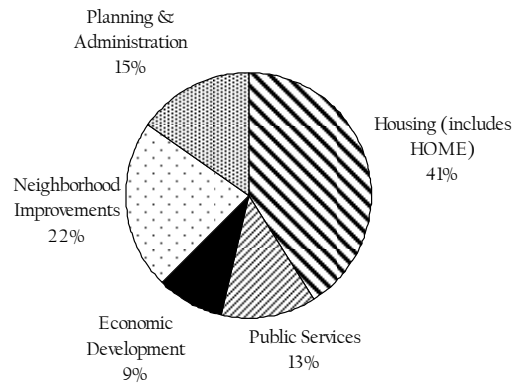


HOW SALEM USES CDBG AND HOME FUNDS

The following chart illustrates the categories of activities the City funded with its FY 2005 -2009 allocations of CDBG and HOME funds.

CDBG/HOME Expenditures FY 2005-2009



CONTACT INFORMATION

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CITY OF SALEM



5 YEAR CONSOLIDATED PLAN Public Participation Guidebook

CITY OF SALEM
KIMBERLEY DRISCOLL, MAYOR

Department of Planning & Community Development

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INTRODUCTION

Each year, the City of Salem receives federal funds for housing and community development activities. These funds are used to undertake housing, community and economic development projects and programs that assist very-low, low- and moderate-income families and neighborhoods. In order to receive these funds, however, the City must prepare a Consolidated Plan every five years, as well as annual Action Plans to implement the five-year plan. The Consolidated Plan process involves gathering information from many sources to identify needs that exist in Salem. The result of this research is a comprehensive strategy for the use of Salem's federal housing and community development funds in order to fill gaps identified during the Consolidated Plan process. The annual Action Plan puts into action the goals and strategies established in the Consolidated Plan.

Public Participation

To develop the Consolidated Plan and annual Action Plan, the City of Salem seeks public input from residents, businesses, social service organizations and civic groups. The public is encouraged to participate in a series of hearings and neighborhood meetings, as well as focus groups that are designed to target a particular topic or issue. In addition to public meetings, the City conducts personal interviews with local organizations and individuals familiar with local needs. Citizens may also submit written comments or express their opinions to city representatives, such as the Mayor, a city councilor or a department director.

With all of the information obtained during the public participation process, the City of Salem prepares a plan that describes Salem's housing and community development needs and establishes funding priorities and goals or targets for the use of federal funds that the City expects to receive over the next five years.

Why Participate?

The City of Salem wants to make sure that its housing and community development funds meet priority needs. In the last 5 fiscal years, the

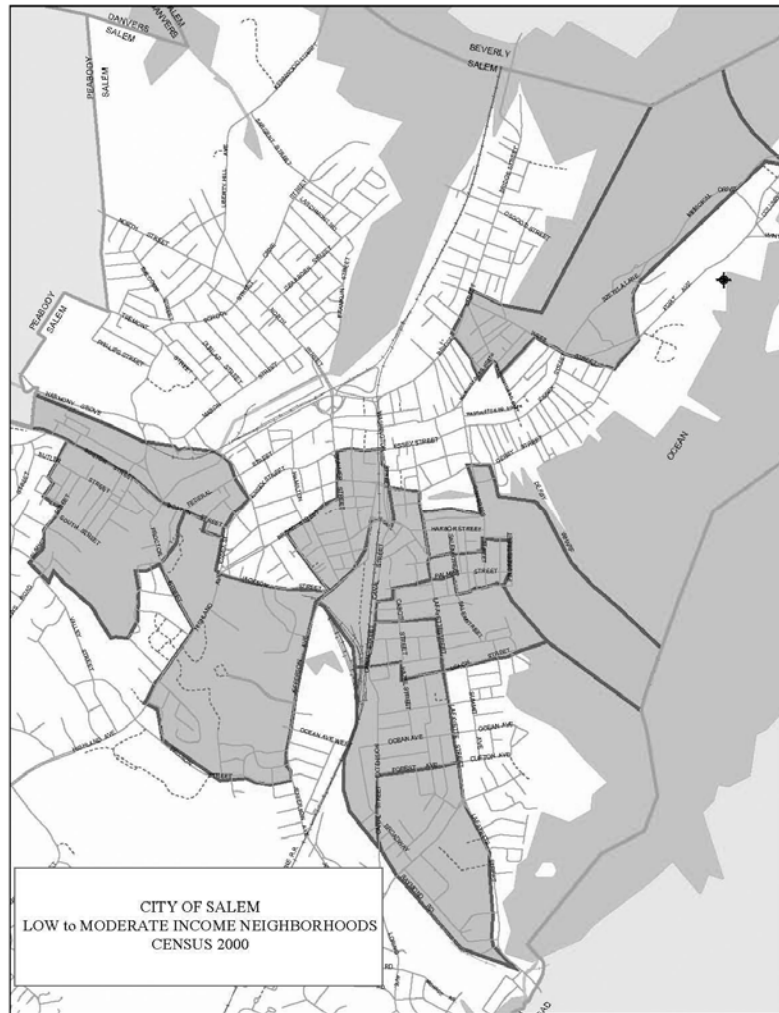
ABOUT THE HOME INVESTMENT PARTNERSHIPS

PROGRAM (HOME)

Established by the National Affordable Housing Act of 1990, the purpose of the HOME Program is to increase the supply of safe, decent, sanitary and affordable housing for low- and very-low income households (see Income Limits). As Salem is part of the North Shore HOME Consortium, the Consortium prepares and submits a separate Consolidated Plan to apply for HOME Program funds on behalf of the City of Salem and other participating communities on the North Shore. HOME funds may be used to fund a variety of housing activities including: homebuyer programs, construction of rental housing, rehabilitation of privately-owned housing, and tenant-based rental assistance.

Salem's Annual HOME Allocations: 1999-2009

TOTAL HOME FUNDS ALLOCATED TO SALEM	
1999-2000	\$183,177
2000-2001	\$183,177
2001-2002	\$208,940
2002-2003	\$207,643
2003-2004	\$215,186
2004-2005	\$214,155
2005-2006	\$196,899
2006-2007	\$183,773
2007-2008	\$192,626
2008-2009	\$185,050
2009-2010	\$209,773



Shaded areas indicate Salem neighborhoods in which more than 51% of residents have low or moderate incomes.

City has received a total of \$5,874,792 in Community Development Block Grant (CDBG) funds which were used for a variety of housing and community development activities.. In addition, Salem is a member of the North Shore HOME Consortium, which the City of Peabody administers for 30 participating communities. As a Consortium member, Salem receives a portion of the region's allocation of Home Investment Partnership (HOME) funds. In the last 5 fiscal years, Salem has received \$968,121 in HOME Program funds.

CONSOLIDATED PLANNING PROCESS

The Five-Year Consolidated Plan is used by the City of Salem to coordinate efforts to meet a wide variety of housing, community and economic development needs. As required by federal law, the Consolidated Plan includes a formal public participation process, which is described in the City's Citizen Participation Plan. The intent of the process is to:

- Identify the housing and community development needs of various populations by gathering data and public opinion on needs, problems and gaps in services.
- Set priorities.
- Determine goals and strategies for meeting the City's housing and community development needs, and outline how federal funds will be used to address them over the next five years.
- Produce an Action Plan that describes how federal funds will be used to implement them during the first year. The Action Plan is the only component of the Consolidated Plan that must be prepared annually.

Needs Assessment

The Consolidated Plan must include a Needs Assessment, which considers issues such as:

- The housing needs of elderly and non-elderly homeowners and tenants;
- Special needs of the elderly, frail elderly, persons with HIV/AIDS, persons with alcohol/other drug addiction, disabled persons,

developmentally disabled persons and persons with severe mental illness;

- Homeless needs for individuals and families, including:
 - Needs for emergency, transitional and permanent housing;
 - Supportive services such as job training, case management, substance abuse treatment, mental health care, housing placement and life skills training;
 - Estimated needs of chronic substance abusers, seriously mentally ill, dually-diagnosed, veterans, persons with HIV/AIDS, victims of substance abuse and youth;
- Community needs such as anti-crime programs, economic development, infrastructure, public facilities, public services, programs for seniors and youth;
- An analysis of the Housing Market, considering the existing housing supply, housing demand, the condition and cost of housing in Salem, accessibility, and other factors, such as foreclosures.
- Problems caused by lead paint in older housing units;
- The need for strategies to combat poverty;
- Barriers to affordable housing, such as inadequate government resources, a shortage of programs to help renters become first-time homebuyers, rental housing costs, or regulations that make it difficult to build affordable housing; and
- Housing discrimination, such as by landlords, lenders, real estate agents, and others with a role in the sale or rental of housing units

Eligible Activities

CDBG funds may be used for a variety of activities. In general, the activities fall into the categories listed below:

- Anti-Crime Programs
- Economic Development
- Homeless & HIV/AIDS Programs
- Housing
- Infrastructure
- Planning & Administration
- Public Facilities
- Public Services
- Senior Programs
- Youth Programs

What Does “Very-Low, Low or Moderate Income” Mean?

Each year HUD publishes “income limits” that define very low, low and moderate income levels used in several housing and community development programs. The income limits are determined by household size and the median incomes in a particular area. Below are the income limits in effect for Salem in 2009.

Income Limits

Household Size	ONE	TWO	THREE	FOUR	FIVE	SIX	SEVEN	EIGHT
MODERATE								
(80% of Median)	46,300	52,950	59,550	66,150	71,450	76,750	82,050	87,350
LOW								
(50% of Median)	31,550	36,100	40,600	45,100	48,700	52,300	55,900	59,550
VERY LOW								
(30% of Median)	18,950	21,650	24,350	27,050	29,200	31,400	33,550	35,700

CDBG 101: What Can Be Funded?

Although CDBG funds can be used for many types of housing, community and economic development activities, some restrictions apply. CDBG funds must be used for eligible activities, must address at least one of three “national objectives” set by Congress, and a majority of the funds must be spent on activities that benefit very-low, low- or moderate-income people.

National Objectives

- **Benefit to low- and moderate-income persons**
 - Activities that serve a “limited clientele”
 - Limited clientele refers to certain populations presumed by HUD to have very-low, low or moderate incomes: abused children, battered spouses, elderly persons, severely disabled adults, homeless persons, illiterate persons, persons living with AIDS and migrant farm workers
 - Serving people with incomes below the very-low, low- or moderate- income threshold (see “Income Limits”)
 - Area benefit activities
 - Activity conducted in a service area that is primarily residential, and at least 51% of the residents have very-low, low or moderate incomes (see Low/Mod Neighborhood Map). The activity must meet the needs of very-low, low- and moderate-income persons.
 - Job creation or retention activities
 - At least 51% of the jobs created or retained must be available to and held by very-low, low- or moderate-income people
- **Aid in the prevention or elimination of slums or blight**
 - Area Basis - Must be a formally designated area
 - Spot Basis - Only a limited set of activities qualify
 - Urban Renewal Area - Salem has two in the downtown area
- **Meet a need having a particular urgency**
 - Recent emergency conditions only, posing an immediate threat to health or welfare of community and no other funding is available

CONSOLIDATED PLAN PROCESS

Community Meeting Schedule

Date/Time	Location	Target Population
Tuesday, October 20, 2009, 4:00 p.m. Commission on Disabilities Public Meeting	Salem Access Television, 285 Derby Street	Persons with disabilities, service providers ~ hosted by Salem Disabilities Commission
Tuesday, October 20, 2009, 7:00 p.m.	AOH, 104 Boston Street	Homeowners/tenants/businesses ~ hosted by Ward 4 Neighborhood Association
Wednesday, October 28, 2009, 6:00 p.m. Public Hearing	City Hall Annex, 120 Washington St., 3rd Floor	General public ~ <i>Spanish translation provided</i>
Thursday, October 29, 2009, 7:00 p.m.	Salem Housing Authority, 27 Charter Street	Salem Housing Authority tenants ~ hosted by Salem Housing Authority Tenants Association
Tuesday, November 3, 2009, 8:30 a.m.	City Hall Annex, 120 Washington St., 3rd Floor	Economic Development Focus Group ~ Businesses, banks, realtors, developers, & interested persons
Tuesday, November 3, 2009, 10:30 a.m.	City Hall Annex, 120 Washington Street, 3rd Floor	Non-profit social service agencies
Monday, November 9, 2009, 6:00 p.m.	Immaculate Conception Parish Center, 15 Hawthorne Blvd.	Homeowners/tenants/businesses ~ hosted by Point Neighborhood Association ~ <i>Spanish translation provided</i>
Tuesday, November 10, 2009, 7:00 p.m.	Salem State College, Enterprise Center, Central Campus	Homeowners/tenants/businesses ~ hosted by South Salem Neighborhood Association
Friday, November 13, 2009, 9:00 a.m.	City Hall Annex, 120 Washington Street, 3rd Floor	Housing service providers, banks, developers realtors & interested persons ~ hosted by the Affordable Housing Trust
Friday, November 20, 2009, 10:30 a.m.	Salem Council on Aging, 5 Broad Street	Senior citizens

CONSOLIDATED PLAN PROCESS

Overall Timeframe

Task	Date
Public hearing – 6:00 p.m., 120 Washington Street, 3rd Floor	10/28/09
Neighborhood meeting and focus group presentations (see community meeting schedule)	10/20/09– 11/20/09
Preparation of draft plans by consultant	11/23/09 – 3/15/10
Draft Consolidated Plan and Action Plan available 30 day comment period	3/16/10 – 4/14/10 Tentative
Public hearing – 6:00 p.m., 120 Washington Street, 3rd Floor Presentation of draft plans to Citizens Advisory Committee	4/1/10 Tentative
City Council approval of Application for Federal Funding	4/8/10 & 4/22/10 Tentative
Application for Federal Funding, five-year Consolidated Plan and one-year Action Plan submitted to HUD	By 5/15/10

ABOUT THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (CDBG)

Background

CDBG has been a very important federal program for cities across the United States since 1974. Administered by the U.S. Department of Housing and Urban Development (HUD), CDBG is available to two groups of recipients: “entitlement cities” like Salem, which receive an allocation from HUD each year, and all 50 states. Small, non-entitlement communities compete for CDBG funds by applying to the Massachusetts Department of Housing and Community Development (DHCD), which administers the state’s CDBG allocation. CDBG funds can be used for projects or programs run by the City of Salem or by organizations hired by the City.

Salem’s Annual CDBG Allocations: 1999–2009

TOTAL CDBG FUNDS ALLOCATED TO SALEM	
1999-2000	\$1,392,000
2000-2001	\$1,385,000
2001-2002	\$1,436,000
2002-2003	\$1,397,000
2003-2004	\$1,401,000
2004-2005	\$1,352,000
2005-2006	\$1,282,141
2006-2007	\$1,158,932
2007-2008	\$1,161,440
2008-2009	\$1,127,314
2009-2010	\$1,144,965

Note: These amounts do not include CDBG program income or HOME funds.