

# CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT



## CITY OF SALEM, MASSACHUSETTS

*Fiscal Year 2010*  
*July 1, 2009 to June 30, 2010*

Kimberley Driscoll, Mayor  
Lynn Goonin Duncan, AICP, DPCD Director  
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## EXECUTIVE SUMMARY

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

During Fiscal Year 2010, we expended over 2 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 \$115,508.28 in HOME funds and \$265,205 in American Dream Downpayment Initiative (ADDI) funds.

The FY10 Consolidated Annual Performance and Evaluation Report (CAPER) provides an analysis of the fifth fiscal year - July 1, 2009 through June 30, 2010 - of the City's 5-Year Consolidated Plan completed in 2005. 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 FY10 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: Redesigned Congress, Peabody and Ward Streets intersection*

# 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 FY10 CAPER provides an analysis of the fifth fiscal year of the 5-Year Consolidated Plan — July 1, 2009 through June 30, 2010.

## 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-income<sup>1</sup>.
- **HOME** is a formula-based program for expanding and improving the supply of decent, safe and affordable housing for low- and moderate-income persons.
- **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.

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

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.



*V.O.C.E.S. students attend GED  
and/or Citizenship classes.*

## ASSESSMENT OF GOALS AND OBJECTIVES

During FY10, the DPCD continued to make significant progress toward meeting the goals and objectives laid out in the 5-Year Consolidated Plan and FY10 Action Plan. The CDBG entitlement funds from HUD for the fiscal year was \$1,144,965 and program income received during the program year was \$157,343.81. Our HOME funding allocation was \$209,773. Salem was 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 FY10, we expended \$2,132,921.32 in CDBG funds, the highest annual expenditure of the five year period. Expenditures were divided into five program areas — Affordable Housing, Neighborhood Improvements, Planning & Administration, Public Services and Economic Development. In FY10, we met all timeliness requirements and program expenditures were consistent with our 5-Year Consolidated Plan and FY10 Action Plan goals. Furthermore, Public Service programs were at 15 percent, the maximum allowable for such activities, and we did not exceed the 20 percent Administration spending cap. In the Financial Summary tables found in each program area, “funding available” indicates the total CDBG funds available during the fiscal year, including FY10 and prior year carried over funds+/- any adjustments made during the year.

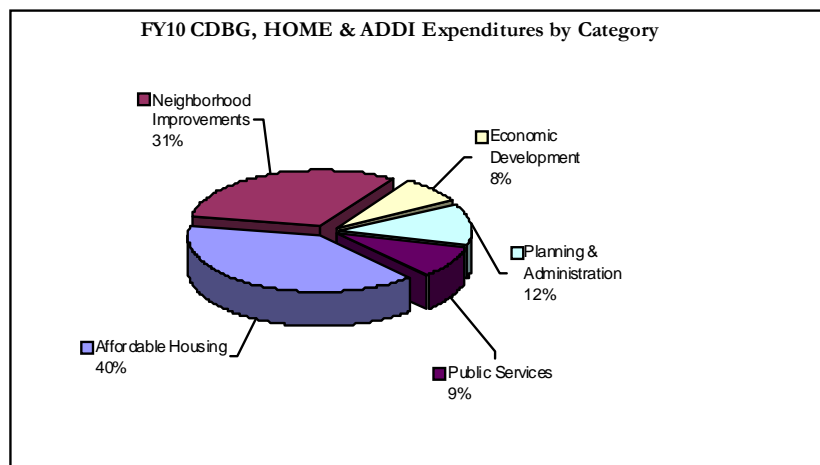
### HOME & ADDI Expenditures

In addition to CDBG funds, the DPCD also spent \$126,384.78 in HOME funds to undertake affordable housing activities and \$283,962.50 in ADDI funds for additional assistance to income-eligible first-time homebuyers (\$144,220 Salem, \$120,985 non-Salem buyers and \$18,757.50 administration costs). When added to the \$559,081.17 spent in CDBG funds for affordable housing programs, the total amount spent for housing programs is \$969,428.45 (including all ADDI funds) or \$848,443.45 (including only ADDI funds for Salem buyers) – representing the highest level of funding for any of our funding categories. The City of Salem is a member of the North Shore HOME Consortium and the specific accomplishments of HOME 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.

Fig. 1 FY10 Spending by Category,  
as a Percentage of Total CDBG, HOME & ADDI Expenditures  
(does not include ADDI funds for non-Salem homebuyers)

### 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 FY10 Action Plan. The final section provides an overall evaluation of our programs.



## AFFORDABLE HOUSING PROGRAMS



*Rehabilitation Project Before and After*

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 FY10, the City of Salem spent \$969,428.45 in CDBG, HOME and ADDI funds on affordable housing projects and programs (includes \$144,220 ADDI funds for Salem buyers and \$120,985 for non-Salem buyers). The project accomplishments attained with these funds during FY10 are described in the following table.

**Table 1: FY10 Housing Financial Summary**

Project	Project Description	Funding Available <sup>2</sup>	Status
First Time Homebuyer Program	Provides 0% interest deferred payment loans to low- to moderate-income families that wish to purchase a home in the City of Salem. Note: ADDI funds may also assist income-eligible households purchasing a home in any N. S. HOME Consortium community.	\$98,650 CDBG \$15,500 HOME \$289,509 ADDI	<ul style="list-style-type: none"> <li>• \$98,650.00 CDBG funds spent</li> <li>• \$15,500 HOME funds spent</li> <li>• \$265,205 ADDI funds spent (\$144,220 Salem, \$120,985 non-Salem)</li> <li>• 15 Salem families assisted with CDBG (all 15 also receiving ADDI funds)</li> <li>• 2 Salem families assisted with HOME (1 also receiving ADDI funds)</li> <li>• 12 non-Salem families assisted with only ADDI funds</li> <li>• 32 total units</li> </ul>
Housing Rehabilitation Loan Program	Provides a combination of technical and financial assistance to help Salem's low- to moderate-income homeowners and landlords make much needed improvements to their properties.	\$437,255 CDBG \$66,132.62 HOME <i>(does not include program income, unprogrammed or carried over funds)</i>	<ul style="list-style-type: none"> <li>• \$362,234.55 CDBG funds spent</li> <li>• \$19,220 HOME funds spent</li> <li>• 14 units improved (9 owners)</li> <li>• 7 additional units underway ( 6 CDBG projects)</li> </ul>

<sup>2</sup> "Funding available" indicates the total funds available during the fiscal year, including FY10 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.	\$160,969.65 in open HOME Contracts	<ul style="list-style-type: none"> <li>• \$80,788.28 in HOME funds spent</li> <li>• 77 families assisted thru Rental Downpayment Program Assistance</li> </ul>
Housing Program Delivery	Costs associated with providing rehabilitation programs & inspectional services.	\$131,164.12 CDBG \$10,876.50 HOME \$18,757.50 ADDI	<ul style="list-style-type: none"> <li>• \$98,196.62 in CDBG funds &amp; \$29,634 in HOME &amp; ADDI funds for housing program delivery and inspectional services, including lead inspection</li> </ul>

### Other Priority Housing Strategies

In addition to the projects listed above that were undertaken with CDBG and HOME program funds, we also worked on the development of our other priority housing strategies listed in the Consolidated Plan and the FY10 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 also committed funding to develop affordable housing units at the former St. Joseph's Church site. The Boston Archdiocese's Planning Office for Urban Affairs (POUA) is the lead developer; project plans include approximately 45 units of newly constructed affordable family housing (1, 2, and 3 bedroom units), with 18,000 square feet of first floor commercial space in the same building. Another 20 units of elderly housing are planned at the former school building. The City has committed \$300,000 of CDBG/HOME funds towards the redevelopment project. In addition, \$1 Million in PWED funds have been allocated for traffic and infrastructure improvements to the adjacent intersection. These funds were leveraged by and will benefit the St. Joseph's Redevelopment. Other funding sources for the project include funds from the North Shore HOME Consortium, a grant plus permanent financing from Massachusetts Housing Partnership, funds from the Federal Home Loan Bank, and Low Income Housing Tax Credits. An application for Section 202 Elderly Housing is pending at HUD for the elderly units.

- **An Affordable Housing Fund**

In 2003, the City entered into a Memorandum of Agreement with a housing developer which resulted in a \$50,000 contribution in 2005 for affordable housing activities. The City Council created an Affordable Housing Trust at the end of 2006 to create and preserve affordable housing. The first meeting of the Trust took place in March, 2007, and the Trust continues to meet as needed. The City continues to negotiate with developers on a case by case basis for affordable units or a contribution to the Trust. The Trust has contributed \$25,000 to Salem

Lafayette Development as predevelopment funding for the St. Joseph's Church redevelopment, as well as \$24,175 to a local shelter for ADA and safety repairs.

- Preserving Existing Affordable Units

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

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

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

- Foreclosure Prevention

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

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

- Eliminating Vacancies as a Result of Foreclosure

Between July 1, 2009 and June 30, 2010, foreclosure deeds were filed for 36 Salem properties a 10% decrease over the number of foreclosure deeds in the prior year<sup>3</sup>. As of June 30, 2010, an additional 49 properties were in pre-foreclosure, 25 were scheduled for auction and 78 were currently bank-owned. 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

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<sup>3</sup> Source: The Warren Group in Salem Evening News Article dated 8/13/10.

homeowner and by any displaced tenants. 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 HAWC to provide first/last month's rent and security which can be used by displaced families. The city monitors vacant, abandoned and problem properties through collaborative efforts between the Health Inspector, Fire chief, Building Inspector, City Solicitor and Housing Coordinator and has mapped those properties in GIS. Abutters of bank-owned properties and those about to be auctioned are sent letters asking them to be observant and report problems.

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

An important part of the City's recovery and revitalization efforts is helping to re-occupy and repair foreclosed properties. From August, 2007 through June, 2010, the City helped a total of eleven homebuyers to purchase bank-owned properties, with approximately \$113,000 in downpayment assistance. In addition, the City has aided four homebuyers and investors who have purchased foreclosed properties in making repairs through the Housing Rehabilitation Loan Program. As part of the program, any renovated rental units are restricted to affordable rents and must be occupied by low- to moderate-income households for a period of 15 years.

- Improving Public Housing

The Salem Housing Authority continues to manage and maintain its 715 units of elderly, family, and handicapped housing stock. Modernization work is progressing through funding of applications made by the SHA to Massachusetts Department of Housing and Community Development and to HUD. The following modernization work is underway or expected to begin in 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 operates is the First-Time Homebuyer Downpayment Assistance Loan Program (FTHB). In addition to basic downpayment assistance, the program offers a \$1,000 increase over the maximum loan amount for homeowners who complete First-Time Homebuyer Counseling through a qualified training program.

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

- **Providing Assistance to Renters**

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

- **Rehabilitation of Existing Housing**

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

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

- **Work Regionally to Increase the Supply of Housing**

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

### **Affirmatively Furthering Fair Housing**

The North Shore HOME Consortium, 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 City of Salem's Affordable Housing Trust Fund Board provided a letter, dated January 8, 2008, commenting on the Draft Analysis to Impediments. The final AI did not identify any specific

actions for Salem to undertake in order to overcome the effects of any impediments identified through that analysis. It did recommend that the Consortium consider taking the following actions:

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

On April, 1, 2009, HUD's Office of Fair Housing & Equal Opportunity (FHEO) issued its evaluation report of the City of Salem's FY08 CAPER (July 1, 2007-June 30, 2008, submitted to HUD in September, 2008) and recommended that the City and/or N. S. HOME Consortium revisit and update the AI (completed in 2007) to consider common fair housing impediments, aside from affordability. It was recommended that once the

**The City of Salem undertook the following Fair Housing actions during FY09 and FY10:**

- In January, 2009, the City's Assistant Community Development Director, the Housing Coordinator and a board member of the City's Affordable Housing Trust Fund (AHTF) attended a Fair Housing Training hosted by the North Shore Home Consortium and conducted by The Fair Housing Center. Staff shared information received at the training with the remainder of the AHTF board members.
- In January, 2009, the DPCD created a separate page on the city's website for [Fair Housing and Housing Discrimination](#). The page explains housing discrimination and fair housing laws and is targeted to consumers, real estate professionals and lenders. The page also lists resources available to victims of discrimination.
- The City of Salem provides public service and housing assistance funding to agencies whose activities assist specific populations with improving their quality of life. Assistance includes locating emergency, transitional or permanent housing (i.e. CDBG funding is provided to the Independent Living Center to provide an Accessible Housing Education Services Program). All sub-recipient agreements between the City of Salem and social service and housing service providers contain language requiring compliance with the Fair Housing Act. Salem supports providers by offering technical assistance. On March 5, 2009, the Assistant Community Development Director issued a memorandum via e-mail to providers which listed the protected classes pursuant to Federal and State laws. Furthermore, these agencies advocate on behalf of their clients to ensure fair housing.
- In April, 2009, the City's Affordable Housing Task Force sponsored a Housing Summit. At the meeting, board members, real estate professionals, directors of local non-profits, regional planners and other housing advocates participated in a community dialogue about the challenges in today's housing climate and the need to educate the public regarding fair housing practices.
- The City's housing staff regularly participate in homebuyer fairs held by lending institutions and real estate professionals to provide information and counseling regarding its first-time homebuyer, rehabilitation and deleading programs and to increase awareness of fair housing laws. The City disseminates information regarding the law and the resources available to victims of discrimination. In FY09, staff presented at workshops sponsored by Salem Five Bank, Tache Real Estate, Seaport Credit Union and Eastern Bank.
- The city provides financial assistance to Community Teamwork, Inc., a nonprofit organization that conducts CHAPA-certified, first time homebuyer educational courses. These courses are primarily held in the Point Neighborhood, where Salem has its highest concentration of racial and ethnic minorities. Trainings were conducted in February, May and September, 2009 and in June, 2010. During these trainings, City housing staff distributed information regarding the Fair Housing and Discrimination Act.

City and/or Consortium has identified existing impediments, it must then develop a strategy and plan actions designed to address these impediments.

In a letter dated July 7, 2010, HUD's Office of Community Planning and Development requested that the City of Salem address the FHEO concerns and submit a response (in this CAPER or on or before September 30, 2010), and also requested a copy of the City of Salem's AI-related concerns to be submitted to the Consortium for inclusion in its updated AI. A response to this letter will be provided to HUD on or before September 30, 2010 in a separate document, with a copy provided to the N. S. HOME Consortium.

### **Continuum of Care**

During FY10, the city continued to support local agencies that provide direct assistance to homeless families and individuals in Salem, such as Lifebridge (formerly the Salem Mission) and HAWC, and to agencies that help households avoid homelessness. Agencies funded and their accomplishments are provided in the Table 1 above, as well as in the Public Services Section of this report. It should be noted that 193 persons avoided homelessness through city-funded Homeless Prevention and Transitional Housing Programs (reported in Public Services). The city also continues to be a member of the local Continuum of Care Alliance administered by the North Shore HOME Consortium. An overview of the activities of the Alliance can be found in the CAPER submitted by the North Shore HOME Consortium (through the City of Peabody).

### **Evaluation of Goals**

This year, we exceeded our goal to assist 6 households to purchase their first home by assisting 17 Salem families. 16 were also able to take advantage of the ADDI program. For the 5-year Consolidated Plan period, with a total of 70, we were just 5 short of meeting our total 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 FY10, we exceeded our Action Plan goal of rehabilitating 3 housing units with 14 units completed and 7 more underway. In total, we have exceeded our five year goal to assist 55 housing units by assisting a total of 115 units (61 through Salem Harbor CDC in Year 1 and 54 through the City's Housing Rehabilitation Loan Program). Given the economy and the housing market over the past two to three years, this is a significant accomplishment.

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 66 households would be assisted and we were able to assist 88 during the program year. With a total of 327, the program has exceeded its goal of 215 households assisted.

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



*Mayor Kimberley Driscoll tours  
the St. Joseph Food Pantry*

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 FY10, 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 FY10 Action Plan.

According to HUD regulations, we are allowed to commit up to 15 percent of our CDBG allocation to public service activities. In FY10, as in past years, our agencies expended just under that limit. These public service activities provide direct benefit to our low- and moderate-income residents; therefore it is important to continue funding at this level.

Public service projects funded during FY10 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 FY10, we were able to expend \$190,325.61 on 37 open public service contracts, which, in turn, assisted 11,865 people, including 1227 children/youth and 417 seniors (see Table 2 for Active Projects).

**Table2: FY10 Public Services Financial Summary**

Agency	CDBG Funding Available	CDBG Funds Spent	Number Assisted	FY10 Program Impact
Bentley Elementary School After School Program	\$4,695.52	\$4,695.52	253 youth	Provided the following activities: Crafty Kids, Yoga, Social Skills group through Board Games, Social Skills Spanish Club, Science Fun, AM MCAS Prep, Readers Theater, Math games, Basketball and Dance Group.
Salem Community Child Care	\$10,000.00	\$10,000.00	13 youth	Provided after school child care to children enrolled in kindergarten in Salem Public Schools. Teachers provided help with homework and enrichment activities. Transportation and snacks were provided.
Haven From Hunger Food Pantry	\$10,000.00	\$10,000.00	495 persons	Provided more than 878 visits to the food pantry for 226 households.
Salem Harbor CDC Community English Program	\$3,000	\$3,000.00	46 persons	Students completed a 12 week Community English Program.
H.A.W.C. Children's Program	\$10,000.00	\$10,000.00	75 persons (36 families)	36 parents attended the domestic violence group and 30 children participated in the creative art therapy class.

Agency	CDBG Funding Available	CDBG Funds Spent	Number Assisted	FY10 Program Impact
Community Teamwork, Inc. First Time Homebuyer Training Program	\$210.00 FY09; \$1,050	\$210.00	7 households (minimum 7 persons)	Certified training program courses were held in September and June. Completion of the course makes the certificate holder eligible for certain low-income mortgage products from commercial banks and lending institutions.
Salem Mission Outreach Street Advocate	\$1,460.40 (FY09) \$7,200.00 (FY10)	\$8,253.40	49 persons	3 secured a shelter bed, 2 were admitted to a medical hospital, 2 were admitted to a mental health facility, 1 accepted detox., 2 were placed under arrest or protective custody and 1 was convicted and admitted to a correctional facility. At least 13 use basic services (i.e. food program) provided by the shelter.
Salem Police Department Bicycle and Walk/Ride Patrols	\$7,354.56 FY09; \$12,000	\$6,959.48	3,918 persons	156 police patrol hours completed. Overall the calls for service in the Point Neighborhood area are up 5.5% from last year. Reductions have been realized with incidents of public drinking (down 50%) and drug related offenses (down 16%). However increases occurred in assaults (up 15%), loitering (up 35%), disturbances (up 55%) and loud music (up 37%).
Morgan Memorial Goodwill Industries Career Planning Program	\$4,300.00	\$4,073.40	5 disabled youth	Students completed skills assessment, individual training on interviewing, resume writing and dressing for the workplace, prepared job applications, cash out money management, relationships at work, problem solving, career exploration, utilizing job ads and on line job search. One student is undertaking a summer internship at Morgan Memorial Goodwill.
Salem Access Television Youth in Action	\$3,000.00	\$3,000.00	14 youth	30 hour training course. Students learned television and field production, scripting and storyboarding and produced a DVD.
Cerebral Palsy Association North Shore Infant & Toddler Preschool Program	\$5,000.00	\$5,000.00	58 children	For children with physical and developmental disabilities to attend integrated developmental play groups once per week. At the end of the program 20 remain with the agency, 5 moved out of state, 13 transitioned to Salem public schools special needs program, 8 transitioned to private day care, 6 transitioned to Headstart, and 3 receive services from Salem Public Schools but attend private day care.
Salvation Army Prescription Program	\$2,065.86 FY09	\$418.72	6 persons	11 prescriptions filled.
V.O.C.E.S. Hispanic Education Program	\$5,599.19	\$5,599.19	101 persons	Provided approximately 182 classes. During the year, 81 current and former students obtained US citizenship and 3 obtained their GED.



Agency	CDBG Funding Available	CDBG Funds Spent	Number Assisted	FY10 Program Impact
Independent Living Center Accessible Housing Education Services Program	\$5,000.00	\$5,000.00	35 disabled persons	7 subsidized housing applications and 4 Section 8 applications to the Salem Housing Authority completed, completion of 2 UHA housing workshops and 1 AAA housing workshop, placement of 4 homeless individuals into a housing unit, relocation of 4 non-homeless households into AAA housing, submission of 9 non-housing authority and/or Section 8 pre-applications and completion of 12 Salem Housing Authority emergency and standard universal housing applications.
Catholic Charities Little Lambs Program	\$2,500.00	\$2,500.00	226 youth	53 Salem households received diapers and wipes. Referral services provided included education (GED/Education and Employment Training), health, child care and other services (housing, basic needs, counseling).
North Shore Community Action Program Salem Cyberspace Cyberyouth	\$5,000.00	\$5,000.00	39 youth	Students completed 10 digital design projects (i.e. websites) and college prep students submitted 6 applications to 4-year colleges. All 10 seniors who took advantage of the College Success Program in some way were accepted to a college or university. 12 participated in the 6 week Career Exploration Course.
Salem Y.M.C.A. Teen Initiative	\$5,000.00	\$5,000.00	143 youth	Teens participated in one or more of the following programs: homework, gym, games, basketball, dinner, pool parties, etc.
Catholic Charities Homeless Prevention Program	\$1,175 Carry-over; \$8,799.90	\$9,974.90	59 persons	21 families avoided homelessness
Boys & Girls Club Gang Prevention (Athletics)	\$3,369.60	\$3,3369.60	117 Youth	Athletic programming including traveling floor hockey, basketball and/or football.
Boys & Girls Club Gang Prevention (Mentoring)	\$3,800.00	\$3,800.00	181 Youth	Provide mentoring through programs such as teen cooking, teen study, keystone, dance and PEM.
Boys & Girls Club Gang Prevention	\$473.27 FY09	\$473.27		Reported in FY09
Salem YMCA School Age Child Care Program	\$10,000.00	\$10,000.00	178 youth (150 families)	150 families received child care assistance which included educational and enrichment activities.
Salvation Army Transitional Housing	\$2,657.34 FY09	\$1,163.58	8 persons (5 families)	Assisted 5 families with transitional housing while waiting for their apartment to be ready to move into.
Salem Council on Aging Transportation Program	\$1,739.60 FY09; \$17,971.10	\$19,710.07	417 seniors	Provided 6801 rides to the senior center, 5158 to medical appointments, 1704 to shopping, 1114 to events and activities, 560 to the hairdresser, 109 to the downtown and 72 other rides.

Agency	CDBG Funding Available	CDBG Funds Spent	Number Assisted	FY10 Program Impact
Family Self-Sufficiency Center English Literacy Skills Project	\$4,476.12 FY09; \$1,143.04	\$5,619.16	14 persons (FY09 funds), 5 persons (FY10 funds)	Of the 14 FY09 program participants, English literacy skills improved an average of 71% from pre- to post-curriculum unit tests. Of the 5 FY10 program participants, English literacy scores improved an average of 58% from pre- to post-curriculum unit tests.
NSCAP Homeless Prevention Program	\$10,000.00	\$10,000.00	64 persons	24 families avoided homelessness (rent arrearage assistance to 16 families and utility arrearage assistance to 8 families)
Salvation Army Homeless Prevention	\$355.50 FY09; \$7,500	\$7,855.50	59 persons	22 families avoided homelessness
H.A.W.C. Homeless Prevention Program	\$2,112.39 FY09; \$8,000	\$2,815.83	11 persons	4 families avoided homelessness
St. Joseph's Food Pantry	\$14,000.00	\$14,000.00	4,464 persons	Average of 920 families served monthly and 120 deliveries to elderly and disabled residents.
St. Joseph's Harvest of Hope	\$10,000.00	\$10,000.00	800 persons	Served an average of 300 families per month on weekends.
Wellspring House MediClerk Program	\$333.36 FY09; \$4,500	\$2,833.36	5 persons	Trained students for entry-level medical-clerical positions. Each 13 week course included classroom training. Along with training, they did job shadowing, internships and interviews. They were treated to interview clothing at Dress for Success in Boston. Students are either continuing education, working full or part time permanent positions and/or actively interviewing for a full time positions.
<b>TOTAL PERSONS ASSISTED</b>		<b>11,865 persons, including 1,227 children/youth &amp; 417 seniors</b>		

### Evaluation of Goals

As stated before, Public Service activities allow us to provide direct services to our low- and moderate-income residents. Our FY10 Action Plan goal was to provide 30 new grants, of which we executed agreements for 28 and to assist 10,390 persons during FY10, of which we assisted 11,865 with all open contracts. During the five years of the current Consolidated Plan, we have exceeded our goal of assisting 42,000 persons (8,400 per year) by assisting a total of 55,613 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.



*Students of Salem Harbor CDC's  
Community English Program*

## ECONOMIC DEVELOPMENT



*Ribbon Cutting for Glass and Etc.*

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

During FY10, seventeen new businesses opened in the Urban Renewal Area. Six of the new businesses are restaurants or cafés and have helped to create the identity of Salem as the North Shore's dining destination. Despite these promising gains, Salem has not been immune from the current economic crisis and the resulting job losses. The Salem unemployment rate as of

June 2010 is 8.5 percent.

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: FY10 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.	\$73,888.65	<ul style="list-style-type: none"> <li>• \$26,364.36 CDBG spent</li> <li>• 4 storefronts improved</li> </ul>
Business Loan Program		Provides three types of loans that fund commercial rehabilitation, job creation or retention and/or micro-enterprise assistance to make our commercial areas vibrant.	\$65,945.00	<ul style="list-style-type: none"> <li>• \$65,945.00 CDBG spent</li> <li>• 2 businesses assisted</li> <li>• 7 new jobs</li> </ul>
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"> <li>• \$20,000 CDBG spent</li> <li>• 50 micro-enterprise businesses assisted</li> </ul>
	Economic Development Program Delivery	Costs associated with providing Economic Development programs and administration of the Salem Redevelopment Authority.	\$55,766.35	<ul style="list-style-type: none"> <li>• \$52,766.35 CDBG spent</li> </ul>

### Evaluation of Goals

In FY10, with our Small Business Financial Assistance Programs, we exceed our FY10 Action Plan goal to provide one loan by providing two business loans totaling \$65,945. One loan created 7 new jobs and the other will be monitored in FY11. In addition, we provided assistance for the improvement of 4 storefronts, one short of our FY10 Action Plan goal.

The Salem Main Streets Program had contact with 45 new and 5 existing micro-enterprise businesses, exceeding our FY10 Action Plan goal of assisting 20 microenterprises. 1st quarter activities included a Farmers Market, Mayor's Night Out, Ice Scream Bowl, 200th birthday of Sophia Peabody Hawthorne, Ash Urn Program and Ribbon Cuttings for A Sacred Place Wellness Center and Brothers 99 Cents. 2nd quarter activities included managing an information booth during Haunted Happenings, coordinating Santa's arrival, hanging 80 live wreaths and decorating a 30-foot tree during holidays and organized a window decorating contest, organized holiday caroling and produced a holiday pamphlet. 3rd quarter activities included organization of Salem's So Sweet

Festival including recruitment of sponsors for 16 ice sculptures, implementation of Chocolate and Wine Tasting event, and organized business support workshop "Your New Year's Resolutions". 4th quarter activities included Organizing the Salem Arts Festival, coordinating the first Salem Health and Wellness Week highlighting related downtown businesses, launching the second season of the Salem Farmers' Market, promoting 87 business who open late on market night, organizing a business support workshop on using social media for marketing and assisting new businesses Café Valverde, Coven, Mud Puddle Toys and Mighty Aphrodite.

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. The most significant redevelopment project within the Urban Renewal Area during FY10 was the completion of the Old Salem Jail redevelopment which added 23 new housing units to downtown. Build-out of a 3,000 square foot restaurant that is included in the redevelopment project will be completed in FY11.

During FY10, 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 collaborated with the Salem Chamber of Commerce on a study focused on assessing Salem's economic development status. The DPCD and Chamber have worked together to implement recommendations in the report. In addition, the two parties continue to collaborate on the local Creative Economy Initiative which is focused on growing creative economy businesses.

Lastly, because parking is a key resource for business growth and downtown vitality, during FY10 the DPCD conducted a comprehensive parking study to determine how the parking system could be managed more effectively. It is anticipated that recommendations from the study will be implemented during FY11.

In total, \$165,071.71 was spent during the program period for economic development activities.

**Table 4: Active Economic Development Loans in FY10**

Type of Loan	Project	Amount of Loan	Required LMI Jobs Creation	Total Jobs Created
<i>Microenterprise Assistance</i>				
<i>Special Economic Development</i>	Mud Puddle Toys	\$30,945	1	To be monitored in FY11
	River Wharf Realty Trust/Bioengineering Group	\$35,000	1	7 Total Jobs, (1 LMI)
<b>Totals</b>	<b>2</b>	<b>\$65,945</b>	<b>2</b>	<b>7 Total Jobs Created (1 LMI Job)</b>

Note: LMI is low- and moderate-income

## NEIGHBORHOOD IMPROVEMENTS



*View of the new High Street Playground equipment*

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 FY10. 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: FY10 Neighborhood Improvement Financial Summary**

Activity	CDBG Funds Available	CDBG Funds Spent	Status
Old Town Hall Fire Safety Upgrades	\$5,396.32	\$5,396.32	Complete
Street Improvements (i.e. sidewalks, curbscuts, paving & crosswalks)	\$46,910.13	\$46,282.16	Complete
Essex Street Pedestrian Mall Improvements (i.e. tables, chairs)	\$2,286.00	\$2,286.00	Complete
Witch House Accessibility Improvements (interior)	\$2,267.13	\$2,267.13	Complete
Congress/Peabody/Ward Intersection	\$195,862.59	\$195,862.59	Complete
High Street Play Structure & Fence	\$58,801.85	\$58,801.55	Complete
Tree Planting Program	\$9,200.00	\$1,155.00	Underway
Peabody Street Park	\$48,375.35	\$44,981.09	Underway
South River Harbor Walk	\$269,699.09	\$210,277.68	Underway
Palmer Cove Park Improvements	\$4,993.00	\$2,863.00	Underway
City Hall Elevator	\$248,967.79 (CDBG) \$305,977 (CDBG-R)	\$347,903.68	Underway
Maryjane Lee Playground	\$1,495.00	\$195.00	Underway
Congress/Derby Pedestrian Lights	\$150,000	\$0.00	Bidding
Section 108 Loan Payments – South Harbor Garage	\$44,362.50	\$44,362.50	Ongoing
Harbor and Lafayette Streets Pedestrian Improvements (PWED)	\$100,301.61	\$301.610	Planning
Lafayette Park Redesign	\$50,000.00	\$0.00	Planning
Downtown Signage Improvement	\$45,000	\$0.00	Awaiting grant notification

## **Evaluation of Goals**

During the program period, we continued to work on important neighborhood projects, and spent a total of \$962,935.61 (includes \$305,977 in CDBG-R funds), including program delivery costs, toward meeting the goals in the FY10 Action Plan and 5 year Consolidated Plan.

6 trees were planted. Although not meeting the FY10 Action Plan goal of 27, with a 5 year total of 237, we have exceeded the Consolidated Plan goal of 175 trees.

In addition, 2 sidewalk improvements were undertaken, including curbcut replacement at Church and Washington Street and the installation of handicapped curb cuts in various locations in the downtown. With a four year total of 34 improvements, we have exceeded the Consolidated Plan goal of 20.

The redesign of the Congress/Peabody/Ward intersection was completed this year, as was the Witch House handicapped accessibility improvements and fire safety improvements at Old Town Hall. A new play structure was constructed with volunteer labor at High Street Playground. Tables and chairs were purchased and placed in East India Square.

The South River Harborwalk and the Peabody Street Park construction is nearing completion with a grand opening scheduled for July, 2010. The City Hall Elevator project will also be completed in summer, 2010.

Several other projects are in the planning/bidding stages including Harbor/Lafayette Improvements and Derby/Congress Pedestrian Improvements.

## PLANNING & ADMINISTRATION



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

During FY10, we completed an Economic Outlook Study, as well as a new 5-year Consolidate Plan for the period of July 1, 2010 through June 30, 2015.

In FY10, we spent a total of \$255,503.22 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: FY10 Planning & Administration Financial Summary**

Activity	CDBG Funds Available	CDBG Funds Spent
5 Year Consolidated Plan	\$29,600.00	\$29,600.00
Economic Outlook Study	\$2,000.00	\$2,000.00
General Administration - Salary	\$155,407.48	\$155,407.48
General Administration - Benefits	\$58,513.60	\$58,513.60
General Administration - Non-salary	\$9,982.14	\$9,982.14



## OTHER ACTIONS

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### **Barriers to Affordable Housing**

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

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

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

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

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

In cooperation with the State of Massachusetts and other municipal departments, the City of Salem, through its DPCD, works to decrease the number of housing units containing lead-based paint hazards. The City, through the DPCD, actively works to reduce lead-paint hazards in pre-1978

housing occupied by lower-income households through the City of Salem's Housing Rehabilitation Loan Program. Through the Salem Housing Rehabilitation Loan and Get the Lead Out Programs, the City provides loan funds for qualified applicants for lead testing, hazard reduction and abatement activities, and temporary relocation reimbursements. Lead-based paint hazard control measures are consistent with the federal Title X requirements and State lead based paint regulations. MassHousing's Get the Lead Out Program is also available to homeowners with a lead poisoned child.

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

### **Anti-Poverty Strategy**

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

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

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

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

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

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

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

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

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

### **Coordination with Other Organizations**

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

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

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

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

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

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

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

### **Monitoring**

An overarching goal with all activities undertaken with CDBG and HOME funds is to ensure that they meet our program objectives. The DPCD monitors all projects to ensure compliance with applicable Federal, State and local regulations and program requirements. As part of ongoing monitoring, public service subrecipients submit monthly reports that include income, race and ethnic information on clients served and programmatic accomplishments. In addition, public service subrecipients are monitored on-site each year (exceptions are noted in the Monitoring Plan, 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 Downpayment Assistance Loan Program properties and Housing Rehabilitation Loan Program properties receive on-site inspections. Rehabilitation projects must meet HQS and current housing codes. All tenant based rental assistance provided with HOME funds requires an inspection with a HQS report.

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. 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 FY10 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 FY10:

- 17 families assisted to purchase their first home in Salem of which 16 were also assisted with ADDI funds (an additional 12 non-Salem families were assisted with ADDI funds);
- 14 housing units were renovated, with an additional 7 units underway;
- 77 households received assistance with first/last month's rent and/or security deposits;
- 31 social service programs assisted 11,865 persons, including 1,227 youth and 417 seniors;
- 4 commercial storefronts improved;
- 2 businesses provided economic development loans, creating a minimum of 7 new jobs;
- 17 new businesses opened in the downtown;
- Salem Main Streets Program:
  - Assisted 5 new and 45 existing micro-enterprises;
  - Organized business support workshop entitled "Your New Year's Resolutions" and another on using social media for marketing;
  - Managed Ice Scream Bowl and 200<sup>th</sup> birthday of Sophia Peabody Hawthorne events;
  - Coordinated Mayor's Night Out;
  - Coordinated ribbon cuttings at A Sacred Place Wellness Center, Brothers 99 Cents, and Glass and Etc.;
  - Conducted the Ash Urn Program;
  - Produced a holiday window decorating contest, held a Santa's arrival event, organized holiday caroling, produced a holiday pamphlet, hung 80 live wreaths and decorated a 30' tree;
  - Managed in information booth during Haunted Happenings;
  - Organized Salem So Sweet Chocolate and Ice Sculpture Festival, including recruitment of sponsors for 16 ice sculptures;
  - Implementation of Chocolate and Wine Tasting event;
  - Organized Salem Arts Festival;
  - Coordinated the first Salem Health and Wellness Week highlighting related downtown businesses; and,
  - Coordinated and expanded upon the highly successful weekly farmers market and promoted 87 businesses who open late on market night.
- Old Town Hall fire safety upgrades completed;
- Curbcut replacement undertaken at Church/Washington Streets and installation of handicapped curb cuts completed in various downtown locations;
- Redesign of Congress/Peabody/Ward intersection completed;
- Witch House interior handicapped accessibility improvements completed;
- New play structure constructed at High Street Playground;
- 6 trees planted in low-mod neighborhoods;
- Tables and chairs purchased for East India Square;
- Economic Outlook Study completed; and
- 5 Year Consolidated Plan completed.

In summary, we are proud of the accomplishments made in FY10. In addition to completed projects, several larger projects are well underway and nearing completion. The City met or exceeded the majority of the goals and objectives laid out in the 5-Year Consolidated Plan and FY10 Action Plan.

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, 11 16, 18 and 20, 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 in IDIS is recreated in the CAPER in the Appendix.

## SUPPLEMENTARY NARRATIVES

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

### *Use of CDBG Funds*

In FY10, CDBG expenditures fully complied with the goals and objectives outlined in the FY10 Action Plan and 5-Year Consolidated Plan. More detailed information on the use of these funds can be found in the Assessment of Five Year Goals and Objectives section of this report.

### *Changes to Program Objectives*

During the program period it may be beneficial to revise the Annual Action Plan in order to reflect changes in priority needs and goals. There were no revisions undertaken for the FY10 Action Plan.

Each year, during the program period it may be necessary to adjust funds committed to specific activities. This may include activities that require additional funds, activities that came under budget and have extra funds or activities that are not longer necessary or feasible whose funds need reprogramming. Often this is done within the same general category. Adjustments to FY10 funding (over \$50,000) include:

#### Deductions:

Lafayette Park Redesign	\$ 50,000.00
City Hall Elevator & Handicapped Access	\$ 109,455.21

#### Increases:

Housing Rehabilitation Loan Program	\$106,284.93
Derby/Congress Pedestrian Improvements	\$ 50,000.00

### *Geographic Distribution and Location of Investments*

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

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

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

#### *Compliance with Planned Actions*

In FY10, the City of Salem pursued all resources indicated in its FY10 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 FY10, 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 FY10, the City of Salem funded several activities that served limited clientele. For example, funds were expended on 37 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 FY10. The total program income was \$157,343.81.

#### *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 FY10 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 FY10.

#### *Performance Measurement*

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

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



reimbursement requests that are tied to pre-determined benchmarks or performance outcomes, as well as proof of expenditure of funds.

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

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

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

### **HOME & 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 FY10, the City of Salem spent \$126,384.78 in HOME funds and \$308,266.50 in ADDI funds. HOME Funds were used to help fund the Rental Downpayment Assistance Programs administered by the North Shore Community Action Program, HAWC 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 FY10 and the funds leveraged through these expenditures.

**Table 8: FY10 Funds Leveraged**

<b>Program</b>	<b>CDBG Expenditures</b>	<b>HOME &amp; ADDI Expenditures</b>	<b>Funds from Other Sources</b>
Housing Programs (includes non-Salem ADDI assisted homebuyers)	\$559,081	\$410,347	\$5,117,255
Public Services	\$190,326	-	\$3,278,287
Economic Development	\$165,076	-	\$899,239
Neighborhood Improvements <sup>4</sup>	\$656,958	-	\$2,511,087
Planning & Administration	\$255,503	-	\$301,764
<b>TOTAL FY10</b>	<b>\$1,826,944</b>	<b>\$410,347</b>	<b>\$12,107,632</b>
<b>TOTAL FUNDS LEVERAGED PER HUD DOLLAR IN FY10: \$5.41</b>			

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

### *Housing*

- For the First Time Homebuyer Program (includes CDBG, HOME and Salem and non-Salem homebuyers assisted with ADDI), homebuyers provided \$628,106.82 in matching funds as well as obtained \$4,488,048 in financing from a primary lender, which amounted to a total leveraged of \$5,116,154.82.
- The rehabilitation program leveraged \$1,100 in homeowner funds.

### *Economic Development:*

- The Salem Main Streets Program leveraged \$22,500 in corporate contributions, a \$1,500 Salem cultural Council Grant, a \$2,500 DTA grant for SNAP program at the Farmer’s Market, \$700 in charitable donations and \$24,000 in income (Farmer’s Market vendor fees and fundraiser, Salem So Sweet Festival, Salem Arts Festival, Ice Scream Bowl and the sale of reusable tote bags.
- This year’s Business Loan Program leveraged \$165,000 in local loan funds, \$9,000 in private funds and \$653,500 in other financing.
- The Storefront Improvement Program leveraged \$20,538.60 in private dollars.

<sup>4</sup> Includes Section 108 loan payment as a CDBG expense and includes CDBG-R as leveraged funds.

*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 City Hall Handicapped Access project leveraged \$305,977 in American Recovery and Reinvestment Act funds (or CDBG-R).
- The Peabody Street Park is leveraging \$200,000 from the Environmental Protection Agency and \$469,110 in Urban Self Help grant funds.
- The Congress/Peabody/Ward intersection improvements leveraged \$200,000 from the Environmental Protection Agency.

*Planning & Administration:*

- Planning and administration funds leveraged \$245,078.48 in City funds and \$56,685.47 in State Seaport Advisory Council funds.

*Public Services:*

- Most of the public service agencies funded use CDBG funds as a portion of their overall activity budgets. Based on leveraged funds reports provided by each agency at the end of the program year, the amount leveraged is \$3,278,286.68.

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



*Salem Access Television Youth In Action Program  
where youth learn video production.*

## 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 FY10 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).

One letter from the public was received, which included three comments:

- A concern over the number of double telephone poles in the Endicott Street neighborhood;
  - Massachusetts has legislation pending that would require distribution or telephone companies to remove existing poles, when installing new poles, within 180 days from the date of installation or be subject to specific fines based on the number of days of failure to remove (Senate, No. 2546, new draft of Senate, No. 1482).
- A comment that paving of neighborhood streets is important to quality of life; and
  - The City of Salem concurs that street paving is important. Street paving is undertaken annually, both with CDBG and non-CDBG funds, and streets to be paved are given priority as determined by the Department of Public Works based on those that are in worse condition.
- A thank you to the city for its leadership in improving High Street Playground and a desire to add a permanent recycling container within the playground, as well as having a permanent motion detector/photographer device in the playground rather than the current part-time record device.
  - The DPCD is working with the Department of Public Works to determine feasibility of adding a permanent recycling container at the playground
  - The motion-activated photographic device is a mobile unit which can be located in priority areas as determined by the Salem Police Department. An inquiry with the SPD has determined that there are no plans to move it from the playground location at this time.

## 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

Section 3 Reports

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

## FINANCIAL SUMMARY

### CITY OF SALEM – FINANCIAL SUMMARY FY10 Consolidated Annual Performance and Evaluation Report

1	<b>Summary of CDBG Resources</b>	
2	FY09 End of Year LOC Balance	\$ 1,338,980.60
3	FY10 CDBG Entitlement	\$ 1,144,965.00
4	Program Income, FY10	\$ 157,343.81*
5	<b>Total CDBG funds available for use in FY10</b>	<b>\$ 2,641,289.41</b>
6	<b>Summary of CDBG Expenditures</b>	
7	Affordable Housing	\$ 559,081.17
8	Public Services	\$ 190,325.61
9	Neighborhood Improvements (not including CDBG-R)	\$ 612,596.11
10	Economic Development	\$ 165,075.71
11	Program Administration	\$ 255,503.22
12	Section 108 Repayment (in CAPER narratives under neighborhood improvements)	\$ 44,362.50
13	<b>Total Expenditures</b>	<b>\$ 1,826,944.32</b>
14	<b>Year-End CDBG Resources</b>	
15	Total CDBG funds available for use in FY10	\$ 2,641,289.41
16	Total Expenditures in FY10	\$ 1,826,944.32
17	Unexpended Balance (CDBG Budget)	<b>\$ 814,345.09</b>
18	*LOC = Balance of Funds in City's Letter of Credit with U.S. Treasury	
19	<b>Low/Mod Credit</b>	
20	Total FY10 CDBG Expenditures	\$ 1,826,944.32
21	Total for Program Administration	\$ 255,503.22
22	Total for Section 108 Repayments	\$ 44,362.50
23	Total subject to Low/Mod Benefit Calculation	\$ 1,527,078.60
24	L/M Credit for multi-unit housing	\$ 277,130.05
25	L/M Credit for other activities	\$ 985,624.19
26	<b>Percent of benefit to low/mod persons</b>	<b>82.69%</b>
27	<b>Public Services Cap Calculation</b>	
28	Net obligations for FY10 Public Services Act.	\$ 193,008.26
29	FY10 Entitlement + FY09 Program Income	\$ 1,287,058.50
30	<b>Percent obligated for FY08 PS Activities</b>	<b>14.996%</b>

31	<b>Planning and Program Administration Cap Calculation</b>	
32	FY10 Entitlement + FY10 Program Income	\$ 1,300,403.72
33	Net Obligations for Planning/Admin. Activities	\$ 255,503.22
34	<b>Percent of funds expended</b>	<b>19.49%</b>
35	<b>HOME Summary</b>	
36	HOME Project Expenditures	\$ 115,508.28
37	Salem HOME Administration	\$ 10,876.00
38	<b>Total HOME Expenditures</b>	<b>\$ 126,384.78</b>
39	<b>ADDI Summary</b>	
40	ADDI Project Expenditures (includes non-Salem households assisted)	\$ 265,205.00
41	ADDI Administration	\$ 18,757.50
42	<b>Total ADDI Expenditures</b>	<b>\$ 283,962.50</b>
43	<b>CDBG-R Summary</b>	
44	CDBG-R Expenditures	\$ 305,977.00
45	<b>Total CDBG-R Expenditures</b>	<b>\$ 305,977.00</b>

*\*Note: Program income of -\$6,042.64 entered into IDIS in FY10 was reported in the FY09 CAPER. Program income of +\$7,947.73 entered into IDIS in FY11 is being reported in this CAPER (FY10). Therefore the net adjustment to compute total program income is +\$1,905.09.*

**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	0	15
	21 Units Permanent Supportive Housing - Salem Mission (HOME)	21	0	0	22	0	0	22
	55 Units Housing Rehabilitation (CDBG/HOME)							
	Salem Harbor CDC renovation project	55	61	0	0	0	0	115
	Housing Rehabilitation Loan Program (housing units)		10	19	7	9	9	
	75 Direct homeownership assistance	75	17	20	7	9	17	70
	215 Rental Housing subsidies (HOME)	215	99	45	39	56	88	327
	Acquisition for rehabilitation - (18 Crombie St., 1 Harrison)	1	1	0	0	1	0	2
Economic Development	10 Commercial building acquisition, construction, rehabilitation	10	2	13	5	4	4	28
	30 Direct Financial Assistance for For-Profits	30	2	1	1	3	2	9
	1 Technical Assistance	1	1	1	1	1	1	5
	70 Micro-enterprise assistance	70	22	27	9	15	50	123
Public Facilities & Improvements	1 Public Facility and Improvements General (Peabody St. Wall, Pioneer Terrace Guardrail, Old Town Hall, Congress/Peabody/Ward)	1	0	2	0	0	2	4
	2 parks/playgrounds - High St.(2) & Palmer Cove Playgrounds	2	0	0	0	2	1	3
	175 Trees planted	175	66	109	26	30	6	237
	1 Senior Center	1	0	0	0	0	0	0
	1 Parking Facility	1	0	0	0	0	0	0
	20 Street/sidewalk improvements	20	5	12	12	3	2	34
	1 Flood drain improvements	1	0	0	0	0	0	0
	1 Water/sewer improvement	1	0	0	0	0	0	0
	1 Fire Stations improved (Loring Ave.)	1	0	0	1	0	0	1
	1 Clean up of contaminated sites (Flynnntan, Szetela Lane)	1	2	0	0	0	0	2
	1 Urban Renewal Completion (pedestrian mall improvements)	1	1	0	0	1	1	3
	1 Removal of architectural barriers – Pioneer Village, Witch House (interior & exterior)	1	0	1	0	1	1	3
	1 non-residential historic preservation	1	0	0	0	0	0	0
Public Services	42,000 persons assisted	42000	11839	6869	14238	10802	11865	55613



## 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	40	3
	Black/African American	0	0	3	0
	<b>Total</b>	<b>0</b>	<b>0</b>	<b>43</b>	<b>3</b>
Non Housing	White	35,043	1,981	0	0
	Black/African American	2,917	1,587	0	0
	Asian	721	16	0	0
	American Indian/Alaskan Native	103	48	0	0
	Native Hawaiian/Other Pacific Islander	24	8	0	0
	American Indian/Alaskan Native & White	92	6	0	0
	Asian & White	91	9	0	0
	Black/African American & White	265	37	0	0
	Amer. Indian/Alaskan Native & Black/African Amer.	39	28	0	0
	Other multi-racial	3,101	2,625	0	0
	<b>Total</b>	<b>42,396</b>	<b>6,345</b>	<b>0</b>	<b>0</b>
Total	White	35,043	1,981	40	3
	Black/African American	2,917	1,587	3	0
	Asian	721	16	0	0
	American Indian/Alaskan Native	103	48	0	0
	Native Hawaiian/Other Pacific Islander	24	8	0	0
	American Indian/Alaskan Native & White	92	6	0	0
	Asian & White	91	9	0	0
	Black/African American & White	265	37	0	0
	Amer. Indian/Alaskan Native & Black/African Amer.	39	28	0	0
	Other multi-racial	3,101	2,625	0	0
	<b>Total</b>	<b>42,396</b>	<b>6,345</b>	<b>43</b>	<b>3</b>

## PR23 Excerpt - CDBG Beneficiaries by Income Category

Income Levels		Owner Occupied	Renter Occupied	Persons
Housing	Extremely Low ( $\leq 30\%$ )	7	3	0
	Low ( $> 30\%$ and $\leq 50\%$ )	6	6	0
	Mod ( $> 50\%$ and $\leq 80\%$ )	20	1	0
	Total Low-Mod	33	10	0
	Non Low-Mod ( $> 80\%$ )	0	0	0
	Total Beneficiaries	33	10	0
Non Housing	Extremely Low ( $\leq 30\%$ )	0	0	6,973
	Low ( $> 30\%$ and $\leq 50\%$ )	0	0	34,343
	Mod ( $> 50\%$ and $\leq 80\%$ )	0	0	990
	Total Low-Mod	0	0	42,306
	Non Low-Mod ( $> 80\%$ )	0	0	90
	Total Beneficiaries	0	0	42,396

## MAPS

- Low to Moderate Income Areas with Urban Renewal (SRA) boundaries and Ward boundaries. For a digital version of the map go to [http://saalem.com/Pages/SalemMA\\_WebDocs/lma.pdf](http://saalem.com/Pages/SalemMA_WebDocs/lma.pdf).
- Geographic Distribution of Entitlement Funds Expended FY10

CITY OF SALEM



Map created by SalemGIS  
August 18, 2009  
Map No. 10-004

Mayor  
Kimberley Driscoll

**Geographic Distribution of  
Entitlement Fund Expenditures - FY10**

**Legend**

- SRA Boundary
- Low & Moderate Income Areas

**Expenditure Type**

- Economic Development
- Housing Activity
- Neighborhood Improvement
- Planning Activity
- Tree Planting
- Neighborhood Improvement

**Data Sources:**

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

