

CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT



CITY OF SALEM, MASSACHUSETTS

*Fiscal Year 2012
July 1, 2011 to June 30, 2012*

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

EXECUTIVE SUMMARY

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

During Fiscal Year 2012, we expended \$1,452,815.95 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 \$147,997.97 in HOME funds.

The FY12 Consolidated Annual Performance and Evaluation Report (CAPER) provides an analysis of the first fiscal year - July 1, 2011 through June 30, 2012 - of the City's 5-Year Consolidated Plan completed in 2010. This report is an opportunity to demonstrate our progress and report our successes over the past fiscal year and to inform the community of how federal and local programs are making a difference in the lives of low- and moderate-income residents throughout Salem.

Overview

Overall, we made notable progress during the past fiscal year. As this report indicates, we made a significant advancement in meeting the goals and objectives stated in the 5-Year Consolidated Plan and FY12 Action Plan. We also continued to meet HUD required funding and expenditure caps and timeliness requirements.

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

Organization of the Report

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

- *Assessment of Goals and Objectives* – Throughout this section we provide a summary of our accomplishments over the past fiscal year, including a summary of our expenditures. It provides an overview of each program area including an assessment of goals and how activities met the objectives laid out in the Consolidated Plan.

- *Supplementary Narratives* – As part of our reporting requirements for HUD, we must answer certain questions regarding our program expenditures and activities. In this section, we provide supplementary narratives that provide answers to these questions.
- *Funds Leveraged* – Another measure of the success of our program is the funds we leverage with our federal grants. This section includes a table outlining the funds leveraged from CDBG and HOME.
- *Citizen Participation Summary* – In this section, we outline how we solicit public comment on our programs and list the comments heard, if any, during the Public Comment Period, along with our response to those comments.

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

Contact Information

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

TABLE OF CONTENTS

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

Cover photo: Youth participating in Salem Access TV's Youth in Action Program

INTRODUCTION

The Consolidated Annual Performance and Evaluation Report (CAPER) is a summary of the annual accomplishments produced by the City of Salem and its community partners, as the goals and objectives of the 5-Year Consolidated Plan (Fiscal Years 2011-2015 (FY11-15)) were implemented. The current 5-Year Consolidated Plan began on July 1, 2011. The FY12 CAPER provides an analysis of the first fiscal year of the 5-Year Consolidated Plan — July 1, 2011 through June 30, 2012.

Program Goals

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

- **CDBG** is a formula-based program designed to develop viable urban communities by providing decent housing, a suitable living environment, and expanding economic opportunities for persons of low- and moderate-income¹.
- **HOME** is a formula-based program for expanding and improving the supply of decent, safe and affordable housing for low- and moderate-income persons.

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

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

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

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

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

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

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

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



Hispanic education class being held at V.O.C.E.S.

ASSESSMENT OF GOALS AND OBJECTIVES

During FY12, the DPCD continued to make significant progress toward meeting the goals and objectives laid out in the 5-Year Consolidated Plan and FY12 Action Plan. The CDBG entitlement funds from HUD for the fiscal year was \$1,042,096 and program income received during the program year was \$229,073.47. Our HOME funding allocation was \$181,248. We also used any available carried over CDBG and HOME funds from prior years.

CDBG Expenditures

In FY12, we expended a total of \$1,452,815.95 in CDBG funds. Expenditures were divided into five program areas — Affordable Housing, Neighborhood Improvements, Planning & Administration, Public Services and Economic Development. In FY12, we met all timeliness requirements and program expenditures were consistent with our 5-Year Consolidated Plan and FY12 Action Plan goals. Furthermore, Public Service programs were just below the 15 percent maximum allowable for such activities, and we did not exceed the 20 percent Administration spending cap. In the Financial Summary tables found in each program area, “funding available” indicates the total CDBG funds available during the fiscal year, including FY12 and prior year carried over funds+/- any adjustments made during the year.

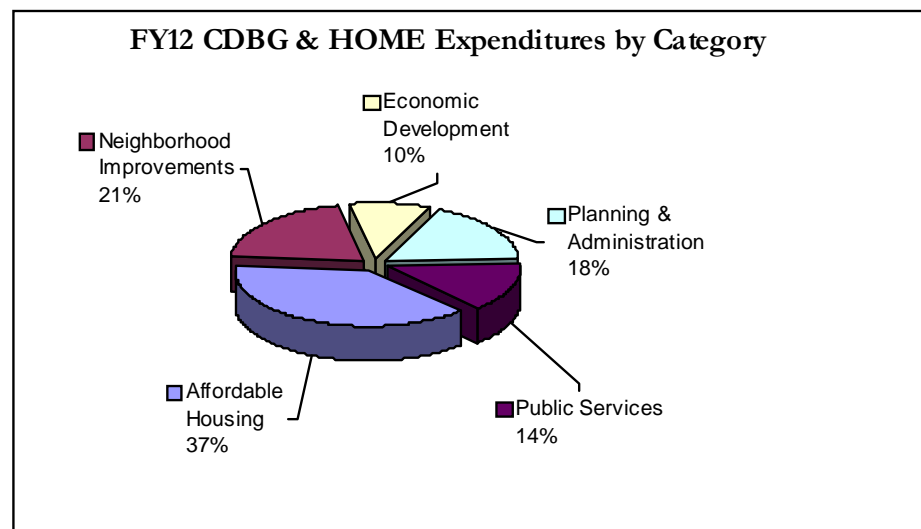
HOME Expenditures

In addition to CDBG funds, the DPCD also spent \$147,997.97 in HOME funds to undertake affordable housing activities. When added to the \$342,453.54 spent in CDBG funds for affordable housing programs, the total amount spent for housing programs is \$490,451.51 – representing the highest level of funding for any of our funding categories. The City of Salem is a member of the North Shore HOME Consortium and the specific accomplishments of HOME activities are reported to HUD through the Consortium by the City of Peabody. However, a summary of our activities are reported throughout this document.

Program Accomplishments

Overall, we were on target in meeting our Consolidated Plan goals and objectives. The following sections provide a summary of accomplishments for each of our program areas and evaluate our progress based on the needs outlined in the 5 Year Consolidated Plan and FY12 Action Plan. The final section provides an overall evaluation of our programs. The Financial Summary of our expenditures found in the Appendix illustrates our compliance with program expenditure caps as well as expenditures by category (see Figure 1).

Fig. 1 FY12 Spending by Category,
as a Percentage of Total CDBG & HOME Expenditures

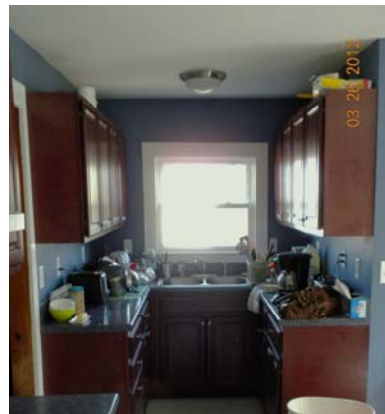


AFFORDABLE HOUSING PROGRAMS

Due to the high cost of housing in Massachusetts and the continued need to recuperate from the foreclosure crisis, we continue to place the creation and preservation of affordable housing as the highest priority of Salem's CDBG and



Before and after photos of 68 Butler Street



HOME. The City of Salem has a number of services that address housing issues including rehabilitating and maintaining current housing stock, developing new housing opportunities, assisting families in acquiring housing and enabling struggling families to remain in their homes.

In FY12, the City of Salem spent \$490,451.51 in CDBG and HOME funds on affordable housing projects and programs. The project accomplishments attained with these funds during FY12 are described in the following table.

Table 1: FY12 Housing Financial Summary

Project	Project Description	Funding Available ²	Status
First Time Homebuyer Program	Provides 0% interest deferred payment loans to low- to moderate-income families that wish to purchase a home in the City of Salem.	\$23,777.50 HOME \$32,675 CDBG	<ul style="list-style-type: none"> • \$23,777.50 HOME funds spent • \$7,675 CDBG funds spent • 5 Salem families assisted (5 units)
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.	\$363,554.50 CDBG \$148,443.18 HOME	<ul style="list-style-type: none"> • \$256,443.50 CDBG funds spent • \$40,621.92 HOME funds spent • 7 units improved (7 owners) • 4 additional projects underway (1 CDBG/3 HOME)
Rental Assistance Programs	<i>Rental Downpayment Assistance Program</i> - funds are used to help low- and extremely low-income Salem residents move into decent, affordable rental units. Programs are administered through NSCAP, HAWC and the Salvation Army.	\$80,991.70 in open HOME Contracts	<ul style="list-style-type: none"> • \$54,370.17 in HOME funds spent • 58 families assisted thru Rental Downpayment Program Assistance

² "Funding available" indicates the total funds available during the fiscal year, including FY12 and prior year carried over funds+/- any adjustments made during the year.

Project	Project Description	Funding Available ³	Status
HAWC	Tenant Based Rental Assistance	\$15,000.00	<ul style="list-style-type: none"> \$15,000 added to existing N. S. HOME Consortium contract (accomplishments to be reported by the Consortium)
Housing Program Delivery	Costs associated with providing rehabilitation programs & inspectional services.	\$95,110.04 CDBG \$14,228.38 HOME \$2,775 Gap Filler	<ul style="list-style-type: none"> \$78,335.04 in CDBG funds, \$14,228.38 in HOME funds and \$2,775 in Gap Filler funds for housing program delivery and inspectional services, including lead inspection

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 FY12 Action Plan. The following discusses the status of these projects and the steps taken to achieve these strategies.

- Producing New Housing Units

Salem consistently provides support toward the creation of new affordable housing units through the conversion of old, abandoned or underutilized buildings and parcels into new residential housing units. For example, the City has committed funding to develop affordable housing units at the former St. Joseph's Church site. The Planning Office for Urban Affairs (POUA) is the developer. The proposed project includes the razing of the former church and convent building, the renovation of the former rectory and school buildings and the construction of a new four-story building on the site. The mixed-use development will include 76 dwelling units (51 in the new building, up to 25 in the renovated school and rectory), 4,400 s.f. of commercial space and a neighborhood community center. The 51 units in the new building are the first phase of the development and consist of affordable rental units. The City has committed \$325,000 of CDBG/HOME funds towards the redevelopment project. In addition, \$1 Million in PWED funds have been allocated for traffic and infrastructure improvements to the adjacent intersection, for which the City has allocated approximately \$185,000 in matching funds. These funds were leveraged by and will benefit the St. Joseph's Redevelopment. Other funding sources for the project include funds from the North Shore HOME Consortium. The site preparation and construction will begin in Fall, 2012.

- 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

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

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

- Preserving Existing Affordable Units

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

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

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

- Foreclosure Prevention

Located at www.salem.com/pages/salemma_dpced/additionalresources/other, the city's website contains a list of links to various resources for foreclosure prevention and legal assistance. Additional links are added as they become known. Housing staff are maintaining a tracking list of all pre-foreclosure, foreclosure and bank-owned properties in the city.

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

- Eliminating Vacancies as a Result of Foreclosure

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

The following chart shows the number of Foreclosure Deeds (properties that became bank-owned) in Salem for the past five complete calendar years⁴. In 2011, Salem saw a sharp drop in the number of foreclosures from prior years – 78% less than in 2010.

⁴ The Warren Group, "Foreclosure Stats", www.thewarrengroup.com.

YEAR	1-FAMILY	CONDO	ALL
2011	2	9	14
2010	18	33	64
2009	19	25	62
2008	19	32	73
2007	18	25	55

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

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 and it is an important part of the City's recovery and revitalization efforts to re-occupy foreclosed properties. From August, 2007 through June, 2011, the City helped a total of fourteen homebuyers to purchase bank-owned properties, with approximately \$134,000 in downpayment assistance. In FY12, none of the five homebuyers assisted purchased bank-owned properties. However, two were short sales.

The City's Housing Rehabilitation Loan Program is not only available to new and existing homeowners, but also to investors who purchase foreclosed properties so that they can bring the property up to code and turn them into affordable rental units. 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's serves over 1,000 participants through the Section 8 Housing Choice Voucher Program Department of Housing and Urban Development (HUD). The Authority receives over \$10 million in federal funding to administer this program as well as 39 units of Federal Public Housing Program. The Salem Housing Authority owns and manages 676 units of elderly, family, and handicapped housing units and is funded by the Commonwealth of Massachusetts Department of Housing and Community Development (DHCD). The Authority continues its mission of preserving and maintaining its stock of decent, safe and sanitary public housing for the residents of Salem. The following modernization work was completed or underway in FY12:

- \$225,000 elevator replacement at the Morency Manor elderly housing development;
- \$661,000 heating system upgrade project at the 197 public housing units at Garden Terrace, 117 Congress Street, 26 Prince Street, 33 Park Street and Farrell Court family housing developments as well as Leefort Terrace, Morency Manor and the Dalton Building, elderly housing developments;
- \$400,000 door replacement and related work at the Leefort Terrace elderly housing development;
- \$21,000 attic louver replacement at 86 Essex Street; and
- \$30,000 roof and door replacement at 84 & 88 Essex Street.

- **Providing Expanded First Time Homebuyers Assistance**

The City continues its goal to provide families with the opportunity to own their first home. One of the most popular programs the City operates is the First-Time Homebuyer

Downpayment Assistance Loan Program (FTHB). In addition to basic downpayment assistance, the program offers a \$1,000 increase over the maximum loan amount for homeowners who complete First-Time Homebuyer Counseling through a qualified training program.

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

- Providing Assistance to Renters

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

- Rehabilitation of Existing Housing

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

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

- Work Regionally to Increase the Supply of Housing

The housing market operates regionally and the impact of the market is not confined to city boundaries. Salem has more affordable housing than many cities in the region. At 12.3 percent, Salem has the second highest percentage of affordable housing of the 30 cities and towns in the North Shore Home Consortium. However, multi-jurisdiction cooperation is needed to address the region's lack of affordable housing opportunities. No one city or town can, or should, bear the responsibility of providing all of the region's affordable units. Salem is committed to working with its partners in the North Shore HOME Consortium and with the region's mayors to encourage the development of housing throughout the area in an effort to increase the supply of housing for all.

Affirmatively Furthering Fair Housing

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

fair housing laws. Most recently, Community Teamwork has conducted training sessions in March 2012 and June, 2012. City housing staff gave presentations during a class for both of these training sessions. City housing staff also attended the Fair Housing Seminar held in May, 2012 hosted by the Fair Housing Center of Greater Boston and the City of Gloucester. Also in attendance was a representative of the North Shore CDC. (These efforts work to address impediments 1, 2 and 4.)

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

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

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

residents. In FY12, the City of Salem added Google Translate to all pages on the City website. In addition to language barriers, often there are cultural barriers that make it difficult to reach out to people who may benefit from social services, may have housing issues, or may experience discrimination. The City translates several of its public notices into Spanish. In addition, service providers receiving CDBG funds must provide translated information in their marketing materials into a language that best serves the needs of their clientele. Most providers translate materials into Spanish, Portuguese or Russian. These service providers were also provided with the information on Google Translate, for which several have already included it on their websites. Furthermore, two DPCD employees (our Housing Coordinator and our Economic Development Planner) are bilingual (Spanish/English). This not only helps break language barriers, but also helps with cultural barriers.

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

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

Continuum of Care/Homelessness

During FY12, the city continued to support local agencies that provide direct assistance to homeless families and individuals in Salem, such as Lifebridge (formerly the Salem Mission) and HAWC, and to agencies that help households avoid homelessness. Agencies funded and their accomplishments are provided in the Public Services Section of this report, where it indicates that 65 households (169 persons) avoided homelessness through city-funded Homeless Prevention and Transitional Housing Programs.

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

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

The city also continues to be a member of the local Continuum of Care Alliance administered by the North Shore HOME Consortium. An overview of the activities of the Alliance can be found in the CAPER submitted by the North Shore HOME Consortium (through the City of Peabody).

Evaluation of Goals

This year, we did not meet our estimate to assist 7 households to purchase their first home. This year, only 5 income-eligible families applied for First Time Homebuyer Loan funds, entered into purchase and sale agreements and received primary mortgages.

The Housing Rehabilitation Loan Program continues to assist families in need and to exceed the goals laid out in the Consolidated Plan. However, in FY12, we did not quite meet our Action Plan goal of rehabilitating 9 housing units. There were 7 units where improvements were completed. However, there are 4 more projects are currently underway.

The Rental Downpayment Assistance Program is administered through local social service agencies to provide grants to low- and extremely low-income Salem residents to help pay first and last month's rents and security deposits to enable them to obtain decent, affordable housing. The FY11 Action Plan projected that up to 39 households would be assisted; 58 families were assisted through contracts with North Shore Community Action Program, Inc. and the Salvation Army.

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

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 FY12, 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 FY12 Action Plan.



Students from Salem High School who participated in Morgan Memorial Goodwill Industries' Career Planning Program

According to HUD regulations, we are allowed to commit up to 15 percent of our CDBG allocation to public service activities. In FY12, 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 FY12 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 FY12, we were able to expend \$180,027.21 on 39 open public service contracts, which, in turn, assisted 9,122 people, including at least 819 children/youth and 368 seniors (see Table 2 for Active Projects).

Table2: FY12 Public Services Financial Summary

Agency	CDBG Funding Available	CDBG Funds Spent	Number Assisted	Program Impact
Bentley Elementary School After School Program	\$2340.68 FY11; \$2800 FY12	\$5,140.68	108 youth	Provide 6 week after school activities including yoga, cooking/measuring, reader's theater & book club to students grades K, 1 & 2 and girls and boys basketball, make your own board game, hip hop and IQ adventure for grades 3, 4 and 5.
Joseph's Storehouse	\$10,000	\$10,000	2530 persons	1088 households assisted for a total of 6320 visits.
Salem Community Child Care	\$10,000.00	\$10,000.00	18 youth	Provided child care for 130 days which also helped prepare the children for first grade. Enrichment activities are provided and children are assisted with completing homework.
Haven From Hunger Food Pantry	\$10,000.00	\$10,000.00	517 persons	Provided food to 277 families through approximately 3878 visits to the food pantry over 8 months.
North Shore CDC Community English Program	\$5,000	\$5,000.00	89 persons	60 of the income eligible students completed a 12-week Community English Program training course.

Agency	CDBG Funding Available	CDBG Funds Spent	Number Assisted	Program Impact
Community Teamwork, Inc. First Time Homebuyer Training Program	\$910	\$210.00	5 households/ persons	Held three certified training course, for which participants received certificates.
H.A.W.C. Children's Program	\$10,000.00	\$10,000.00	32 persons	Assist 12 families with 400 hours of classes and groups for the adults and/or children including, Domestic Violence Group, play group, communications class, knitting/crafts class, children's advocacy, self-sufficiency, parenting group, weekly house meeting, community support group and art therapy
Lifebridge Medical Support Services	\$4,534.02 FY11; \$5,200.00 FY12	\$7,881.27	214 persons	Provided 205 health assessments were completed including respiratory, blood sugar, psyche, physical, referrals to detox, PC physicians and hospital. Additionally, clients received flu and TB shots.
Lifebridge Outreach Street Advocate	\$2,466.39 FY11; \$4,800.00 FY12	\$3,960.19	48 persons	Funds to engage street homeless and connect them with supportive services. Of the 48, 2 persons were admitted to a mental health facility. 3 were placed under arrest or placed into protective custody. 1 secured a shelter bed. 1 admitted to a medical hospital. 1 admitted to a detoxification facility. 19 used basic shelter services (food, shelter, laundry) for the first time.
Salem Police Department Bicycle and Walk/Ride Patrols	\$7,810.54 FY10; \$2,600 FY11; \$7,500 FY12	\$8,838.87	3,918 persons	Completed Summer/early-Fall, 2011 patrols. Calls for service for the Point Neighborhood increased 4% compared to last year. Drug offenses increased 47%, drunk individuals decreased 6%, public drinking increased 225%, disorderly conduct increased 17%, disturbances decreased 4%, loitering increased 500% and noise ordinance violations decreased 50%.
Morgan Memorial Goodwill Industries Career Planning Program	\$716.64 FY11; \$3,800.00 FY12	\$4,305.68	7 disabled youth	Provided 36hours of classroom training. Of the 7 students, 1 student left the program due to behavioral inappropriateness. All students completed a Skills Interest Inventory, Word Readiness Inventory, Money Skills Assessment and an Individual Training and Employment Plan. Students filled out at least 1 job application, did on-line job searching and completed job training groups. 4 students participated in paid internships at Salem YMCA, North Shore Medical Center and Northeast Animal Shelter.
Salem Access Television Youth in Action	\$5,000.00	\$5,000.00	13 youth	To assist teens to complete minimum 36 hour training course. Youth received a certificate of course completion and completed a video that was broadcast on SATV.

Agency	CDBG Funding Available	CDBG Funds Spent	Number Assisted	Program Impact
Salvation Army Prescription Program	\$1,260.69 FY10	\$201.99	1 person	1 prescriptions filled.
Cerebral Palsy Association North Shore Infant & Toddler Preschool Program	\$5,000.00	\$5,000.00	51 children	For children with physical and developmental disabilities to attend integrated developmental play groups once per week. Of the 50 children assisted, 21 remain in the program, 14 transferred to local daycares/preschools, 8 transitioned to Salem Public School, 1 transitioned to Headstart, 4 moved out of Salem and 3 dropped out of the program.
V.O.C.E.S. Hispanic Education Program	\$5,000.00	\$5,000.00	132 persons	Provided 187 classes in either Citizenship Education or GED Preparation. This year there were 83 new citizens and 3 persons got their GED in Spanish.
Independent Living Center Accessible Housing Education Services Program	\$5,000.00	\$5,000.00	50 disabled persons/ households	Provided 2 housing forums (one on availability of housing & one on housing rights), individual (in office and telephone) information and referral on housing issues (resulting in 5 placements/relocations into AAA housing), assisted 32+ clients to complete and submit subsidized housing applications.
Catholic Charities Little Lambs Program	\$2,500.00	\$2,500.00	187 youth	Conducted 50 assessments and provide diapers, wipes and other baby necessities. Referrals were for GED/Education or Employment Training (11), Child Care (9), Health issues (1), and other - housing, basic needs, counseling, etc.(49)
North Shore Community Action Program Salem Cyberspace Cyberyouth	\$5,000.00	\$5,000.00	46 youth	\$5000 budgeted and spent with FY11/12 funds to assist in submission of 20+ college applications and 21 financial aid applications. 15 took college entrance exams.
Catholic Charities Homeless Prevention Program	\$10,000.00	\$10,000.00	46 persons	20 families avoided homelessness. They also assisted 24 persons with this program with other non-CDBG funding. All families received extensive information and referral services and budget counseling.
Boys & Girls Club Gang Prevention	\$5,000.00	\$5,000.00	233 Youth	For teens to participate in basketball, floor hockey, weight-lifting, exercise, flag football, cooking, homework help, Career Launch, Keystone Club or gym council. More than 1250 visits to the teen enter were made during from October to February.
Salem YMCA School Age Child Care Program	\$551.08 FY11; \$10,000 FY12	\$10,551.08	156 youth	Provided a minimum of 16 weeks of child care, which included educational and enrichment activities.
Salem Council on Aging Project Lifesaver	\$422.02 FY11	\$180.00	1 person	Purchase of electronic bracelets, enrollment, and/or annual fee.

Agency	CDBG Funding Available	CDBG Funds Spent	Number Assisted	Program Impact
Salvation Army Transitional Housing	\$1,878.01 FY10	\$235.00	1 person	Assisted 1 family with transitional housing
H.A.W.C. Homeless Prevention Program	\$587.81FY10; \$6,700 FY12	\$7,287.81	3 persons	1 families avoided homelessness
Salem Council on Aging Transportation Program	\$6,305.57 FY11; \$14,400 FY12	\$12,791.64	368 seniors	Provide rides to the senior center (3063), medical (1886), shopping (729), events & activities (60), hairdresser (122), downtown (10) and other rides (14).
NSCAP Homeless Prevention Program	\$10,000.00	\$10,000.00	65 persons	Assisted 24 families in the prevention of homelessness through rental or utility assistance. 5 families received assistance to maintain utilities and 19 families received assistance for rental arrearages (including 13 in subsidized housing to maintain their subsidy).
Salvation Army Homeless Prevention	\$10,000.00	\$11,643.00	55 persons	Assisted 20 families with homelessness prevention (rent and utility arrearages).
St. Joseph's Food Pantry Moving Market	\$5,000.00	\$5,000.00	238 persons	Provided 701 food deliveries to 238 residents (132 households) over a 6 month period.
Wellspring House MediClerk Program	\$4,300	\$4,300.00	10 persons	13 week training courses. 9 of the 10 graduated the program. 4 of the 9 are already employed. The remaining five are continuing their job search with ongoing support of MediClerk.
TOTAL PERSONS ASSISTED		9,142 persons, including at least 819 children/youth & 368 seniors		

Evaluation of Goals

As stated before, Public Service activities allow us to provide direct services to our low- and moderate-income residents. Our FY12 Action Plan goal was to provide 25 new grants and serve 10,000 persons. We executed agreements for 25 new grants. Through these new grants and other open contracts, we assisted 9,142 persons. We are fortunate to have an excellent network of public service providers that utilize our funds to best meet community needs, which is why we continue to spend up to the full HUD funding cap of 15 percent.

ECONOMIC DEVELOPMENT

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

During FY 12, several new businesses opened in the Urban Renewal Areas bringing new goods and services to the neighborhood. While there continues to be solid private sector investment, businesses are continuing to adjust to the economy, the change in people's purchasing habits, and increased competition. Salem has not been immune from the economic crisis and the resulting job losses. The Salem unemployment rate as of June 2012 is 6.3 percent.



*Ribbon cutting with Mayor Driscoll
at Re-Find Men's*

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: FY12 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.	\$13,519.00	<ul style="list-style-type: none"> • \$0 CDBG spent • No storefronts were completed this fiscal year
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.	\$60,000.00	<ul style="list-style-type: none"> • \$50,020 CDBG spent • 1 businesses assisted • Note: Funds of \$20,000 were returned for loan canceled (reported as pending in FY11)
Business Technical Assistance	Salem Main Streets Program	Provides commercial district revitalization through organization, promotion, economic restructuring and design.	\$25,000.00	<ul style="list-style-type: none"> • \$25,000 CDBG spent • 28 micro-enterprise businesses assisted
	Economic Development Program Delivery	Costs associated with providing Economic Development programs and administration of the Salem Redevelopment Authority.	\$69,999.99	<ul style="list-style-type: none"> • \$69,999.99 CDBG spent

Evaluation of Goals

In FY12, with our Small Business Financial Assistance Programs, we met our Action Plan goal to provide one business loan. This loan will be monitored in FY13 for job creation. It should be noted that a pending loan closing from FY11 was canceled and the funds returned to the loan pool. No storefront improvements were undertaken in this fiscal year.

The Salem Main Streets Program provided technical assistance to 6 new and 22 existing micro-enterprise businesses, exceeding our FY12 Action Plan goal of assisting 20 microenterprises. Events included Salem Ice Scream Bowl, Salem Farmers' Market 2011 season, Mayor's Night Out, October information booth, Holiday Happenings, wreaths, tree, Santa's arrival, window contest, Open House Night, Winter Farmers' Market, Salem Common Family Fun Day, Salem So Sweet Festival, Mass Poetry Festival, Salem Arts Festival, new Shopping & Dining Guide, Salem Living Green Fair, North Shore Pride Parade, Clean Sweeps Day, and technical assistance workshops on film and Internet marketing. Fourteen new businesses opened; six ribbon cuttings were held. Total volunteer hours were 1,962.

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

During FY12, the DPCD continued to collaborate with the Enterprise Center at Salem State University and the Small Business Development Center to provide technical assistance to entrepreneurs with a focus on those located within low/mod areas and the Urban Renewal Areas.

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

Lastly, because parking is a key resource for business growth and downtown vitality, during FY12 the DPCD worked with other City departments to implement changes to the parking system. These changes had been approved by the City Council in FY11 based on recommendations from the comprehensive parking study.

In total, \$145,019.99 (less \$20,000 returned to loan pool due to a canceled loan closing) was spent during the program period for economic development activities.

Table 4: Active Economic Development Loans in FY12

Type of Loan	Project	Amount of Loan	Total Jobs Created
<i>Microenterprise Assistance</i>			
<i>Special Economic Development</i>	Rockafellas	\$64,000	3 full time & 196 weekly hours of part time
	Amazing Pizza (loan canceled)	(\$20,000)	n/a
	Village Tavern	\$50,000	To be monitored in FY13

Note: LMI is low- and moderate-income

NEIGHBORHOOD IMPROVEMENTS

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

Due to the size and scope of these types of activities, some require multi-year funding, as well as a few years to plan, permit and complete the project. To that end, some of our Neighborhood Improvement Projects are still in the planning, permitting or bidding stages. The following table outlines the current neighborhood improvement projects and their status at the close of FY12. 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.



Pedestrian Lighting and Bike Lane Striping at Congress/Derby Street Intersection

Table 5: FY12 Neighborhood Improvement Financial Summary

Activity	CDBG Funds Available	CDBG Funds Spent in FY12	Status
Congress/Derby Pedestrian Lights	\$155,835.36	\$155,835.36	Complete
Bike Path Delineation in LMI Areas	\$25,240.00	\$25,240.00	Complete
Salem YMCA handicapped access equipment	\$9,085.00	\$9,085.00	Complete
Maryjane Lee Playground	\$1,300.00	\$1,360.00	Complete
City Hall Elevator	\$788.76	\$788.76	Complete
Harbor and Lafayette Streets Pedestrian Improvements (PWED)	\$316,870.02	\$21,486.48	Underway
Neighborhood History Signs	\$6,443.83	\$3,543.83	Underway
Section 108 Loan Payments – South Harbor Garage	\$41,168.75	\$41,168.75	Ongoing
Tree Planting Program	\$10,650.00	\$4,999.99	Ongoing
Street Improvements (i.e. sidewalks, curbscuts, paving & crosswalks)	\$129,323.54	\$0.00	Ongoing
Splaine Park improvements	\$22,345.23	\$2,845.23	Design
South River Harbor Walk (extension)	\$15,806.34	\$2,126.79	Planning
Lafayette Park Improvements	\$40,000.00	\$0	Planning
Palmer Cove Park Improvements	\$20,602.01	\$602.01	Planning
Mansell Park skateboard park fence	\$15,000.00	\$0.00	TBD

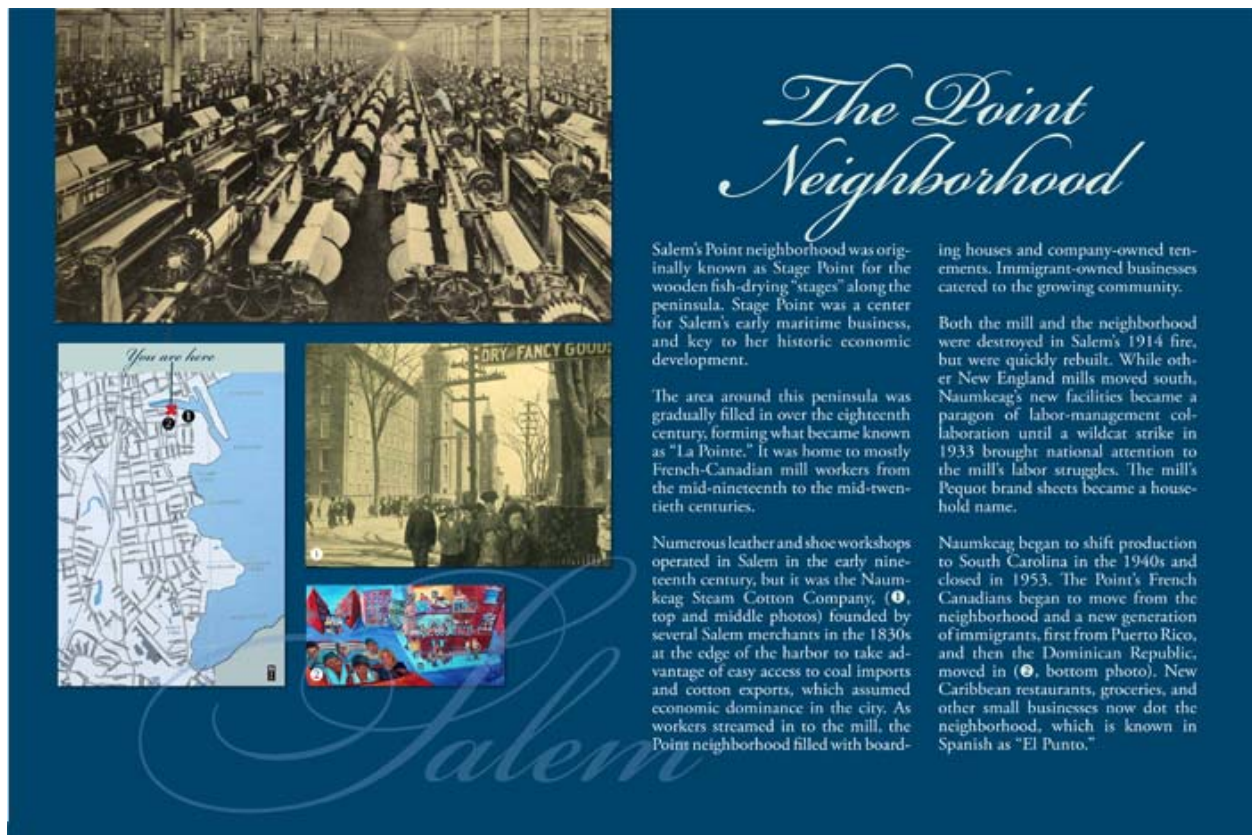
Evaluation of Goals

During the program period, we continued to work on important neighborhood projects, and spent a total of \$269,012.20, including program delivery costs, toward meeting the goals in the FY12 Action Plan and 5 year Consolidated Plan.

The Congress/Derby pedestrian lights and the bike path lane stripping was completed during FY12, along with the purchase of handicapped access equipment for the Salem YMCA pool, the purchase of sand for MaryJane Lee Playground and the purchase of a sign for the City Hall elevator. Trees were planted on Lafayette Street (near Peabody Street), Winthrop, Summer, Harbor and Federal Street and on Canal Street (from Tulip Street to the downtown). The Harbor/Lafayette/Dow Street pedestrian improvement and the neighborhood historic sign projects are underway.

There were no street and sidewalks undertaken this year. The funds will be carried over to FY13. The Mansell Park skateboard park fence project will be canceled in FY13 and the funds reprogrammed. We continue to make principal and interest payments on the South Harbor Garage Section 108 loan.

The remaining projects in the FY12 Action Plan, including Splaine Park and Palmer Cove improvements, are in the planning/design/bid stages. Other projects in the planning/design stages include Lafayette Park Improvements and the extension of the Salem Harborwalk.



The Point Neighborhood history sign proof.
New signs for this neighborhood and the South Salem neighborhood to be installed in FY2012

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 FY12, we completed provide matching funds toward two Massachusetts Historical Commission Survey and Planning Grants – one was to complete the building survey of Bridge Street begun in FY11 and the other was to undertake a study for the Salem Common fence. Underway are two additional planning projects.

In FY12, we spent a total of \$226,303.01 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.



Salem Common Fence
Restoration Plan

Table 7: FY12 Planning & Administration Financial Summary

Activity	CDBG Funds Available	CDBG Funds Spent
Survey & Planning Grant – Salem Common Fence	\$7,500.00	\$7,500.00
Survey & Planning Grant – Bridge Street Survey	\$3,500.00	\$3,500.00
Survey & Planning Grant – Design of Neighborhood History Signs	\$11,500.00	\$0.00
142 North Street National Register Nomination	\$2,000.00	0.00
General Administration - Salary	\$147,037.34	\$147,037.34
General Administration - Benefits	\$53,938.45	\$53,938.45
General Administration - Non-salary	\$14,878.48	\$14,327.22

Barriers to Affordable Housing

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

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

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

Lead-Based Paint Hazard Reduction

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

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

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

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

Anti-Poverty Strategy

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

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

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

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

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

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

Monitoring

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

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

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

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

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

SUMMARY/PROGRAM EVALUATION/CONCLUSIONS

Overall, we made significant progress toward meeting the goals of our 5-year Consolidated Plan and FY12 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 FY12:

- 5 families assisted to purchase their first home in Salem;
- 7 housing units were renovated, with an additional 4 projects underway
- 58 families received assistance with first/last month's rent and/or security deposits;
- 29 social service programs assisted 9,142 persons, including at least 819 youth and at least 368 seniors;
- 1 business provided with an economic development loan
- Salem Main Streets Program highlights:
 - Assisted 6 new and 22 existing micro-enterprises;
 - Total volunteer hours were 1962;
 - Salem Ice Scream Bowl;
 - Salem Farmers' Market 2011 season;
 - Winter Farmers' Market
 - Mayor's Night Out;
 - October information booth;
 - Holiday Happenings - wreaths, tree, Santa's arrival, window contest;
 - Salem Common Family Fun Day
 - Development of a new downtown shopping and dining guide;
 - Salem So Sweet Festival;
 - Technical assistance workshop on Internet marketing;
 - Salem Living Green Fair;
 - Clean Sweeps Day;
 - Mass Poetry Festival;
 - Salem Arts Festival;
 - North Shore Pride Parade; and a
 - Technical assistance workshop on film.
- Implementation of several changes to the parking system as recommended by the comprehensive parking study
- Congress/Derby intersection pedestrian lights installed:
- Bike path delineation (striping) completed in low/mod neighborhoods:
- Handicap accessibility equipment purchased for the Salem YMCA pool:
- Park improvements including new sand for MaryJane Lee Playground;
- City Hall Elevator directory sign installation completed;
- 25 trees planted in low-mod neighborhoods;
- Historic building survey of Bridge Street completed; and
- Salem Common Fence restoration plan completed.

The City's 5 Year Consolidated Plan was prepared at the start of FY11. In FY11, Salem had received its highest allocation of CDBG funds than any of the previous five years and the goals laid out in the 5-Year Consolidated Plan were based on level funding of CDBG. However, in FY12, we saw significant decreases in our CDBG allocation – Salem's lowest CDBG allocation in the previous twenty years and its lowest HOME allocation in twelve years. Therefore, it is not surprising that some of our 5-Year goals are at-risk of not being met. Still, despite the reduction in HUD funding,

we are proud of the accomplishments made in FY12. This year, we have used CDBG funds to help leverage several large grants for projects that are currently underway, including Harbor/Lafayette Street Pedestrian Improvements and Splaine Park Improvements.

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

IDIS/CPMP Reporting

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

The DPCD makes minimal use of HUD's CPMP Tool, submitting with the Action Plan the Needs and Projects tables only. The activities in Projects.xls are entered into IDIS and are included in the Action Plan. These same activities are listed in the CAPER tables found on pages 4, 15 20, 22 and 24, including funds available and funds expended. These activities may include funding from one or more plan years.

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

SUPPLEMENTARY NARRATIVES

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

Use of CDBG Funds

In FY12, CDBG expenditures complied with the goals and objectives outlined in the FY12 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 FY12 Action Plan.

Geographic Distribution and Location of Investments

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

When prioritizing activities, the City pays special attention to those low- and moderate-income neighborhoods where the greatest needs have been identified and whose public facilities and infrastructure are in the worst condition. In accordance with CDBG regulations, specific activities, such as street, sidewalk and playground improvements can only be undertaken in the low- to moderate-income neighborhoods or 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 FY12, the City of Salem pursued all resources indicated in its FY12 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 FY12, no CDBG funds were spent on projects that required the permanent displacement and/or relocation of people, businesses, or organizations from occupied property. The program does provide temporary location assistance through the Housing Rehabilitation Loan Program, per the DPCD's current Relocation Policy.

Economic Development Activities

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

Limited Clientele Activities

In FY12, the City of Salem funded several activities that served limited clienteles. For example, funds were expended on 29 public service programs that primarily served low- and moderate-income persons. Through the use of family-size/proof of income documentation, it was determined that more than 51 percent of the people served by these projects met applicable criteria for low- or moderate-income status. Those activities that were not Limited Clientele Activities were undertaken in low- to moderate-income designated areas or in one of the designated Urban Renewal Areas.

Program Income

The Financial Summary section of this report documents total program income for the Salem CDBG Program in FY12. The total program income was \$229,073.47.

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 FY12 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 FY12.

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, Section 3 Plan and Minority Outreach Procedures in place that allows the City to track whether long-term goals are being met. As detailed in the Managing the Process and Institutional Structure section of this document, the City manages its programs to ensure compliance with identified goals and federal, state and local regulations. The Environmental Review Record contains statutory checklists, documentation on flood management, wetlands protection, and prevailing wage documentation, as applicable.

HOME Program

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

During FY12, the City of Salem spent \$147,997.97 in HOME funds. Funds were used to help fund provide first time homebuyer downpayment assistance, housing rehabilitation and to fund the Rental Downpayment Assistance Programs administered by the North Shore Community Action Program, HAWC and the Salvation Army and tenant based rental assistance to HAWC. The accomplishments of these projects can be found in the reports submitted by the City of Peabody on behalf of the Consortium.

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

FUNDS LEVERAGED

In order to maximize the benefits achieved by Salem's community development programs and in order to make projects feasible, CDBG and HOME funds often must be combined with other funding sources. The following chart summarizes the amount of federal dollars spent during FY12 and the funds leveraged through these expenditures.

Table 8: FY12 Funds Leveraged

Program	CDBG Expenditures	HOME Expenditures	Funds from Other Sources
Housing Programs	\$342,453.54	\$147,997.97	\$914,324.50
Public Services	\$180,027.21	-	\$3,562,479.73
Economic Development	\$125,019.99	-	\$177,856.00
Neighborhood Improvements ⁵	\$269,012.20	-	\$3,974,470.05
Planning & Administration	\$226,303.01	-	\$382,389.33
TOTAL FY11	\$1,452,815.95	\$147,997.97	\$9,011,519.61
TOTAL FUNDS LEVERAGED PER HUD DOLLAR IN FY12: \$5.63			

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

Housing

- For the First Time Homebuyer Program (includes CDBG, HOME), homebuyers provided \$30,277.50 in matching funds as well as obtained \$882,172 in financing from a primary lender, which amounted to a total leveraged of \$912,449.50
- The rehabilitation program leveraged \$1,875 in private funds

Economic Development:

- The Salem Main Streets Program leveraged \$27,856. Of this total, \$14,974 was corporate contributions for operations and \$12,882 was for events and programs (net of expenses) for programs such as the Farmer's Market, Salem So Sweet Festival, Salem Arts Festival and Ice Cream Bowl
- This year's Business Loan Program leveraged \$75,000 in equity and \$75,000 in bank financing

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 Bike Path Delineation Project leveraged \$17,005.05 in other grant funds

⁵ Includes Section 108 loan payment as a CDBG expense.

- The Congress/Derby Intersection Improvements leveraged approximately \$100,000 in City of Salem Capital Improvement Funds for design costs and police details
- The Harbor and Lafayette Streets Pedestrian Improvements leveraged \$1,000,000 in MassDOT Public Works Economic Development (PWED) grant funds
- The Splaine Park Improvement Project is leveraging \$420,946 in State PARC grant funds, \$216,851 from local Capital Improvement funds and \$6,668 in donations.

Planning & Administration:

- Planning and administration funds leveraged \$313,636.86 in City funds and \$65,752.47 in State Seaport Advisory Council funds
- The Bridge Street Survey leveraged \$15,000 in Massachusetts Historical Commission Survey & Planning Grant funds
- The Salem Common Fence Study levered \$7,500 in Massachusetts Historical Commission Survey & Planning Grant funds

Public Services:

- Most of the public service agencies funded use CDBG funds as a portion of their overall activity budgets. Based on leveraged funds reports provided by each agency at the end of the program year, the amount leveraged is \$3,562,479.73 in other federal, state or private funds

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

CITIZEN PARTICIPATION SUMMARY

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

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

Public Comment Period

Copies of the FY1 CAPER were made available to the public throughout the 15-day comment period and every effort was made to solicit citizens' comments including posting the availability of the report in the Salem Evening News, the City of Salem Official Bulletin Board at City Hall and at the City Hall Annex through the Clerk's Office, Salem Public Library, Salem Housing Authority and on the City's website. Copies were available for review at the DPCD, Salem Public Library and Salem Housing Authority and on the City's website (a copy of which was available for download). No comments were received.

APPENDIX

Financial Summary

Progress of Consolidated Plan 5-Year Goals

IDIS Report PR23 Excerpts

Total CDBG Beneficiaries by Racial/Ethnic Category

CDBG Beneficiaries by Income Category

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

Maps

Section 3 Report

FINANCIAL SUMMARY

CITY OF SALEM – FINANCIAL SUMMARY FY12 Consolidated Annual Performance and Evaluation Report

1	Summary of CDBG Resources	
2	FY11 End of Year Balance	\$ 758,033.95
3	FY12 CDBG Entitlement	\$ 1,042,096.00
4	Program Income, FY12	\$ 229,073.47*
5	Total CDBG funds available for use in FY12	\$ 2,029,203.42
6	Summary of CDBG Expenditures	
7	Affordable Housing	\$ 342,453.54
8	Public Services	\$ 180,027.21
9	Neighborhood Improvements (not including CDBG-R)	\$ 227,843.45
10	Economic Development – Note: amount was reduced by \$20,000 to reflect canceled loan funds returned	\$ 125,019.99
11	Planning & Administration	\$ 226,303.01
12	Section 108 Repayment (in CAPER narratives under neighborhood improvements)	\$ 41,168.75
13	Total Expenditures	\$ 1,142,815.95
14	Year-End CDBG Resources	
15	Total CDBG funds available for use in FY12	\$ 2,029,203.42
16	Total Expenditures in FY12	\$ 1,142,815.95
17	Unexpended Balance (CDBG Budget)	\$ 886,387.47
18	Low/Mod Credit	
19	Total FY12 CDBG Expenditures	\$ 1,142,815.95
20	Total for Program Administration	\$ 226,303.01
21	Total for Section 108 Repayments	\$ 41,168.75
22	Total subject to Low/Mod Benefit Calculation	\$ 875,344.19
23	L/M Credit for multi-unit housing	\$ 154,860.00
24	L/M Credit for other activities	\$ 693,357.40
25	Percent of benefit to low/mod persons	96.90%
26	Public Services Cap Calculation	
27	Net obligations for FY12 Public Services Activities	\$ 172,799.83
28	FY11 Entitlement + FY11 Program Income	\$ 1,119,462.03
29	Percent obligated PS Activities	14.48%
30	Planning and Program Administration Cap Calculation	
31	FY12 Entitlement + FY12 Program Income	\$ 1,281,249.35
32	Net Obligations for Planning/Admin. Activities	\$ 227,354.27
33	Percent of funds expended	17.74%

34	HOME Summary	
35	HOME Project Expenditures	\$ 133,769.59
36	Salem HOME Administration (including FTHB fee/inspection reimbursements)	\$ 14,228.38
37	Total HOME Expenditures	\$ 147,997.97

**Note: Program income of \$10,104.09 entered into IDIS in FY12 was reported in the FY11 CAPER. Program income of \$24.01 entered into IDIS in FY13 is being reported in this CAPER (FY12). Therefore the net adjustment to compute total program income is -\$10,080.08.*

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

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

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

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

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

[illegible]



SALEM

CDBG Beneficiaries by Racial / Ethnic Category

Housing-Non Housing	Race	Total Persons	Total Hispanic Persons	Total Households	Total Hispanic Households
Housing	White	0	0	9	0
	Black/African American	0	0	1	1
	Total Housing	0	0	10	1
Non Housing	White	13,670	755	0	0
	Black/African American	762	264	0	0
	Asian	308	23	0	0
	American Indian/Alaskan Native	40	17	0	0
	Native Hawaiian/Other Pacific Islander	6	0	0	0
	American Indian/Alaskan Native & White	35	3	0	0
	Asian & White	41	3	0	0
	Black/African American & White	93	28	0	0
	Amer. Indian/Alaskan Native & Black/African Amer.	24	18	0	0
	Other multi-racial	1,520	1,251	0	0
	Total Non Housing	16,499	2,362	0	0
Grand Total	White	15,973	1,525	9	0
	Black/African American	1,384	752	1	1
	Asian	320	24	0	0
	American Indian/Alaskan Native	134	102	0	0
	Native Hawaiian/Other Pacific Islander	6	0	0	0
	American Indian/Alaskan Native & White	35	3	0	0
	Asian & White	41	3	0	0
	Black/African American & White	115	28	0	0
	Amer. Indian/Alaskan Native & Black/African Amer.	24	18	0	0
	Other multi-racial	1,752	1,441	0	0
	Total Grand Total	19,784	3,896	10	1



SALEM

CDBG Beneficiaries by Income Category

	Income Levels	Owner Occupied	Renter Occupied	Persons
Housing	Extremely Low ($\leq 30\%$)	1	1	0
	Low ($> 30\%$ and $\leq 50\%$)	2	1	0
	Mod ($> 50\%$ and $\leq 80\%$)	4	0	0
	Total Low-Mod	7	2	0
	Non Low-Mod ($> 80\%$)	0	0	0
	Total Beneficiaries	7	2	0
Non Housing	Extremely Low ($\leq 30\%$)	0	0	1,379
	Low ($> 30\%$ and $\leq 50\%$)	0	0	7,024
	Mod ($> 50\%$ and $\leq 80\%$)	0	0	346
	Total Low-Mod	0	0	8,749
	Non Low-Mod ($> 80\%$)	0	0	36
	Total Beneficiaries	0	0	8,785



U.S. Department of Housing and Urban Development
Office of Community Planning and Development
Integrated Disbursement and Information System
CDBG Community Development Block Grant Performance Profile
PR54 - SALEM,MA
Program Year From 07-01-2011 To 06-30-2012

DATE: 09-26-12
TIME: 9:45
PAGE: 1

Program Year 2011 Funds

2011 CDBG Allocation \$1,042,098.00
Program Income Received During Program Year 2011 \$239,153.55

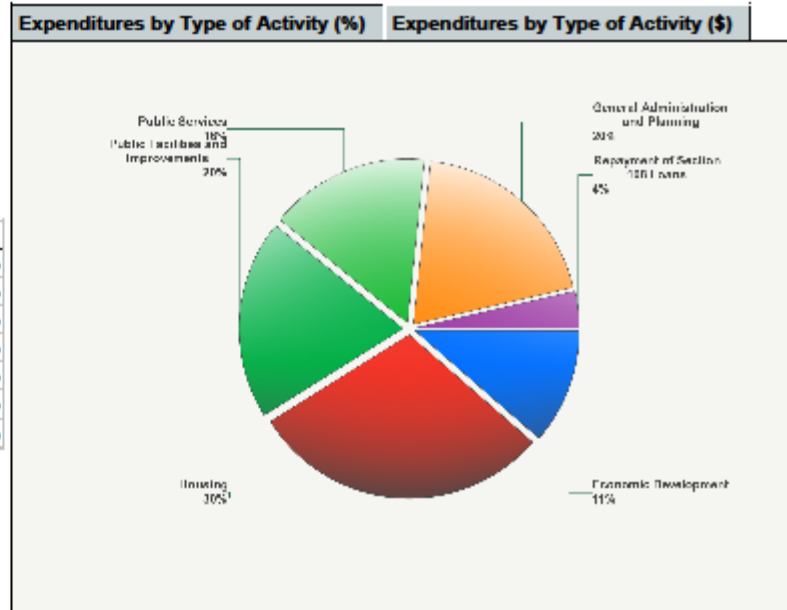
Total Available¹ \$1,281,249.55

Expenditures²

Type of Activity	Expenditure	Percentage
Economic Development	\$128,736.20	11.26%
Housing	\$339,583.54	29.71%
Public Facilities and Improvements	\$227,453.45	19.90%
Public Services	\$179,571.00	15.71%
General Administration and Planning	\$226,303.01	19.80%
Repayment of Section 108 Loans	\$41,168.75	3.60%
Total	\$1,142,815.95	100.00%

Timeliness

Timeliness Ratio - unexpended funds as percent of 2011 allocation 1.15



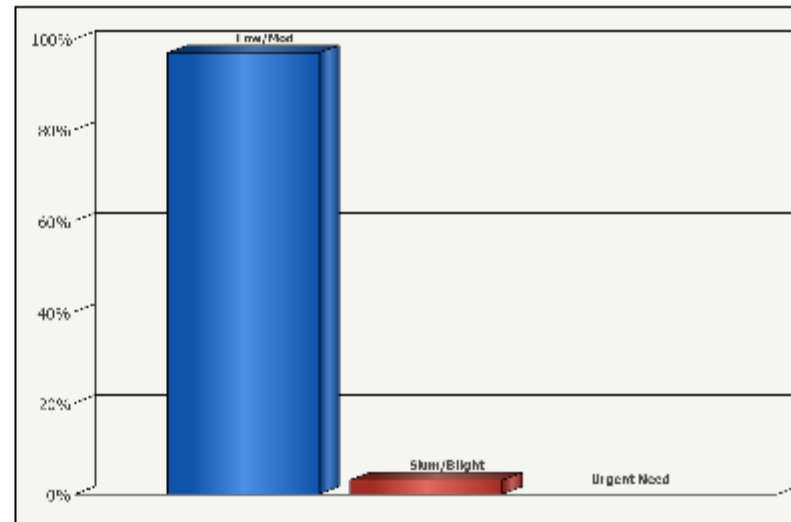


U.S. Department of Housing and Urban Development
Office of Community Planning and Development
Integrated Disbursement and Information System
CDBG Community Development Block Grant Performance Profile
PR54 - SALEM, MA
Program Year From 07-01-2011 To 06-30-2012

DATE: 09-26-12
TIME: 9:45
PAGE: 2

Program Targeting

1 -Percentage of Expenditures Assisting Low- and Moderate-Income Persons and Households Either Directly or On an Area Basis ³	96.90%
2 -Percentage of Expenditures That Benefit Low/Mod Income Areas	25.62%
3 -Percentage of Expenditures That Aid in The Prevention or Elimination of Slum or Blight	3.10%
4 -Percentage of Expenditures Addressing Urgent Needs	0.00%
5 -Funds Expended in Neighborhood (Community For State) Revitalization Strategy Areas and by Community Development Financial Institution.	\$0.00
6 -Percentage of Funds Expended in Neighborhood (Community For State) Revitalization Strategy Areas and by Community Development Financial Institution	0.00%





U.S. Department of Housing and Urban Development
Office of Community Planning and Development
Integrated Disbursement and Information System
CDBG Community Development Block Grant Performance Profile
PR54 - SALEM, MA
Program Year From 07-01-2011 To 06-30-2012

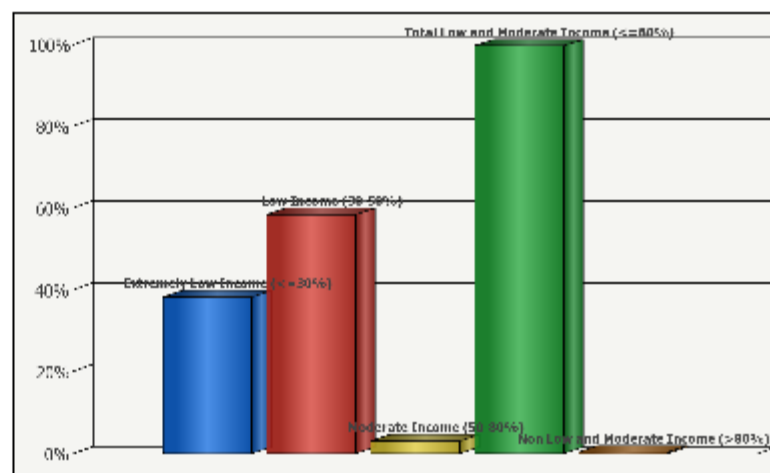
DATE: 09-26-12
TIME: 9:45
PAGE: 3

CDBG Beneficiaries by Racial/Ethnic Category⁴

Race	Total	Hispanic
White	77.73%	40.76%
Black/African American	9.27%	23.14%
Asian	1.48%	0.74%
American Indian/Alaskan Native	0.94%	3.08%
Native Hawaiian/Other Pacific Islander	0.02%	0.00%
American Indian/Alaskan Native & White	0.14%	0.03%
Asian & White	0.18%	0.03%
Black/African American & White	0.68%	0.47%
Amer. Indian/Alaskan Native & Black/African Amer.	0.15%	0.47%
Other multi-racial	9.40%	31.28%
Asian/Pacific Islander (valid until 03-31-04)	0.00%	0.00%
Hispanic (valid until 03-31-04)	0.00%	0.00%

Income of CDBG Beneficiaries

Income Level	Percentage
Extremely Low Income (<=30%)	38.28%
Low Income (30-50%)	58.40%
Moderate Income (50-80%)	3.02%
Total Low and Moderate Income (<=80%)	99.70%
Non Low and Moderate Income (>80%)	0.30%



Program Year 2011 Accomplishments



U.S. Department of Housing and Urban Development
Office of Community Planning and Development
Integrated Disbursement and Information System
CDBG Community Development Block Grant Performance Profile
PR54 - SALEM,MA
Program Year From 07-01-2011 To 06-30-2012

DATE: 09-27-12
TIME: 8:29
PAGE: 4

Accomplishment	Number
Actual Jobs Created or Retained	8
Households Receiving Housing Assistance	9
Persons Assisted Directly, Primarily By Public Services and Public Facilities	18,788
Persons for Whom Services and Facilities were Available	17,585 ⁵
Units Rehabilitated-Single Units	3
Units Rehabilitated-Multi Unit Housing	5

Funds Leveraged for Activities Completed \$911,802.88

Notes

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

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

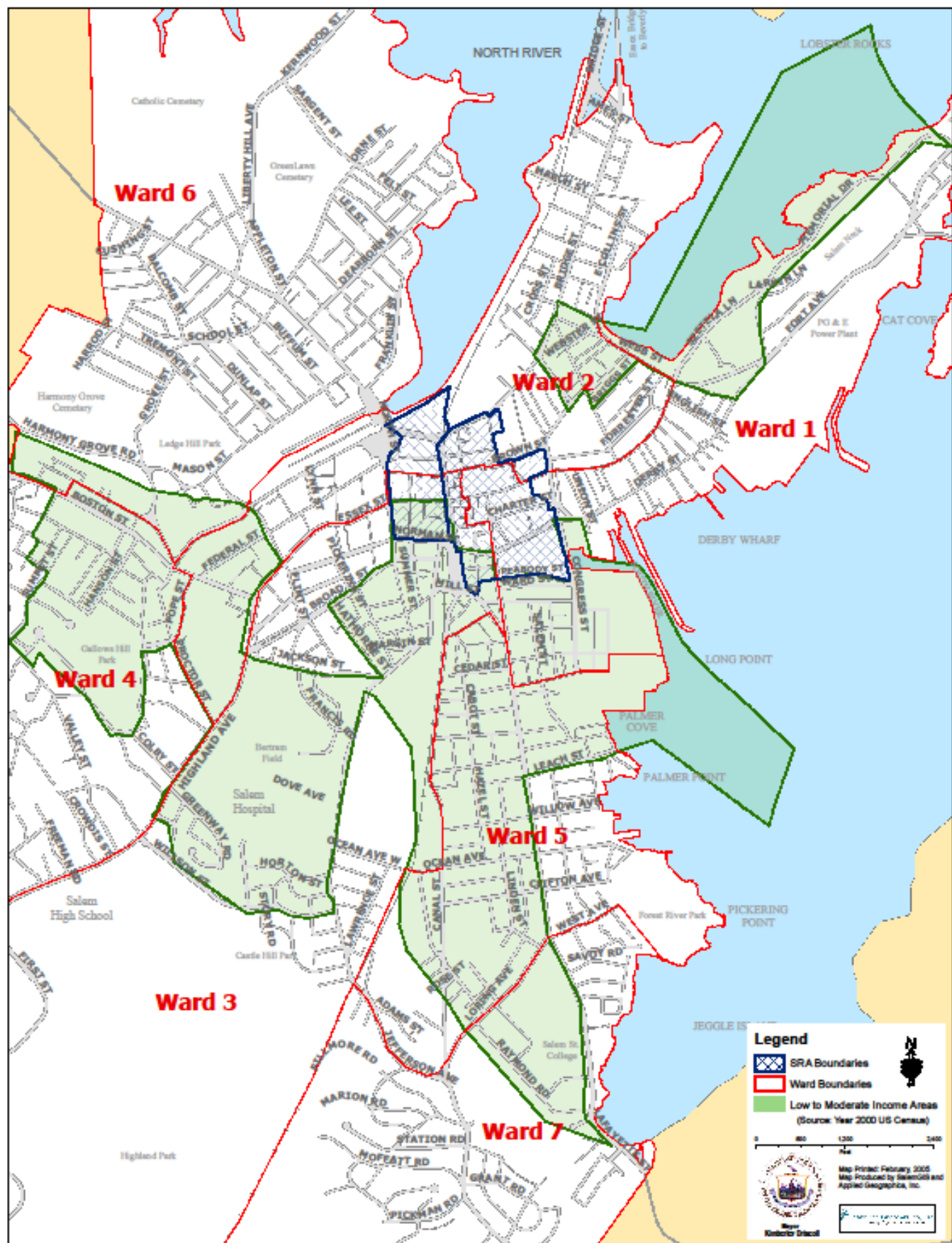
3 Derived by dividing annual expenditures for low-and moderate-income activities by the total expenditures for all activities (excluding planning and administration, except when State planning activities have a national objective) during the program year.

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

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

MAPS

- Low to Moderate Income Areas with Urban Renewal (SRA) boundaries and Ward boundaries. For a digital version of the map go to http://saalem.com/Pages/SalemMA_WebDocs/lma.pdf.
- Geographic Distribution of Entitlement Funds Expended FY12

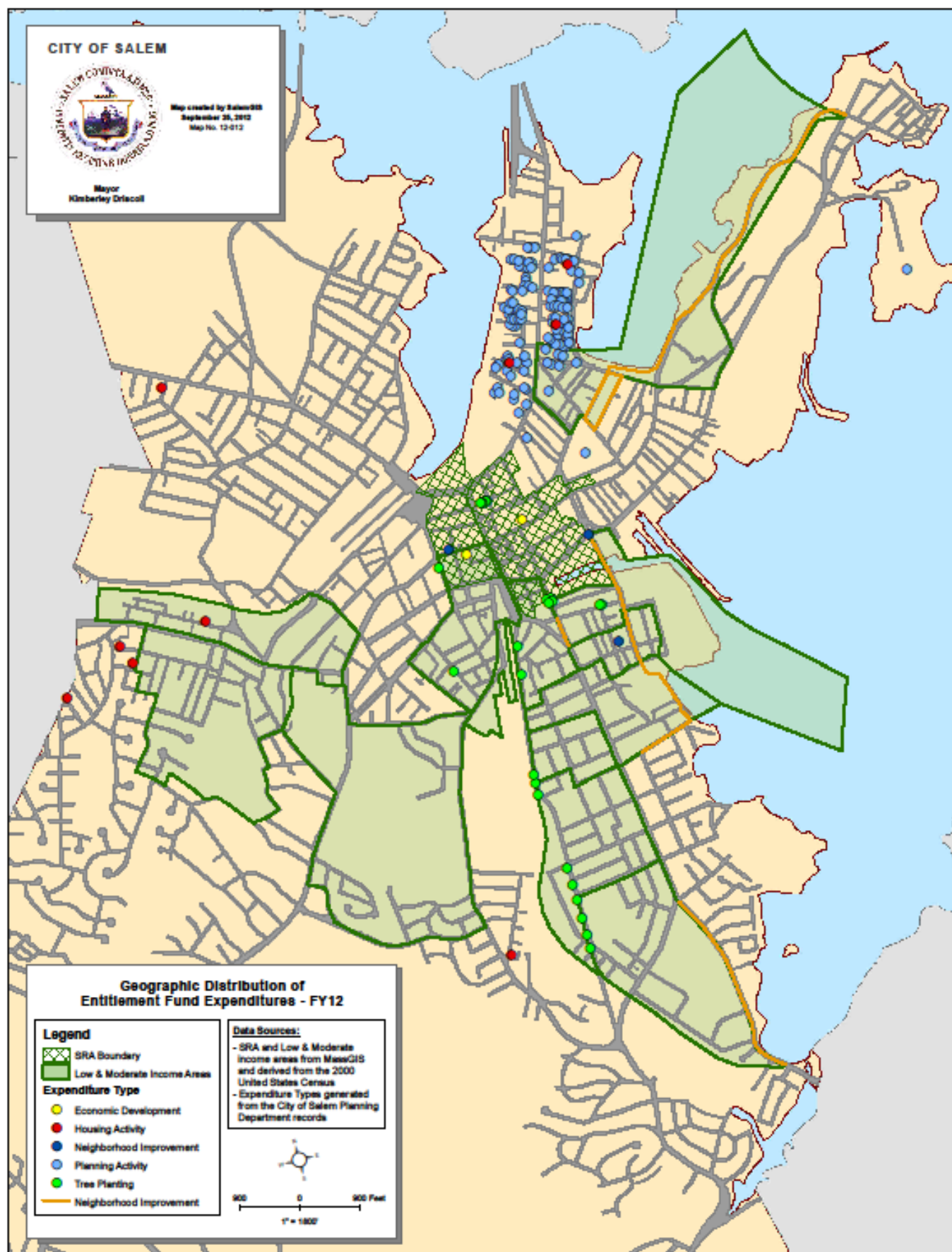


CITY OF SALEM



Map created by SalemGIS
September 25, 2012
Map No. 12-012

Mayor
Kimberley Driscoll



Section 3 Summary ReportEconomic Opportunities for
Low and Very Low-Income PersonsU.S. Department of Housing
and Urban Development
Office of Fair Housing
and Equal OpportunityOMB Approval No.2529-0043
(exp. 11/30/2010)

HUD Field Office : : BOSTON, MA

See Public Reporting Burden Statement below

1. Recipient Name: City of Salem, MA 2. Grant Number: B11MC250029 4. Contact Person: Jane A. Guy 6. Length of Grant: 12 Month(s) 8. Date Report Submitted: 09/24/2012	Recipient Address: (street, city, state, zip) 120 Washington Street Salem , Massachusetts 01970 3. Total Amount of Award: \$ 1,042,096 Amount of All Contracts Awarded: \$ 474,800 5. Phone: 978-619-5685 Fax: 978-744-0404 E-Mail: jguy@salem.com 7. Reporting Period: Quarter 4 of Fiscal Year 2011 9. Program Code-Name: 7-CDBG-Entitlement
----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Program Codes:	1 = Flexible Subsidy	2 = Section 202/811
3A = Public/Indian Housing Development	3B = Public/Indian Housing Operation	3C = Public/Indian Housing Modernization
4 = Homeless Assistance	5 = HOME Assistance	6 = HOME-State Administered
7 = CDBG-Entitlement	8 = CDBG-State Administered	9 = Other CD Programs
10= Other Housing Programs		

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

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

Part II. Contracts Awarded**1. Construction Contracts:**

A. Total dollar amount of all construction contracts awarded on the project	\$ 310,600
B. Total dollar amount of construction contracts awarded to Section 3 businesses	\$ 0
C. Percentage of the total dollar amount that was awarded to Section 3 businesses	0.00 %

D. Total number of Section 3 businesses receiving construction contracts	0
--------------------------------------------------------------------------	---

2. Non-Construction Contracts:

A. Total dollar amount of all non-construction contracts awarded on the project	\$ 164,200
B. Total dollar amount of non-construction contracts awarded to Section 3 businesses	\$ 0
C. Percentage of the total dollar amount that was awarded to Section 3 businesses	0.00 %
D. Total number of Section 3 businesses receiving non-construction contracts	0

Part III. Summary of Efforts

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

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

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

No Participated in a HUD program or other program which promotes the award of contracts to business concerns which meet the del business concerns.

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

Yes Other; describe below.

Section 3 FY12 (HUD FY11) Efforts

CDBG Activities

Derby/Congress Improvements

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

The contractor reported that it did not subcontract with any Section 3 businesses and it did not h employees during the project period.

Lafayette Street Traffic Improvements

- Legal and other notices indicated that the project was subject to the requirements of Section :
- Sealed bid specifications included the Section 3 Clause and the Section 3 Certification for RF (mandatory to be signed by all bidders)
- Bid notices were sent to:
 - Salem News – Legal notice
 - Commonwealth Procurement Access & Solicitation System
 - Commonwealth of Massachusetts Goods & Services Bulletin
 - Commonwealth of Massachusetts' Central Register
 - Salem Chamber of Commerce

- Directly to three M/WBE General Contractors from SOMWBA online Business Directo
- Directly to list of pre-qualified MassDOT contractors
- City of Salem website – Purchasing Department webpage

Note: Total contract amount reported in Section 3 Summary Report (60002) reflects the amount only, as part of the total contract.

The contractor reported that it did not subcontract with any Section 3 businesses and it did not have employees during the project period.

Splaine Park Improvements

- Legal and other notices indicated that the project was subject to the requirements of Section 3.
- Sealed bid specifications included the Section 3 Clause and the Section 3 Certification for RF (mandatory to be signed by all bidders)
- Bid notices were sent to:
 - Salem News – Legal notice
 - Commonwealth of Massachusetts' Central Register
 - Salem Chamber of Commerce
 - Directly to three M/WBE General Contractors from SOMWBA online Business Directo
 - City of Salem website – Purchasing Department webpage

No funds were expended on this project during FY12. Therefore, it will be reported on in FY13.

Other Efforts

In an effort to continue to fully understand the regulations and to learn about best practices, the Community Development Director and our Community Development Planner participated in a July 21, 2011.

As we learn of new best practices, the City of Salem continues to update its Section 3 Plan, create 2010. The City's Section 3 Business Affidavit is located on the City's website, on the Purchasing webpage at http://salem.com/Pages/SalemMA_Purchasing/section3.pdf

The Section 3 clause is and has always been included in CDBG contracts generated by the Department of Community Development, regardless of the contract amount. In addition, for more than 17 years, agencies receiving CDBG public services funding have been required to provide copies of their purchasing policies and these policies have been reviewed to ensure outreach efforts are made to as well as minority Salem residents. Public service agencies' funded programs are monitored on an annual basis to ensure that the policies are followed.

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

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