrols	\$395.08 FY09; \$12,000 FY10; \$2,600 FY11	\$4,584.54	3,918 persons	Calls for service in the Point Neighborhood were up 4% from last year. Drug offenses up 14%, drunk individuals up 55%, disorderly conduct up 15%, assaults up 8%, public drinking down 17%, disturbances down 13%, loitering down 100% and noise ordinance violations remain unchanged.
Morgan Memorial Goodwill Industries Career Planning Program	\$226.60 FY10; \$4,300.00 FY11	\$3,809.80	6 disabled youth	Provides 30 hours of classroom training. 4 students completed the program and received a skills interest assessment, work readiness assessment, money skills assessment and individualized training and employment plan. Students filled out at least 1 job application, did on-line job searching and mock interviewing. 3 students worked internships and all 4 will participate in summer internships.
Salem Access Television Youth in Action	\$5,000.00	\$5,000.00	15 youth	To assist teens to complete minimum 26 hour training course. Youth received a certificate of course completion and completed a video that was broadcast on SATV.
Cerebral Palsy Association North Shore Infant & Toddler Preschool Program	\$5,000.00	\$5,000.00	35 children	For children with physical and developmental disabilities to attend integrated developmental play groups once per week. Of the 35 assisted, 16 remain at the agency (15 in the program and 1 in day care), 7 went on to Salem Public Schools, 5 went to local daycare centers/preschools, 4 went to Headstart, 3 were referred to Early Intervention programs in an area they moved to and 1 left to attend another EI program.
Salvation Army Prescription Program	\$1,647.14 FY10	\$386.45	4 persons	5 prescriptions filled.
V.O.C.E.S. Hispanic Education Program	\$5,000.00	\$5,000.00	140 persons	Provided 187 classes in either Citizenship Education or GED Preparation. This year there were 88 new citizens and 4 persons got their GED in Spanish.

<b>Agency</b>	<b>CDBG Funding Available</b>	<b>CDBG Funds Spent</b>	<b>Number Assisted</b>	<b>Program Impact</b>
Independent Living Center Accessible Housing Education Services Program	\$5,000.00	\$5,000.00	60 disabled persons	Provided two housing education forums, 10 universal housing application assistance workshops, 9 placements/relocations into accessible housing and prepare 34 subsidized housing applications.
Catholic Charities Little Lambs Program	\$2,500.00	\$2,500.00	193 youth	Conducted 50 assessments and provide diapers, wipes and other baby necessities. Referrals were for GED/Education or Employment Training (6), Child Care (11), Health issues (6), and other - housing, basic needs, counseling, etc.(34)
North Shore Community Action Program Salem Cyberspace Cyberyouth	\$5,000.00	\$5,000.00	34 youth	For assistance with high school students 3 hours per week, college freshmen 2 hours per week and college sophomores 1 hour per week. 12 high school juniors passed onto 12th grade, 10 seniors completed high school and 10 college freshmen and 11 college sophomores received passing grades. High school seniors submitted 21 applications to college and 18 applications for financial assistance and scholarships. 10 students took college entrance exams.
Salem Y.M.C.A. Teen Initiative	\$5,000.00	\$5,000.00	144 youth	Teens participated in one or more of the following programs: homework, gym, games, basketball, dinner, pool parties, etc.
Catholic Charities Homeless Prevention Program	\$10,000.00	\$10,000.00	42 persons	17 families avoided homelessness. They also assisted 81 persons with this program with other non-CDBG funding. All families received extensive information and referral services and budget counseling.
Boys & Girls Club Gang Prevention (Athletics)	\$5,000.00	\$5,000.00	171 Youth	For teens to participate in basketball, floor hockey, weight-lifting, exercise, flag football and other athletic competitions. More than 1330 visits to the teen enter were made during from October to June.
Boys & Girls Club Gang Prevention (Mentoring)	\$5,000.00	\$5,000.00	293 Youth	Provide mentoring through programs such as Teen Cooking, Career Launch, Teen Study, Keystone Club and Peabody Essex Museum from October to June for over 1680 visits.
Salem YMCA School Age Child Care Program	\$10,000.00	\$9,448.92	114 youth	Provided child care assistance which included educational and enrichment activities.
Salem Council on Aging Project Lifesaver	\$2,295.00	\$1,872.98	5 persons	Purchase of electronic bracelets, enrollment, and annual fee.
Salvation Army Transitional Housing	\$1,493.76 FY09; \$7,500 FY10 for Fire Victims	\$7,115.75	13 persons	Assisted 8 families (7 fire victim families) with transitional housing while waiting for their apartment to be ready to move into.
H.A.W.C. Homeless Prevention Program	\$7,296.00 FY09	\$6,708.75	7 persons	2 families avoided homelessness

Agency	CDBG Funding Available	CDBG Funds Spent	Number Assisted	Program Impact
Salem Council on Aging Transportation Program	\$20,663.00	\$14,357.43	378 seniors	Provide rides to the senior center (8708), medical (4305), shopping (1762), events & activities (985), hairdresser (263), downtown (58) and other rides (166).
Family Self-Sufficiency Center Teen Drop-In Center	\$6,500.00	\$6,500.00	31 youth	2 days a week, 3 hours per day. All participants received academic support services (tutoring, ESL curriculum, small group learning) mentoring, intensive final exam prep and study skills instruction.
Family Self-Sufficiency Center English Literacy Skills Project	\$3,500.00	\$3,731.50	24 persons	For classes held July – December, 2010. Program temporarily suspended due to teacher staffing issues and will resume in Fall, 2011.
NSCAP Homeless Prevention Program	\$10,000.00	\$10,000.00	62 persons	Assisted 26 families in the prevention of homelessness through rental or utility assistance. 8 families received assistance to maintain utilities and 18 families received assistance for rental arrearages.
Salvation Army Homeless Prevention	\$10,000.00	\$10,000.00	46 persons	Assist 24 families with homelessness prevention (rent and utility arrearages).
St. Joseph's Harvest of Hope Food Pantry	\$20,000.00	\$20,000.00	5,125 persons	Assisted 1,989 families who made a total of 15,537 visits to the pantry. In addition, delivered to 120-160 disabled elderly, disadvantaged individuals, ran a park program for 50-100 children 5 days a week during the summer and served 890 Thanksgiving meals.
Wellspring House MediClerk Program	\$4,500	\$4,500.00	9 persons	13 week training courses. Of the 9 total students, 7 have been hired by North Shore Medical Center, two in the laboratory, 1 unit secretary in the Birth Center and 1 unit secretary in the Mental Health Center, one receptionist in the Wound Clinic, 1 receptionist in the Mental Health Center and 1 is in the secretarial temp pool. Of the remaining 2, 1 works at Walgreens and the other moved from the area.
<b>TOTAL PERSONS ASSISTED</b>		<b>11,895 persons, including at least 944 children/youth &amp; 378 seniors</b>		

### Evaluation of Goals

As stated before, Public Service activities allow us to provide direct services to our low- and moderate-income residents. Our FY11 Action Plan goal was to provide 24 new grants. We exceeded this goal and agreements for 28 new grants. Through these new grants and other open contracts, we assisted 11,895 persons. We are fortunate to have an excellent network of public service providers that utilize our funds to best meet community needs, which is why continue to spend up to the full HUD funding cap of 15 percent.

## ECONOMIC DEVELOPMENT

The City of Salem is committed to continuing efforts to stimulate our local economy and, as a result, has seen a surge of redevelopment in the past few years. This new development has led to a revitalization of our business districts and to increases in the number of businesses providing needed services to our residents.

During FY 11, several new businesses opened in the Urban Renewal Areas bringing new goods and services to the neighborhood. While there continues to be solid private sector investment, businesses are continuing to adjust to the economy, the change in people's purchasing habits, and increased competition. Salem has not been immune from the economic crisis and the resulting job losses. The Salem unemployment rate as of June 2011 is 7.4 percent.



*Rockafellas Restaurant was assisted with a loan for business expansion.*

Salem continues to focus on economic development in order to bring new employers and new jobs to the city, while retaining jobs by helping existing businesses improve their commercial infrastructure or expand their operations. The increased development is bringing vitality to the downtown, providing goods and services locally, and improving and stabilizing neighborhood business districts in the process. Improved vitality in our neighborhood and downtown commercial districts also has the residual effect of improving public safety.

The City of Salem is dedicated to economic development through efforts to revitalize the downtown and neighborhood commercial districts, improve exterior building façades, and assist local business owners. Our economic development funds are used to fund the Business Loan Program, Storefront Improvement Program and Technical Assistance Programs.

### **Business Loan Program**

The Business Loan Program is designed to encourage all types of entrepreneurs to locate in the City, create jobs, and revitalize the area through rehabilitation to their buildings. There are three types of loans:

- *Microenterprise Assistance* – provides loans to low- to moderate-income entrepreneurs to assist with their microenterprise business (5 or fewer full-time employees, including the owner);
- *Commercial Revitalization* – provides loans to business owners in the downtown and eligible neighborhood districts to assist with the exterior rehabilitation of their building and/or to correct code violations; and
- *Special Economic Development* – provides loans to business owners throughout the city in exchange for job creation for low- and moderate-income people.

### **Storefront Improvement Program**

The Storefront Improvement Program is designed to encourage private investment and reinvestment by new and existing property/business owners in the eligible neighborhood and downtown commercial districts. The program provides design assistance and offers a one-to-one

financial match for façade improvements of up to \$5,000 per storefront and funding for professional design assistance.

### Technical Assistance Programs

Often small business owners need some degree of technical assistance to help them with managing or growing their business. The needs of local entrepreneurs range from business planning, drawing up financial statements, or navigating the city permitting process. The city works in collaboration with several agencies to improve economic opportunity in Salem by providing technical assistance to businesses.

**Table 3: FY11 Economic Development Financial Summary**

Program		Description	CDBG Funding Available	Status
Storefront Improvement Program		Provides design assistance and/or matching funding up to \$5,000 to business owners wishing to improve the exterior façade of their business.	\$18,524.29	<ul style="list-style-type: none"> <li>• \$7,005.29 CDBG spent</li> <li>• 1 storefront improved</li> <li>• 3 storefronts design assistance</li> </ul>
Business Loan Program		Provides three types of loans that fund commercial rehabilitation, job creation or retention and/or micro-enterprise assistance to make our commercial areas vibrant.	\$84,000.00	<ul style="list-style-type: none"> <li>• \$84,000.00 CDBG spent</li> <li>• 2 businesses assisted (of which 1 is still pending loan closing)</li> </ul>
Business Technical Assistance	Salem Main Streets Program	Provides commercial district revitalization through organization, promotion, economic restructuring and design.	\$25,000.00	<ul style="list-style-type: none"> <li>• \$25,000 CDBG spent</li> <li>• 34 micro-enterprise businesses assisted</li> </ul>
	Economic Development Program Delivery	Costs associated with providing Economic Development programs and administration of the Salem Redevelopment Authority.	\$66,372.39	<ul style="list-style-type: none"> <li>• \$61,897.39 CDBG spent</li> </ul>

### Evaluation of Goals

In FY11, with our Small Business Financial Assistance Programs, we exceeded our Action Plan goal to provide one loan by providing two business loans totaling \$84,000.00 (one loan is pending loan closing). These loans will be monitored in FY12 for job creation. In addition, we provided assistance for the improvement of 1 storefront, and provided design assistance for three storefronts.

The Salem Main Streets Program provided technical assistance to 9 new and 25 existing micro-enterprise businesses, exceeding our FY11 Action Plan goal of assisting 20 microenterprises. First quarter events included Salem Ice Scream Bowl, Lower Lafayette Block Party, Salem Farmers' Market 2010 season, Mayor's Night Out and Salem Literary Festival. Total volunteer hours were 408. Twelve (12) new businesses opened, 4 ribbon cuttings held. Second quarter accomplishments included October information booth, Holiday Happenings brochure, wreaths, tree, Santa's arrival, window contest and men's shopping night, a Technical Assistance Workshop on how to do business in a tough economy and the development of a new downtown shopping and dining guide. Total volunteer hours were 563. Third quarter accomplishments included the Salem So Sweet Festival and a technical assistance workshop on disability awareness for business. Total volunteer hours were 346. Fourth quarter accomplishments included Salem Health and Wellness Week, Salem Living

Green Fair, Jazzy Blues Brunch, Mass Poetry Festival, Salem Arts Festival, Out Night in Salem, and a technical assistance workshop on green business. Total volunteer hours were 440.

The DPCD also provides technical assistance through our Economic Development Manager, who administers the City's financial assistance programs and provides administration to the Salem Redevelopment Authority, which oversees the Urban Renewal Area. During FY11, there were several small private sector renovation projects undertaken. The most significant redevelopment project underway is the new Ruane Judicial Center which is scheduled for completion in the first half of FY12.

During FY11, the DPCD continued to collaborate with the Enterprise Center at Salem State University and the Small Business Development Center to provide technical assistance to entrepreneurs with a focus on those located within low/mod areas and the Urban Renewal Areas.

The DPCD collaborated with the Salem Chamber of Commerce on several economic development topics including downtown transportation, business recruitment, and a town/gown initiative with Salem State University.

Lastly, because parking is a key resource for business growth and downtown vitality, during FY11 the DPCD worked with stakeholders and the City Council to develop and implement recommendations from the comprehensive parking study. The City Council adopted ordinance changes and policies in June 2011, and City staff will be implementing the changes during FY12.

In total, \$177,902.68 was spent during the program period for economic development activities.

**Table 4: Active Economic Development Loans in FY11**

<b>Type of Loan</b>	<b>Project</b>	<b>Amount of Loan</b>	<b>Total Jobs Created</b>
<i>Microenterprise Assistance</i>			
<i>Special Economic Development</i>	Mud Puddle Toys (FY10 loan)	\$30,945	3 Part Time (2 FTE) jobs created
	Rockafellas	\$64,000	To be monitored in FY12
	Amazing Pizza (pending loan closing)	\$20,000	To be monitored in FY12

Note: LMI is low- and moderate-income



## NEIGHBORHOOD IMPROVEMENTS

The City of Salem is committed to undertaking the infrastructure and public facility improvements we all depend on to make our city the livable community that it is. By continually investing in neighborhoods, Salem aspires to be the best place it can be for people to live and work.

Due to the size and scope of these types of activities, some require multi-year funding, as well as a few years to plan, permit and complete the project. To that end, some of our Neighborhood Improvement Projects are still in the planning, permitting or bidding stages. The following table outlines the current neighborhood improvement projects and their status at the close of FY11. Neighborhood Improvement Projects can only take place in those areas eligible for CDBG funding (see Appendix for map); therefore all the projects listed are designated for these target neighborhoods.



*Peabody Street Park*

**Table 5: FY11 Neighborhood Improvement Financial Summary**

Activity	CDBG Funds Available	CDBG Funds Spent	Status
Peabody Street Park	\$8,382.72	\$8,382.72	Complete
Congress/Peabody/Ward Intersection	\$14.99	\$14.99	Complete
City Hall Elevator	\$122,364.58	\$121,806.77	Underway
South River Harbor Walk	\$79,257.10	\$65,577.55	Underway
Bike Path Delineation in LMI Areas	\$37,850.00	\$12,823.50	Underway
Palmer Cove Park Improvements	\$12,130.00	\$3,380.00	Underway
Tree Planting Program	\$11,795.00	\$1,145.00	Underway
Congress/Derby Pedestrian Lights	\$155,446.81	\$22.89	Underway
Salem YMCA handicapped access equipment	\$9,085.00	\$0.00	Underway
Maryjane Lee Playground	\$1,300.00	\$0.00	Underway
Street Improvements (i.e. sidewalks, curbcuts, paving & crosswalks)	\$100,627.97	\$71,304.43	Ongoing
Section 108 Loan Payments – South Harbor Garage	\$42,806.75	\$42,806.75	Ongoing
Harbor and Lafayette Streets Pedestrian Improvements (PWED)	\$103,949.15	\$3,949.15	Design
Lafayette Park Redesign	\$194,239.39	\$1,926.04	Planning
Point Neighborhood History Sign	\$4,000.00	\$0.00	Planning

### Evaluation of Goals

During the program period, we continued to work on important neighborhood projects, and spent a total of \$333,139.79, including program delivery costs, toward meeting the goals in the FY11 Action Plan and 5 year Consolidated Plan.

Although not meeting the FY11 Action Plan goal of 13, 8 trees were planted – 4 on Jefferson Avenue and 4 on Harbor Street.

Sidewalk installation was undertaken on Federal Street, Francis Road, Butler Street, Grafton Street, Linden Street, Derby Street, Roslyn Street, Summer Street, Margin Street, Winthrop Street, Essex Street, Cedar Street, Hazel Street, Harbor Street, Perkins Street and Lafayette Street. Crosswalks were completed at Church Street, Washington Street and Essex Street.

The City Hall Elevator installation was essentially completed this year. The remaining work is a directory sign installation.

Peabody Street Park construction was completed. The grand opening of the park and the South River Harborwalk was held in July, 2010. There is some additional work on the Harborwalk that will be done in FY12.

New netting for the baseball field at Palmer Cove was installed during the program year.

The Bike Path delineation project is underway and will be completed in FY12.

The construction contract for the Derby/Congress Pedestrian Improvements was issued in October, 2010, with work expected to be completed in Summer, 2011.

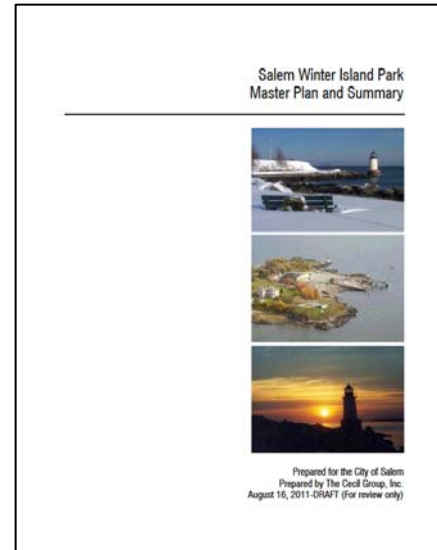
Several other projects are in the planning/design stages including Lafayette Street Improvements, Point Neighborhood History Sign and the Lafayette Park redesign.

## PLANNING & ADMINISTRATION

In the Consolidated Plan, our priority goals are to provide for the administrative costs associated with the management of the Salem Community Development Block Grant program and to develop the planning resources and documents necessary to undertake program activities.

During FY11, we completed a Master Plan for Winter Island, as well as a Fair Housing Overview required by HUD. Underway are three additional planning projects.

In FY11, we spent a total of \$226,593 in Planning and Administration for planning studies completed in the fiscal year and administration expenses necessary to carry out our programs. As stated previously, we were able to remain under the administrative spending cap of 20 percent.



**Table 7: FY11 Planning & Administration Financial Summary**

Activity	CDBG Funds Available	CDBG Funds Spent
Winter Island Master Plan	\$17,000.00	\$17,000.00
5 Year Consolidated Plan Fair Housing Overview	\$2,500.00	\$2,500.00
Survey & Planning Grant – Bridge Street Survey	\$10,000.00	\$6,500.00
142 North Street National Register Nomination	\$2,000.00	0.00
Survey & Planning Grant – Salem Common Fence	\$7,500.00	0.00
General Administration - Salary	\$130,379.39	\$130,379.39
General Administration - Benefits	\$60,157.77	\$60,157.77
General Administration - Non-salary	\$10,055.84	\$10,055.84

### **Barriers to Affordable Housing**

The Five Year Consolidated Plan outlines several barriers to housing affordability in Salem: a shortage of land, the lack of regulatory tools to require or encourage affordable housing in new developments, the lack of resources to preserve existing affordable units, an economy imbalanced by lower-wage jobs, and local government's dependence on the property tax to finance City services.

Like other communities, Salem is not in control of all of these barriers and as a result, its ability to solve them is constrained by financial resources and legal requirements. However, through its efforts to preserve and increase the supply of affordable housing through its Housing Rehabilitation Loan Program, First-Time Homebuyer Downpayment Assistance Loan Program and Affordable Development Programs the City is able to address some of these barriers. And although Salem is above the threshold of 10 percent affordable housing, the City entertained and approved a friendly Chapter 40B Comprehensive Permit for the redevelopment of the former St. Joseph's church site. The existing zoning was a barrier to affordable housing. The City then rezoned the parcel to Central Development District, allowing mixed use development, as well as increased density and height, thus eliminating zoning as a barrier, paving the way for the upcoming development of new affordable rental housing in the Point Neighborhood. In addition, the City Council, with the support of the DPCD has approved the waiver of permitting fees for at least one affordable housing development project.

Despite our efforts to help renters become homeowners, there has been a decline in the number of participants in the First-Time Homebuyer Downpayment Assistance Loan Program. We attribute this to the number of new homebuyers who, although eligible for our programs, are being denied loans as a result of tighter standards instituted by lending institutions in response to recently passed legislation. In addition, the recent foreclosure crisis has created new obstacles to developing and purchasing affordable housing.

### **Lead-Based Paint Hazard Reduction**

The Salem Board of Health disseminates information regarding the proper disclosure of lead hazards upon selling or renting a housing unit and inspects rental units for lead paint hazards. In Salem, a landlord is required to obtain a Certificate of Fitness inspection when an apartment becomes vacant. Board of Health personnel conduct this inspection enforcing the State Sanitary Code for Housing. When the information is sent to the landlord prior to this inspection, a letter describing the Federal law is included, as is a copy of the *Tenant Notification Form* in English and Spanish. Also, the Board of Health periodically sends notification of regulations regarding lead-based paint to area realtors. In addition, Board of Health personnel are trained *Lead Determinators*. Should the Board receive a call from a tenant who is concerned that there may be lead-based paint in his/her apartment, potentially affecting their children under six years of age, the Board is able to send out a Sanitarian to conduct a Lead Determination. If lead paint is detected, an order is sent to the landlord requiring compliance with the State Lead Law. The Board ensures compliance with the order. The State Lead Program is notified of the results of all Lead Determinations.

In cooperation with the State of Massachusetts and other municipal departments, the City of Salem, through its DPCD, works to decrease the number of housing units containing lead-based paint hazards. The City, through the DPCD, actively works to reduce lead-paint hazards in pre-1978 housing occupied by lower-income households through the City of Salem's Housing Rehabilitation Loan Program. Through the Salem Housing Rehabilitation Loan and Get the Lead Out Programs,

the City provides loan funds for qualified applicants for lead testing, hazard reduction and abatement activities, and temporary relocation reimbursements. Lead-based paint hazard control measures are consistent with the federal Title X requirements and State lead based paint regulations. MassHousing's Get the Lead Out Program is also available to homeowners with a lead poisoned child.

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

### **Anti-Poverty Strategy**

This Anti-Poverty Strategy describes programs and policies the City is supporting in its efforts to reduce the number of households living below the poverty level. Some public service agency representatives state that Salem residents in poverty stay in poverty because they lack adequate skills for better employment opportunities. As a result, they work multiple jobs to pay for housing, utilities, transportation expenses, and childcare. Providing adequate job training and educational opportunities will enable them to enter the workforce at a more competitive level.

Salem uses CDBG and other funds to pursue an anti-poverty strategy carried out by the City and a variety of social service subrecipients. The City's anti-poverty strategy is comprehensive and it consists of four components: education, job training and employment resources, affordable housing and social services. Each of these components are described at length in the recently completed 5-Year Consolidated Plan.

### **Managing the Process and Institutional Structure**

The DPCD administers the City of Salem's Community Development Program as well as the formula funding received by the North Shore HOME Consortium for which the City of Peabody is the lead agency. Under the direction of the Director of Planning and Community Development, the Assistant Community Development Director manages and monitors Salem's community development programs.

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

City departments undertake certain CDBG-funded activities, such as the tree planting program, sidewalk replacement, park improvements, street paving and curbcut installation. These departments may subcontract work under public bidding procedures and provide requests for reimbursement and any required documentation (i.e. prevailing wage documentation) to the DPCD.

Each year the City of Salem issues a Request for Proposals to nonprofit organizations that offer social service, housing or economic development programs. CDBG funds are awarded to organizations that demonstrate programmatic needs and the capacity to administer the proposed program. The city's Assistant Community Development Director coordinates the management of the public service and housing subcontracts and the Economic Development Planner coordinates the management of the economic development subcontracts.

In general, DPCD staff carries out the remaining activities, including the hiring of consultants or other private businesses through established municipal purchasing procedures.

The city's auditing firm audits Salem's CDBG program delivery system annually. In addition, HUD staff conducts periodic reviews and monitorings. The City promptly implements recommendations arising as a result of these reviews. The DPCD continuously works to improve upon its methods and procedures for the administration of its programs.

### **Coordination with Other Organizations**

Salem Housing Authority: Although, the city does not currently use its CDBG funds to assist the Salem Housing Authority, the DPCD coordinates with the Salem Housing Authority to address the housing needs of Salem's lower-income residents. While developing its Consolidated Plan, the city consulted with the SHA to determine the agency's most pressing needs. In addition, SHA's Comprehensive Plan must take into account the findings of the Consolidated Plan and the City of Salem must certify that the documents are consistent.

The Mayor appoints four of the five Salem Housing Authority (SHA) board members, one of whom must be a public housing tenant and one of whom must be a member of organized labor. Proposed development sites or demolition or disposition of existing public housing developments must follow established regulatory procedures administered by the Building Department, Board of Appeal, Planning Board, etc.

The Salem Housing Authority serves over 900 participants. The Authority receives over \$9 million in federal funding for its Section 8 Housing Choice Voucher Program and its Federal Public Housing Program, as well as earns state subsidies. The Salem Housing Authority continues its mission of preserving and maintaining its stock of decent, safe and sanitary public housing for the residents of Salem.

Other Organizations: In addition to the SHA, the City of Salem works cooperatively with private housing providers and private and governmental health, mental health, and service agencies and other interested parties to implement its Consolidated Plan. To this end, the city administers Salem H.O.P.E. (Human Organization Partnership Effort), a networking group of human service agencies that serve Salem residents. It is a free forum for agencies to learn about the services being provided by other agencies in order to fill in gaps, coordinate efforts and avoid the duplication of services. All human service agency representatives are invited to attend the quarterly Steering Committee breakfast meetings held at rotating agency locations. Through this program, agency representatives are introduced to each other and exchange information, announcements and updates. The strength in the delivery system of nonprofit services is in the networking, collaboration and coordination among the agencies. DPCD is responsible for the organization and administration of this effort.

The city also works with nonprofit agencies to administer social service activities. Agencies are urged to apply to the city for CDBG public services funding to undertake priority programs outlined in the Consolidated Plan. Additionally, the City of Salem cooperates and coordinates with other public agencies (and funding sources) to undertake specific activities. Examples include MHFA's Get the Lead Out Program and Mass Housing Partnership's Soft Second Mortgage Program.

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

The City of Salem will continue its efforts to coordinate and communicate with other municipal departments, local and regional agencies, and public and private housing organizations over the next

year. The DPCD will maintain responsibility for coordinating the Salem H.O.P.E. effort and will communicate regularly with subcontracted agencies delivering social services and subrecipients of federal funds. We will continue to work with the Salem Housing Authority (SHA), nonprofit organizations, and housing developers to produce affordable housing in the City. The strength of these relationships is beneficial in streamlining housing development and leveraging additional funds for projects.

### **Monitoring**

An overarching goal with all activities undertaken with CDBG and HOME funds is to ensure that they meet our program objectives. The DPCD monitors all projects to ensure compliance with applicable Federal, State and local regulations and program requirements.

As part of ongoing monitoring, public service subrecipients submit monthly reports that include income, race and ethnic information on clients served and programmatic accomplishments. In addition, public service subrecipients are monitored on-site each year (exceptions are noted in the Monitoring Plan). Payments to public service agencies are made on a reimbursement basis to ensure compliance with expenditure requirements. Agencies submitting reimbursement requests must include proof of expenditure of funds, as well as documentation that the pre-determined benchmark or goal was attained.

All First-Time Homebuyer Downpayment Assistance Loan Program properties and Housing Rehabilitation Loan Program properties receive on-site inspections. Rehabilitation projects must meet HQS and current housing codes. All tenant based rental assistance provided with HOME funds requires an inspection with a HQS report. Monitoring of affordable housing loan activities undertaken with CDBG or HOME funds for compliance with affordability requirements and/or other programmatic requirements is discussed in full in the Monitoring Guide. Monitoring of economic development activities undertaken with CDBG funds for compliance with Davis-Bacon and job creation is discussed in full in the Monitoring Guide. There is also a Loan Management Policy for dealing with delinquent or in default housing or economic development loans.

The DPCD also annually reviews its performance in meeting its goals and objectives set for in the Consolidated Plan during the development of the annual CAPER. The Assistant Community Development Director encourages timely submission of reimbursement requests by subrecipients and reviews timeliness status weekly until the annual 1.5 draw ratio is met.

The complete Monitoring Guide is located in the 5 Year Consolidated Plan.

## SUMMARY/PROGRAM EVALUATION/CONCLUSIONS

Overall, we made significant progress toward meeting the goals of our 5-year Consolidated Plan and FY11 Action Plan. We also continued to meet HUD required funding and expenditure caps and timeliness requirements. The following is a summary of major activities accomplished in FY11:

- 7 families assisted to purchase their first home in Salem;
- 17 housing units were renovated, with an additional 3 units underway;
- 47 families received assistance with first/last month's rent and/or security deposits;
- 31 social service programs assisted 11,895 persons, including at least 994 youth and at least 378 seniors;
- 1 commercial storefront improved;
- 3 commercial storefronts redesigned;
- 2 businesses provided economic development loans
- Salem Main Streets Program highlights:
  - Assisted 9 new and 25 existing micro-enterprises;
  - Total volunteer hours were 1757;
  - Salem Ice Scream Bowl;
  - Lower Lafayette Block Party;
  - Salem Farmers' Market 2010 season;
  - Mayor's Night Out;
  - Salem Literary Festival;
  - October information booth;
  - Holiday Happenings - brochure, wreaths, tree, Santa's arrival, window contest and men's shopping night;
  - Technical Assistance Workshop on how to do business in a tough economy;
  - Development of a new downtown shopping and dining guide;
  - Salem So Sweet Festival;
  - Technical assistance workshop on disability awareness for business;
  - Salem Health and Wellness Week;
  - Salem Living Green Fair;
  - Jazzy Blues Brunch;
  - Mass Poetry Festival;
  - Salem Arts Festival;
  - Out Night in Salem; and a
  - Technical assistance workshop on green business.
- Peabody Street Park – new playground completed;
- Sidewalk installation undertaken on Federal Street, Francis Road, Butler Street, Grafton Street, Linden Street, Derby Street, Roslyn Street, Summer Street, Margin Street, Winthrop Street, Essex Street, Cedar Street, Hazel Street, Harbor Street, Perkins Street and Lafayette Street;
- Crosswalks were completed at Church Street, Washington Street and Essex Street;
- City Hall Elevator and related handicapped access improvements was essentially completed with a directory sign installation to be completed next year;
- Grand opening for the South River Harborwalk held in July, 2010.
- Palmer Cove Park baseball field netting installed:
- 8 trees planted in low-mod neighborhoods; and
- Winter Island Master Plan completed.



In summary, we are proud of the accomplishments made in FY11. Several larger, multi-year projects were completed or are near completion.

We encourage feedback from our citizens in order to improve our efforts to provide decent, safe and sanitary housing, improved community facilities and infrastructure, needed human services and expanded economic opportunities, that all work toward revitalizing our neighborhoods and improving our living environment.

#### *IDIS/CPMP Reporting*

The City of Salem reconciles its general ledger to IDIS monthly. All HUD required reporting is up to date and complete.

The DPCD makes minimal use of HUD's CPMP Tool, submitting with the Action Plan the Needs and Projects tables only. The activities in Projects.xls are entered into IDIS and are included in the Action Plan. These same activities are listed in the CAPER tables found on pages 4, 14 19, 21 and 23, including funds available and funds expended. These activities may include funding from one or more plan years.

The Financial Summary Grantee Performance Report (Form #4949.3) or the PR26 in IDIS is recreated in the CAPER in the Appendix.

## SUPPLEMENTARY NARRATIVES

In this section, as part of our reporting requirements for HUD, we provide a supplementary narrative that answers specific questions regarding our program expenditures and activities.

### *Use of CDBG Funds*

In FY11, CDBG expenditures complied with the goals and objectives outlined in the FY11 Action Plan and 5-Year Consolidated Plan. More detailed information on the use of these funds can be found in the Assessment of Five Year Goals and Objectives section of this report.

### *Changes to Program Objectives*

During the program period it may be beneficial to revise the Annual Action Plan in order to reflect changes in priority needs and goals. There were no revisions undertaken for the FY11 Action Plan.

Each year, during the program period it may be necessary to adjust funds committed to specific activities. This may include activities that require additional funds, activities that came under budget and have extra funds or activities that are not longer necessary or feasible whose funds need reprogramming. Often this is done within the same general category. Adjustments to FY11 funding (over \$50,000) include:

#### Deductions:

City Hall Elevator & Handicapped Access	\$ 84,676.53
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#### Increases:

Housing Rehabilitation Loan Program	\$ 84,067.50
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### *Geographic Distribution and Location of Investments*

Some programs and activities undertaken are available on a citywide basis to income eligible households. Others are targeted to particular neighborhoods with concentrations of low- and moderate-income households or to programs that benefit specific populations such as senior citizens, disabled persons and minorities.

When prioritizing activities, the City pays special attention to those low- and moderate-income neighborhoods where the greatest needs have been identified and whose public facilities and infrastructure are in the worst condition. In accordance with CDBG regulations, specific activities, such as street, sidewalk and playground improvements can only be undertaken in the low- to moderate-income neighborhoods or the Urban Renewal Districts, with the exception of handicap access improvements which can be undertaken city-wide.

Recognizing that needs are not solely located in distressed neighborhoods, we also offer programs that may be accessed by people living outside these areas. For example, the Housing Rehabilitation Loan Program, First Time Homebuyer Downpayment Assistance Program, and the Small Business Loan Program are offered citywide to allow any low to moderate-income individual or household to take advantage of their availability. A geographic distribution map is located in the Appendix.

### *Compliance with Planned Actions*

In FY11, the City of Salem pursued all resources indicated in its FY11 Action Plan.

### *Compliance with National Objectives*

All CDBG funds budgeted and spent were exclusively focused on furthering the three National Objectives of the CDBG program. The City also fully complied with overall benefit certification.

### *Relocation*

In FY11, no CDBG funds were spent on projects that required the permanent displacement and/or relocation of people, businesses, or organizations from occupied property. The program does provide temporary location assistance through the Housing Rehabilitation Loan Program, per the DPCD's current Relocation Policy.

### *Economic Development Activities*

Economic development activities are discussed in the Assessment of Five-Year Goals and Objectives, Economic Development section of this report.

### *Limited Clientele Activities*

In FY11, the City of Salem funded several activities that served limited clientele. For example, funds were expended on 32 public service programs that primarily served low- and moderate-income persons. Through the use of family-size/proof of income documentation, it was determined that more than 51 percent of the people served by these projects met applicable criteria for low- or moderate-income status. Those activities that were not Limited Clientele Activities were undertaken in low- to moderate-income designated areas or in one of the designated Urban Renewal Areas.

### *Program Income*

The Financial Summary section of this report documents total program income for the Salem CDBG Program in FY11. The total program income was \$151,366.03.

### *Rehabilitation Activities*

The City of Salem sought to preserve affordable housing in the city by assisting low- and moderate-income homeowners in rehabilitating their homes through the Housing Rehabilitation Loan Program. The activities carried out during FY11 are described in the Assessment of Goals and Objectives, Affordable Housing section of this report.

### *HUD Neighborhood Revitalization Strategies*

Salem had no HUD approved Neighborhood Revitalization Strategies in place during FY11.

### *Performance Measurement*

The DPCD uses several strategies for performance measurement and continues to review and enhance its performance measurement system. Specifically, Salem has implemented a performance measurement system in the following program areas:

Public Services - Public service contracts include performance measurement indicators. The annual CAPERs outline the effectiveness of those measurements. Specifically, the City requires subcontracted social service agencies to report on the impact of their programs as measured by the performance indicators. Internally, a spreadsheet is maintained which tracks the receipt of monthly reports and the status of on-site monitorings. Public service agencies are required to submit reimbursement requests that are tied to pre-determined benchmarks or performance outcomes, as well as proof of expenditure of funds.

Housing Programs - Housing rehabilitation program staff track each project in a formal system that details project status and loan details. In addition, staff maintain a comprehensive written manual detailing program procedures and policies. There is also a master loan spreadsheet that tracks all loan details for the First-Time Homebuyer Downpayment Assistance Loan Program and the Housing Rehabilitation Program, including period of affordability, discharge dates, rent restrictions and monitorings. The City monitors HOME-funded rehabilitation projects with rental affordability restrictions annually for the duration of the affordability period. Housing files contain statutory checklists, as well as documentation on flood management, wetlands protection, and historic resources, as applicable.

Economic Development – A quarterly report is provided to the City’s Finance Department on new loans issued, loan status and loan discharges. Monitoring of job creation is determined by the time period in the funding Agreement. Monitoring consists of verification that the goals for low/moderate income jobs to be created and/or retained have been met. A standard monitoring form is used. The Economic Development Planner follows the Loan Management Policy for review of existing loans and process to address delinquent, default or uncollectable loans.

Additionally, the City ensures long-term compliance with program requirements, including minority business outreach and comprehensive planning requirements, in several ways. In particular, the DPCD has a Monitoring Plan in place that allows the City to track whether long-term goals are being met, including minority business outreach. As detailed in the Managing the Process and Institutional Structure section of this document, the City manages its programs to ensure compliance with identified goals and federal, state and local regulations. The Environmental Review Record contains statutory checklists, documentation on flood management, wetlands protection, and prevailing wage documentation, as applicable.

### **HOME Program**

As stated previously, the City of Salem is a member of the North Shore HOME Consortium. The City of Peabody administers the Consortium and maintains all documentation regarding Salem’s participation.

During FY11, the City of Salem spent \$243,982 in HOME funds (including \$5,169 ADDI funds). Funds were used to help fund provide first time homebuyer downpayment assistance and to fund the Rental Downpayment Assistance Programs administered by the North Shore Community Action Program, HAWC and the Salvation Army. The accomplishments of these projects can be found in the reports submitted by the City of Peabody on behalf of the Consortium.

In June, 2007, the Consortium voted to adopt the federal **Energy Star Standards**. The implementation of this new policy for the use of HOME funds began on October 1, 2007. All new HOME-assisted units are required to be certified as *Energy Star compliant* whenever either new construction is involved or where the rehabilitation of an existing structure involves the gutting of the structure to the bare walls.

## FUNDS LEVERAGED

In order to maximize the benefits achieved by Salem's community development programs and in order to make projects feasible, CDBG and HOME funds often must be combined with other funding sources. The following chart summarizes the amount of federal dollars spent during FY11 and the funds leveraged through these expenditures.

**Table 8: FY11 Funds Leveraged**

<b>Program</b>	<b>CDBG Expenditures</b>	<b>HOME Expenditures</b>	<b>Funds from Other Sources</b>
Housing Programs	\$510,971.21	\$243,982	\$2,137,220.26
Public Services	\$204,547.49	-	\$3,115,372.74
Economic Development	\$177,902.68	-	\$1,523,750.00
Neighborhood Improvements <sup>5</sup>	\$333,139.79	-	\$3,682,982.05
Planning & Administration	\$226,593.00	-	\$315,366.52
<b>TOTAL FY11</b>	<b>\$1,453,154.17</b>	<b>\$243,982</b>	<b>\$10,774,691.57</b>
<b>TOTAL FUNDS LEVERAGED PER HUD DOLLAR IN FY11: \$6.35</b>			

Listed below is a summary of the funds leveraged and reported in the table above:

### *Housing*

- For the First Time Homebuyer Program (includes CDBG, HOME), homebuyers provided \$82,728.09 in matching funds as well as obtained \$1,195,442.17 in financing from a primary lender, which amounted to a total leveraged of \$1,278,170.26
- The rehabilitation program leveraged \$834,875 in private funds and \$24,175 in Affordable Housing Trust funds

### *Economic Development:*

- The Salem Main Streets Program leveraged \$34,900. Of this total, \$23,750 was corporate contributions for operations and \$11,500 was for events and programs (e.g. Farmer's Market, Salem So Sweet Festival, Salem Arts Festival and Ice Cream Bowl)
- This year's Business Loan Program leveraged \$1,469,000 in private funds and other financing
- The Storefront Improvement Program leveraged \$19,500 in private dollars

### *Neighborhood Improvements:*

- CDBG funds for the South River Harbor Park project are used as a match toward \$1,336,000 in design and construction grant funds from the State Seaport Advisory Council

<sup>5</sup> Includes Section 108 loan payment as a CDBG expense.

- The City Hall Handicapped Access project leveraged \$305,977 in American Recovery and Reinvestment Act funds (or CDBG-R)
- The Peabody Street Park is leveraging \$200,000 from the Environmental Protection Agency and \$474,000 in Urban Self Help grant funds
- The Congress/Peabody/Ward intersection improvements leveraged \$200,000 from the Environmental Protection Agency
- The Bike Path Delineation Project leveraged \$17,005.05 in other grant funds
- The Congress/Derby Intersection Improvements leveraged approximately \$100,000 in City of Salem Capital Improvement Funds for design costs and police details
- The Harbor and Lafayette Streets Pedestrian Improvements leveraged \$1,000,000 in MassDOT Public Works Economic Development (PWED) grant funds
- Street Improvements leveraged \$50,000 in City of Salem Capital Improvement funds

*Planning & Administration:*

- Planning and administration funds leveraged \$249,508.39 in City funds and \$65,858.13 in State Seaport Advisory Council funds
- The Winter Island Master Plan leveraged \$28,000 in HUD Economic Development Initiative (EDI) funds
- The Bridge Street Survey leveraged \$15,000 in Massachusetts Historical Commission Survey & Planning Grant funds

*Public Services:*

- Most of the public service agencies funded use CDBG funds as a portion of their overall activity budgets. Based on leveraged funds reports provided by each agency at the end of the program year, the amount leveraged is \$3,115,372.74 in other federal, state or private funds

Note: Leveraged funds for multi-year projects may be repeated within more than one year's CAPERs. Above, leveraged funds are only included for projects of which CDBG funds were expended during the fiscal year

## CITIZEN PARTICIPATION SUMMARY

The goals and purpose of the Citizen Participation Plan is to encourage residents, agencies, and other interested parties to participate in the development of our 5-Year Consolidated Plan and Annual Action Plans and to comment on our accomplishments. The strength of our programs comes from the high number of volunteers that inform our decisions.

The Citizen Participation Plan included in the 5-Year Consolidated Plan is the framework we used to solicit public comment, as well as to provide guidance on our response to citizens' comments on our programs throughout the year.

### **Public Comment Period**

Copies of the FY11 CAPER were made available to the public throughout the 15-day comment period and every effort was made to solicit citizens' comments including posting the availability of the report in the Salem Evening News, the City of Salem Official Bulletin Board at City Hall and at the City Hall Annex through the Clerk's Office, Salem Public Library, Salem Housing Authority and on the City's website. Copies were available for review at the DPCD, Salem Public Library and Salem Housing Authority and on the City's website (a copy of which was available for download). No public comments were received.

## APPENDIX

Financial Summary

Progress of Consolidated Plan 5-Year Goals

IDIS Report PR23 Excerpts

Total CDBG Beneficiaries by Racial/Ethnic Category

CDBG Beneficiaries by Income Category

IDIS Report PR54 (Note that the Program Income does not reflect adjustments and therefore does not accurately reflect the total available.)

Maps

Section 3 Reports

*(These reports are not included in the digital PDF. Please contact the DPCD for copies)*



# FINANCIAL SUMMARY

## CITY OF SALEM – FINANCIAL SUMMARY FY11 Consolidated Annual Performance and Evaluation Report

1	<b>Summary of CDBG Resources</b>	
2	FY10 End of Year Balance	\$ 814,345.09
3	FY11 CDBG Entitlement	\$ 1,245,477.00
4	Program Income, FY11	\$ 151,366.03*
5	<b>Total CDBG funds available for use in FY11</b>	<b>\$ 2,211,188.12</b>
6	<b>Summary of CDBG Expenditures</b>	
7	Affordable Housing	\$ 510,971.21
8	Public Services	\$ 204,547.49
9	Neighborhood Improvements (not including CDBG-R)	\$ 290,333.04
10	Economic Development	\$ 177,902.68
11	Program Administration	\$ 226,593.00
12	Section 108 Repayment (in CAPER narratives under neighborhood improvements)	\$ 42,806.75
13	<b>Total Expenditures</b>	<b>\$ 1,453,154.17</b>
14	<b>Year-End CDBG Resources</b>	
15	Total CDBG funds available for use in FY11	\$ 2,211,188.12
16	Total Expenditures in FY11	\$ 1,453,154.17
17	Unexpended Balance (CDBG Budget)	<b>\$ 758,033.95</b>
18	<b>Low/Mod Credit</b>	
19	Total FY11 CDBG Expenditures	\$ 1,453,154.17
20	Total for Program Administration	\$ 226,593.00
21	Total for Section 108 Repayments	\$ 42,806.75
22	Total subject to Low/Mod Benefit Calculation	\$ 1,183,754.42
23	L/M Credit for multi-unit housing	\$ 209,589.95
24	L/M Credit for other activities	\$ 851,581.63
25	<b>Percent of benefit to low/mod persons</b>	<b>89.64%</b>
26	<b>Public Services Cap Calculation</b>	
27	Net obligations for FY11 Public Services Activities	\$ 210,414.96
28	FY11 Entitlement + FY10 Program Income	\$ 1,402,820.81
29	<b>Percent obligated PS Activities</b>	<b>14.999%</b>
30	<b>Planning and Program Administration Cap Calculation</b>	
31	FY10 Entitlement + FY10 Program Income	\$ 1,396,843.03
32	Net Obligations for Planning/Admin. Activities	\$ 237,593.00
33	<b>Percent of funds expended</b>	<b>17.01%</b>

34	<b>HOME Summary</b>	
35	HOME Project Expenditures (including \$5,169 in ADDI funds)	\$ 213,843.50
36	Salem HOME Administration (including FTHB fee/inspection reimbursements)	\$ 20,138.50
37	<b>Total HOME Expenditures</b>	<b>\$ 233,982.00</b>

*\*Note: Program income of -\$7,947.73 entered into IDIS in FY11 was reported in the FY10 CAPER. Program income of +\$10,104.09 entered into IDIS in FY12 is being reported in this CAPER (FY11). Therefore the net adjustment to compute total program income is +\$2,156.36.*

[illegible]

IDIS

U.S. DEPARTMENT OF HOUSING AND URBAN  
DEVELOPMENT  
OFFICE OF COMMUNITY PLANNING AND DEVELOPMENT  
PR23 (3 of 7) - CDBG Beneficiaries by Racial / Ethnic Category

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PAGE: 1/1

Housing-Non Housing	Race	Total Persons	Total Hispanic Persons	Total Households	Total Hispanic Households
Housing	White	0	0	21	0
	Total	0	0	21	0
Non Housing	White	24,820	1,291	0	0
	Black/African American	1,293	408	0	0
	Asian	563	15	0	0
	American Indian/Alaskan Native	77	34	0	0
	Native Hawaiian/Other Pacific Islander	13	1	0	0
	American Indian/Alaskan Native & White	77	12	0	0
	Asian & White	73	7	0	0
	Black/African American & White	117	34	0	0
	Amer. Indian/Alaskan Native & Black/African Amer.	18	7	0	0
	Other multi-racial	2,610	2,213	0	0
	Total	29,661	4,022	0	0
Total	White	28,626	2,579	21	0
	Black/African American	2,825	1,691	0	0
	Asian	590	21	0	0
	American Indian/Alaskan Native	92	41	0	0
	Native Hawaiian/Other Pacific Islander	13	1	0	0
	American Indian/Alaskan Native & White	77	12	0	0
	Asian & White	73	7	0	0
	Black/African American & White	312	214	0	0
	Amer. Indian/Alaskan Native & Black/African Amer.	18	7	0	0
	Other multi-racial	2,650	2,248	0	0
	Total	35,276	6,821	21	0

IDIS

U.S. DEPARTMENT OF HOUSING AND URBAN  
DEVELOPMENT  
OFFICE OF COMMUNITY PLANNING AND DEVELOPMENT  
PR23 (4 of 7) - CDBG Beneficiaries by Income Category

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PAGE: 1/1

Income Levels		Owner Occupied	Renter Occupied	Persons
Housing	Extremely Low (<=30%)	2	2	0
	Low (>30% and <=50%)	6	5	0
	Mod (>50% and <=80%)	6	0	0
	Total Low-Mod	14	7	0
	Non Low-Mod (>80%)	0	0	0
	Total Beneficiaries	14	7	0
Non Housing	Extremely Low (<=30%)	0	0	1,835
	Low (>30% and <=50%)	0	0	27,540
	Mod (>50% and <=80%)	0	0	197
	Total Low-Mod	0	0	29,572
	Non Low-Mod (>80%)	0	0	89
	Total Beneficiaries	0	0	29,661



U.S. Department of Housing and Urban Development  
Office of Community Planning and Development  
Integrated Disbursement and Information System  
**CDBG Community Development Block Grant Performance Profile**  
PR54 - SALEM,MA  
Program Year From 07-01-2010 To 06-30-2011

DATE: 09-12-11  
TIME: 14:32  
PAGE: 1

## Program Year 2010 Funds

2010 CDBG Allocation \$1,245,477.00  
Program Income Received During Program Year 2010 \$149,209.67

**Total Available<sup>1</sup> \$1,394,686.67**

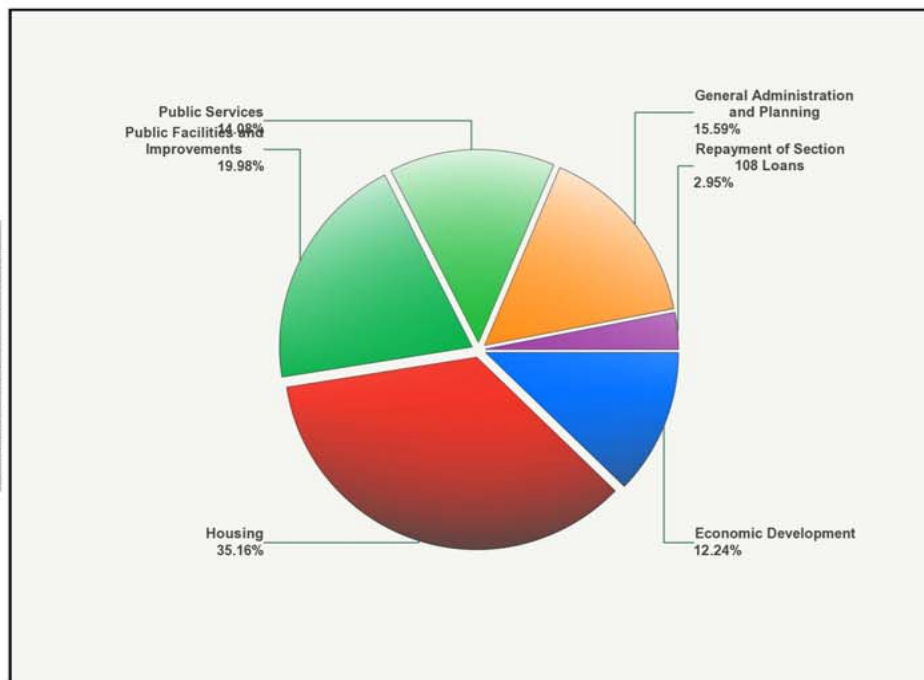
## Expenditures<sup>2</sup>

Type of Activity	Expenditure	Percentage
Economic Development	\$177,902.68	12.24%
Housing	\$510,971.21	35.16%
Public Facilities and Improvements	\$290,333.04	19.98%
Public Services	\$204,547.49	14.08%
General Administration and Planning	\$226,593.00	15.59%
Repayment of Section 108 Loans	\$42,806.75	2.95%
<b>Total</b>	<b>\$1,453,154.17</b>	<b>100.00%</b>

## Timeliness

Timeliness Ratio - unexpended funds as percent of 2010 allocation 0.76

## Expenditures by Type of Activity (%)





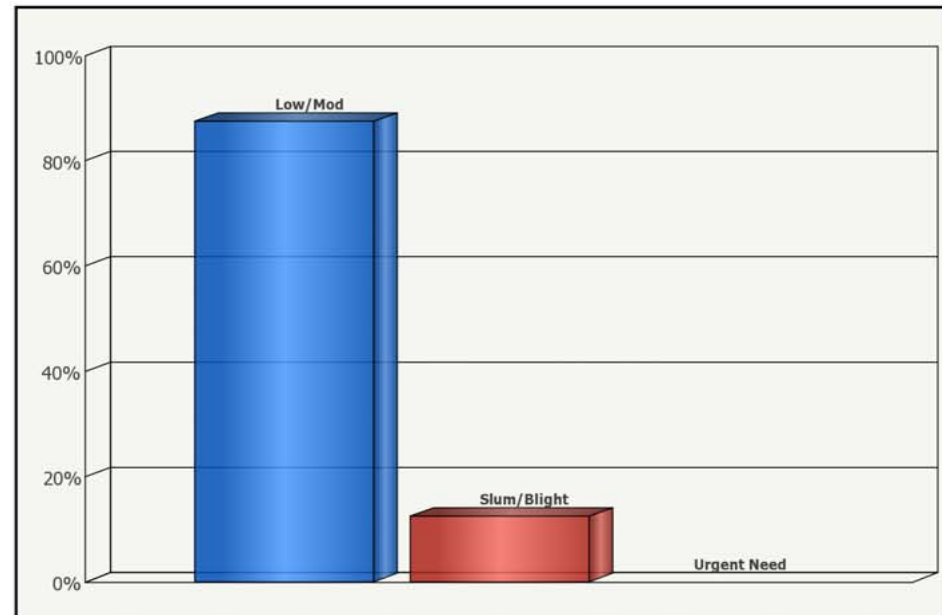
**CDBG Community Development Block Grant Performance Profile**

PR54 - SALEM, MA

Program Year From 07-01-2010 To 06-30-2011

**Program Targeting**

1 -Percentage of Expenditures Assisting Low- and Moderate-Income Persons and Households Either Directly or On an Area Basis <sup>3</sup>	87.53%
2 -Percentage of Expenditures That Benefit Low/Mod Income Areas	4.86%
3 -Percentage of Expenditures That Aid in The Prevention or Elimination of Slum or Blight	12.47%
4 -Percentage of Expenditures Addressing Urgent Needs	0.00%
5 -Funds Expended in Neighborhood (Community For State) Revitalization Strategy Areas and by Community Development Financial Institution.	\$0.00
6 -Percentage of Funds Expended in Neighborhood (Community For State) Revitalization Strategy Areas and by Community Development Financial Institution	0.00%





U.S. Department of Housing and Urban Development  
Office of Community Planning and Development  
Integrated Disbursement and Information System  
**CDBG Community Development Block Grant Performance Profile**  
PR54 - SALEM,MA  
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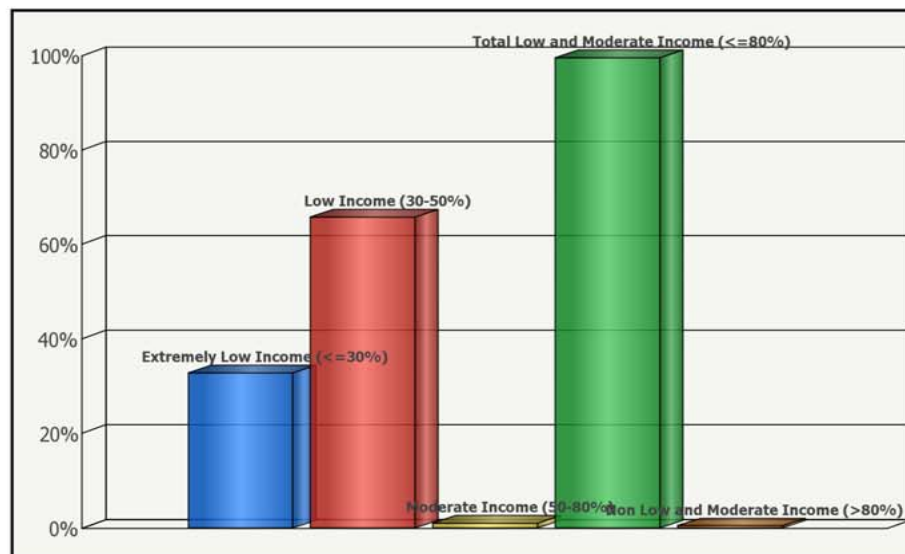
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**CDBG Beneficiaries by Racial/Ethnic Category<sup>4</sup>**

Race	Total	Hispanic
White	78.45%	39.22%
Black/African American	10.98%	30.56%
Asian	1.49%	0.33%
American Indian/Alaskan Native	0.26%	0.48%
Native Hawaiian/Other Pacific Islander	0.03%	0.02%
American Indian/Alaskan Native & White	0.20%	0.19%
Asian & White	0.19%	0.10%
Black/African American & White	1.25%	3.92%
Amer. Indian/Alaskan Native & Black/African Amer.	0.07%	0.13%
Other multi-racial	7.09%	25.04%
Asian/Pacific Islander (valid until 03-31-04)	0.00%	0.00%
Hispanic (valid until 03-31-04)	0.00%	0.00%

**Income of CDBG Beneficiaries**

Income Level	Percentage
Extremely Low Income (<=30%)	32.80%
Low Income (30-50%)	65.81%
Moderate Income (50-80%)	0.96%
Total Low and Moderate Income (<=80%)	99.58%
Non Low and Moderate Income (>80%)	0.42%



**Program Year 2010 Accomplishments**





U.S. Department of Housing and Urban Development  
Office of Community Planning and Development  
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PR54 - SALEM, MA

Program Year From 07-01-2010 To 06-30-2011

DATE: 09-12-11  
TIME: 14:32  
PAGE: 4

Accomplishment	Number
Actual Jobs Created or Retained	2
Households Receiving Housing Assistance	11
Persons Assisted Directly, Primarily By Public Services and Public Facilities	25,255
Persons for Whom Services and Facilities were Available	25,157 <sup>5</sup>
Units Rehabilitated-Single Units	5
Units Rehabilitated-Multi Unit Housing	6

**Funds Leveraged for Activities Completed      \$971,855.82**

**Notes**

1 Also, additional funds may have been available from prior years.

2 The return of grant funds is not reflected in these expenditures.

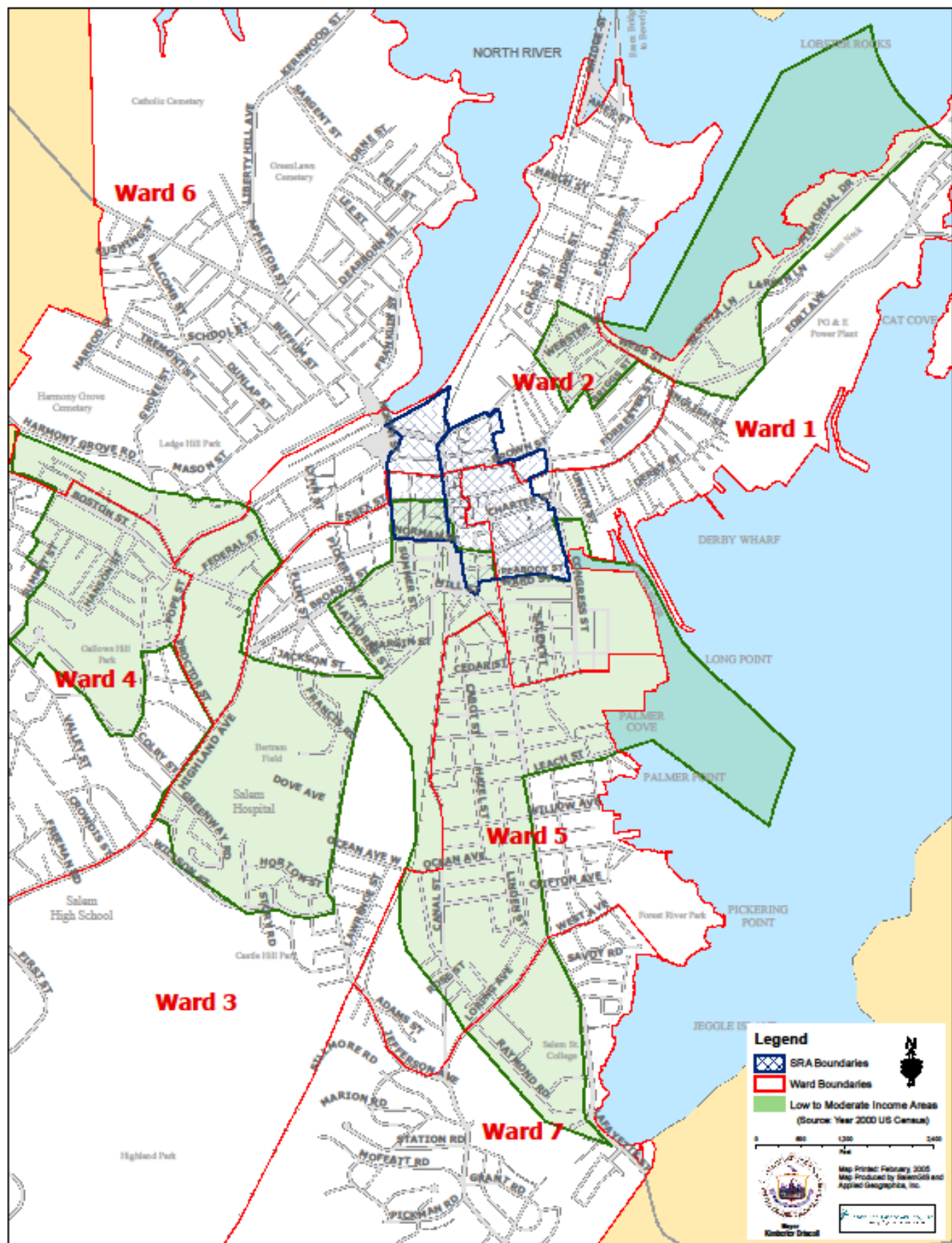
3 Derived by dividing annual expenditures for low-and moderate-income activities by the total expenditures for all activities (excluding planning and administration, except when State planning activities have a national objective) during the program year.

4 For entitlement communities, these data are only for those activities that directly benefit low- and moderate-income persons or households. They do not include data for activities that provide assistance to low- and moderate-income persons on an area basis, activities that aid in the prevention and elimination of slums and blight, and activities that address urgent needs. For states, these data are reported for all activities that benefit low- and moderate-income persons or households, aid in the prevention and elimination of slums and blight, and address urgent needs.

5 This number represents the total number of persons/households for whom services/facilities were available for [in many cases] multiple area benefit activities as reported by grantees. A service or facility meeting the national objective of benefiting low- and moderate-income persons on an area basis is available to all residents of the area served by the activity. If one or more activities had the same or overlapping service areas, the number of persons served by each activity was used to calculate the total number served; e.g., if two activities providing different services had the same service area, the number of persons in the service area would be counted twice; once for each activity.

## MAPS

- Low to Moderate Income Areas with Urban Renewal (SRA) boundaries and Ward boundaries. For a digital version of the map go to [http://saalem.com/Pages/SalemMA\\_WebDocs/lma.pdf](http://saalem.com/Pages/SalemMA_WebDocs/lma.pdf).
- Geographic Distribution of Entitlement Funds Expended FY11



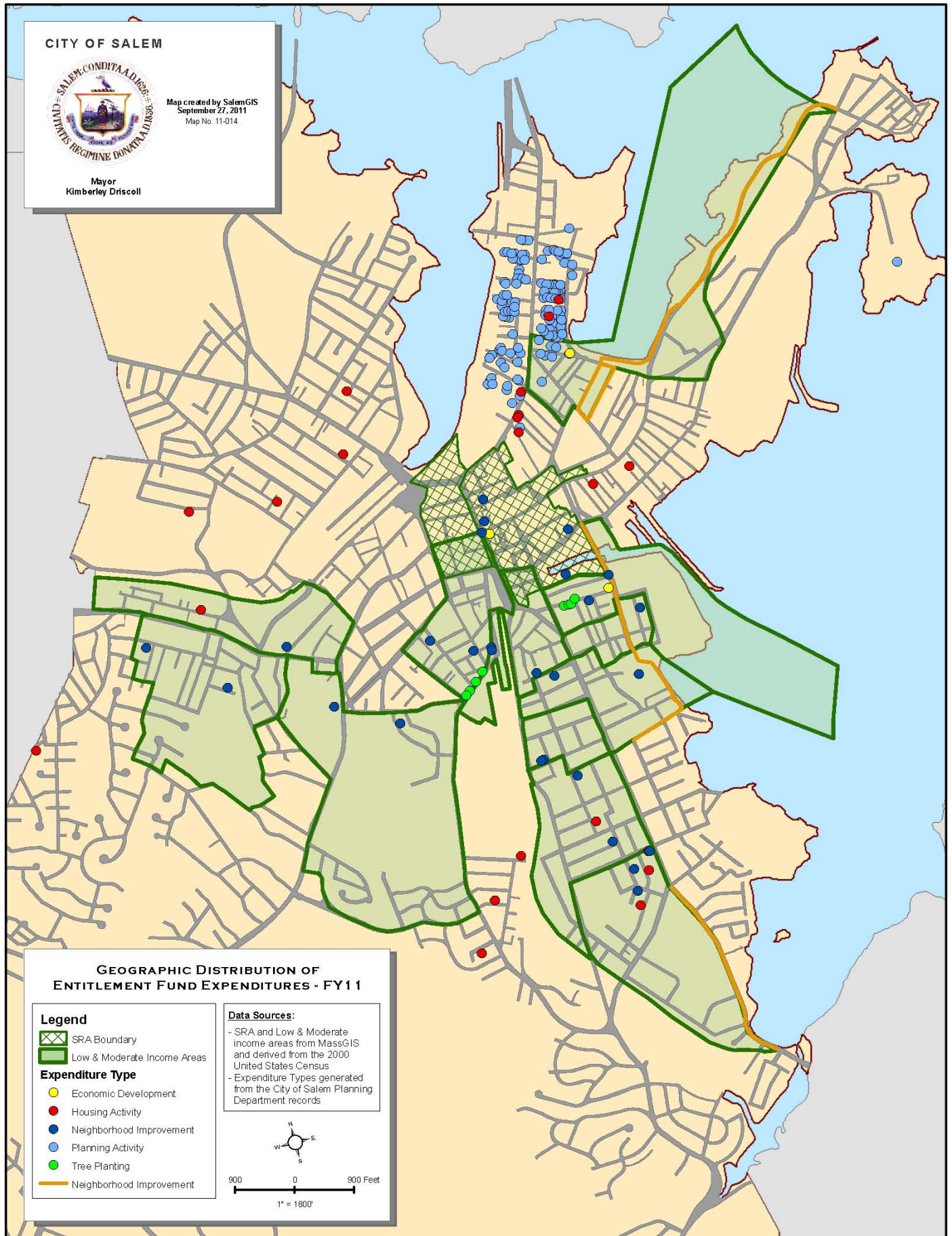


CITY OF SALEM



Map created by SalemGIS  
September 27, 2011  
Map No. 11-014

Mayor  
Kimberley Driscoll



## Section 3 Summary Report

Economic Opportunities for  
Low and Very Low-Income Persons

### U.S. Department of Housing and Urban Development

Office of Fair Housing  
and Equal Opportunity

### OMB Approval No.2529-0043

(exp. 11/30/2010)

HUD Field Office : : BOSTON, MA

See Public Reporting Burden Statement below

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#### 1.Recipient Name:

City of Salem, MA

#### Recipient Address: (street, city, state, zip)

120 Washington Street  
Salem, Massachusetts 01970

#### 2. Grant Number:

B10MC250029

#### 3. Total Amount of Award: \$ 1,245,477

Amount of All Contracts Awarded: \$ 122,425

#### 4. Contact Person:

Jane A. Guy

#### 5. Phone: 978-619-5685

Fax: 978-744-0404

E-Mail: jguy@salem.com

#### 6. Length of Grant: 12 Month(s)

#### 7. Reporting Period: Quarter 4 of Fiscal Year 2010

#### 8. Date Report Submitted:

09/28/2011

#### 9. Program Code-Name:

7-CDBG-Entitlement

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#### Program Codes:

1 = Flexible Subsidy

2 = Section 202/811

3A = Public/Indian Housing Development

3B = Public/Indian Housing Operation

3C = Public/Indian Housing Modernization

4 = Homeless Assistance

5 = HOME Assistance

6 = HOME-State Administered

7 = CDBG-Entitlement

8 = CDBG-State Administered

9 = Other CD Programs

10= Other Housing Programs

#### Part I. Employment and Training (Columns B, C, and F are mandatory fields.)

AJob Category Section 3	BNumber of New Hires	CNumber of New Hires that are Sec.3 Residents	D% of Section 3 New Hires	E% of Total Staff Hours for Section 3 Employees	FNumber of Trainees
Professionals	0	0	0.00 %	0.00 %	0
Technicians	0	0	0.00 %	0.00 %	0
Office/Clerical	0	0	0.00 %	0.00 %	0
Officials/Managers	0	0	0.00 %	0.00 %	0
Sales	0	0	0.00 %	0.00 %	0
Craft Workers (skilled)	0	0	0.00 %	0.00 %	0
Operatives (semiskilled)	0	0	0.00 %	0.00 %	0
Laborers (unskilled)	0	0	0.00 %	0.00 %	0
Service Workers	0	0	0.00 %	0.00 %	0
Other (List)	0	0	0.00 %	0.00 %	0
Total	0	0			0

## Part II. Contracts Awarded

### 1. Construction Contracts:

A. Total dollar amount of all construction contracts awarded on the project	\$ 122,425
B. Total dollar amount of construction contracts awarded to Section 3 businesses	\$ 0
C. Percentage of the total dollar amount that was awarded to Section 3 businesses	0.00 %
D. Total number of Section 3 businesses receiving construction contracts	0

### 2. Non-Construction Contracts:

A. Total dollar amount of all non-construction contracts awarded on the project	\$ 0
B. Total dollar amount of non-construction contracts awarded to Section 3 businesses	\$ 0
C. Percentage of the total dollar amount that was awarded to Section 3 businesses	0.00 %
D. Total number of Section 3 businesses receiving non-construction contracts	0

## Part III. Summary of Efforts

Indicate the efforts made to direct the employment and other economic opportunities generated by HUD financial assistance for housing and community development programs, to the greatest extent feasible, toward low- and very low-income persons, particularly those who are recipients of government assistance for housing. (Select **yes** to all that apply)

**No** Recruited low-income residents through: local advertising media, signs prominently displayed at the project site, contacts with community organizations and public or private agencies operating within the metropolitan area (or nonmetropolitan county) in which the Section 3 covered program or project is located, or similar methods.

**No** Participated in a HUD program or other program which promotes the training or employment of Section 3 residents.

**No** Participated in a HUD program or other program which promotes the award of contracts to business concerns which meet the definition of Section 3 business concerns.

**No** Coordinated with Youthbuild Programs and administered in the metropolitan area in which the Section 3 covered project is located.

**Yes** Other; describe below.

For the \$122,425 reported above, the City of Salem received a request for and issued a loan Agreement with a non-profit agency for a portion of a housing rehabilitation activity as part of a much larger project. The agency had already hired their construction contractor (and its subcontractors) prior to our agreement for assistance, so we were unable to have the agency outreach to Section 3 businesses. However, we are currently in contact with the non-profit agency to get written documentation on new hires from the contractor/subcontractor, if any. If there were any new hires, they will be reported in FY12 (HUD FY11).

During our FY11 (HUD FY10), there were two City of Salem administered projects identified as being subject to Section 3.

#### *Derby/Congress Improvements*

- A pre-construction meeting was held with the contractor in which Section 3 requirements were reviewed.
- Contractor efforts (copies on file):
  - Placed subcontractor pricing request on firm's website with Section 3 information
  - Sent email to Salem Housing Authority and Salem Chamber of Commerce requesting that the subcontractor request for quotation to be placed on their jobs bulletin boards seeking quotes for Section 3 subcontract work.

Note: No funds were expended on this project during FY11 and the contractor has not yet submitted his Section 3 reports. Therefore, it will be reported on in FY12.

### *Lafayette Street Traffic Improvements*

- Legal and other notices indicated that the project was subject to the requirements of Section 3
- Sealed bid specifications included the Section 3 Clause and the Section 3 Certification for RFPs and Sealed Bids (mandatory to be signed by all bidders)
- Bid notices were sent to:
  - Salem News – Legal notice
  - Commonwealth Procurement Access & Solicitation System
  - Commonwealth of Massachusetts Goods & Services Bulletin
  - Commonwealth of Massachusetts' Central Register
  - Salem Chamber of Commerce
  - Directly to three M/WBE General Contractors from SOMWBA online Business Directory List
  - Directly to list of pre-qualified MassDOT contractors
  - City of Salem website – Purchasing Department webpage

Note: This project was not awarded in FY12 and no funds were expended on this project during FY11. Therefore, it will be reported on in FY12.

### Other Efforts

In an effort to fully understand the regulations and to learn about best practices, City of Salem Department of Planning & Community Development staff attended the following:

- 9/16/10 – The City's Assistant Community Development Director and our Community Development Planner both attended the HUD sponsored *Section 3 Program Training*
- 3/22/11 – Assistant Community Development Director attended the NCDA Spring meeting including the break-out session entitled *Section 3 – Peer to Peer Workshop*
- 4/5/11 – Assistant Community Development Director attended *Other Federal Requirements Training and the HOME Program – Part 2*

In November, 2010, the City of Salem created its Section 3 Plan, which continues to be amended as we learn of new best practices. Also developed were new forms, including a Contractor Section 3 Reporting Form, a Contractor/Subcontract Employment Report, a Resident Certification and a Business Affidavit. The City's Section 3 Business Affidavit is located on the City's website, on the Purchasing Department webpage at [http://salem.com/Pages/SalemMA\\_Purchasing/section3.pdf](http://salem.com/Pages/SalemMA_Purchasing/section3.pdf)

The Section 3 clause is and has always been included in CDBG contracts generated by the Department of Planning & Community Development, regardless of contract amount. In addition, for more than 16 years, social service agencies receiving CDBG public services funding have been required to provide copies of their agency's hiring and purchasing policies and these policies have been reviewed to ensure outreach efforts are made to lower income, as well as minority Salem residents. Public service agencies' funded programs are monitored on an annual basis to ensure that the policies are followed.