

# CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT



## CITY OF SALEM, MASSACHUSETTS

*Fiscal Year 2013*  
*July 1, 2012 to June 30, 2013*

Kimberley Driscoll, Mayor  
Lynn Goonin Duncan, AICP, DPCD Director  
Jane A. Guy, Assistant Community Development Director

## 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 2013, we expended \$1,160,747.49 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 \$183,852.57 in HOME funds.

The FY13 Consolidated Annual Performance and Evaluation Report (CAPER) provides an analysis of the third fiscal year - July 1, 2012 through June 30, 2013 - 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 FY13 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 assist 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 .....	16
Economic Development .....	21
Neighborhood Improvements .....	24
Planning & Administration .....	26
Other Actions .....	27
Summary/Program Evaluation/Conclusions .....	31
Supplementary Narratives.....	33
Funds Leveraged.....	36
Citizen Participation Summary .....	38
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: Seniors utilizing the Salem Council on Aging Transportation Program*

# 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 FY13 CAPER provides an analysis of the third fiscal year of the 5-Year Consolidated Plan — July 1, 2012 through June 30, 2013.

## 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

---

<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.



*United Cerebral Palsy's North Shore Infant & Toddler Program*

## ASSESSMENT OF GOALS AND OBJECTIVES

During FY13, the DPCD continued to make significant progress toward meeting the goals and objectives laid out in the 5-Year Consolidated Plan and FY13 Action Plan. The CDBG entitlement funds from HUD for the fiscal year were \$903,833 and program income received during the program year was \$118,054.87. Our HOME funding allocation was \$102,250. We also used any available carried over CDBG and HOME funds from prior years.

### CDBG Expenditures

In FY13, we expended a total of \$1,160,747.49 in CDBG funds. Expenditures were divided into five program areas — Affordable Housing, Neighborhood Improvements, Planning & Administration, Public Services and Economic Development. In FY13, we met all timeliness requirements and program expenditures were consistent with our 5-Year Consolidated Plan and FY13 Action Plan goals. Furthermore, Public Service programs were just below the 15 percent 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 FY13 and prior year carried over funds+/- any adjustments made during the year.

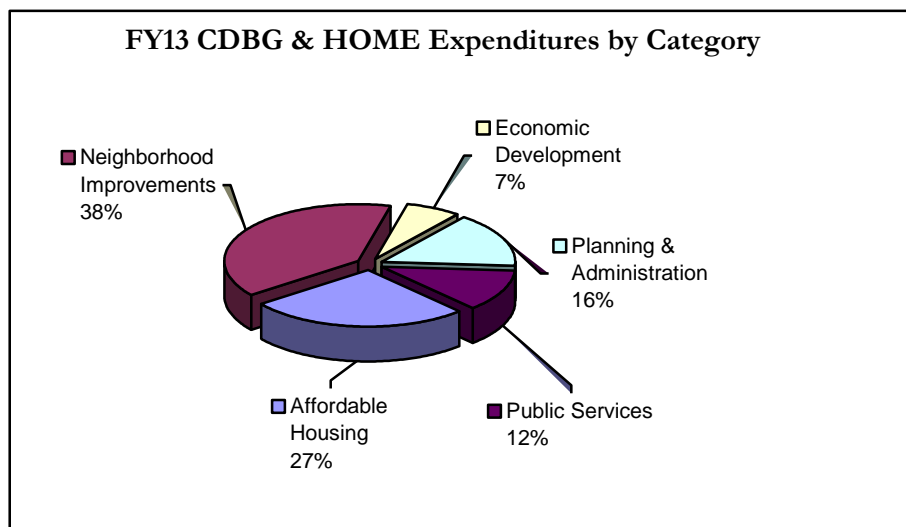
### HOME Expenditures

In addition to CDBG funds, the DPCD also spent \$194,687.72 in HOME funds to undertake affordable housing activities. When added to the \$168,541.41 spent in CDBG funds, the total amount spent for housing programs is \$363,229.13. 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 FY13 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 FY13 Spending by Category,  
as a Percentage of Total CDBG & HOME Expenditures





## AFFORDABLE HOUSING PROGRAMS

Due to the high cost of housing in Massachusetts and the continued need to recuperate from the foreclosure crisis, we continue to place the creation and preservation of affordable housing as a high priority of Salem's CDBG and HOME programs. 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 photos  
of weather damaged wall*

In FY13, the City of Salem spent \$363,229.13 in CDBG and HOME funds on affordable housing projects and programs. The project accomplishments attained with these funds during FY13 are described in the following table.

**Table 1: FY13 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.	\$5,000 HOME (FY13)  \$25,000 CDBG (Carried over)	<ul style="list-style-type: none"> <li>• \$2,315 HOME funds spent</li> <li>• \$13,440 CDBG funds spent</li> <li>• 3 Salem families assisted (3 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.	\$313,562.59 CDBG (FY13 & carried over)  \$29,183 HOME (FY13)	<ul style="list-style-type: none"> <li>• \$87,803 CDBG funds spent</li> <li>• \$112,536.15 HOME funds spent</li> <li>• 9 units improved (6 owners)</li> <li>• 3 additional projects underway (1 CDBG/2 HOME)</li> </ul>

<sup>2</sup> "Funding available" indicates the total funds available during the fiscal year, including FY13 and prior year carried over funds+/- any adjustments made during the year.



Project	Project Description	Funding Available <sup>3</sup>	Status
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.	\$120,991.70 (including \$40,000 of FY13) in open HOME Contracts	<ul style="list-style-type: none"> <li>• \$69,001.42 in HOME funds spent</li> <li>• 62 families assisted thru Rental Downpayment Assistance Program</li> </ul>
St. Joseph's Church complex redevelopment	Phase 1 consists of construction of 51 units of affordable rental housing	\$325,000 HOME	<ul style="list-style-type: none"> <li>• \$0 funds spent</li> </ul>
Housing Program Delivery	Costs associated with providing rehabilitation programs & inspectional services.	\$89,723.41 CDBG (FY13)  \$3,067 HOME (FY13)	<ul style="list-style-type: none"> <li>• \$67,298.41 in CDBG funds, and \$3,067 in HOME admin funds for housing program delivery and inspectional services including lead inspection, as well as a HOME reimbursement of \$7,768.15 in soft costs.</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 FY13 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 Boston Archdiocese's Planning Office for Urban Affairs (POUA) is the developer. The first phase of the proposed project is currently underway and includes the razing of the former church and convent buildings and the construction of a new four-story building on the site. The 51 units in the new building will consist of affordable rental units. The City has committed \$325,000 of CDBG/HOME funds towards the redevelopment project. The development was also awarded funding through DHCD's One Stop Funds Program, as well as funds from the North Shore HOME Consortium. In addition, \$1 Million in PWED funds were allocated for traffic and infrastructure improvements to the adjacent intersection, which have recently been completed. These funds were leveraged by and will benefit the St. Joseph's Redevelopment.

---

<sup>3</sup> "Funding available" indicates the total funds available during the fiscal year, including FY13 and prior year carried over funds +/- any adjustments made during the year.

Furthermore, funds for affordable housing are often set aside to provide resources for the city, or a nonprofit partner, to take advantage of opportunities that arise to acquire available abandoned, derelict properties and turn them back into decent, affordable homes.

- **An Affordable Housing Fund**

In 2003, the City entered into a Memorandum of Agreement with a housing developer that 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.

The City continues to negotiate with developers on a case-by-case basis for affordable units or a contribution to the Trust. The Trust committed \$25,000 to Salem Lafayette Development as predevelopment funding for the St. Joseph's Church redevelopment. The Trust also committed approximately \$25,000 for the creation of several affordable housing units, working with a local non-profit agency.

- **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). When 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 2013, when their 121A agreements for Loring Towers and Salem Heights were expiring, the City approved an extension of their agreements in support of affordable housing.

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 maintaining a tracking list of all pre-foreclosure, foreclosure and bank-owned properties in the city.

In order to educate potential homebuyers, the City encourages first-time homebuyers to complete a CHAPA-certified homebuyer education course and provides an additional \$1000 in First Time Homebuyer Downpayment Assistance Loan Program funds for those that do.

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 five complete calendar years<sup>4</sup>.

<b>YEAR</b>	<b>1-FAMILY</b>	<b>CONDO</b>	<b>ALL</b>
2012	16	20	45
2011	12	27	52
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, which is accomplished through our First Time Homebuyer and our Housing Rehabilitation Loan Programs. As part of the Housing Rehabilitation Loan 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 owns and manages a portfolio of 715 units of decent, safe and sanitary public housing for low income elderly, family, and handicapped residents which are scattered across the City of Salem. Funding to preserve and maintain these properties is provided by the Department of Housing and Community Development and the Department of Housing and Urban Development. Capital improvement work is performed through funding from the Commonwealth's Department of Housing and Community Development and the

---

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

Department of Housing and Urban Development. The following modernization work is currently underway or in design at the following SHA developments:

- \$50,000 exterior door replacement at Bertram Terrace and Norton Terrace elderly housing;
  - \$40,000 water infiltration at the community room at Colonial Terrace elderly housing;
  - \$997,000 window and door replacement at Pioneer Terrace elderly housing;
  - \$111,000 door replacement at Bertram Terrace, Norton Terrace, and Bates Terrace;
  - \$160,000.00 electrical improvement at Leefort Terrace, Bertram Terrace, Morency Manor, and Garden Terrace;
  - \$80,000.00 water conservation program of replacement of 200 toilets and 200 showerheads at various units; and
  - \$27,000 paving at Leefort Terrace, 27 Charter Street Morency Manor/Dalton Building; and 117 Congress Street
- Providing Expanded First Time Homebuyers Assistance  
The City continues its goal to provide families with the opportunity to own their first home through 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 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  
This year, the City will continue its commitment to assist families with rental down payment assistance (first and last month's rent and security deposit) to provide families with the funds necessary to secure affordable housing. The program is an important tool for helping families with the costs of moving into a decent apartment.
- Rehabilitation of Existing Housing  
The majority of the housing stock in Salem 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 (funded with both CDBG and HOME funds) to provide low-interest loans to owners of single and multi-family properties to address cost-prohibitive health and safety issues. Through the rehabilitation of existing housing stock, more homeowners, as well as tenants residing in rental units, can live in decent housing. We have expanded the program to investor-owners with low- to moderate-income tenants, to address code compliance and health and safety issues and to maintain affordable, quality rental properties and to discourage the conversion of affordable rental units into market rate condominiums.

In June, 2007, the N. S. HOME Consortium voted to adopt the federal **Energy Star Standards**. The implementation of this new policy for the use of HOME funds began in October, 2007. All new HOME-assisted units are required to be certified as *Energy Star compliant* whenever either

new construction is involved or where the rehabilitation of an existing structure involves the gutting of the structure to the bare walls. Homeowners are also referred to NSCAP's weatherization program, where they can get energy-efficiency work undertaken, and then utilize Salem's loan program, thereby reducing the homeowner's loan burden.

In addition, the City offers deleading assistance for homeowners with a lead poisoned child 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, Salem is responsible for intake of application information, technical assistance, working with the applicant through the construction process and acting as the escrow agent for the loan funds.

- **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 12.36 percent, Salem has the 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 2005 and 2010 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. In May, 2012 the Housing Coordinator attended a HUD Fair Housing Seminar held in Gloucester, as well as a LGBT HUD Equal Access to HUD Programs & Cultural Competency: An Explanation of HUD's Equal Access Rule workshop held in Boston in September, 2012. The Housing Coordinator also attended two forums sponsored by the Independent Living Center (September, 2012 - Affordable, Available Accessible Housing in Salem and April, 2013 - Housing Right in Salem: Fair Housing Laws & Dealing w/Discrimination), as well as HUD's Fair Housing Accessibility First in Boston in May, 2013. (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.

In, March, 2013, the City of Salem hosted an Abandoned Housing Initiative Receivership Training Seminar with the Massachusetts Attorney General's Office in order for municipalities

to partner and learn about how to help revitalize properties threatened by foreclosure and/or in need of rehabilitation, reverse the ill effects of the foreclosure crisis and keep our neighborhoods safe and secure.

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 housing 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 deleasing 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. Staff presented at four workshops in FY09 and staff presented at one workshop in FY10, one in FY11 and one in FY12. Staff presented at two in FY13, including one at the Salem Council on Aging and one at a First Time Homebuyer Certification Course hosted by the North Shore CDC, Home Buying Mentors the Allston Brighton CDC. (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 March 2012 and June, 2012. City housing staff gave presentations during a class for both 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 FY12, the City of Salem added Google Translate to all pages on the City website. 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. These service providers were also provided with the information on Google Translate, for which several have already included it on their websites. Furthermore, two DPCD employees (our Housing Coordinator 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/Homelessness**

During FY13, 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 Public Services Section of this report, where it indicates that 45 households (104 persons) avoided homelessness through city-funded Homeless Prevention and Transitional Housing Programs.

Through Lifebridge, a 34-bed shelter for men and women, the City funds a part-time Downtown Street Outreach Worker that helps connect homeless individuals with needed services. As a requirement of these grant funds, representatives of Lifebridge meet with DCPD staff, the Salem Police Community Impact Unit, downtown business representatives and other interested parties three times per year in a public meeting to discuss program progress. CDBG also funds nursing services at Lifebridge in order to provide health assessments, flu and TB shots and other medical services.

HAWC reports that a comprehensive national released in 2005 found that one out of every four homeless women is homeless because of violence committed against her. HAWC provides services to victims of domestic abuse and their children, including a children's program in the HAWC shelter and homeless prevention program both funded through CDBG. They also received HOME funds from Salem toward Tenant Based Rental Assistance and funds for rental downpayments to move into decent, affordable housing.

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 4 households to purchase their first home; only 3 income-eligible families applied for First Time Homebuyer Loan funds, entered into purchase and sale agreements and received primary mortgages. This is due to the housing market and the fact that it is still difficult to obtain financing, rather than a reflection on the program itself.

The Housing Rehabilitation Loan Program continues to assist families in need and to exceed the goals laid out in the Consolidated Plan. In FY13, we exceeded our Action Plan goal of rehabilitating 4 housing units. There were 9 units where improvements were completed. In addition, there are 3 more projects currently underway.

The Rental Downpayment Assistance Program is 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. The FY13

Action Plan projected that up to 39 households would be assisted; 62 families were assisted through contracts with North Shore Community Action Program, Inc., greatly exceeding out goal.

Finally, we continue to place importance on the ongoing review and update of our program policies and guidelines, training staff and marketing our programs. All program materials are available on the city's website. The Housing Coordinator periodically participates in available, applicable trainings or webinars (i.e. October, 2012 webinar: Using the Income Calculator to Determine Annual Income). The Housing Coordinator conducted a presentation at the Salem Council on Aging in February, 2013 to inform senior homeowners of the City's housing programs.

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



*Wellspring House's MediClerk Program Students*

with HIV/AIDS, substance abusers and homeless persons and families). In FY13, 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 FY13 Action Plan.

According to HUD regulations, we are allowed to commit up to 15 percent of our CDBG allocation to public service activities. In FY13, 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 FY13 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 FY13, we were able to expend \$161,265.52 on 31 open public service contracts, which, in turn, assisted 9,201 people, including at least 898 children/youth and 2668 seniors (see Table 2 for Active Projects).

**Table2: FY13 Public Services Financial Summary**

Agency	CDBG Funding Available	CDBG Funds Spent	Number Assisted	Program Impact
Bentley Elementary School After School Program	\$5,000.00	\$5,000.00	127 youth	Each child participated in at least one of the following classes: girls leadership, yoga, social club, hip hop, boys basketball, girls basketball, math camp, readers theater or walking club.
Boys & Girls Club Gang Prevention	\$4,800.00	\$4,800.00	297 youth	An average of 144 members attended Power Hour at least three times per week for homework help during the months of October, November and December. Over 4125 visits were made by 297 individuals between October and December, 2012 for homework help for children ages 5 to 12.
Haven From Hunger Food Pantry	\$9,800.00	\$9,800.00	530 persons	Provided food to 274 families through approximately 1099 visits to the food pantry over 4 months.



Agency	CDBG Funding Available	CDBG Funds Spent	Number Assisted	Program Impact
East Gate Fellowship: Joseph's Storehouse	\$9,800.00	\$9,800.00	2468 persons	Provided a food pantry to 1150 households for up to twice per month. As a result, more than 6300 visits were made to the pantry by low and very low income Salem residents, thereby allowing them to stretch their household monties and still have nutritious food.
Salem Community Child Care	\$9,800.00	\$9,800.00	14 youth	Provided child care for 130 days which also helped prepare the children for first grade. Enrichment activities are provided and children are assisted with completing homework.
North Shore CDC Community English Program	\$4,800	\$4,800.00	77 persons	Provided three 12-week sessions of English language classes. Each student partipated in 6 horus a week of language instruction.
H.A.W.C. Children's Program	\$9,800.00	\$9,800.00	25 persons	Provided over 80 hours of classes and groups for the adults and/or children - art therapy play group two times per week, parenting group one time per week and domestic violence group one time per week.
H.A.W.C. Homeless Prevention Program	\$6,500	\$0	-	
Lifebridge Medical Support Services	\$1,852.75 FY12; \$8,000.00 FY13	\$9,852.75	416 persons	Provided health assessments including respiratory, blood sugar, psyche, physical, referrals to detox, PC physicians and hospital. Additionally, clients received flu and TB shots.
Lifebridge Outreach Street Advocate	\$3,306.20 FY12	\$3,306.20	44 persons	Connected homeless individuals with shelter services (food, shower, laundry), medical services, assist in applications for social security, overnight shelter, admittance to facility (medical, mental health, detox) or employment assistance.
Salem Police Department Bicycle and Walk/Ride Patrols	\$1,571.67 FY11; \$7,500 FY12; \$7,300 FY13	\$7,274.85	3,918 persons	Drug offenses saw a decrease of 18% and total assaults saw a 3% decrease. Total calls were up 122% (drunk individuals, public drinking, disorderly conduct, disturbances, loitering and noise ordinance violations).
Catholic Charities Homeless Prevention Program	\$9,800.00	\$9,800.00	32 persons	16 families avoided homelessness with emergency rent assistance . They also assisted 11 persons with this program with other non-CDBG funding. All families received extensive information and referral services and budget counseling.
Catholic Charities Little Lambs Program	\$2,300.00	\$2,000.00	137 youth	Assisted 40 families with referrals to GED/Education or Employment training, child care, health, housing, basic needs and counselling and to provide diapers and wipes.
Salvation Army Homeless Prevention	\$9,800.00	\$346.00	2 persons	Assisted 1 family with homelessness prevention (rent arrearage).

Agency	CDBG Funding Available	CDBG Funds Spent	Number Assisted	Program Impact
Cerebral Palsy Association North Shore Infant & Toddler Preschool Program	\$4,800.00	\$4,800.00	53 children	For children with physical and developmental disabilities to attend integrated developmental play groups once per week. Of the total, 23 children have aged out of the and transitioned to local daycares, preschools, Head Start or Salem Public Schools. the remaining continue to attend weekly toddler groups until they turn 3 years of age.
Morgan Memorial Goodwill Industries Career Planning Program	\$210.96 FY12; 3,600.00 FY13	\$3,410.96	5 disabled youth	Provided 34 hours of classroom training. All students completed a Skills Interest Inventory, Work Readiness Inventory, Money Skills Assessment and an Individual Training and Employment Plan. Students filled out at least one job application, did on-line job searching and completed job groups that covered such topics as interviewing skills, on the job interactions, dressing for an interview and mock interviewing. Stop and Shop training and hands-on skills assessment were also performed. They watched videos on First Job Survival Skills, surviving the first 90 days. 3 students participated in internships which included the Salem YMCA, North Shore Medical Center and the Hawthorne Hotel. 1 student is employed at the Howling Wolf restaurant working 2 days per week. 2 students will continue working their internships over summer vacation.
Salem Access Television Youth in Action	\$4,800.00	\$4,800.00	13 youth	To completed a minimum 36 hour training course to learn television, field and studio production, scripting and storyboarding. Youth received a certificate of course completion and completed a video that was broadcast on SATV. Programs produced related to their life experiences
V.O.C.E.S. Hispanic Education Program	\$4,800.00	\$4,800.00	123 persons	Provided 187 classes in either Citizenship Education or GED Preparation. This year there were 26 new citizens and 11 persons got their GED in Spanish.
Independent Living Center Accessible Housing Education Services Program	\$4,800.00	\$4,800.00	52 disabled persons/ households	Provided two housing forums - one on availability of housing and one on housing rights. An additional housing workshop was conducted at Lifebridge. In house information and referral resulted in 5 placements/relocations to accessible housing. They assisted more than 31 consumers to complete and submit subsidized housing applications (including Section 8 and other Housing Authority applications). Monthly universal housing application assistance workshops were typically held once per month.

Agency	CDBG Funding Available	CDBG Funds Spent	Number Assisted	Program Impact
North Shore Community Action Program Salem Cyberspace Cyberyouth	\$4,800.00	\$4,800.00	62 youth	Met with high school students at least 3 hours per week, and college freshman at least 2 hours per month and college sophomores at least 1 hour per month. 15 applications were submitted to colleges/universities, 21 applications for college financial aid were submitted and 7 college entrance exams were completed.
Catholic Charities Homeless Prevention Program	\$9,800.00	\$9,800.00	32 persons	16 families avoided homelessness with emergency rent assistance. They also assisted 11 persons with this program with other non-CDBG funding. All families received extensive information and referral services and budget counseling.
Salem YMCA School Age Child Care Program	\$800.00 FY12; \$12,236 FY13	\$13,036.00	190 youth	Provided a minimum of 16 weeks of child care, which included educational and enrichment activities. Nutritious snack, gym and homework help offered daily. Curriculum included the solar system, animals, rainforest, photograph and going green (environment & biology), enrichment activities, swimming and field trips. A small amount of funds were used for field trips and Y memberships.
Salem Council on Aging Project Lifesaver	\$242.02 FY11; \$1,000.00 FY13	\$768.99	2 person	Purchase of electronic bracelets, enrollment, and/or annual fee.
Salem Council on Aging Transportation Program	\$7,913.93 FY12; \$12,750.00 FY13	\$15,482.27	266 seniors	Provide transportation to Council on Aging (2214), medical (1307), shopping (896), YMCA (159), downtown (55), bank (19), Salem Housing Authority (6), hairdresser (75) and events/activities (10).
NSCAP Homeless Prevention Program	\$9,800.00	\$9,800.00	70 persons	Assisted 28 families in the prevention of homelessness through rental or utility assistance. 15 families received assistance to maintain utilities and 13 families received assistance for rental arrearages.
North Shore Moving Market	\$4,800.00	\$4,800.00	270 persons	Over 720 deliveries were made to at least 130 households (253 persons) over six months.
Wellspring House MediClerk Program	\$4,100	\$3,587.50	8 persons	13 week training courses. 6 of the 8 students graduated from the program. Four are currently working - one in a law firm and three at the North Shore Medical Center.
<b>TOTAL PERSONS ASSISTED</b>		<b>9,201 persons, including at least 898 children/youth &amp; 266 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 FY13 Action Plan goal was to provide 25 new grants and serve an estimated 10,000 persons. We executed agreements for 25 new grants. Through these new grants

and carried over open contracts, we assisted 9,201 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 we continue to spend up to the full HUD funding cap of 15 percent.



*Youth from the Boys & Girls Club of Greater Salem  
in the studio for Salem Access TV's Youth in Action Program*

## 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 13, several new businesses opened in the Urban Renewal Area 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 2012 is 7.5 percent<sup>5</sup>.



*An CDBG loan helped  
the Bioengineering Group  
expand their business*

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

<sup>5</sup> Massachusetts Executive Office of Labor and Workforce Development, Department of Unemployment Assistance

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: FY13 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.	\$23,650.84	<ul style="list-style-type: none"> <li>• \$5,014.97 CDBG spent</li> <li>• 1 Storefront completed</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.	\$49,980.00	<ul style="list-style-type: none"> <li>• \$12,000.00 CDBG spent</li> <li>• 1 businesses assisted</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>• Assisted one business resulting in 10 full time jobs</li> <li>• Assisted 22 micro-enterprises</li> </ul>
	Economic Development Program Delivery	Costs associated with providing Economic Development programs and administration of the Salem Redevelopment Authority.	\$60,000.00	<ul style="list-style-type: none"> <li>• \$48,616.47 CDBG spent</li> </ul>

### Evaluation of Goals

In FY13, with our Small Business Financial Assistance Programs, we met our Action Plan goal to assist two businesses - one storefront improvement and one business loan. The business loan will be monitored in FY14 for job creation.

The Salem Main Streets Program provided technical assistance to 22 new or existing micro-enterprise businesses, exceeding our FY13 Action Plan goal of assisting 20 microenterprises. Events included the Ice Cream Bowl, Farmer's Market, Mayor's Night Out (2), Salem Maritime Festival, Enterprise Center workshop on Volunteers & Fundraising, First Friday Initiative, Salem Winter Farmer's Market, Volunteer Appreciation Event, Haunted Happenings, Salem So Sweet Festival, Salem Film Festival, Salem Poetry Festival, Living Green Fair and the Salem Arts Festival. They also participated in the Mass In Motion Committee and Destination Salem Marketing Committee, and assisted with training and orientation of a special city workers program. Total volunteer hours were 2155.



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.

In total, \$90,631.44 in CDBG funds was spent during the program period for economic development activities.

During FY13, the most significant redevelopment project was the second phase of improvements made to the City's Essex Street Pedestrian Mall, which included the removal and replacement of trees, removal of planting beds, removal of cobblestone areas and replacement with brick, and resetting of cobblestones for improved drainage. This was funded through the City's excess snow removal funds.

During FY13, 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. The DPCD collaborated with the Salem Chamber of Commerce on several economic development topics including downtown transportation, business recruitment, and the development of a database of property owners throughout Salem.

During FY13 the DPCD worked with other City departments to implement final changes to the parking system. These changes had been approved by the City Council in FY11 based on recommendations from the comprehensive parking study.

Lastly, in June 2012, the City received a \$25,000 grant from the National Endowment for the Arts to develop a public art master plan (the City is providing a match of \$5,000). In FY13, the City worked with consultants, a working group, and the public to produce the plan, which is in the final stages of completion. The plan outlines the governance of existing public art initiatives such as "ArtBox," which allows artists to paint City owned utility boxes; the temporary installment of sculptures in the Downtown area; as well as potential future public art initiatives, including the formation of a City Public Art Commission.

**Table 4: Active Economic Development Loans in FY13**

<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>	Village Tavern	\$50,000	3 full time & 200 weekly hours of part time
	Bioengineering/River Wharf Realty	\$12,000	To be monitored in FY14

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



*Harbor and Lafayette Streets Improvements*

current neighborhood improvement projects and their status at the close of FY13. 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.

**Table 5: FY13 Neighborhood Improvement Financial Summary**

Activity	CDBG Funds Available	CDBG Funds Spent in FY12	Status
Harbor and Lafayette Streets Pedestrian Improvements (PWED)	\$378,986.43	\$378,986.43	Complete
Derby Street Wheel Chair Ramps	\$4,372.00	\$4,372.00	Complete
Neighborhood History Signs - Point Neighborhood & South Salem	\$4,193.07	\$4,193.07	Complete
South River Harbor Walk	\$256.65	\$256.65	Complete
Teen Resource Center	\$78,130.94	\$57,468.04	Underway
Splaine Park improvements	\$22,492.95	\$5,149.63	Underway
Palmer Cove Park Improvements	\$18,552.05	\$17,760.05	Underway
Bike Lane Delineation in LMI Areas - Lafayette St.	\$16,363.61	\$220.81	Underway
Tree Planting Program	\$24,994.01	\$20,991.50	Ongoing
Section 108 Loan Payments – South Harbor Garage	\$39,462.50	\$39,462.50	Ongoing
Street Improvements (i.e. sidewalks, curbcuts, paving & crosswalks)	\$155,607.54	\$0.00	Ongoing
NSCDC Acquisition of 15 Ward St.	\$23,000.00	\$0	Planning
South River Harbor Walk (extension)	\$13,770.27	\$90.72	Planning
Lafayette Park Improvements	\$82,665.53	\$0	Planning
Pedestrian Mall Improvements	\$50,000.00	\$0.00	Planning

### Evaluation of Goals

During the program period, we continued to work on important neighborhood projects, and spent a total of \$528,951.40, including program delivery costs, toward meeting the goals in the FY13 Action Plan and 5 year Consolidated Plan. This is the first time in recent years that Neighborhood Improvements spending has exceeded all other spending categories. A significant portion of these

expenditures went toward the Harbor and Lafayette Streets Pedestrian Improvements, which was funded with \$1,000,000 in MassDOT Public Works Economic Development (PWED) grant funds and required that the City provide matching funds.

Also completed during FY13, was the installation of wheel chair ramps on Derby Street and a history sign panel in the Point Neighborhood, as well as the final touches on the South River Harbor Walk. Trees were planted on Raymond Ave., Loring Ave., Forest Ave., Gardner St., Cedar St., Cherry St., cypress Street, Lyme Street, Canal St., Washington St., Margin St., and Jefferson Avenue. The Teen Resource Center expansion, Splaine Park improvements, Palmer Cove Park improvements and bike lane striping on Lafayette Street are all underway. We continue to make principal and interest payments on the South Harbor Garage Section 108 loan.

There were no street and sidewalks undertaken this year. The funds will be carried over to FY14. Funds for North Shore CDC's acquisition of 15 Ward Street for a public open space, South River Harbor Walk extension, Lafayette Park Improvements and Pedestrian Mall Improvements, all in the planning stage, will also be carried over to FY14.

.

## 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 FY13, we provided matching funds toward a Massachusetts Historical Commission Survey and Planning Grant to design neighborhood history sign panels for 13 neighborhoods. Funds were also used to prepare a nomination to the National Register of Historic Places for the fire station on North Street. Funds are also set aside for a Survey and Planning Grant for the nomination of Greenlawn Cemetery to the National Register of Historic Places.



***National Register of Historic Places  
Certificate for the North Street Fire Station***

In FY13, we spent a total of \$211,357.72 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: FY13 Planning & Administration Financial Summary**

<b>Activity</b>	<b>CDBG Funds Available</b>	<b>CDBG Funds Spent</b>
Survey & Planning Grant – Design of Neighborhood History Signs	\$11,500.00	\$11,500.00
142 North Street National Register Nomination	\$2,000.00	\$2,000.00
General Administration - Salary	\$139,559.52	\$139,559.52
Survey & Planning Grant – Greenlawn Cemetery	\$4,000.00	\$0
General Administration - Benefits	\$49,697.61	\$49,697.61
General Administration - Non-salary	\$8,600.59	\$8,600.59

### **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 had 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. This approval effectively waived certain zoning requirements, including density, height and use. In addition, The City Council rezoned the site to Central Business zoning, allowing a missed use component, thus 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 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 Salem Housing Authority is governed by a Board comprised of five members. The Mayor of Salem appoints four of the five board members and the fifth board member is appointed by the Governor of the Commonwealth of Massachusetts. One member of the board is required to be a resident of public housing and one member must be a member who represents organized labor.

The Authority serves over 1,000 participants through the Section 8 Housing Choice Voucher Program. The Authority receives over \$10 million in federal funding to administer this program.

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.

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**

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, which is located in the Five Year Consolidated Plan). 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 tenant based rental assistance provided with HOME funds requires an inspection with a HQS report.

All First-Time Homebuyer Downpayment Assistance Loan Program properties and Housing Rehabilitation Loan Program properties receive on-site inspections. Rehabilitation projects must meet current housing codes and non-emergency projects must meet HQS. 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.

Payments to agencies are made on a reimbursement basis to ensure compliance with expenditure requirements. 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 FY13 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 FY13:

- 3 families assisted to purchase their first home in Salem;
- 9 housing units were renovated, with an additional 3 projects underway;
- 62 families received assistance with first/last month's rent and/or security deposits;
- 25 social service programs assisted 9,201 persons, including at least 868 youth and at least 266 seniors;
- 1 business provided with an economic development loan;
- 1 business assisted with storefront improvement;
- Salem Main Streets Program highlights:
  - Assisted 22 new or existing micro-enterprises;
  - 1 business assisted resulted in 10 new full time jobs;
  - Total volunteer hours were 2155;
  - Salem Ice Scream Bowl;
  - Salem Farmers' Market;
  - Winter Farmers' Market;
  - Mayor's Night Out (2);
  - Salem Maritime Festival;
  - Mass In Motion and Destination Salem Marketing Committees;
  - Enterprise Center workshop on volunteers and fundraising;
  - Training/orientation of special city workers program;
  - First Friday Initiative;
  - Volunteer Appreciation event;
  - Haunted Happenings;
  - Holiday Happenings;
  - Salem So Sweet Festival;
  - Salem Film Festival;
  - Salem Living Green Fair;
  - Salem Poetry Festival; and
  - Salem Arts Festival.
- South River Harbor Walk completed;
- Harbor and Lafayette Pedestrian Improvements completed;
- Wheel chair ramps installed on Derby Street;
- Rehabilitation of the basketball court surface and installation of a new light pole at Palmer Cove Park;
- Installation of neighborhood history sign panels in the Point and South Salem Neighborhoods;
- 61 trees planted in low-mod neighborhoods; and
- Completion of nomination of 142 North Street (fire station ) to the National Register of Historic Places.

The City's 5 Year Consolidated Plan was prepared at the start of FY11. In FY11, Salem received a higher allocation of CDBG funds than any of the previous five years and the goals laid out in the 5-Year Consolidated Plan were based on level funding of CDBG. However, in FY12 and FY13, we

saw significant decreases in our CDBG allocation – FY13 was Salem’s lowest CDBG allocation in over twenty years. The same holds true for our HOME funds, which saw an even deeper percentage of cuts. With less to spend, program income totals also saw a decrease. As a result, some of our 5-Year goals remain at-risk of not being met due to reduced funding. Still, despite the reduction in HUD funding (a 23.5% lower 3-year estimate), we are proud of the accomplishments made in FY13.

CDBG funds help leverage additional grants for our projects and this year we were able to complete the Harbor/Lafayette Street Pedestrian Improvement Project. Splaine Park Improvements are underway, which are also using additional grant funds leveraged by CDBG.

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, 16 22, 24 and 26, 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 FY13, CDBG expenditures complied with the goals and objectives outlined in the FY13 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 FY13 Action Plan.

### *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 in neighborhoods meeting the definition of “slums and blight”, 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 FY13, the City of Salem pursued all resources indicated in its FY13 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 FY13, 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 FY13, the City of Salem funded several activities that served limited clienteles. For example, funds were expended on 25 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 FY13. The total program income was \$118,054.87.

### *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 FY13 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 FY13.

### *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. A quarterly report is provided to the City's Finance Department on new loans issued, loan state and loan discharges. The Housing Coordinator follows the Loan Management Policy for review of existing loans and process to address delinquent, default or uncollectable loans.

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, Section 3 Plan and Minority Outreach Procedures in place that allows the City to track whether long-term goals are being met. 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, historic properties protection and prevailing wage documentation, as applicable. Staff periodically attend environmental review trainings - on site or via webinar.

### **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 FY13, the City of Salem spent \$194,687.72 in HOME funds. Funds were used to help fund provide first time homebuyer downpayment assistance, housing rehabilitation and to fund the Rental Downpayment Assistance Programs administered by the North Shore Community Action Programs, Inc.. 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 FY13 and the funds leveraged through these expenditures.

**Table 8: FY13 Funds Leveraged**

<b>Program</b>	<b>CDBG Expenditures</b>	<b>HOME Expenditures</b>	<b>Funds from Other Sources</b>
Housing Programs	\$168,541.41	\$194,687.72	\$487,224.00
Public Services	\$161,265.52	-	\$3,131,258.16
Economic Development	\$90,631.44	-	\$84,400.02
Neighborhood Improvements <sup>6</sup>	\$528,951.40	-	\$2,980,465.00
Planning & Administration	\$211,357.72	-	\$406,092.69
<b>TOTAL FY11</b>	<b>\$1,160,747.49</b>	<b>\$94,687.72</b>	<b>\$7,089,439.87</b>
<b>TOTAL FUNDS LEVERAGED PER HUD DOLLAR IN FY13: \$5.65</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 \$15,155 in matching funds as well as obtained \$457,144 in financing from a primary lender, which amounted to a total leveraged of \$472,299
- The rehabilitation program leveraged \$14,925 in State Green Communities funds.

### *Economic Development:*

- The Salem Main Streets Program leveraged \$20,475.20. Of this total, \$10,900 was corporate contributions for operations and \$9,575.20 was from events and programs (net of expenses) such as the Main Streets Farmer’s Market, Salem So Sweet Festival, Salem’s Shop & Dine Guide, Holiday Shopping initiative and Salem Arts Festival.
- This year’s Business Loan Program leveraged \$63,925 of other city funds.

### *Neighborhood Improvements:*

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

<sup>6</sup> Includes Section 108 loan payment as a CDBG expense.



- The Harbor and Lafayette Streets Pedestrian Improvements leveraged \$1,000,000 in MassDOT Public Works Economic Development (PWED) grant funds
- The Splaine Park Improvement Project is leveraging \$420,946 in State PARC grant funds, \$216,851 from local Capital Improvement funds and \$6,668 in donations.

*Planning & Administration:*

- Planning and administration funds leveraged \$326,347.87 in City funds plus \$93,760.69 in benefit costs and \$68,244.82 in State Seaport Advisory Council funds
- The Neighborhood History Signs leveraged \$11,500 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 \$3,217,696.16 in other federal, state or private funds

Note: Leveraged funds for multi-year projects may be repeated within more than one year's CAPER. Above, leveraged funds are only included for projects for 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 FY13 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 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 Report

# FINANCIAL SUMMARY

FY13 Consolidated Annual Performance and Evaluation Report		
1	<b>Summary of CDBG Resources</b>	
2	FY12 End of Year Balance	\$ 886,387.47
3	FY13 CDBG Entitlement	\$ 903,833.00
4	Program Income, FY13	\$ 118,054.87*
5	<b>Total CDBG funds available for use in FY13</b>	<b>\$ 1,908,275.34</b>
6	<b>Summary of CDBG Expenditures</b>	
7	Affordable Housing	\$ 168,541.41
8	Public Services	\$ 161,265.52
9	Neighborhood Improvements (not including CDBG-R)	\$ 489,488.90
10	Economic Development – Note: amount was reduced by \$20,000 to reflect canceled loan funds returned	\$ 90,631.44
11	Planning & Administration	\$ 211,357.72
12	Section 108 Repayment (in CAPER narratives under neighborhood improvements)	\$ 39,462.50
13	<b>Total Expenditures</b>	<b>\$ 1,160,747.49</b>
14	<b>Year-End CDBG Resources</b>	
15	Total CDBG funds available for use in FY13	\$ 1,908,275.34
16	Total Expenditures in FY13	\$ 1,160,747.49
17	Unexpended Balance (CDBG Budget)	<b>\$ 747,527.85</b>
18	<b>Low/Mod Credit</b>	
19	Total FY13 CDBG Expenditures	\$ 1,160,747.49
20	Total for Program Administration	\$ 211,357.72
21	Total for Section 108 Repayments	\$ 39,462.50
22	Total subject to Low/Mod Benefit Calculation	\$ 909,927.27
23	L/M Credit for multi-unit housing	\$ 59,950.00
24	L/M Credit for other activities	\$ 909,927.27
25	<b>Percent of benefit to low/mod persons</b>	<b>100%</b>
26	<b>Public Services Cap Calculation</b>	
27	Net obligations for FY13 Public Services Activities	\$ 168,027.50
28	FY13 Entitlement + FY12 Program Income	\$ 1,132,906.47
29	<b>Percent obligated PS Activities</b>	<b>14.83%</b>
30	<b>Planning and Program Administration Cap Calculation</b>	
31	FY13 Entitlement + FY13 Program Income	\$ 1,021,887.87
32	Net Obligations for Planning/Admin. Activities	\$ 201,306.46
33	<b>Percent of funds expended</b>	<b>19.70%</b>

34	<b>HOME Summary</b>	
35	HOME Project Expenditures	\$ 183,852.57
36	Salem HOME Administration (including FTHB fee/inspection reimbursements)	\$ 10,835.15
37	<b>Total HOME Expenditures</b>	<b>\$ 194,687.72</b>

In FY11/12, the City cut a check and drew down \$20,000 from IDIS in June, 2012 for an Economic Development loan for Amazing Pizza, with the loan closing scheduled for July, 2012. In July, 2012, the loan closing was canceled and the drawn down funds were revised to several other open activities:

\$337.52 - #1271 (Public Service)  
 \$118.69 - #1272 (Public Service)  
 \$16,283.79 - #1300 (Economic Development)  
 \$1200.00 - #1298 (Housing)  
 \$455.00 - #1308 (Housing)  
 \$1075.00 - #1304 (Housing)  
 \$530.00 - #1308 (Housing)

Because the initial drawdown (voucher 5291655) was completed in FY11/12, in some IDIS reports, the above amounts may show up as having been expended in FY11/12, when they were actually expended in FY12/13. Because this would effect the public service cap for FY11/12, these:

\$337.52 - #1271(Public Service)  
 \$118.69 - #1272 (Public Service)

were subsequently revised again to activity #1080 (Neighborhood Improvements).

Making the above changes required swapping program income funded drawdowns with entitlement funds. This apparently resulted in IDIS erroneously changing some of the program income received in FY11/12 to FY12/13 - making it appear that there was less program income than reported in FY11/12 and more program income in FY12/13 - a total of (\$83,113.28). This total was used to adjust the total funds available in IDIS for FY13, as well as the amount subject to the planning and administration cap. It was also necessary to adjust the total subject to the public service cap in the amount of \$73,025.43, as the program income indicated on the financial summary report in IDIS for FY12 was in error.

[illegible]

*CDBG funds unless otherwise noted*



SALEM

CDBG Beneficiaries by Racial / Ethnic Category

Housing-Non Housing	Race	Total Persons	Total Hispanic Persons	Total Households	Total Hispanic Households
Housing	White	0	0	14	0
	<b>Total Housing</b>	<b>0</b>	<b>0</b>	<b>14</b>	<b>0</b>
Non Housing	White	1,939	346	0	0
	Black/African American	253	125	0	0
	Asian	27	5	0	0
	American Indian/Alaskan Native	14	6	0	0
	Native Hawaiian/Other Pacific Islander	1	1	0	0
	American Indian/Alaskan Native & White	12	5	0	0
	Asian & White	12	7	0	0
	Black/African American & White	60	17	0	0
	Amer. Indian/Alaskan Native & Black/African Amer.	8	5	0	0
	Other multi-racial	393	362	0	0
	<b>Total Non Housing</b>	<b>2,719</b>	<b>879</b>	<b>0</b>	<b>0</b>
Grand Total	White	4,021	994	14	0
	Black/African American	1,290	806	0	0
	Asian	32	5	0	0
	American Indian/Alaskan Native	18	6	0	0
	Native Hawaiian/Other Pacific Islander	1	1	0	0
	American Indian/Alaskan Native & White	15	5	0	0
	Asian & White	12	7	0	0
	Black/African American & White	95	44	0	0
	Amer. Indian/Alaskan Native & Black/African Amer.	8	5	0	0
	Other multi-racial	495	430	0	0
	<b>Total Grand Total</b>	<b>5,987</b>	<b>2,303</b>	<b>14</b>	<b>0</b>



SALEM

CDBG Beneficiaries by Income Category

	Income Levels	Owner Occupied	Renter Occupied	Persons
Housing	Extremely Low ( $\leq 30\%$ )	3	0	0
	Low ( $> 30\%$ and $\leq 50\%$ )	4	1	0
	Mod ( $> 50\%$ and $\leq 80\%$ )	4	0	0
	Total Low-Mod	11	1	0
	Non Low-Mod ( $> 80\%$ )	0	0	0
	Total Beneficiaries	11	1	0
Non Housing	Extremely Low ( $\leq 30\%$ )	0	0	1,294
	Low ( $> 30\%$ and $\leq 50\%$ )	0	0	445
	Mod ( $> 50\%$ and $\leq 80\%$ )	0	0	197
	Total Low-Mod	0	0	1,936
	Non Low-Mod ( $> 80\%$ )	0	0	71
	Total Beneficiaries	0	0	2,007





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 07-01-2012 To 06-30-2013

DATE: 08-29-13  
TIME: 18:22  
PAGE: 1

**Program Year 2012 Funds**

2012 CDBG Allocation \$903,833.00  
Program Income Received During Program Year 2012 \$201,168.15

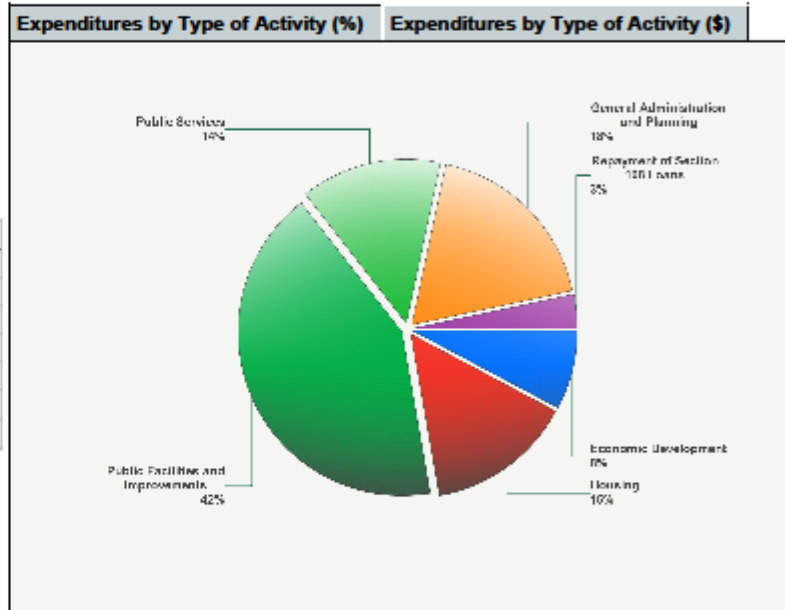
**Total Available<sup>1</sup> \$1,105,001.15**

**Expenditures<sup>2</sup>**

Type of Activity	Expenditure	Percentage
Economic Development	\$90,631.44	7.81%
Housing	\$168,541.41	14.52%
Public Facilities and Improvements	\$489,488.90	42.17%
Public Services	\$161,265.52	13.89%
General Administration and Planning	\$211,357.72	18.21%
Repayment of Section 108 Loans	\$39,462.50	3.40%
<b>Total</b>	<b>\$1,160,747.49</b>	<b>100.00%</b>

**Timeliness**

Timeliness Ratio - unexpended funds as percent of 2012 allocation 1.08





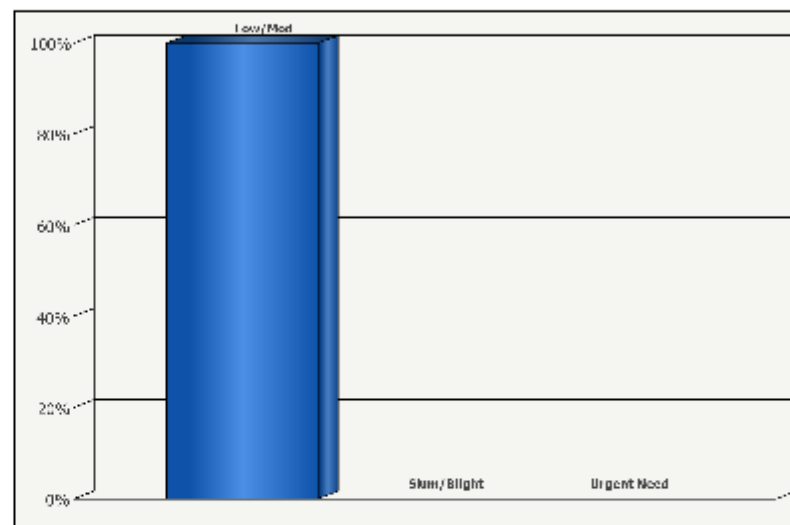
U.S. Department of Housing and Urban Development  
Office of Community Planning and Development  
Integrated Disbursement and Information System  
**CDBG Community Development Block Grant Performance Profile**  
PR54 - SALEM, MA

DATE: 08-29-13  
TIME: 18:22  
PAGE: 2

Program Year From 07-01-2012 To 06-30-2013

**Program Targeting**

1 -Percentage of Expenditures Assisting Low- and Moderate-Income Persons and Households Either Directly or On an Area Basis <sup>3</sup>	100.00%
2 -Percentage of Expenditures That Benefit Low/Mod Income Areas	55.14%
3 -Percentage of Expenditures That Aid in The Prevention or Elimination of Slum or Blight	0.00%
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  
Program Year From 07-01-2012 To 06-30-2013

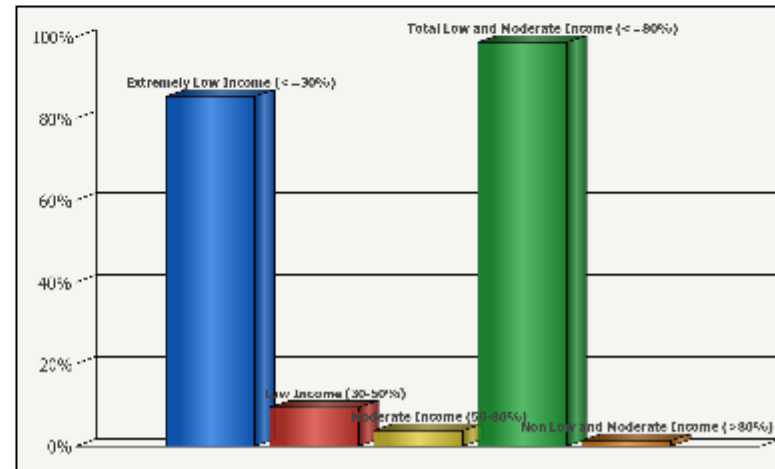
DATE: 08-29-13  
TIME: 18:22  
PAGE: 3

**CDBG Beneficiaries by Racial/Ethnic Category<sup>4</sup>**

Race	Total	Hispanic
Unspecified & DO NOT USE	0.00%	0.00%
White	66.18%	44.25%
Black/African American	23.43%	36.92%
Asian	0.45%	0.19%
American Indian/Alaskan Native	0.34%	0.28%
Native Hawaiian/Other Pacific Islander	0.02%	0.05%
American Indian/Alaskan Native & White	0.28%	0.23%
Asian & White	0.17%	0.33%
Black/African American & White	1.53%	2.01%
Amer. Indian/Alaskan Native & Black/African Amer.	0.15%	0.23%
Other multi-racial	7.43%	15.51%
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%)	85.44%
Low Income (30-50%)	9.42%
Moderate Income (50-80%)	3.80%
Total Low and Moderate Income (<=80%)	98.66%
Non Low and Moderate Income (>80%)	1.34%





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 07-01-2012 To 06-30-2013

DATE: 08-29-13  
TIME: 18:22  
PAGE: 4

**Program Year 2012 Accomplishments**

Accomplishment	Number
Actual Jobs Created or Retained	20
Households Receiving Housing Assistance	12
Persons Assisted Directly, Primarily By Public Services and Public Facilities	11,973
Persons for Whom Services and Facilities were Available	27,891 <sup>5</sup>
Units Rehabilitated-Single Units	6
Units Rehabilitated-Multi Unit Housing	4

**Funds Leveraged for Activities Completed**      **\$1,022,546.25**

**Notes**

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

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

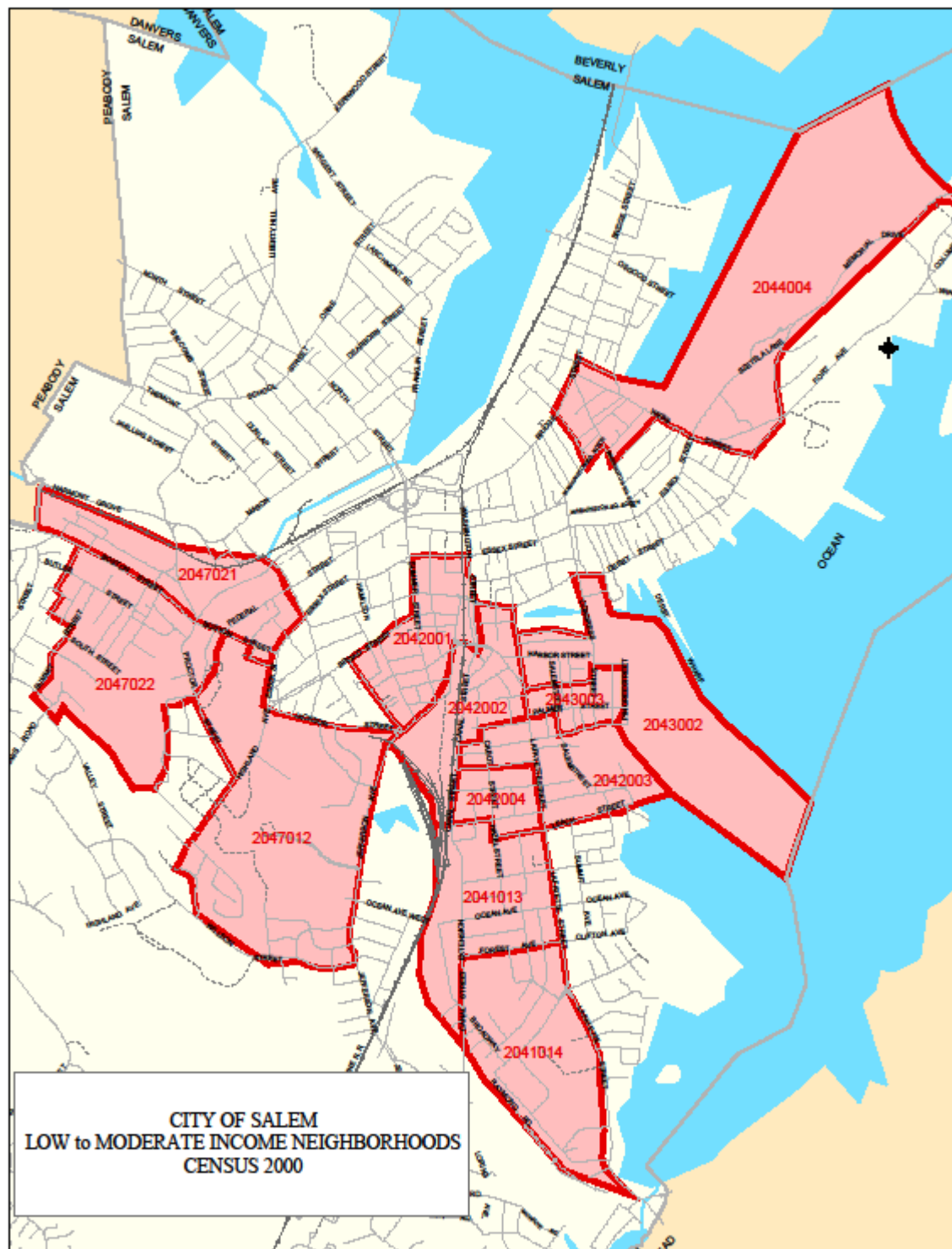
3 Derived by dividing annual expenditures for low-and moderate-income activities by the total expenditures for all activities (excluding planning and administration, except when State planning activities have a national objective) during the program year.

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 (HUD has instructed communities to continue to use the boundaries from the 2000 census until otherwise instructed).
- Geographic Distribution of Entitlement Funds Expended FY13



CITY OF SALEM



Map created by SeaverGIS  
August 21, 2013

Mayor  
Kimberley Orrison

Geographic Distribution of  
Entitlement Fund Expenditures - FY13

Legend



Low & Moderate Income Areas

Expenditure Type

Economic Development

Housing Activity

Neighborhood Improvement

Planning Activity

Tree Planting

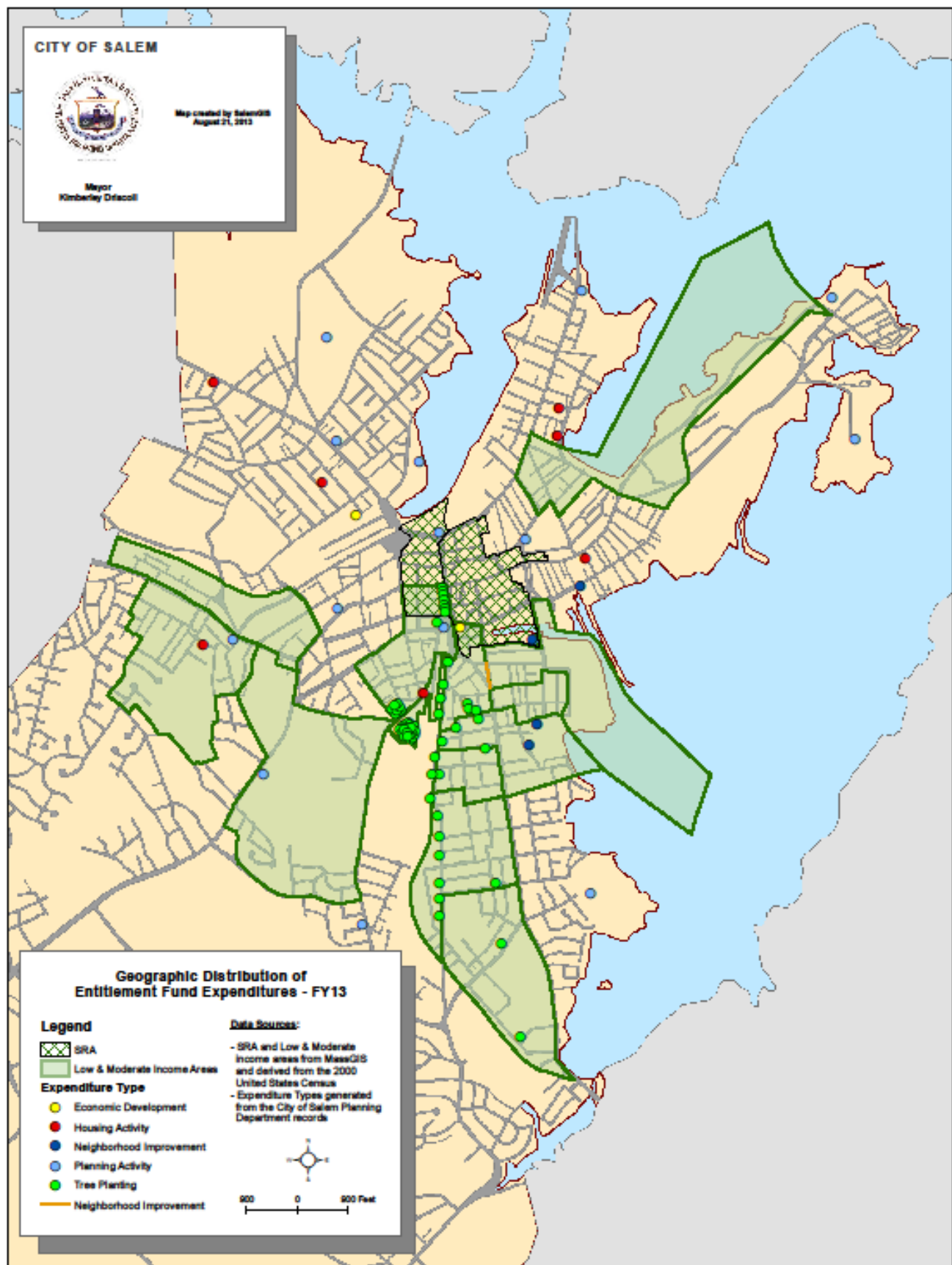
Neighborhood Improvement

Data Sources:

- SRA and Low & Moderate  
Income areas from MassGIS  
and derived from the 2000  
United States Census  
- Expenditure Types generated  
from the City of Salem Planning  
Department records



900 0 900 Feet



**Section 3 Summary Report**Economic Opportunities for  
Low and Very Low-Income PersonsU.S. Department of Housing  
and Urban Development  
Office of Fair Housing  
and Equal OpportunityOMB Approval No.2529-0043  
(exp. 8/17/2015)

HUD Field Office : : BOSTON, MA

See Public Reporting Burden Statement below

**1.Recipient Name:**

City of Salem, MA

**Recipient Address:** (*street, city, state, zip*)120 Washington Street  
Salem , Massachusetts 01970**2. Agency ID:**

B12MC250029

**3. Total Amount of Award:** \$ 903,833

Amount of All Contracts Awarded: \$ 104,750

**4. Contact Person:**

Jane A. Guy

**5. Phone:** 978-619-5685**Fax:** 978-740-0404**E-Mail:** jguy@salem.com**6. Reporting Period:** Quarter 4 of Fiscal Year 2012**7. Date Report Submitted:**

07/25/2013

**8. Program Code-Name:**

7-CDBG-Entitlement

**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	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 Section 3 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

\$ 58,174

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	\$ 46,576
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)

**Yes** 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.

## Section 3 FY13 (HUD FY12) Efforts

### CDBG Activities

#### *Splaine Park Improvements (as reported in FY12)*

- 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 of Massachusetts' Central Register
  - Salem Chamber of Commerce
  - Directly to three M/WBE General Contractors from SOMWBA online Business Directory List
  - City of Salem website – Purchasing Department webpage

No CDBG funds were expended on this project during FY13 or are expected to be expended for the construction work. However, it is possible that clean up of environmental hazards may be undertaken with CDBG funds in FY14. If so, any Section 3 activities will be reported in FY14.

There were no other construction projects undertaken in FY13 that were \$100,000 or over.

## Other Efforts

The City's Section 3 Business Affidavit is located on the City's website, on the Purchasing Department webpage at [http://saalem.com/Pages/SalemMA\\_Purchasing/section3.pdf](http://saalem.com/Pages/SalemMA_Purchasing/section3.pdf)

Job notices for positions available in the Department of Planning and Community Development were posted at the Salem Housing Authority, North Shore CDC and the North Shore Career Center, as well as the City's website and internally to current city employees. As appropriate, notices were sent to Salem State University, UMass Amherst, UMass Boston, Kennedy School, MassAPA, NCDA, and representatives of HOME Consortium communities.

The Section 3 clause is and has always been included in CDBG contracts generated by the Department of Planning & Community Development, regardless of the contract amount. In addition, for more than 18 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.

As we learn of new best practices, the City of Salem continues to update its Section 3 Plan, created in November, 2010.

## Notes

Totals for construction contracts include Bike Path striping (not yet expended), Palmer Cove Park improvements and Teen Resource Center (expended FY12 and open PO's FY13). Non-construction contracts include Teen Resource Center FY12 purchases and open FY13 PO's, and Splaine Park environmental testing expended. Non-construction activities such as economic development, first time homebuyer, housing rehabilitation loans under \$100,000 and related program delivery, planning & administration, public services, etc. were not included in the tabulation.

---

Public reporting burden for this collection of information is estimated to average 6 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u., mandates that the Department ensure that employment and other economic opportunities generated by its housing and community development assistance programs are directed toward low- and very low-income persons, particularly those who are recipients of government assistance for housing. The regulations are found at 24 CFR Part 135. The information will be used by the Department to monitor program recipients' compliance with Section 3, to assess the results of the Department's efforts to meet the statutory objectives of Section 3, to prepare reports to Congress, and by recipients as a self-monitoring tool. The data is entered into a data base and will be analyzed and distributed. The collection of information involves recipients receiving Federal financial assistance for housing and community development programs covered by Section 3. The information will be collected annually to assist HUD in meeting its reporting requirements under Section 808(e)(6) of the Fair Housing Act and Section 916 of the HCDA of 1992. An assurance of confidentiality is not applicable to this form. The Privacy Act of 1974 and OMB Circular A-108 are not applicable. The reporting requirements do not contain sensitive questions. Data is cumulative; personal identifying information is not included.

---