

CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT



CITY OF SALEM, MASSACHUSETTS

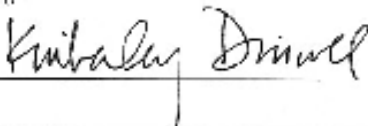
Fiscal Year 2009
July 1, 2008 to June 30, 2009

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

**Department of Housing and Urban Development
Office of Community Planning**

COVER PAGE/CERTIFICATION

Grantee Performance Report
Community Block Grant Program

1. PROGRAM YEAR END: 6/30/09	2. GRANT NUMBER: B08MC250029
3. NAME & ADDRESS OF GRANTEE: City of Salem 93 Washington Street Salem, MA 01970	4. NAME & ADDRESS OF CD DIRECTOR: Lynn Goonin Duncan, Director Dept. of Planning & Community Development 120 Washington Street Salem, MA 01970
5. NAME & TELEPHONE NUMBER OF PERSON MUST FAMILIAR WITH INFORMATION IN THIS REPORT: Jane Guy 978/619-5685	6. NAME & TELEPHONE NUMBER OF PERSON TO CONTACT ABOUT DISCLOSURES REQUIRED BY THE HUD REFORM ACT OF 1989: Jane Guy 978/619-5685
<p>7. Have these Community Development Block Grant (CDBG) funds been used:</p> <p>a. to meet the community development program objectives in the final statement for this program year? If no, explain, in a narrative attachment, how: (1) the uses did not relate to program objectives, and (2) future activities or program objectives might change as a result of this year's experiences.</p> <p align="right">YES</p> <p>b. exclusively to either benefit low-and-moderate (low/mod) income persons, aid in the prevention or elimination of slums or blight, or meet community development needs having a particular urgency? If no, explain in a narrative attachment.</p> <p align="right">YES</p> <p>c. such that the grantee has complied with, or will comply with, its certification to expend not less than 70% of its CDBG funds, during the specified period, on activities which benefit low/mod income person? If no, explain in a narrative attachment.</p> <p align="right">YES</p>	
<p>8. Were citizen comments about this report and/or the CDBG program received?</p> <p align="center">See Citizen Participation Summary Section</p>	
<p>9. Indicate how the Grantee Performance Report was made available to the public</p> <p align="center">See Citizen Participation Summary Section</p>	
<p>I hereby certify that: This report contains all required items identified above; Federal assistance made available under the Community Development Block Grant Program (CDBG) has not been utilized to reduce substantially the amount of local financial support for community development activities below the level of such support prior to the start of the most recently completed CDBG program year; all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18U.S.C.1001,1010,1012;U.S.C.3725,3802)</p>	
<p>Typed Name and Title of Authorized Official Representative:</p> <p align="center">Kimberley Driscoll, Mayor</p>	<p>Signature: </p> <p>Date: 9/24/09</p>

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 2009, we expended over 1.5 million dollars 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 \$76,091.35 in HOME funds and \$125,615.00 in American Dream Downpayment Initiative (ADDI) funds.

The FY09 Consolidated Annual Performance and Evaluation Report (CAPER) provides an analysis of the fourth fiscal year - July 1, 2008 through June 30, 2009 - of the City's 5-Year Consolidated Plan. 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 FY09 Action Plan. We also continued to meet HUD required funding and expenditure caps and timeliness requirements.

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

Organization of the Report

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

- *Assessment of Goals and Objectives* – Throughout this section we provide a summary of our accomplishments over the past fiscal year, including a summary of our expenditures. It provides

- *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 provides 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, HOME and ADDI.
- *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.

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Cover photo: Salem's newly re-established Farmer's Market, photo courtesy of Salem Main Streets.

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 Fiscal Years 2006-2010 (FY06-10) Consolidated Plan were implemented. The FY06-10 Consolidated Plan began on July 1, 2005. The FY09 CAPER provides an analysis of the fourth fiscal year of the 5-Year Consolidated Plan — July 1, 2008 through June 30, 2009.

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), Home Investment Partnership Program (HOME) and American Dream Downpayment Initiative (ADDI)—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-income¹.
- **HOME** is a formula-based program for expanding and improving the supply of decent, safe and affordable housing for low- and moderate-income persons.
- **ADDI** is a formula-based program aimed to increase the homeownership rate, especially among lower income and minority households, and to revitalize and stabilize communities.

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.

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

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 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.

ASSESSMENT OF GOALS AND OBJECTIVES

During FY09, the DPCD continued to make significant progress toward meeting the goals and objectives laid out in the 5-Year Consolidated Plan and FY09 Action Plan. The CDBG entitlement funds from HUD for the fiscal year was \$1,127,314 and program income received during the program year was \$147,900.99. Our HOME funding allocation was \$185,050. Salem is also under contract with the North Shore HOME Consortium to assist first time homebuyers utilizing ADDI funds. The Financial Summary of our expenditures (Appendix 1) illustrates our compliance with program expenditure caps as well as expenditures by category (also see Figure 1).

CDBG Expenditures

In FY09, we expended \$1,533,021.15 in CDBG funds. Expenditures were divided into five program areas — Affordable Housing, Neighborhood Improvements, Planning & Administration, Public Services and Economic Development. In FY09, we met all timeliness requirements and program expenditures were consistent with our 5-Year Consolidated Plan and FY09 Action Plan goals. Furthermore, Public Service programs reached just below 15 percent, the maximum allowable for such activities, and we fell well under 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 FY09 and prior year carried over funds+/- any adjustments made during the year.

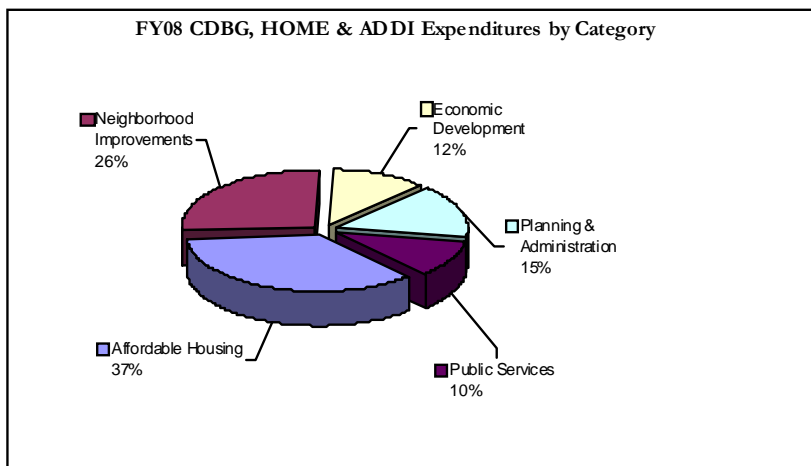
HOME & ADDI Expenditures

In addition to CDBG funds, the DPCD also spent \$98,310.35 in HOME funds to undertake affordable housing activities and \$117,306.00 in ADDI funds for additional assistance to income-eligible first-time homebuyers. When added to the \$412,869.15 spent in CDBG funds for affordable housing programs, the total amount spent for housing programs is \$628,485.50 – representing the highest level of funding in any of our programs. The City of Salem is a member of the North Shore HOME Consortium and the specific accomplishments of HOME and ADDI 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 FY09 Action Plan. The final section provides an overall evaluation of our programs.

Fig. 1 FY09 Spending by Category,
as a Percentage of Total CDBG, HOME & ADDI Expenditures



AFFORDABLE HOUSING PROGRAMS



Improvements for fire suppression were undertaken at this home for persons with chronic mental illness.

Due to the high cost of housing in Massachusetts and the high rate of foreclosures, we continue to place the creation and preservation of affordable housing as the highest priority of Salem's CDBG, HOME and ADDI 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.

In FY09, the City of Salem spent \$628,485.50 in CDBG, HOME and ADDI funds on affordable housing projects and programs. The project accomplishments attained with these funds during FY09 are described in the following table.

Table 1: FY09 Housing Financial Summary

Project	Project Description	Funding Available ²	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. Note: ADDI funds may also assist income-eligible households purchasing a home in any N. S. HOME Consortium community.	\$111,715.27 CDBG \$406,815 ADDI	<ul style="list-style-type: none"> • \$57,805.00 CDBG funds spent • \$116,365.00 ADDI funds spent • 9 families assisted with CDBG (with 4 also receiving ADDI funds) • 9 non-Salem families assisted with only ADDI funds • 20 total units (11 Salem)
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.	\$421,044.51 CDBG	<ul style="list-style-type: none"> • \$195,522.44 CDBG funds spent • 8 owners/completed projects (9 units assisted, of which 2 were also deleaded with Get the Lead Out funds) • 2 additional projects
Health & Education Services	Water supply upgrade for fire suppression in housing for persons with chronic mental illness.	\$35,477.50 CDBG	<ul style="list-style-type: none"> • \$35,477.50 CDBG funds spent • 1 housing unit (for 17 persons) upgraded

² "Funding available" indicates the total funds available during the fiscal year, including FY09 and prior year carried over funds +/- any adjustments made during the year.

Project	Project Description	Funding Available	Status
Rental Assistance Programs	Through the <i>Rental Downpayment Assistance Program</i> funds are used to help low- and extremely low-income Salem residents move into a decent, affordable rental unit. Programs are administered through NSCAP, HAWC and the Salvation Army.	\$131,828 in HOME Contracts	<ul style="list-style-type: none"> • \$45,858.35 in HOME funds spent • 56 families assisted thru Rental Downpayment Program Assistance
		\$43,200 was also provided from the City of Salem's HOME allocation and added to the N. S. HOME Consortium's direct contract with HAWC. The City of Peabody will report on these funds.	
Housing Program Delivery	Costs associated with providing rehabilitation programs & inspectional services.	\$127,514.21 CDBG, \$9,252.00 HOME \$941.00 ADDI	<ul style="list-style-type: none"> • \$102,964.21 in CDBG funds & \$9,252.00 in HOME & \$941.00 in ADDI funds for housing program delivery • \$21,100 for inspectional services

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 FY09 Action Plan. The following discusses the status of these projects and the steps taken to achieve these strategies.

- Producing New Housing Units

Salem consistently provides support toward the creation of new affordable housing units through the conversion of old, abandoned or underutilized buildings and parcels into new residential housing units. For example, the City has committed funding to develop affordable housing units at the former St. Joseph's Church site. The Planning Office for Urban Affairs is undertaking the project, which is in the planning stages. CDBG funds helped Habitat for Humanity to acquire 1 Harrison Avenue for which they created 2 units of homeownership housing that will be affordable for 30 years (rehabilitation of the property is complete and the new homeowners have moved in).

- An Affordable Housing Fund

In 2003, the City entered into a Memorandum of Agreement with a housing developer which resulted in a \$50,000 contribution in 2005 for affordable housing activities. The City Council created an Affordable Housing Trust at the end of 2006 to work 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 has contributed \$25,000 to Salem Lafayette Development as predevelopment funding for the St. Joseph's Church redevelopment.

On April 7, 2009, the Affordable Housing Trust Fund Board of Trustees sponsored a Housing Summit on the challenges and opportunities in the current housing market. The forum was a community-wide dialogue between regional and local planners, for-profit and non-profit developers, realtors, lenders, social service workers, and political officials. Panelists included Kimberley Driscoll, Mayor of Salem; Aaron Gornstein, Executive Director of the Citizens' Housing and Planning Association; Sam Cleaves, Regional Planner from the Metropolitan Area Planning Council; David Kres, President of the North Shore Association of REALTORS; and moderator Jennifer Raitt, Chair of the City of Salem's Affordable Housing Trust Fund.

- 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 to keep them affordable for a minimum of 40 years (or until the mortgage was paid). The affordability of two of these developments was in jeopardy recently. 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 which 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, as well as entered into a Memorandum of Understanding, which will ensure that 90% of the 250 units will be reserved for families and individuals at or below 60% AMI and that 10% will be reserved for those at or below 30% AMI for a period of forty years.

In addition, in July 2007, the Preservation of Affordable Housing (POAH) purchased Fairweather Apartments which will ensure the affordability of these 127 units.

Funds for affordable housing are also typically set aside each year to provide resources for the city, or a nonprofit partner, which could be used to acquire abandoned, derelict properties for the creation of affordable housing.

- Foreclosure Prevention

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

The City continues to encourage first time homebuyers to complete a Certified homebuyer education course, such as the one funded with CDBG funds through Community Teamwork, Inc.

The City continues to fund Homeless Prevention Programs through Catholic Charities, Salvation Army, NSCAP and Help for Abused Women and their Children which can be used for emergency financial assistance to prevent eviction.

- Vacancies as a Result of Foreclosure

Between July 1, 2008 and June 30, 2009, seventy-five (75) Salem properties were auctioned due to foreclosure. As of June 30, 2009, an additional fifty-eight (58) properties were in pre-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 their renter(s). In addition, foreclosure can result in vacant buildings, which can have a deteriorating effect on neighborhoods.

The City continues to fund Rental Downpayment Assistance programs at Salvation Army, NSCAP and Help for Abused Women and their Children to provide first/last month's rent and security, which can be used for 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 and those about to be auctioned are sent letters asking them to be observant and report problems.

The City's First Time Homebuyer Loan Program is available to first time buyers who may want 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 also available to investors who purchase foreclosed properties so that they can bring the property up to code and turn them into affordable rental units.

An important part of the City's recovery and revitalization efforts is helping to re-occupy and repair foreclosed properties. From July through December 2008, the City helped six homebuyers to purchase bank-owned properties with approximately \$56,000 in downpayment assistance. In addition, the City has aided homebuyers and investors who have purchased foreclosed properties in making repairs through the Housing Rehabilitation Loan Program. Currently, the City is assisting three such properties for an investment of approximately \$100,000 in CDBG funds. As part of the program, any renovated rental units are restricted to affordable rents and must be occupied by low- to moderate-income households for a period of 15 years.

The Massachusetts Foreclosed Properties Initiative is a new statewide program managed by Citizens' Housing and Planning Association (CHAPA). CHAPA will serve as a foreclosed properties "clearinghouse" by connecting banks that own foreclosed properties with approved local organizations - called "qualified purchasers" - which will purchase the properties and upgrade these homes for low- and moderate-income families. The goal is to get the properties back on the market and re-occupied as affordable homes as soon as possible. CHAPA has

approved five non-profit affordable housing developers as qualified purchasers of foreclosed properties in Salem: Beverly Affordable Housing Coalition, Citizens for Adequate Housing, Harborlight, Salem Harbor Community Development Corporation, and the Planning Office for Urban Affairs. The City will be responsible for distributing the properties from CHAPA's database to one organization at a time and will draft a protocol for this distribution based on the type and location of housing each organization is interested in acquiring. The developer would be responsible for securing project funding.

- Improving Public Housing

The Salem Housing Authority continues to manage and maintain its 715 units of elderly, family, and handicapped housing stock. Modernization work is progressing through funding of applications made by the SHA to Massachusetts Department of Housing and Community Development and to HUD. The following modernization work is currently in the planning stages and expected to begin in FY10:

- \$136,000 site improvement plan for Rainbow Terrace family public housing development;
- \$500,000 project to construct an additional elevator at the Morency Manor elderly housing development;
- \$1.7 million project to replace the stairs, stoops, and railings at the Rainbow Terrace family public housing development; and,
- \$300,000 project to replace siding and other repairs to the Farrell Court family public housing development.

- Providing Expanded First Time Homebuyers Assistance

The city continues its goal to provide families with the opportunity to own their first home. One of the most popular programs the city runs is the *First Time Homebuyer Downpayment Assistance Program (FTHB)*. In addition to basic downpayment assistance, the program offers a \$1000 increase over the maximum loan amount for homeowners who complete First Time Homebuyer Counseling through a qualified training program.

While the FTHB Program has been highly successful in assisting moderate-income first time buyers, current market conditions are such that perspective homeowners in the low-income range are in need of deeper downpayment subsidies. Also, in recent years, many of Salem's LMI areas have seen a rise in condominium conversions resulting in the concern that more affluent owner households are displacing LMI renter households who cannot save up the downpayment necessary to become a homeowner in their own neighborhood. To meet these identified needs, the City began utilizing ADDI funds administered through the North Shore HOME Consortium, which allows homebuyers to access deeper downpayment assistance. Initially, eligible participants included moderate-income first-time homebuyers purchasing a home in one of Salem's LMI areas, as well as low-income first-time homebuyers purchasing a home in any one of the North Shore HOME Consortium communities. Since October, 2007, the City assisted 8 Salem households with the ADDI program and 1 non-Salem household. Of those, 6 households were moderate income and 3 were low-income. Few low-income and no very low-income homebuyers have been able to take advantage of the program, because they cannot qualify for mortgages. Several moderate-income homebuyers could not take advantage of the

program, because they were not located in a Salem LMI area. Therefore, in March, 2009, the City worked with the Consortium to amend the eligibility to allow the use of ADDI funds to any moderate-income homebuyer in Salem and to any moderate-income homebuyers purchasing in a Consortium community that does not have its own FTHB program .

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

- Providing Assistance to Renters

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

- Rehabilitation of Existing Housing

The majority of the housing stock in the city was built prior to 1949. While older homes are an integral part of Salem's history and neighborhood fabric, they also require a great deal of maintenance and may not meet current building codes. To address these issues, the city administers a *Housing Rehabilitation Loan Program* that provides low-interest loans to homeowners of both single and multi-family homes for health and safety issues that would otherwise be too costly to take on. 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, in order to address code compliance and health and safety issues and to maintain affordable, quality rental properties.

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, the City is responsible for intake of application information, technical assistance, working with the applicant through the construction process and acting as the escrow agent for the loan funds.

- Work Regionally to Increase the Supply of Housing

Housing is a regional market that does not strictly follow city boundaries. While Salem does more than many cities in the region to provide affordable housing (at 13.2%. Salem has the second highest percentage of affordable housing of the 30 cities and towns in the North Shore Home Consortium), the best answer is still regional cooperation to address the 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 neighborhood known as Salem Point contains the highest concentration of low income, minority and Hispanic or Latino families (73.6% low/mod, 46.4% minority or multi-race and 50.75% Hispanic/Latino)³. To ensure that this population has knowledge and access to the city's First-Time Homebuyer and Rehabilitation programs, the city works in cooperation with Community Teamwork, Inc., a nonprofit organization that periodically conducts a CHAPA-certified, first time homebuyer educational course, typically at a Point Neighborhood location. In addition, upon request, the city's housing staff participate in homebuyer fairs, held by lending institutions or realtors, to provide information and counseling regarding its First-Time Homebuyer, Rehabilitation and Deleading programs. This year, staff presented at workshops sponsored by Salem Five Bank, Tache Real Estate, Seaport Credit Union and Eastern Bank and at two for Community Teamwork, Inc.,. When participating in courses or fairs, housing staff distribute written information regarding the Fair Housing and Discrimination Act.

The City of Salem also provides public services funding to agencies whose activities assist specific populations (homeless, battered spouses, low income, etc.) with improving their quality of life, which may include locating emergency, transitional or permanent housing. For example, CDBG funding is provided to the Independent Living Center to provide an Accessible Housing Education Services Program. As necessary, these agencies advocate on behalf of their clients to ensure fair housing.

The North Shore HOME Consortium, of which Salem is a member, updated the Analysis of Impediments (AI) to Fair Housing in 2007, of which the complete AI is included by reference. The 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.

In January, 2009, the City's Assistant Community Development Director and the Housing Coordinator attended a Fair Housing Training hosted by the North Shore Home Consortium and conducted by The Fair Housing Center. Also, in January, 2009, the DPCD created a separate page on the city's website for [Fair Housing and Housing Discrimination](#).

On April, 1, 2009, HUD's Office of Fair Housing & Equal Opportunity issued its evaluation report of the City of Salem's FY08 CAPER and recommended that the Consortium update the Analysis to

³ 2000 U. S. Census

Impediments, and following the update, that the City of Salem describe actions planned to address any identified impediments in the next Action Plan and to include a summary of actions taken in the next CAPER. Salem will work with the Consortium to reach its fair housing goals and will continue to support educational and service programs that directly or indirectly work to further fair housing.

Continuum of Care

During FY09, the city continued to support local agencies that provide direct assistance to homeless families and individuals in Salem, such as the Salem Mission and Help for Abused Women and their Children, and to agencies that help households avoid homelessness. Agencies funded and their accomplishments are provided in the Table 1 above, as well as in the Public Services Section of this report. It should be noted that 202 persons avoided homelessness through city-funded Homeless Prevention and Transitional Housing Programs (reported in Public Services). The city also continues to be a member of the local Continuum of Care Alliance administered by the North Shore HOME Consortium. An overview of the activities of the Alliance can be found in the CAPER submitted by the North Shore HOME Consortium (through the City of Peabody).

Evaluation of Goals

This year, Salem is still feeling the effects of the downturn in the housing market which has resulted in above average foreclosures and below average housing sales. Still, we assisted 9 households to purchase their first home (2 more than last year), which surpassed our goal of 6. To enable more participants in the ADDI program, we requested and received authorization from the N. S. HOME Consortium to amend our contracts in order to expand the program to reach more eligible households - both within and outside of Salem. Of the 9 households assisted with CDBG, 4 were able to take advantage of the ADDI program. As of the end of year four, with a total of 53, we continue working toward our five-year goal of assisting 75 households.

The Housing Rehabilitation Loan Program continues to assist families in need and to exceed the goals laid out in the Consolidated Plan. In FY09, we exceeded our Action Plan goal of rehabilitating 3 housing units with 9 units completed and 3 more underway. As of the end of year four, we have exceeded our five year goal to assist 55 housing units by assisting a total of 106 units (61 through Salem Harbor CDC in Year 1 and 45 through the City's Housing Rehabilitation Loan Program in Years 1-4).

A portion of the funds initially reserved for the Landlord Rehabilitation program have been combined with the Housing Rehabilitation Loan Program pool and non-owner occupied applications are accepted for this program, with approval contingent upon agreement of conditions specific to non-owner occupied applicants. Remaining funds reserved for the Landlord Rehabilitation Program have been reprogrammed to the City Hall Elevator activity.

The Rental Downpayment Assistance Program, administered through local social service agencies to provide grants to low- and extremely low-income Salem residents to help pay first and last month's rents and security deposits to enable them to obtain decent, affordable housing, has also been a success. The Action Plan projected that up to 54 households would be assisted and we were able to assist 56 during the program year. As of the end of year four, with a total of 239, the program has exceeded its goal of 215 households assisted.

Salem Harbor CDC's 50 Palmer Street project for 15 affordable units has been completed and a grand opening was held in January, 2008. However, with the current real estate market, the agency is in the process of converting from homeownership to rental units.

Affordable Housing Development funding of \$121,497 was reprogrammed to cover construction costs at the Congress/Peabody/Ward hazardous intersection project.

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

PUBLIC SERVICES



Student's of VOCES attend the oath ceremony to attain citizenship.

The Consolidated Plan identified the need for various social service programs that primarily benefit Salem's low- to moderate-income population and those with special needs (such as physically or mentally disabled, elderly or frail elderly, youth, non-English speaking residents, persons living with HIV/AIDS, substance abusers and homeless persons and families). In FY09, 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 FY09 Action Plan.

According to HUD regulations, we are allowed to commit up to 15 percent of our CDBG allocation to public service activities. In FY09, as in past years, our agencies expended just under that limit. It is our feeling that these public service activities allow direct benefit to our low- and moderate-income residents; therefore it is important to continue funding at this level.

Public service projects funded during FY09 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 FY09, we were able to expend \$183,227.80 on 29 public service programs, which, in turn, assisted 10,802 people, including 979 children/youth and 465 seniors (see Table 2 for Active Projects).

Table2: FY09 Public Services Financial Summary

Agency	CDBG Funding Available	CDBG Funds Spent	Number Assisted	FY09 Program Impact
Bentley Elementary School After School Program	\$5,000.00	\$5,000.00	133 youth	Provided a Saturday program, chorus, yearbook, boys and girls winter basketball season, student arts festival, holiday craft/pancake breakfast and homework club.
Salem Community Child Care	\$10,000.00	\$10,000.00	15 youth	Provided 118 days of child care to minimum of 13 youth, along with educational and enrichment activities.
Haven From Hunger Food Pantry	\$10,000.00	\$10,000.00	483 persons	Assisted 228 households that utilized the food pantry a total of 730 visits over 5 months.
Salem Mission Outreach Street Advocate	\$7,400.00	\$7,400.00	35 persons	35 individuals were engaged by and received services from the street outreach team.
Salem Mission Food Pantry	\$10,000.00	\$8,539.60	1,101 persons	Assisted 616 households for a total of 28,952 visits. All participants receive a bag of groceries equivalent to 3 days worth of food.

Agency	CDBG Funding Available	CDBG Funds Spent	Number Assisted	FY09 Program Impact
Salem Police Department Bicycle and Walk/Ride Patrols	\$14,609.12	\$7,254.56	3,918 persons	288 police patrol hours completed. Performance measure: calls for service for the area are down 5% from last year, with the best reductions in public drinking (down 22%), loitering (down 19%), assaults (down 18%), loud music (down 28%) and drug related offenses (down 17%). Disturbance calls have increased 5%.
H.A.W.C. Children's Program	\$10,000.00	\$10,000.00	74 persons (42 families with 32 children)	7 mothers attended a domestic violence group for the first time. 22 children attended creative art therapy classes for the first time. Other activities included play groups with volunteers, communications class, parenting class, children's advocacy, self-sufficiency group, weekly house meeting and community support group.
Morgan Memorial Goodwill Industries Career Planning Program	\$4,309.85	\$4,309.85	5 disabled youth	Students completed 24 classroom sessions which included skills assessment, career exploration, career planning, financial literacy, job placement and/or job coaching. 2 students obtained employment - 1 at House of the Seven Gables and 1 at Peabody Essex Museum. Salem schools sent 2 students for summer internships at Morgan Memorial Goodwill.
Salem Access Television Youth in Action	\$3,000.00	\$3,000.00	13 youth	Completed 25 course on television and field production, scripting, and storyboarding to produce a video program related to their life experiences and the salem boys & girls club. \$3000 spent during the program period.
Cerebral Palsy Association North Shore Infant & Toddler Preschool Program	\$4,000.00	\$4,000.00	52 children	For children with physical and developmental disabilities to attend integrated developmental play groups once per week for 2.5 hours. Of those participating, 27 remain at CPA, 11 transitioned to daycare, 7 to salem public schools special needs, 3 to head start program and 4 moved away.
Community Teamwork, Inc. First Time Homebuyer Training Program	\$1,050.00	\$245.00	7 households (minimum 7 persons)	Certified training program courses were held in February and May. Completion of the course makes the certificate holder eligible for certain low-income mortgage products from commercial banks and lending institutions.
V.O.C.E.S. Hispanic Education Program	\$5,600.00	\$5,600.00	135 persons	Provided 184 classes in GED in Spanish or citizenship over 11 months. 94 became U.S. Citizens and 4 obtained a GED.

Agency	CDBG Funding Available	CDBG Funds Spent	Number Assisted	FY09 Program Impact
Independent Living Center Accessible Housing Education Services Program	\$5,000.00	\$5,000.00	38 disabled persons	20 non-housing authority and/or section 8 pre-applications completed & submitted, 9 salem housing authority emergency and standard universal housing applications submitted, 2 households acquired salem AAA housing, 2 housing forum workshops held.
Catholic Charities Little Lambs Program	\$2,500.00	\$2,500.00	223 youth	50 Salem households received diapers, wipes and other age appropriate baby items. All underwent assessment and 21 were referred for GED/educational and employment/training, 3 for health care, 12 for child care and 25 for other including housing, basic needs assistance and counseling.
North Shore Community Action Program Salem Cyberspace Cyberyouth	\$5,000.00	\$5,000.00	17 youth	Completed 7 e-newsletters & 13 websites. College prep students submitted 6 college application and 11 students took the sat exam after taking weekly prep sessions. All 13 who took advantage of the college success program in some way got accepted to a college or university.
Salem Y.M.C.A. Teen Initiative	\$5,000.00	\$5,000.00	99 youth	Teens to participate in weightlifting with the community police unit, homework help, service learning projects, teen basketball league, teen leader club and/or seminars (i.e. banking 101, how to get and keep a job).
Salvation Army Prescription Program	\$2,580.28	\$514.42	10 persons	25 prescriptions filled.
Catholic Charities Homeless Prevention Program	\$11,281.03	\$11,281.03	66 persons	26 families avoided homelessness
Boys & Girls Club Gang Prevention	\$7,2000.00	\$6,726.73	202 youth	For youth to engage in power hour, dance, cooking, keystone leadership, fitness, college visits, flag football, 3 on 3 basketball, art, career launch, youth of the year, health & diet, and Jr. Achievement.
Salem Fire Department Juvenile Firestarter Intervention Program	\$2,450.85	\$2,450.85	2 youth	Provide 20 hours of classroom training. In the last 5 years, there were no reports of students who completed the program having further involvement in fire related criminal offenses.
Salem YMCA School Age Child Care Program	\$10,000.00	\$10,000.00	186 youth (142 families)	142 families received child care assistance which included educational and enrichment activities.
Salem Family Investment Center English Literacy Skills Project	\$8,000.00	\$3,523.88	17 persons	English literacy scores improved an average of 58% from pre- to post-curriculum unit tests.
Salem Council on Aging Transportation Program	\$19,875.17	\$18,135.48	465 seniors	Provided rides to the senior center (5263), bingo (673) shopping (1552, medical (3732), hairdresser (496), downtown (126) and other events and activities (1119).

Agency	CDBG Funding Available	CDBG Funds Spent	Number Assisted	FY09 Program Impact
NSCAP Homeless Prevention Program	\$10,000.00	\$10,000.00	74 persons	24 families avoided homelessness (3 for assistance with utilities, 21 for rental arrearages)
Salvation Army Transitional Housing	\$3,061.56	\$404.22	4 persons (2 families)	Following transitional housing, 2 families were able to move into permanent housing .
Salvation Army Homeless Prevention	\$8,884.00	\$8,528.50	49 persons	21 families avoided homelessness
H.A.W.C. Homeless Prevention Program	\$8,259.43	\$6,147.04	9 persons	4 families avoided homelessness
St. Joseph's Food Pantry	\$10,000.00	\$10,000.00	3,362 persons	2,300 families received \$100 worth of groceries per month
Wellspring House MediClerk Program	\$3,000.00	\$2,666.64	8 persons	Trained students for entry-level medical-clerical positions. East 13 week course included classroom training and job shadowing. 6 students obtained employment in the medical field in Salem and Lynn. The 2 newest graduates are in the process of active job search and are currently interning at Salem Hospital.
TOTAL PERSONS ASSISTED		10,802 persons, including 979 children/youth & 465 seniors		

Evaluation of Goals

As stated before, Public Service activities allow us to provide direct services to our low- and moderate-income residents. Our FY09 Action Plan goal was to provide 32 new grants, of which we executed agreements for 29 and to assist 5800 persons, of which we assisted 10,802. For Year 1, Year 2, Year 3 and Year 4 of the current Consolidated Plan, we have exceeded our Consolidated Plan goal of assisting 25,200 persons (8,400 per year) by assisting a total of 43,748 persons. This reflects the strong commitment among our staff and public service providers to supply needed services and stretch dollars. We are fortunate to have an excellent network of public service providers that utilize our funds to best meet community needs, which is why continue to spend just short of the HUD funding cap of 15 percent.



*SATV & the Boys & Girls Club
collaborate on a video project.*



Spring 2009 MediClerk Class

ECONOMIC DEVELOPMENT



*Crunchy Granola Baby utilized
Salem's Business Loan Program*

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.

Nevertheless, there is much work to be done. According to the 2000 Census, Salem has an average of 46.7% low- and moderate-income residents. Further, Salem's median household income in 2000 of \$44,033 ranks 286 out of 351 cities and towns in the Commonwealth. In addition, Salem has not been immune from the current economic crisis and the resulting job losses. The

unemployment rate in Salem has risen to 8.9 percent from 5.1 percent a year ago.

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

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

Business Loan Program

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

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

Storefront Improvement Program

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

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

Technical Assistance Programs

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

Table 3: FY09 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.	\$67,724.10	<ul style="list-style-type: none"> • \$18,835.45 CDBG spent • 4 storefronts improved
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.	\$119,175.53	<ul style="list-style-type: none"> • \$119,175.53 CDBG spent • 3 businesses assisted
Business Technical Assistance	Salem Main Streets Program	Provides commercial district revitalization through organization, promotion, economic restructuring and design.	\$20,000.00	<ul style="list-style-type: none"> • \$20,000 CDBG spent • 15 micro-enterprise businesses assisted
	Economic Development Program Delivery	Costs associated with providing Economic Development programs and administration of the Salem Redevelopment Authority.	\$53,523.54	<ul style="list-style-type: none"> • \$50,523.54 CDBG spent

Evaluation of Goals

In FY09, with our Small Business Financial Assistance Programs, we provided three business loans totaling \$119,175.53 and had 1 active loan from the previous fiscal year (see Table 4). To date, the active loans created a total of 34 jobs – with 16 filled by low- to moderate-income individuals. In addition, we provided assistance for the improvement of 4 storefronts, one-half of our FY09 Action Plan goal.

The Salem Main Streets Program had contact with 141 businesses, of which 49 received technical assistance, of which 15 were identified as micro-enterprises (FY09 Action Plan goal was 20 microenterprises) and 4 were new businesses. The new business activity resulted in 152 jobs being created. In addition, the Program, during the 1st quarter, held a workshop entitled "Marketing Tips on a Limited Budget", managed the Super Scooperbowl event, coordinated Mayor's night out, coordinated 5 ribbon cuttings, and conducted the Salem AARP presentation. During the 2nd quarter, they produced a holiday calendar of events, held 3 ribbon cuttings, held 3 technical

assistance workshops (including theft prevention, recycling and identity theft prevention), held a Santa's arrival event, developed Christmas musical events, launched a website and developed a window contest for downtown businesses. During the 3rd quarter, they coordinated 1 ribbon cutting, co-sponsored the Salem So Sweet Chocolate and Ice Sculpture Festival, Salem Film Festival and Salem Literary Festival. During the 4th quarter, they coordinated 1 ribbon cutting, sponsored an Easter contest and event, sponsored a new annual arts festival, established a weekly farmers market and recruited businesses to participate in an "open late on Thursdays" program.

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. Significant redevelopment projects within the Urban Renewal Area moved forward during FY09 including the completion of the Salem News redevelopment and the commencement of the Old Salem Jail redevelopment. These two projects alone will bring 70 new housing units and more than 10,500 square feet of commercial space to downtown. During FY09, the DPCD collaborated with the Enterprise Center at Salem State College and the Small Business Development Center to provide technical assistance to entrepreneurs with a focus on those located within low/mod areas and the Urban Renewal Area. The DPCD has also partnered with the Salem Chamber of Commerce to manage the city's Creative Economy Initiative which is focused on growing creative economy businesses.

In total, \$208,534.52 was spent during the program period for economic development activities.

Table 4: Active Economic Development Loans in FY09

Type of Loan	Project	Amount of Loan	Required LMI Jobs Creation	Total Jobs Created
<i>Microenterprise Assistance</i>	Pamplemousse, Inc.	\$42,860.53	N/A	-
	Crunchy Granola Baby	\$50,945.00	N/A	-
<i>Special Economic Development</i>	Gulu Gulu Café	\$76,315.00	2	8 jobs created – all low/mod
	River Wharf Realty Trust/Bioengineering Group	\$135,925.00*	4	26 Total 8 LMI
Totals	4	\$306,045.53	6	34 Total Jobs Created 16 LMI Jobs

Note: LMI is low- and moderate-income

*Expended in a prior fiscal year

NEIGHBORHOOD IMPROVEMENTS



The Witch House received handicapped access improvements.

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

Due to the size and scope of these types of activities, some require multi-year funding, as well as a few years to plan, permit and complete the project. To that end, some of our Neighborhood Improvement Projects are still in the planning, permitting or bidding stages. The following table outlines the current neighborhood improvement projects and their status at the close of

FY09. 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: FY09 Neighborhood Improvement Financial Summary

Activity	CDBG Funds Available	CDBG Funds Spent	Status
Knights of Columbus Handicapped Accessible Restroom	\$8,873.84	\$8,873.84	Complete
Neighborhood Street Improvements (i.e. sidewalks, curbcuts, paving & crosswalks)	\$206,641.00	\$206,641.00	Complete
Essex Street Pedestrian Mall Improvements (i.e. tables, chairs, ashcans)	\$5,840.92	\$5,840.92	Complete
Witch House Accessibility Improvements (exterior)	\$16,830.98	\$16,830.98	Complete
High Street Playground Fence	\$10,445.70	\$10,445.70	Complete
High Street Play Structure & Fence	\$59,500.00	\$0.00	Planning
Congress/Derby Pedestrian Lights	\$61,934.12	\$23.99	Planning
Witch House Accessibility Improvements (interior)	\$43,476.52	\$42,862.02	Underway
Tree Planting Program	\$7,500.00	\$5,800.00	Underway
Congress/Peabody/Ward Intersection Improvement	\$308,468.528	\$82,504.21	Underway
Peabody Street Park	\$58,752.35	\$57,227.30	Underway
South River Harbor Walk	\$277,072.81	\$8,184.55	Underway
Palmer Cove Basketball Court	\$9,147.00	\$6,284.00	Underway
City Hall Elevator	\$98,261.68	\$525.68	Underway

Activity	CDBG Funds Available	CDBG Funds Spent	Status
Maryjane Lee Playground Swings & Safety Zone	\$5,363.00	\$4,063.00	Underway
Downtown Redevelopment Project (signage)	\$45,644.51	\$644.51	Underway
Section 108 Loan Payments – South Harbor Garage	\$5,059.25	\$5,059.25	Ongoing
Harbor and Lafayette Streets Pedestrian Improvements	\$100,482.00	\$482.00	To be redesigned as part of the St. Joseph's complex redevelopment.
Lafayette Park Redesign	\$100,000.00	\$0.00	

Evaluation of Goals

During the program period, we continued to work on important neighborhood projects, and spent a total of \$462,292.95, including program delivery costs, toward meeting the goals in the FY09 Action Plan and 5 year Consolidated Plan.

30 trees were planted. Although not meeting the FY09 Action Plan goal of 35, with a 4 year total of 231, we have exceeded the Consolidated Plan goal of 175 trees.

In addition, 3 street/sidewalk improvements were undertaken, including crosswalk and curbcut replacement throughout the downtown and resurfacing of Canal Street. With a four year total of 32 improvements, we have exceeded the Consolidated Plan goal of 20.

The South River Harborwalk construction bid opening is 7/22/09. The Witch House handicapped accessibility improvements are nearing completion and improvements have begun at Maryjane Lee and High Street Playgrounds. Tables and chairs were purchased and placed in Derby Square, and new ashcans were placed in various locations in the downtown. The Downtown Signage Program is being completed in stages.

Several additional activities are underway or in the planning stages.

PLANNING & ADMINISTRATION



In concert with the City Hall elevator and handicapped access improvement project, a feasibility study on needed renovations was completed.

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 FY09, we completed 3 studies. The Neighborhood Conservation District Study utilized a \$18,000 matching grant from Massachusetts Historical Commission.

In FY09, we spent a total of \$266,096.73 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: FY09 Planning & Administration Financial Summary

Activity	CDBG Funds Available	CDBG Funds Spent
City Hall Renovation Feasibility Study	\$20,000.00	\$20,000.00
Neighborhood Conservation District Study	\$2,000.00	\$2,000.00
Economic Outlook Study	\$2,000.00	\$0.00
City-wide Bike Circulation Study	\$11,750.00	\$11,750.00
General Administration - Salary	\$160,793.19	\$160,793.19
General Administration - Benefits	\$57,774.37	\$57,774.372
General Administration - Non-salary	\$13,779.17	\$13,779.17

OTHER ACTIONS

Barriers to Affordable Housing

The 5-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 and Affordable Housing Development Programs, the city is able to address some of these barriers. And although the City of Salem is above the State threshold of 10% affordable housing, the city recently 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, paving the way for the upcoming development of new affordable rental housing in the Point Neighborhood. Also, the City Council, with the support of the DPCD, has approved the waiver of permitting fees for at least one affordable housing development project.

In addition to the above mentioned barriers, the recent foreclosure crisis has created new affordable housing issues - see discussion beginning on page 6.

Lead-Based Paint Hazard Reduction

The Salem Board of Health disseminates information regarding the proper disclosure of lead hazards when an owner sells or rents a housing unit and they inspect 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 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 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 Housing Rehabilitation Loan Program, 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 undertaken 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 Program are given a copy of the EPA brochure *Protecting your Family from Lead in Your Home*.

Anti-Poverty Strategy

The 5-Year Consolidated Plan includes the City of Salem's Anti-Poverty Strategy which 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 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 that is 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, affordable housing and social services. Each of these components are described at length in the recently completed 5-Year Consolidated Plan.

Managing the Process and Institutional Structure

The DPCD administers the City of Salem's Community Development Block Grant funds, as well as the formula funding received by the North Shore HOME Consortium for which the City of Peabody is the lead agency. These funds are managed and monitored by the Assistant Community Development Director under the direction of the Director of Planning and Community Development.

Salem's economic development programs are managed by the Economic Development Manager and Salem's housing programs are managed by the Housing Coordinator. In addition, certain housing activities are administered by local non-profit agencies, CHDO's and/or CDC's. Many housing and economic development activities leverage funds through private lending 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 then 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 Manager coordinates the management of the economic development subcontracts.

The remaining activities are generally carried out by DPCD staff and may include the hiring of consultants or other private businesses through established municipal purchasing procedures.

Salem's CDBG program delivery system is audited yearly through the city's auditing firm, as well as through periodic reviews and monitoring by HUD staff. Recommendations are promptly implemented. 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 (SHA), the DPCD coordinates with the SHA to address the housing needs of Salem's lower-income residents. While developing its Consolidated Plan, the city consulted with the SHA to determine the agency's most pressing needs. In addition, SHA's Comprehensive Plan must take into account the findings of the Consolidated Plan and the City of Salem must certify that the documents are consistent.

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

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

The SHA has an established Resident Advisory Board to encourage public and subsidy residents to become more involved in management.

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 5-Year 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 that serve Salem residents 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 DPCD is responsible for the organization and administration of this effort. The strength in the delivery system of nonprofit services is in the networking, collaboration and coordination among the agencies.

The city also works directly 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 and ADDI funded programs. Salem also works with local CHDO's and CDC's to carry out prioritized activities.

The City of Salem will continue to coordinate and communicate with other municipal departments, local and regional agencies, and public and private housing organizations. The DPCD will maintain responsibility for coordinating the Salem H.O.P.E. effort and will communicate regularly with subrecipients of federal funds who are subcontracted to deliver much-needed social services. We will continue to work with the Salem Housing Authority (SHA), nonprofit organizations, and housing developers to produce affordable housing in the City. The strength of these relationships is beneficial in streamlining housing development and leveraging additional funds for projects.

Monitoring

An overarching goal with all activities undertaken with CDBG and HOME funds is to ensure that they meet our program objectives. The DPCD monitors all projects to ensure compliance with applicable Federal, State and local regulations and program requirements. As part of ongoing monitoring, public service subrecipients submit monthly reports that include income, race and ethnic information on clients served and programmatic accomplishments. In addition, public service subrecipients are monitored on-site each year (exceptions are noted in the Monitoring Plan, which is located in Five-Year Consolidated Plan). Affordable housing and economic development projects undertaken with CDBG or HOME funds are monitored annually for compliance with affordability requirements, job creation, and/or other programmatic requirements. All First Time Homebuyer Program properties and Housing Rehabilitation Loan Program properties receive on-site inspections. Rehabilitation projects must meet HQS and current housing codes. All tenant based rental assistance provided with HOME funds require an inspection with a HQS report.

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 public service agencies are made on a reimbursement basis to ensure compliance with expenditure requirements. In FY09, the public services program was updated to logic model and performance based contracting. Agencies submitting reimbursement requests must include proof of expenditure of funds, as well as documentation that the pre-determined benchmark or goal was attained.

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.

SUMMARY/PROGRAM EVALUATION/CONCLUSIONS

Overall, we made significant progress toward meeting the goals of our 5-year Consolidated Plan and FY09 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 FY09:

- 9 families were assisted to purchase their first home in Salem of which 4 were also assisted with American Dream Downpayment Initiative funds;
- 9 housing units were renovated, with an additional 3 units underway;
- 2 units were deleaded with MA Get the Lead Out funding;
- Water supply upgrade for fire suppression undertaken at a home for chronically mentally ill;
- 56 households received assistance with first/last month's rent and/or security deposits;
- Housing Summit held;
- Housing staff conducted 6 workshop presentations;
- 29 social service programs assisted 10,802 persons, including 979 youth and 465 seniors;
- 4 commercial storefronts improved;
- 3 businesses provided with economic development loans;
- Salem Main Streets Program:
 - Assisted 49 businesses including 15 identified micro-enterprises and 4 new businesses, resulting in 152 jobs being created;
 - Held a workshop entitled "Marketing Tips on a Limited Budget" and 3 additional technical assistance workshops (including theft prevention, recycling and identity theft prevention);
 - Managed the Super Scooperbowl event;
 - Coordinated Mayor's night out;
 - Coordinated 10 ribbon cuttings;
 - Conducted the Salem AARP presentation;
 - Produced a holiday calendar of events and held a Santa's arrival event;
 - Developed Christmas musical events;
 - Launched a website;
 - Developed a window contest for downtown businesses;
 - Co-sponsored the Salem So Sweet Chocolate and Ice Sculpture Festival, Salem Film Festival and Salem Literary Festival;
 - Sponsored an Easter contest and a new annual arts festival;
 - Established a weekly farmers market; and,
 - Recruited businesses to participate in an "open late on Thursdays" program.
- Handicapped restroom at Knights of Columbus installed;
- Fence replacement at High Street Playground undertaken;
- Witch House exterior handicapped access and other improvements completed;
- Tables and chairs provided for Derby Square (downtown);
- Ashcans provided for downtown;
- 30 trees planted in low-mod neighborhoods;
- Economic Outlook study completed;
- City Hall Renovation Feasibility Study completed;
- Neighborhood Conservation District Study completed;

- Crosswalk and curbcut installation undertaken throughout downtown; and
- Street resurfacing undertaken on Canal Street.

In summary, we are proud of the accomplishments made in FY09. In addition to completed projects, dozens of additional activities are underway and continue to make progress. The City continues to make progress in all program areas toward meeting the goals and objectives laid out in the 5-Year Consolidated Plan and FY09 Action Plan. We have made significant progress in completing older and multi-year projects.

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

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, 13, 18, 20 and 22, including funds available and funds expended. These activities may included funding from one or more plan years.

The Financial Summary Grantee Performance Report (Form #4949.3) or the PR26 on 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 FY09, CDBG expenditures fully complied with the goals and objectives outlined in the FY09 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 past fiscal year, provided public notice for two changes to the program objectives laid out in the FY09 Action Plan:

- Addition of activity: Approximately \$59,500 in CDBG funds will be reprogrammed to undertake park/playground improvements in eligible neighborhoods; tentatively scheduled is a new play structure and fence at the High Street Playground; and,
- Addition of activity: The City of Salem has been notified of its \$305,977 allocation from the American Recovery and Reinvestment Act (ARRA) or (CDBG-R). These funds will be used toward the installation of an elevator in City Hall and related handicap access improvements.

Public notice was also provided for one change to the 5-Year Consolidated Plan:

- The City of Salem has long recognized the need for a new senior center. In April, 2007, the Mayor appointed a 12 member Senior Center Committee to identify and assess various sites. The Committee unanimously adopted a report that identified three sites. Following recommendation by the Salem City Council, an extensive review was conducted for each site. On February 5, 2009, Mayor Driscoll announced that she recommended the City proceed with the acquisition of a space for a new senior center, as part of a joint development at the intersection of Boston and Bridge Streets. In March, 2009, the Salem City Council approved the acquisition of the senior center condominium unit and a resolution authorizing the Mayor to submit a Section 108 Loan application and to execute necessary documents. The City of Salem will use the Section 108 Loan Guarantee Program to finance all or part of the acquisition cost for a space for a new senior center.

As typical each year, during the program period it is necessary to adjust funds committed to specific activities. Usually, this is done within the same general category. Other times a project will come in under budget and its remaining funds are reprogrammed, or, an activity will no longer be necessary or feasible and the funds will be reprogrammed. Adjustments to FY09 funding (over \$50,000) include:

Deductions:

Landlord Rehabilitation Program	\$119,000.00
Affordable Housing Development	\$121,497.00
Harbor/Lafayette Pedestrian Improvements	\$ 52,625.52

Increases:

Housing Rehabilitation Loan Program	\$ 53,154.75
City Hall Elevator Project	\$ 98,261.68

Geographic Distribution and Location of Investments

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

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

However, recognizing that needs are not solely located in distressed neighborhoods, we 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 FY09, the City of Salem pursued all resources indicated in its FY09 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 FY09, 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 did 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 FY09, the City of Salem funded several activities that served limited clienteles. For example, funds were expended on 29 public service contracts 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 FY09. The total program income was \$147,900.99.

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 FY09 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 FY09.

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 and subcontracted social service agencies are required to report on performance indicators either monthly or at the end of the program year. Starting in FY09, public service agencies were required to submit reimbursement requests which were tied to pre-determined benchmarks or performance outcomes (logic model). It should be noted that this actually resulted in the submission of more paperwork from the agency and in more staff time needed to process reimbursement requests. The performance outcomes are summarized in the Public Services Section in Table 2. Internally, a spreadsheet is maintained which tracks the receipt of monthly reports and the status of on-site monitorings.

Housing Programs - Housing rehabilitation program staff track each project in a formal system that details project status and loan details. In addition, the 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 Program and the Housing Rehabilitation Program, including period of affordability, discharge dates, rental restrictions and monitorings. Rehabilitation projects with rental affordability restrictions are monitored annually during the duration of the affordability period.

Economic Development – The Economic Development Program Manager maintains a spreadsheet of all economic development loans which tracks all loan details and information regarding job creation and provides a quarterly report to the City's Finance Department on new loans issued, loan status and loan discharges..

Additionally, the city ensures long-term compliance with program requirements, including minority business outreach and comprehensive planning requirements, in several ways. In particular, DPCD has a Monitoring Plan 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.

HOME & ADDI 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 FY09, the City of Salem spent \$98,058.35 in HOME funds and \$117,306 in ADDI funds. HOME Funds were used to help fund the Rental Downpayment Assistance Programs administered by the North Shore Community Action Program, Help for Abused Women and their Children and the Salvation Army. ADDI funds were used to assist eligible first time homebuyers to purchase a home in Salem or other North Shore HOME Consortium community. 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, HOME and ADDI funds often must be combined with other funding sources. The following chart summarizes the amount of federal dollars spent during FY09 and the funds leveraged through these expenditures.

Table 8: FY09 Funds Leveraged

Program	CDBG Expenditures	HOME & ADDI Expenditures	Funds from Other Sources
Housing Programs	\$412,869	\$215,616	\$1,723,513
Public Services	\$183,228	-	\$3,824,151
Economic Development	\$208,534	-	\$60,432
Neighborhood Improvements	\$462,293	-	\$2,068,025
Planning & Administration	\$266,097	-	\$333,371
TOTAL FY09	\$1,533,021	\$215,616	\$8,009,492
TOTAL FUNDS LEVERAGED PER HUD DOLLAR IN FY09: \$4.58			

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

Housing

- For the First Time Homebuyer Program, homebuyers provide matching funds as well as obtained financing from a primary lender, which amounted to a total leveraged of \$1,509,055.
- The rehabilitation program leveraged \$19,000 in MassHousing’s Get The Lead Out funds.
- Along with Salem’s CDBG and HOME funds, Habitat for Humanity’s housing project at 1 Harrison Avenue leveraged \$110,000 in North Shore HOME Consortium’s HOME funds and \$75,258 in private funds.
- Health & Education Services’ fire suppression project leveraged \$10,200 in HOME funds from the N. S. HOME Consortium.

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 at the end of the contract or on the project budgets submitted in the initial funding request proposals, the estimated amount leveraged is \$3,824,151.

Economic Development:

- The Salem Main Streets Program leveraged \$14,500 in private funds, \$5,000 in grants and \$6,186 in program income.
- This year's Business Loan Program leveraged at least \$15,000 in private funds.
- The Storefront Improvement Program leveraged \$19,746.12 in private dollars.

Neighborhood Improvements:

- CDBG funds for the South River Harbor Park project are used as a match toward \$1,336,000 in design and construction grant funds from the State Seaport Advisory Council.
- The Peabody Street Park is leveraging \$200,000 from the Environmental Protection Agency and \$474,800 in Urban Self Help grant funds.
- Witch House project utilized \$4,000 in grant funds from Essex National Heritage Commission and \$53,225 Massachusetts Preservation Project Funds.

Planning & Administration:

- For the Neighborhood Conservation District Study, CDBG funds leveraged \$18,000 from the Massachusetts Historical Commission's Survey & Planning Grant Fund Program.
- Planning and administration funds leveraged \$239,980.38 in City funds and \$45,653.32 in State Seaport Advisory Council funds for salaries and \$20,578.50 in city funds and \$9,158.46 in State Seaport Advisory Council funds for advertising, office supplies, postage, photography, dues and subscriptions, reproductions and in-state travel.

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

CITIZEN PARTICIPATION SUMMARY

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

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

Public Comment Period

Copies of the FY09 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 Clerk's Office, Public Library, Salem Housing Authority, the City Hall Annex 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). There were no comments received.

APPENDIX

Financial Summary

Progress of Consolidated Plan 5-Year Goals

IDIS PR03 Excerpts - Persons Served by Income

(This table is not included in the digital PDF. Please contact the DPCD for copies)

IDIS Report PR23 Excerpts

Total CDBG Beneficiaries by Racial/Ethnic Category

CDBG Beneficiaries by Income Category

Maps

FINANCIAL SUMMARY

CITY OF SALEM – FINANCIAL SUMMARY FY09 Consolidated Annual Performance and Evaluation Report

1	Summary of CDBG Resources	
2	FY08 End of Year LOC Balance	\$ 1,596,786.76
3	FY09 CDBG Entitlement	\$ 1,127,314.00
4	Program Income, FY09	\$ 147,900.99*
5	Total CDBG funds available for use in FY09	\$ 2,872,001.75
6	Summary of CDBG Expenditures	
7	Affordable Housing	\$ 412,869.15
8	Public Services	\$ 183,227.80
9	Neighborhood Improvements	\$ 457,233.70
10	Economic Development	\$ 208,534.52
11	Program Administration	\$ 266,096.73
12	Section 108 Repayment (in CAPER narratives under neighborhood improvements)	\$ 5,059.25
13	Total Expenditures	\$ 1,533,021.15
14	Year-End CDBG Resources	
15	Total CDBG funds available for use in FY09	\$ 2,872,001.75
16	Total Expenditures in FY09	\$ 1,533,021.15
17	Unexpended Balance (CDBG Budget)	\$ 1,338,980.60
18	*LOC = Balance of Funds in City's Letter of Credit with U.S. Treasury	
19	Low/Mod Credit	
20	Total FY09 CDBG Expenditures	\$ 1,533,021.15
21	Total for Program Administration	\$ 266,096.73
22	Total for Section 108 Repayments	\$ 5,059.25
23	Total subject to Low/Mod Benefit Calculation	\$ 940,250.32
24	L/M Credit for multi-unit housing	\$ 0.00
25	L/M Credit for other activities	\$ 940,250.32
26	Percent of benefit to low/mod persons	74.51%
27	Public Services Cap Calculation	
28	Net obligations for FY09 Public Services Act.	\$ 188,814.14
29	FY09 Entitlement + FY08 Program Income	\$ 1,263,583.90
30	Percent obligated for FY08 PS Activities	14.94%

31	Planning and Program Administration Cap Calculation	
32	FY 09 Entitlement + FY09 Program Income	\$ 1,275,214.90
33	Net Obligations for Planning/Admin. Activities	\$ 246,096.73
34	Percent of funds expended	19.3%
35	HOME Summary	
36	HOME Project Expenditures	\$ 89,058.35
37	Salem HOME Administration	\$ 9,252.00
38	Total HOME Expenditures	\$ 98,310.35
39	ADDI Summary	
40	ADDI Project Expenditures	\$ 116,365.00
41	ADDI Administration	\$ 941.00
42	Total ADDI Expenditures	\$ 117,306.00

**Note: Program income of -\$235.15 entered into IDIS in FY09 was reported in the FY08 CAPER. Program income of +\$6,042.64 entered into IDIS in FY10 is being reported in this CAPER (FY09). Therefore the net adjustment to compute total program income is +\$5,807.49.*

PROGRESS OF CONSOLIDATED PLAN 5-YEAR GOALS

CDBG funds unless otherwise noted

Category	5 Year Goals	5 Year Proposed	Year 1 FY05/06	Year 2 FY06/07	Year 3 FY07/08	Year 4 FY08/09	Year 5 FY09/10	TOTAL
Housing	15 Housing Development Units - 50 Palmer (9 renter, 6 owner)	15	0	0	15	0		15
	21 Units Permanent Supportive Housing - Salem Mission (HOME)	21	0	0	22	0		22
	55 rehabilitations units - 25 single + 30 multi (CDBG/HOME)							
	Salem Harbor CDC renovation project	55	61	0	0	0		106
	Housing Rehabilitation Loan Program (housing units)		10	19	7	9		
	75 Direct homeownership assistance	75	17	20	7	9		53
	215 Rental Housing subsidies (HOME)	215	99	45	39	56		239
	Acquisition for rehabilitation - (18 Crombie St., 1 Harrison)	1	1	0	0	1		2
Economic Development	10 Commercial building acquisition, construction, rehabilitation	10	2	13	5	4		24
	30 Direct Financial Assistance for For-Profits	30	2	1	1	3		7
	1 Technical Assistance	1	1	1	1	1		4
	70 Micro-enterprise assistance	70	22	27	9	15		73
Public Facilities & Improvements	1 Public Facility and Improvements General (Peabody St. Wall, Pioneer Terrace Guardrail)	1	0	2	0	0		2
	2 parks/playgrounds (High St.& Palmer Cove Playgrounds)	2	0	0	0	2		2
	175 Trees planted	175	66	109	26	30		231
	1 Senior Center	1	0	0	0	0		0
	1 Parking Facility	1	0	0	0	0		0
	20 Street/sidewalk improvements	20	5	12	12	3		32
	1 Flood drain improvements	1	0	0	0	0		0
	1 Water/sewer improvement	1	0	0	0	0		0
	1 Fire Stations improved (Loring Ave.)	1	0	0	1	0		1
	1 Clean up of contaminated sites	1	2	0	0	0		2
	1 Urban Renewal Completion (pedestrian mall improvements)	1	1	0	0	1		2
	1 Removal of architectural barriers (Witch House)	1	0	1	0	1		2
	1 non-residential historic preservation	1	0	0	0	0		0
Public Services	42,000 persons assisted	42000	11839	6869	14238	10802		43748

PR23 Excerpt - CDBG Beneficiaries by Racial / Ethnic Category

Housing-Non Housing	Race	Total Persons	Total Hispanic Persons	Total Households	Total Hispanic Households
Housing	White	0	0	23	5
	Black/African American	0	0	1	0
	Asian	0	0	2	0
	Total	0	0	26	5
Non Housing	White	29,100	2,472	0	0
	Black/African American	2,424	1,223	0	0
	Asian	578	15	0	0
	American Indian/Alaskan Native	91	34	0	0
	Native Hawaiian/Other Pacific Islander	26	13	0	0
	American Indian/Alaskan Native & White	77	7	0	0
	Asian & White	72	7	0	0
	Black/African American & White	204	31	0	0
	Amer. Indian/Alaskan Native & Black/African Amer.	9	1	0	0
	Other multi-racial	2,553	2,168	0	0
	Total	35,134	5,971	0	0
Total	White	29,100	2,472	23	5
	Black/African American	2,424	1,223	1	0
	Asian	578	15	2	0
	American Indian/Alaskan Native	91	34	0	0
	Native Hawaiian/Other Pacific Islander	26	13	0	0
	American Indian/Alaskan Native & White	77	7	0	0
	Asian & White	72	7	0	0
	Black/African American & White	204	31	0	0
	Amer. Indian/Alaskan Native & Black/African Amer.	9	1	0	0
	Other multi-racial	2,553	2,168	0	0
	Total	35,134	5,971	26	5

PR23 Excerpt - 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 $\leq 80\%$)	17	1	0
	Total Low-Mod	24	2	0
	Non Low-Mod ($> 80\%$)	0	0	0
	Total Beneficiaries	24	2	0
Non Housing	Extremely Low ($\leq 30\%$)	0	0	6,069
	Low ($> 30\%$ and $\leq 50\%$)	0	0	27,666
	Mod ($> 50\%$ and $\leq 80\%$)	0	0	1,336
	Total Low-Mod	0	0	35,071
	Non Low-Mod ($> 80\%$)	0	0	63
	Total Beneficiaries	0	0	35,134

MAPS

The following maps follow this page on the hard copy of this report.

- Low to Moderate Income Areas with Urban Renewal (SRA) boundaries and Ward boundaries. For a digital version of the map go to http://saalem.com/Pages/SalemMA_WebDocs/lma.pdf.
- Geographic Distribution of Entitlement Funds Expended FY09.

CITY OF SALEM



Map created by IslandGIS
September 23, 2009
Map No. 09-043

Mayor
Kimberly Driscoll

Geographic Distribution of Entitlement Fund Expenditures - FY09

Legend

- SRA Boundary
- Low & Moderate Income Areas

Expenditure Type

- Economic Development
- Housing Activity
- Neighborhood Improvement
- Planning Activity
- Street/Sidewalk Improvement
- Tree Planting
- Street/Sidewalk 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



0 1,700 Feet
1" = 1000'

