

CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT

CITY OF SALEM, MASSACHUSETTS

*Fiscal Year 2015
July 1, 2014 to June 30, 2015*



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EXECUTIVE SUMMARY

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

During Fiscal Year 2015, we expended \$1,310,387.36 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 \$64,810 in HOME funds.

The FY15 Consolidated Annual Performance and Evaluation Report (CAPER) provides an analysis of the fifth and final fiscal year - July 1, 2014 through June 30, 2015 - 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, while not all goals were achieved, we made a significant advancement in meeting the goals and objectives stated in the 5-Year Consolidated Plan and FY15 Action Plan and many were exceeded. We also continued to meet HUD required funding and expenditure caps and timeliness requirements.

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

Organization of the Report

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

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

an overview of each program area including an assessment of goals and how activities met the objectives laid out in the Consolidated Plan.

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

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

Contact Information

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

CAPER finalization date – September 28, 2015

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Cover photo: Courtesy of the Salem YMCA

INTRODUCTION

The Consolidated Annual Performance and Evaluation Report (CAPER) is a summary of the annual accomplishments produced by the City of Salem and its community partners, as the goals and objectives of the 5-Year Consolidated Plan (Fiscal Years 2011-2015 (FY11-15)) were implemented. The current 5-Year Consolidated Plan began on July 1, 2010. The FY15 CAPER provides an analysis of the fifth and final fiscal year of the 5-Year Consolidated Plan — July 1, 2014 through June 30, 2015.

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.



Teen Resource Center fun. Photo courtesy of SATV.

ASSESSMENT OF GOALS AND OBJECTIVES

During FY15, the DPCD continued to make significant progress toward meeting the goals and objectives laid out in the 5-Year Consolidated Plan and FY15 Action Plan. The CDBG entitlement funds from HUD for the fiscal year were \$952,491 and program income received during the program year was \$112,506.91. Our HOME funding allocation was \$100,335. We also used any available carried over CDBG and HOME funds from prior years.

CDBG Expenditures

In FY15, we expended a total of \$1,310,387.36 in CDBG funds. Expenditures were divided into five program areas — Affordable Housing, Neighborhood Improvements, Planning & Administration, Public Services and Economic Development. In FY15, we met all timeliness requirements and program expenditures were consistent with our 5-Year Consolidated Plan and FY15 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 FY15 and prior year carried over funds +/- any adjustments made during the year.

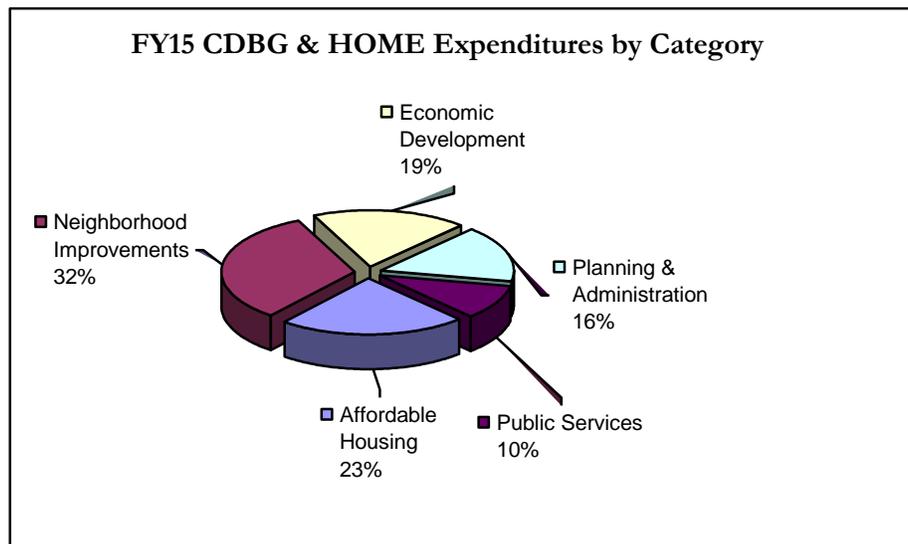
HOME Expenditures

In addition to CDBG funds, the DPCD also spent \$64,810 in HOME funds to undertake affordable housing activities. When added to the \$247,327.54 spent in CDBG funds, the total amount spent for housing programs is \$312,137.54. 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 is reported throughout this document.

Program Accomplishments

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 FY1 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 FY15 Spending by Category, as a Percentage of Total CDBG & HOME Expenditures



AFFORDABLE HOUSING PROGRAMS

The City of Salem has a number of services that address housing issues, including rehabilitating and maintaining current housing stock, developing new housing opportunities, assisting families in acquiring housing and enabling struggling families to remain in their homes. In FY15, the City of Salem spent \$312,137.54 in CDBG and HOME funds on affordable housing projects and programs. The project accomplishments attained with these funds during FY15 are described in the following table.



Roof repair at 131 Bridge Street through the Housing Rehabilitation Loan Program

Table 1: FY15 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.	\$38,303.29 CDBG (Carried over & FY15)	<ul style="list-style-type: none"> • \$38,303.29 CDBG funds spent • 5 Salem family assisted (6 units)
Housing Rehabilitation Loan Program	Provides a combination of technical and financial assistance to help low- to moderate-income homeowners and landlords make needed improvements to their properties.	\$321,498.12 CDBG (FY15 & carried over) \$18,412.38 HOME (FY15 & recaptured ADDI funds)	<ul style="list-style-type: none"> • \$101,509.50 CDBG funds spent • \$0 HOME funds spent • 4 units improved (3 owners) • 1 additional project underway
Congress/Dow Street Housing Revitalization	The North Shore CDC acquired 3 buildings on Congress & Dow Streets for affordable housing, some to be reserved for formerly homeless families.	\$51,234.63 CDBG (Carried over & FY15)	<ul style="list-style-type: none"> • \$51,234.63 funds spent. • 34 affordable housing units to be created (to be reported in future CAPER)
Congress Street Residences (Congress & Ward)	The North Shore CDC will rehabilitate 5 buildings on Congress & Ward Streets to create 30 affordable housing units and 1 commercial unit.	\$50,000 HOME (FY15)	<ul style="list-style-type: none"> • \$0 funds spent (in pre-development)
Harbor & Lafayette Homes	The North Shore CDC will rehabilitate 2 buildings on Harbor & Lafayette Streets to create 27 affordable housing units.	\$50,000 HOME (FY15)	<ul style="list-style-type: none"> • \$0 funds spent (in pre-development)

² “Funding available” indicates the total funds available during the fiscal year, including FY15 and prior year carried over funds +/- any adjustments made during the year.

Project	Project Description	Funding Available ³	Status
Rental Assistance Programs	<i>Rental Downpayment Assistance Program</i> - funds are used to help low- and extremely low-income Salem residents move into decent, affordable rental units. Programs are administered through NSCAP, HAWC, Citizens for Adequate Housing and the Salvation Army.	\$99,775.28 (including \$40,000 of FY15) in open HOME Contracts	<ul style="list-style-type: none"> • \$61,800 in HOME funds spent • 42 families assisted thru Rental Downpayment Assistance Program
Housing Program Delivery	Costs associated with providing rehabilitation programs & inspectional services.	\$64,903.12 CDBG (FY15 & carried over) \$3,010 HOME (FY15)	<ul style="list-style-type: none"> • \$56,280.12 in CDBG funds, and \$3,010 in HOME admin 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, over the last five years we also worked on the development of our other priority housing strategies listed in the Consolidated Plan and the various Action Plans. The following discusses the status of these projects and the steps taken to achieve these strategies.

- **Producing New Housing Units**

Salem often 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 committed funding to develop affordable housing units at the former St. Joseph’s Church site. The Boston Archdiocese’s Planning Office for Urban Affairs (POUA) was the developer. The first phase of the proposed project is complete and included the razing of the former church and convent buildings and the construction of a new four-story building on the site. The 51 units in the new building consist of affordable rental units. In addition, \$1 Million in PWED funds were allocated for traffic and infrastructure improvements to the adjacent intersection, now complete. These funds were leveraged by and benefit the development. In September, 2013, a lottery (with assistance by the City’s Housing Coordinator) was held for the 51 units, with over 1,000 applications received, demonstrating the need for affordable housing.

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

- **An Affordable Housing Fund & Developer Agreements**

The City continues to negotiate with developers on a case-by-case basis for affordable units or a contribution to the Affordable Housing Trust (created in 2006). The Trust committed \$25,000

³ “Funding available” indicates the total funds available during the fiscal year, including FY14 and prior year carried over funds +/- any adjustments made during the year.

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

Four additional housing units have been created at 28 Goodhue Street, known as North River Apartments, through negotiations during the permitting process, and 10% of the units at Riverview Place apartments and Grove Street Apartments will be affordable upon construction, totaling an additional 25 units of affordable housing in the future.

- Preserving Existing Affordable Units

Salem has five large 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). Below is the status of these properties:

- In February 2003, the city reached an agreement that will keep Salem Heights' 283 apartments rented at affordable rates for 100 years (2103).
- 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 to ensure that 90 percent of the 250 units would be reserved for families and individuals at or below 60 percent AMI for a period of forty years. Furthermore, 10 percent will be reserved for those at or below 30 percent AMI. In 2013, when the 121A agreement for Loring Towers was expiring, the City approved an extension of their agreements in support of affordable housing, through 2016.
- In 2014 the city worked diligently with Winn Companies to negotiate a compromise proposal in an effort to address the City's concerns about the loss of affordable housing at Pequot Highlands, whose Section 236 loan was due to mature March 1, 2019. Winn pledged to seek a minimum of 100 units (40% total) to remain affordable under a 30 year project based voucher contract; and to increase this minimum amount by "offering up to an additional 50 project based vouchers to be offered to existing qualified residents on a first come first serve basis, for a contract period of no less than 15 years. The City of Salem supported having a total of 150 project-based units as a reasonable approach to maximizing affordability. This will bring the total percentage of project based vouchers at the property to 60%, consistent with the City's goal. Without this solution, all affordable units would have been lost in five years (2019) upon the expiration of the 236 loan. In addition, an existing LIHTC Regulatory Agreement restricts rents to 60% of AMI for 103 of the 250 total units until 2096.
- When Preservation of Affordable Housing (POAH) purchased Fairweather Apartments, this purchase ensured the continued affordability of these 127 units through 2025.
- Princeton Crossing Apartments has 358 units whose affordability expires in 2017.

- 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 able to offer assistance to families threatened with the possibility of foreclosure and through a subscription to the Warren Group, are able to print reports on current foreclosures.

The City encourages first-time homebuyers to complete a certified homebuyer education course, such as the one funded with CDBG funds through the North Shore Community Development Coalition (NSCDC). The City provides an additional \$1000 in First Time Homebuyer Downpayment Assistance Loan Program funds for those that do.

Furthermore, the City continues to fund homeless prevention programs through Catholic Charities, Salvation Army, NSCAP and Healing Abuse Working for Change (HAWC). These programs provide emergency financial assistance to prevent eviction.

- **Eliminating Vacancies as a Result of Foreclosure**

Foreclosure often results in families being displaced from their home. Foreclosures also result in an increased demand for affordable rental units by both the former homeowner and by any displaced tenants. In addition, foreclosure can result in vacant buildings, which can have a deteriorating effect on neighborhoods. The following chart shows the number of Foreclosure Deeds (properties that became bank-owned) in Salem for the past calendar years⁴.

YEAR	1-FAMILY	CONDO	ALL
2014	4	10	21
2013	8	14	26
2012	16	20	45
2011	12	27	53
2010	18	33	64
2009	19	25	62
2008	19	32	73
2007	18	25	55

The good news is that, in Salem, the number of Foreclosure Deeds has been steadily declining over the last several years.

The Commonwealth defines foreclosure distress properties as those where a foreclosure petition has been filed or an auction scheduled in the previous year, or is bank held (up to 2 years). In a Massachusetts Housing Partnership Foreclosure Monitor article, as of July 1, 2014, Salem’s rate of distress housing units per thousand was 3.7%, lower than the state average of 4% for municipalities with 1,000 units of housing or more.⁵

The City continues to fund Rental Downpayment Assistance programs at Salvation Army, NSCAP, Citizens for Adequate Housing and HAWC to provide first/last month’s rent and security which can be used by displaced families.

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

⁴ The Warren Group, “Foreclosure Stats”, www.thewarrengroup.com.

⁵ Massachusetts Housing Partnership Foreclosure Monitor, August 15, 2014.

foreclosed upon home. The City's Housing Rehabilitation Loan Program is available to investors who purchase foreclosed properties so that they can bring the property up to code and turn them into affordable rental units.

An important part of the City's recovery and revitalization efforts is helping to re-occupy and repair foreclosed properties, which is accomplished through our First Time Homebuyer and our Housing Rehabilitation Loan Programs. As part of the Housing Rehabilitation Loan Program, any renovated rental units are restricted to affordable rents and must be occupied by low- to moderate-income households for a period of 15 years.

- Public Housing

The Salem Housing Authority (SHA) provides affordable housing to individuals and families in both federally- and state-owned properties.

The SHA also administers Section 8 Housing Choice Vouchers, which subsidize the rents of tenants living in privately-owned rental units. It manages 39 federally-owned housing units located in six properties at six different sites, as well as 676 units of state-owned housing located in 83 buildings at 17 sites within the City. In addition to its own properties, the SHA currently manages a total of 1,379 Section 8 Vouchers that subsidize rents in privately-owned housing.

The SHA is pursuing an active modernization program to maintain and update its public housing portfolio, both state- and federally-funded. For state-funded developments, the Commonwealth has moved to a 5 year capital improvement funding plan which provides better ability to local housing authorities to plan and budget their capital improvements. While funding is still more limited than what is needed to maintain units in excellent condition, the plan provides for a predictable income stream for capital improvements and repairs. This recent change is preferable to the previous system of annual applications to the state with all housing authorities competing for limited funding.

In addition to routine maintenance and repair work, the following modernization work is currently either underway or in design at the following SHA developments:

- \$1.8 million window and door replacement at the Pioneer Terrace elderly housing development;
- \$144,000 emergency generator installation at the Dalton Building, elderly housing;
- \$58,000 exterior brick masonry work at 33 Park St./26 Prince St., family housing;
- \$245,000 heat and hot water upgrade and conversion to natural gas at 5 Barton Square and 292 Essex St., elderly housing;
- \$85,000 window replacement at 33 Park St./26 Prince St., family housing;
- \$22,000 exterior railing replacement at Bertram Terrace, elderly housing;
- \$330,000 roof replacement at 27 Charter St., elderly housing; and
- \$105,000 exterior brick masonry repointing at 3 Broad St., elderly housing and 117 Congress St., family housing.

A member of the Resident Advisory Board (RAB) sits as a member of the SHA Board of Commissioners and the RAB actively encourages resident involvement in management issues.

Other agencies in the region also administer housing vouchers – both project based and mobile – which are utilized by Salem residents. Community Teamwork, Inc. (CTI) in Lowell provides vouchers to 348 households, including 169 project-based vouchers and 179 mobile vouchers.

CTI also administers the MA Department of Housing and Community Development's Family Self-Sufficiency Program which provides employment incentives to Section 8 voucher households. There are currently 7 DHCD FSS participants in the City of Salem.

- Providing Expanded First Time Homebuyers Assistance

The City continues its goal to provide families with the opportunity to own their first home through the First-Time Homebuyer Downpayment Assistance Loan Program (FTHB). In addition to basic downpayment assistance, the program offers a \$1,000 increase over the maximum loan amount for homeowners who complete First-Time Homebuyer Counseling through a qualified training program.

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

- Providing Assistance to Renters

This year, the City continued its commitment to assist families with rental down payment assistance (first and last month's rent and security deposit) to provide families with the funds necessary to secure affordable housing. The program is an important tool for helping families with the costs of moving into a decent apartment.

- Rehabilitation of Existing Housing

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

In June, 2007, the N. S. HOME Consortium voted to adopt the federal **Energy Star Standards**. The implementation of this new policy for the use of HOME funds began in October, 2007. All new HOME-assisted units are required to be certified as *Energy Star compliant* whenever either new construction is involved or where the rehabilitation of an existing structure involves the gutting of the structure to the bare walls. Homeowners are also referred to NSCAP's weatherization program, where they can get energy-efficiency work undertaken, and then utilize Salem's loan program, thereby reducing the homeowner's loan burden.

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

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

The housing market operates regionally and the impact of the market is not confined to city boundaries. Salem has more affordable housing than many cities in the region. At 12.98 percent (state average is 9.2%), Salem has the highest percentage of affordable housing of the 30 cities and towns in the North Shore Home Consortium. Still, the supply falls short of the need for affordable and accessible units, particularly to serve the lowest income households. Multi-jurisdiction cooperation is needed to address the region's insufficient affordable housing opportunities. No one city or town can, or should, bear the responsibility of providing all of the region's affordable units. Salem is committed to working with its partners in the North Shore HOME Consortium and with the region's mayors to encourage the development of housing throughout the area in an effort to increase the supply of housing for all.

Affirmatively Furthering Fair Housing

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

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

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

- Salem has high ethnic and minority concentrations in some neighborhoods.

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

The City has used the Consortium's AI and its own experience to inform its approach to affirmatively furthering fair housing. City staff are regularly informed about fair housing-related issues and concerns through their interactions with the public and local organizations. While the consultant identified various impediments to fair housing choice for the consortium as a whole, City staff with their intimate knowledge and experience of the city's dynamics and neighborhoods, and through information gathered for the City's 2005 and 2010 Five Year Consolidated Plans, has determined that the following selected impediments, excerpted from the AI, are relevant to Salem:

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

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

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

- Local officials receive training so they understand the Fair Housing Law and can educate others: In 2009, the City's Assistant Community Development Director, the Housing Coordinator and a board member of the City's Affordable Housing Trust attended a Fair Housing Training hosted by the North Shore Home Consortium and conducted by The Fair Housing Center. Staff shared information received at the training with the remainder of the AHTF board members. In May, 2012 the Housing Coordinator attended a HUD Fair Housing Seminar held in Gloucester, as well as a LGBT HUD Equal Access to HUD Programs & Cultural Competency: An Explanation of HUD's Equal Access Rule workshop held in Boston in September, 2012. The Housing Coordinator also attended forums sponsored by the

Independent Living Center (September, 2012 - Affordable, Available Accessible Housing in Salem and April, 2013 and May, 2015 - Housing Right in Salem: Fair Housing Laws & Dealing w/Discrimination), as well as HUD's Fair Housing Accessibility FIRST in Boston in May, 2013 and April, 2014. In April, 2015, she attended an Affirmative Fair Housing Marketing Resident Selection Plans and Lottery Training hosted by DHCD/Mass Housing Partnership. (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 April 2009, the City's Affordable Housing Task Force sponsored a Housing Summit to provide a forum for discussing the housing challenges facing Salem. Over 30 people attended the summit including: Affordable Housing Task Force board members, real estate professionals, directors of local non-profits, regional planners and other housing advocates.

In, March, 2013, the City of Salem hosted an Abandoned Housing Initiative Receivership Training Seminar with the Massachusetts Attorney General's Office in order for municipalities to partner and learn about how to help revitalize properties threatened by foreclosure and/or in need of rehabilitation, reverse the ill effects of the foreclosure crisis and keep our neighborhoods safe and secure. The City recently worked with The Charles Hope Companies as a receiver to enable an abandoned home to be renovated to remove the blighting influence of this property and keep the neighborhood secure. The Charles Hope Companies is currently working with the City on two additional abandoned properties

In November, 2014, the City of Salem hosted CHAPA's regional meeting regarding changes in State housing policy and affordable housing efforts, which was attended by area housing providers, non-profits and local stakeholders.

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

- The City takes advantage of opportunities to interact directly with the public to promote awareness of fair housing laws and available resources that work toward the intent of fair housing: The City's housing staff regularly participate in housing fairs held by lending institutions and real estate professionals. At these fairs, the City provides information and counseling to attendees regarding its first-time homebuyer, rehabilitation and 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. Staff presented at four workshops in FY09 and staff presented at one workshop in FY10, one in FY11 and one in FY12. Staff presented at two in FY13, including one at the Salem Council on Aging and one at a First Time Homebuyer Certification Course hosted by the North Shore CDC, the Home Buying Mentors and the Allston Brighton CDC. In March, 2015 staff presented at Home Buying 101, presented by the Home Buying Mentors and sponsored by NSCDC, Allston Brighton CDC and the Salem Academy Charter School. (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. and/or North Shore CDC, nonprofit organizations that conduct 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. Community Teamwork conducted training sessions in March 2012 and June, 2012. City housing staff gave presentations during a class for both of these training sessions, as well as for a Homebuying 101 Course provided in Spanish in May, 2014, sponsored by 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, 2010 and 2015. 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.

In September, 2010, the City reviewed the following possible impediments and provided a 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 Budget Coordinator) are bilingual (fluent in Spanish/English) and a few staff are conversational in Spanish, French or Portuguese. 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.

During the development of the 2015 plan, throughout the process of gathering input through public meetings and interviews with service providers, business associations, and housing professionals, there was no found indication that housing policies have created impediments to fair housing. Subsidized and affordable housing is located citywide, and is not disproportionately concentrated. Foreclosures and loan denials also occurred proportionally in all areas. Moreover, Salem has not experienced neighborhood objection and zoning practices that limit development of supportive housing for persons with disabilities. In comparison with other towns in the region, Salem offers a greater diversity of housing, and a higher proportion of affordable housing overall, exceeding the state's 10% affordable housing goal. Moreover, a concentration of health and social service providers in Salem draws a disproportionate share of persons with disabilities to seek affordable and accessible housing in the city.

To augment the outreach process, the City conducted an online survey in English and Spanish (also available in a hard copy format), available between October 21, 2015, and November 22, 2015. Overall, 315 people completed the survey in English, and 3 people completed it in Spanish. (One of the Spanish-speaking respondents did not complete the survey past the Demographics section, and a second only completed through the Housing section.) Nine English-speaking respondents (but neither of the Spanish-speaking ones) indicate that they or a family member has experienced housing discrimination in Salem. The most common barrier to fair housing that respondents perceive is a lack of understanding of fair housing rights/laws by landlords (47 of 158) and unlawful discrimination in the rental market (21). Many also note that prospective residents are steered away from or into certain neighborhoods (36), and that minorities experience high rates of home mortgage denial (27). Some respondents point to regulatory barriers (14) and inadequate code enforcement for unsafe conditions (27) as barriers to affordable and fair housing. Open ended responses highlight high housing costs and lack of available housing to meet demand as being the principle barriers to fair and affordable housing in the city (about 25 responses). Some respondents point specifically to discrimination against families by landlords of older rentals because of lead paint hazard, or the challenge of obtaining housing with CORI issues. One of the Spanish-speaking respondents observes that they sometimes see higher rents being charged (although they do not indicate which population this affects). Also, some middle income households who do not qualify for housing assistance complain of being squeezed out of the market.

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.

The City of Salem received an on-site monitoring an Equal Opportunity Specialist (Civil Rights Analyst) of HUD's Office of FHEO / Program Compliance Branch in March, 2015. There were no findings or concerns issued as a result of this monitoring.

Continuum of Care/Homelessness

During FY15, the city continued to support local agencies that provide direct assistance to homeless families and individuals in Salem, such as Lifebridge 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 33 households (75 persons) avoided homelessness through city-funded Homeless Prevention Programs.

Through Lifebridge, a 34-bed shelter for men and women, the City funds their Medical Support Services Program which includes wound care, general health assessments, flu and TB shots, diabetic monitoring and education. They also provide a part-time outreach worker that helps connect homeless individuals with needed services. Representatives of Lifebridge meet with DCPD staff, the Salem Police Community Impact Unit, downtown business representatives and other interested parties as needed to discuss program progress.

HAWC reports that a comprehensive national report 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.

In late 2014, the Mayors of Salem and Beverly joined together to create a joint task force to better understand and address the homelessness problem. The task force is co-chaired by the two mayors and includes representatives from city departments, and service agencies. In February, 2015, Danvers and Peabody were invited to join the task force. The Mayors' Task Force on Homelessness proposes to analyze sub-populations of homeless people: the chronic homeless, homeless families, seniors, teens and young adults, as well as those with substance abuse, mental health and/or behavioral health issues. The group will also look at long-term needs for supportive housing, emergency shelter, day programming, and other support systems. In addition to the Mayor, Salem's Assistant Community Development Director is Salem's representative on the task force.

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

Evaluation of Goals

This year, we exceeded our estimate to assist one household to purchase their first home by assisting five. However, at a total of 21 after five years, it is clear that the foreclosure crisis took its toll and Salem did not meet its Consolidated Plan goal of 80 households assisted.

The Housing Rehabilitation Loan Program continues to assist families in need and to meet or exceed the goals laid out in the Consolidated Plan. In FY15, we met our Action Plan goal of rehabilitating 4 housing units. In addition, there is one more project currently underway. In total, after five years, at 43, we were three over our Consolidated Plan goal of 40 units.

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 FY15 Action Plan projected that up to 36 households would be assisted; 42 families were assisted through contracts with North Shore Community Action Program, Inc., Salvation Army, HAWC and Citizens for Adequate Housing, exceeding this year's goal. However, after five years, at 250 households assisted, we did not meet our goal of assisting 375 households. This could be due to there being less of a need; however is more likely due to more funding required for individual households, lowering the ability to serve more households.

Although not funded through Salem's CDBG or HOME funds, four additional housing units have been created at 28 Goodhue Street, known as North River Apartments, through negotiations during the permitting process, and 10% of the units at Riverview Place apartments and Grove Street Apartments will be affordable upon construction, totaling an additional 25 units of affordable housing in the future.

Finally, we continue the ongoing review and update of our program policies and guidelines, training staff and marketing our programs. All program materials are available on the city's website.

The Housing Coordinator periodically participates in available, applicable trainings, meetings or webinars (i.e. October, 2012 webinar: Using the Income Calculator to Determine Annual Income). This year the Housing Coordinator attended:

- Affirmative Fair Housing Marketing Resident Selection Plans and Lottery Training – Randolph, MA – April, 2015 – Sponsored by DHCD and Massachusetts Fair Housing Partnership
- Webinar on Mass Housing Mortgage products – March, 2015 – Massachusetts Homeownership Mortgage Products and CHAPA

The Housing Coordinator and/or the Assistant Development Director also attend regular meetings of the North Shore HOME Consortium.

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 FY15, 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 FY15 Action Plan.



Courtesy of VOCES Hispanic Education Program

According to HUD regulations, we are allowed to commit up to 15 percent of our CDBG allocation to public service activities. In FY15, 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 FY15 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 FY15, we were able to expend \$136,645.54 on 23 open public service contracts, which, in turn, assisted 8,585 people, including at least 680 children/youth and 342 seniors (see Table 2 for Active Projects).

Table2: FY15 Public Services Financial Summary

Agency	CDBG Funding Available	CDBG Funds Spent	Number Assisted	Program Impact
Bentley Elementary School After School Program (Students on the Move)	\$5,000.00	\$0	0 youth	No funds were spent during the program period.
Boys & Girls Club Teen Power Hour	\$4,800.00	\$4,800.00	305 youth	Provided homework help, so that at least one assignment was completed with at least 90 children attending for 3 days per week for 12 weeks.
Catholic Charities Homeless Prevention Program	\$9,800.00	\$9,800.00	36 persons	14 families avoided homelessness with emergency rent assistance . They also assisted 15 persons with this program with other non-CDBG funding. All families received extensive information and referral services and budget counseling.
Catholic Charities Little Lambs Program	\$50 FY14	\$50.00	4 persons	Assisted 1 family with referrals to child care and provided diapers and wipes.

Agency	CDBG Funding Available	CDBG Funds Spent	Number Assisted	Program Impact
Cerebral Palsy Association North Shore Infant & Toddler Preschool Program	\$4,800.00	\$4,800.00	64 children	For children with physical and developmental disabilities to attend integrated developmental play groups once per week. 26 children continue to attend. Children who have ages out of the program have gone to local day cares and preschools (13), Salem Public Schools (15), moved out of Salem (3) and Head Start (7).
East Gate Fellowship: Joseph's Storehouse	\$9,800.00	\$9,800.00	2190 persons	Provided a food pantry to 1027 households for a total of 6925. As a result, 6925 visits were made to the pantry by low and very low income Salem residents, thereby allowing them to stretch their household monies and still have nutritious food.
Haven From Hunger Food Pantry	\$9,800.00	\$9,800.00	664 persons	Provided food to 319 Salem families through visits to the food pantry over 5 months, representing 1240 total visits.
H.A.W.C. Children's Program	\$9,800.00	\$9,800.00	78 persons	Assisted 40 adults and 38 children who are victims of domestic violence. Play groups were held 4 times per week. The program held weekly parenting and craft groups, and weekly house meetings. They also ran a self-care group.
H.A.W.C. Homeless Prevention Program	\$3644.52 (FY13)	\$0	0 persons	No funds were spent during the program period.
Independent Living Center Accessible Housing Education Services Program	\$4,800.00	\$4,800.00	36 disabled persons/ households	Provided two housing forums, one on availability of housing and one on housing rights. ILCNSCA also provided an additional housing information presentation at the LifeBridge Shelter. ILCNSCA provided individual independent living services and information and referral (in-office and telephone) on housing issues resulting in 4 placements/relocations into AAA housing. ILCNSCA assisted more than 31 consumers to complete and submit subsidized housing applications (including Section 8 or other Housing Authority application). Twelve monthly Universal Housing Application assistance workshops were offered, on the first Wednesday of the month.

Agency	CDBG Funding Available	CDBG Funds Spent	Number Assisted	Program Impact
LEAP for Education (formerly Salem Cyberspace)	\$4,800.00	\$4,800.00	63 youth	Provided assistance to Salem teens in high school and college, meeting with 34 high school students at least 3 hours per week, 16 college freshmen at least 2 hours per month and 9 college sophomores at least 1 hour per month. As a result of these activities, 48 applications to college were submitted, 5 applications for financial aid were filed and 2 students took college entrance exams from November, 2014 through January, 2015.
Lifebridge Medical Support Services	\$9,800.00	\$9,800.00	201 persons	Provide wound care, general health assessments, diabetic monitoring and education. 896 health assessments were completed by the Lifebridge nurse. They also conducted street outreach services to connect homeless individuals with shelter services.
NSCAP Homeless Prevention Program	\$9,800.00	\$6506.53	37 persons	Assisted 18 families (37 persons) with emergency assistance to prevent homelessness. 12 families were assisted with rent and 6 families with utilities. In addition, 245 families, of which 137 were Salem residents, were assisted through the NSCAP program.
North Shore CDC Family Stability Program	\$9,075.00	\$9,075.00	163 persons	They provided classes for housing stability and economic and personal growth, including 83 workshops/classes for low-income Salem residents including 2 home ownership workshops, 25 English language classes, 21 sessions of tax preparation, 23 career counseling sessions, 2 financial literacy workshops and 10 subsidized housing search workshops.
North Shore Moving Market	\$4,800.00	\$4,800.00	111 persons	Assisted 81 Salem households with 554 deliveries of food, approximately 65-70 deliveries per month.
Salem Access Television Youth in Action	\$4,800.00	\$4,800.00	13 youth	Provided a minimum 36 hour training course for youth age 12-17 including television, field and studio productions, scripting and storyboarding. 13 youth from the Boys & Girls Club completed the course and received a certificate of course completion. The group completed a video "Expressing yourself through art", which was broadcast on SATV.

Agency	CDBG Funding Available	CDBG Funds Spent	Number Assisted	Program Impact
Salem Community Child Care	\$9,800.00	\$9,800.00	17 youth	Provided education and child care to 14 kindergarten children from 1:30-5:30 Monday through Friday when school is in session and 7:00 to 5:30 during school vacations. Children were assisted with homework and all children successfully completed kindergarten.
Salem Council on Aging Transportation Program	\$232.03 FY14; \$15,000 FY15	\$7255.85	342 seniors	Provided approximately 59 rides per day including rides to the following: 4124 to the Council on Aging, 3129 medical, 2319 shopping, 1242 events & activities, 403 hairdresser, 262 library, 722 YMCA, 185 bank, 84 Salem Housing Authority, 624 other.
Salem Police Department Bicycle and Walk/Ride Patrols	\$9023.84 FY14; \$10,000 FY15	\$9460.16	3,918 persons	Targeted bicycle patrols in the Point Neighborhood the end of June thru October 5ths. Total calls for service in the Point Neighborhood area increased 26% over last year. Drug offenses decreased 24%; drunk individuals decreased 22%; public drinking decreased 50%; disorderly conduct decreased 12%; total disturbances increased 58%; loitering decreased 50%; noise ordinance violations decreased 31%; total assaults decreased 7%.
Salem YMCA School Age Child Care Program	\$10,000.00	\$10,000.00	218 youth	Provided child care with curriculum based instruction, enrichment activities, swimming and field trips 5 days per week
Salvation Army Homeless Prevention	\$673.68 FY14; \$5450 FY15	\$500.00	2 persons	Assisted 1 households with homelessness prevention (rent arrearage).
V.O.C.E.S. Hispanic Education Program	\$4,800.00	\$4,697.17	119 persons	Provided 175 classes in either Citizenship Education or GED Preparation. This year they reported were 79 new citizens and 2 persons got their GED in Spanish.
Wellspring House MediClerk Program	\$3500 FY15	\$1750.00	4 persons	13 week training course assisted 4 students enrolled in the MediClerk Program. 3 students completed the program and have been placed in jobs, two as Patient Access Coordinators at the North Shore Medical Center, and one as a Pharmacy Tech at CVS Pharmacy. The 4th student completed the academic portion of the program and will finish her internship when her maternity leave is over.
TOTAL PERSONS ASSISTED		8,585 persons, including at least 680 children/youth & 342 seniors		

Evaluation of Goals

As stated before, Public Service activities allow us to provide direct services to our low- and moderate-income residents. Our FY15 Action Plan goal was to provide approximately 25 new grants and serve an estimated 10,000 persons. We executed agreements for 21 new grants. Through these new grants and carried over open contracts, we assisted 8,585 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.

Over the five year period, we served 47,868 persons, just shy of our 50,000 person goal.



Boys & Girls Club Fashion Show. Photo courtesy of SATV

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.



Bambolina Ribbon Cutting

During FY 15, several new businesses opened in the Urban Renewal Area bringing new goods and services to the neighborhood. While there continues to be solid private sector investment, businesses are continuing to adjust to the economy, the change in people's purchasing habits, and increased competition. Since 2010 the city's unemployment rate has steadily improved. Salem's unemployment rate as of June 2015 is 5.1 percent⁶, which represents a drop or more than one percent from the year prior.

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

⁶ Massachusetts Executive Office of Labor and Workforce Development, Department of Unemployment Assistance

downtown commercial districts. The program offers a one-to-one financial match for façade improvements of up to \$5,000 per storefront.

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: FY15 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.	\$25,935.87	<ul style="list-style-type: none"> • \$4,450 CDBG spent • 2 Storefronts assisted
Business Loan Program		Provides three types of loans that fund commercial rehabilitation, job creation or retention and/or micro-enterprise assistance to make our commercial areas vibrant.	\$119,730.00	<ul style="list-style-type: none"> • \$119,555 CDBG spent • 3 businesses assisted
Business Technical Assistance	Salem Main Streets Program	Provides commercial district revitalization through organization, promotion, economic restructuring and design.	\$35,000.00	<ul style="list-style-type: none"> • \$35,000 CDBG spent • 8 new full time jobs documented (7 FTE) • Assisted 8 new, 37 existing and 17 prospective businesses (including 24 micro-enterprises)
	Enterprise Center Micro-Enterprise Program	Leveraging funds from a Working Cities Challenge Grant awarded by the Federal Reserve Bank of Boston, develop and offer four (4) free, Spanish language business workshops. Each participating entrepreneur and microenterprise owner also receives one-on-one business counseling support from the SBDC for 12 months in Spanish or English. Funds also subsidize the membership cost for a business owner to join the <i>North Shore Latino Business Association</i> .	\$20,370.02	<ul style="list-style-type: none"> • 20,730.02 spent • 4 workshops conducted • Assisted 10 participants - 6 existing businesses (3 existing micro-enterprises) and 4 interested in starting a business.
	Economic Development Program Delivery	Costs associated with providing Economic Development programs and administration of the Salem Redevelopment Authority.	\$79,944.88	<ul style="list-style-type: none"> • \$78,294.88 CDBG spent • (see description below)

Evaluation of Goals

In FY15, with our Small Business Financial Assistance Programs, we exceeded our Action Plan goal to assist one business by assisting three with new business loans and two storefronts with design assistance (storefronts to be completed in FY16). Two of the business loans will be monitored in FY16 for job creation. With regard to the Consolidate Plan goals, at only 5 businesses, we fell short of our goal undertaking 20 commercial building acquisitions, constructions or rehabilitations (including commercial storefronts). However, we exceeded our goal of direct financial assistance to 5 for-profits by assisting 8 businesses.

The Salem Main Streets Program provided technical assistance to 62 new, existing or potential businesses, including 24 micro-enterprise businesses, exceeding our FY15 Action Plan goal of assisting 20 microenterprises. Over five years they have already exceeded the five year goal of assisting 100 microenterprises for a total of 120. Events included the Farmer's Market, Heritage Days (Mayor's Night Out and Ice Scream Bowl) Salem Winter Farmer's Market, Haunted Happenings, Holiday Tree Lighting, Holiday Stroll, Holiday Window Decoration Contest and Santa Arrival events, New Year's Eve Salem launch, Salem So Sweet Festival, Salem Film Festival, Salem Arts Festival and PEM/PM Artopia.

In total, \$258,029.90 in CDBG funds was spent during the program period for economic development activities, including technical assistance provided by our Economic Development (ED) Planner, who administers the City's financial assistance programs and provides administration to the Salem Redevelopment Authority, which oversees the Urban Renewal Area.

Technical assistance is provided to potential, new and existing businesses including micro-enterprises, in the downtown, Point Neighborhood and other commercial areas, and includes:

- working with businesses on business locations, business expansion
- development of tax increment financing agreements
- liaising with state economic development agencies to provide businesses with access to tax credits and other incentives
- Coordinating the development of neighborhood and economic development plans
- Acting as a liaison between businesses and the Salem Redevelopment Authority, including processing of applications and attending meetings
- managing the Salem Main Streets contract
- Managing Small Business Financial Assistance Programs
 - Small Business Loan Program – Work with businesses to submit applications, underwriting, loan documents, job monitoring
 - Storefront Improvement Program (to undertake exterior improvements, building code improvements and purchase of signage for businesses in the Urban Renewal Area and LMI neighborhoods)

During FY15, DPCD's Economic Development Planner worked on several significant redevelopment projects, including:

- The approval of 35 projects including, but not limited to, signs, public art installations, and façade/building renovations proposed within Salem's Urban Renewal Area. The ED Planner worked with applicants on all required information needed for Board submissions and ultimate approvals.

- Managing the restoration of the Salem Town Pump Fountain, which sits at the head of the City’s Essex Street Pedestrian Mall in the Urban Renewal Area. The work, which was completed in fall of FY15, included updating the fountain’s plumbing infrastructure, providing lighting, shrinking its basin, installing etched concrete, new grating, a new brick plaza, and cleaning existing concrete and bronze features.

In March of 2014, the City of Salem was awarded a “Working Cities Challenge” grant in the amount of \$100,000. The program, which is managed by the Federal Reserve Bank of Boston, allowed the City to address poverty, unemployment, and civic engagement in its lowest income and majority immigrant neighborhood, “the Point.” The Economic Development Planner has been a point-person in coordinating all aspects of grant administration and programming with partners such as the North Shore Workforce Investment Board, the North Shore Community Development Coalition, the North Shore Medical Center, and Salem State University (including its Enterprise Center). Grant funded activities included an occupational skills training program geared toward non-native English speakers that focused preparing participants for careers in healthcare; the development of a retail market analysis of the major commercial corridors in the Point neighborhood; and leadership and civic engagement activities to encourage Point residents to better involve themselves in City initiatives and to vote. The Economic Development Planner worked with business owners, neighborhood groups and local stakeholders, attending all public meetings, providing oversight of implementation of the plan and reporting of accomplishments.

During FY15, the ED Planner continued to collaborate with the Enterprise Center at Salem State University and the Small Business Development Center to provide technical assistance to entrepreneurs. In particular, as a complement to the Working Cities Challenge initiative described above, the ED Planner worked with the Small Business Development Center to plan a set of microenterprise technical assistance modules that were taught in Spanish in the Point neighborhood. Topics include how to start a business, business financing, pricing products and services, and sales and marketing.

The Economic Development Planner collaborated with the Salem Chamber of Commerce on several economic development topics including downtown transportation, business recruitment and retention, and the development of policy suggestions for the City to consider that will streamline permitting for small businesses.

The Economic Development Planner is also the City’s representative board member on the North Shore Workforce Investment Board, which serves as the oversight and policy-making body for federally funded employment and training services in the 19 community North Shore Region. The board also has the broader role of addressing critical labor market issues and developing strategic partnerships with local leaders in economic development, the K-12 and higher education system, government agencies, chambers of commerce, community-based, and labor organizations. The board charters and oversees a one-stop career center, North Shore Career Center, located in Salem, with satellite offices throughout the North Shore.

The Economic Development Planner prepared the following grant applications in FY2015, which support various Economic Development initiatives:

- MA Cultural Facilities Fund to support restoration of Salem’s Old Town Hall windows – \$20,000 awarded in July 2014
- ArtPlace America to support redevelopment of Artists’ Row in downtown Salem

- MA DHCD’s PATH Program to rezone all or a portion of the Point Neighborhood as a 40R Smart Growth Overlay District - \$35,000 awarded in May 2015

Table 4: Active Economic Development Loans in FY15 & Additional Job Monitoring

Project	Amount of Loan	Total Jobs Monitored
Pia (loan)	\$20,390	Total 2 FTE created
Old Main Street Pub (loan)	\$51,820	10 jobs created (7 FTE)
Salem Main Streets (t/a)	\$35,000	8 new jobs (7 FTE)
Bambolina/Ragazza (loan)	\$36,445	To be monitored in FY16
Deacon Giles (loan)	\$20,730.02	To be monitored in FY16



Olde Main Street Pub

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.



15 Ward Street Pocket Park. Photo courtesy of North Shore Community Development Coalition

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 FY15. Neighborhood Improvement Projects can only take place in those areas eligible for CDBG funding (see Appendix for map); therefore all the projects listed are designated for these target neighborhoods.

Table 5: FY15 Neighborhood Improvement Financial Summary

Activity	CDBG Funds Available in FY15	CDBG Funds Spent in FY15	Status
Section 108 Loan Payments – South Harbor Garage (final payment)	\$35,908.25	\$35,908.25	Complete
Pedestrian Mall Fountain	\$192,778.35	\$192,778.35	Complete
NSCDC 15 Ward St. Playground	\$20,271.56	\$20,271.56	Complete
Tree Planting Program	\$5867.00	\$5867.00	Complete
Salem Harborwalk	\$309.44	\$309.44	Complete
Teen Resource Center	\$1500	\$1500	Complete
Splaine Park improvements	\$158,488.37	\$147,256.55	Substantially complete
Street Improvements (i.e. sidewalks, curbcuts, paving & crosswalks)	\$113,090.68	\$30,288.88	Ongoing
Mary Jane Lee Park Improvements	\$101,391.57	\$1391.57	Ongoing
Salem Council on Aging Repairs	\$50,065.05	\$65.05	Quoting
Point Neighborhood Playground Improvements	\$50,000.00	\$0	Planning
Point Visioning Projects	\$50,000.00	\$0	Planning
Pedestrian Mall Improvements	\$46,657.42	\$0	Planning
McGlew Park Improvements	\$11,500.00	\$0	Planning
Historic Sign Installation	\$7,500.00	\$0	Planning

Evaluation of Goals

During the program period, we continued to work on important neighborhood projects, and spent a total of \$408,479.77, including program delivery costs, toward meeting the goals in the FY15 Action Plan and 5 year Consolidated Plan. Completed projects during FY15 include reconstruction of the Pedestrian Mall Fountain, assistance to North Shore CDC to create a playground space at 15 Ward

“You know the greatest thing about this whole program? We have kids who have graduated and don’t need to be here anymore, but they still come during the week and on Saturdays. So we’re doing something right.” Police Sgt. Harry Rocheville of the Community Impact Unit, which is heavily involved in On Point at the Teen Resource Center in the Point Neighborhood.

Street, and the final touches on the Teen Resource Center. Improvements at Splaine Park are substantially complete. This year, the City also made the final payment on its Section 108 loan.

Projects underway include improvements to Mary Jane Lee Park and much needed repairs to the Salem Council on Aging facility.

Trees were planted on Andrew, Linden, Cabot, Hancock, Dow, Hazel, Salem and Washington Streets, Francis and

Raymond Roads and Raymond Avenue, St. Peter, Essex and Washington Streets and Klop Alley.

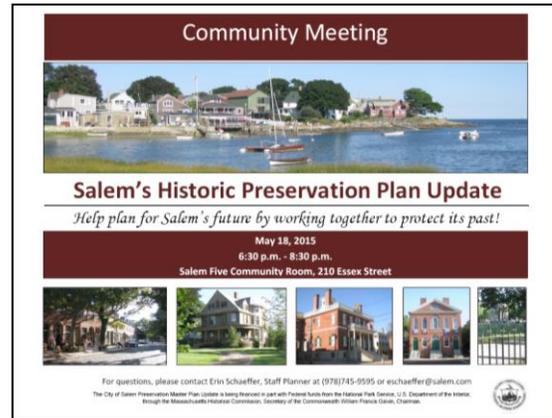
Point Neighborhood Playground Improvements, Point Visioning Projects, Pedestrian Mall Improvements, McGlew Park Improvements and Historic Sign Installation are all in the planning stage and these funds will be carried over to FY16.

After five years, we exceeded our goal of two public facility and infrastructure improvements by completing eight. We exceeded our goal to improve two parks/playgrounds by completing four. We exceeded our goal of planting sixty-five trees by planting one hundred and thirty-three. We exceeded our goal of undertaking twelve street/sidewalk improvements by completing twenty-nine. We are disappointed that our goal to construct a new senior center has not been realized and are hopeful that we will see ground break by FY16.

PLANNING & ADMINISTRATION

In the Consolidated Plan, our priority administrative 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 FY15, we provided matching funds toward a Massachusetts Historical Commission Survey (MHC) and Planning Grant to undertake an update of the Preservation Master Plan. Funds were also used toward planning costs for the Dickson Memorial Chapel project.



In FY15, we spent a total of \$224,186.18 in Planning and Administration for planning projects completed in the fiscal year and administration expenses necessary to carry out our programs. As stated previously, we were able to remain under the administrative spending cap of 20 percent.

Table 7: FY15 Planning & Administration Financial Summary

Activity	CDBG Funds Available	CDBG Funds Spent
Survey & Planning Grant – Preservation Master Plan	\$16,000.00	\$16,000.00
Greenlawn Cemetery – Dickson Memorial Chapel Planning	\$7,829.25	\$6,004.02
General Administration - Non-salary	\$9,773.75	\$9,773.75
General Administration - Benefits	\$29,148.92	\$29,148.92
General Administration - Salary	\$163,259.49	\$163,259.49

Barriers to Affordable Housing

In comparison with other towns in the region, Salem offers a greater diversity of housing, and a higher proportion of affordable housing overall, exceeding the state's 10% affordable housing goal. Subsidized and affordable housing is located citywide, and is not disproportionately concentrated. Foreclosures and loan denials have also occurred proportionally in all areas. In addition, Salem has not experienced neighborhood objection and zoning practices that limit development of supportive housing for persons with disabilities. Moreover, a concentration of health and social service providers in Salem draws a disproportionate share of persons with disabilities to seek affordable and accessible housing in the city.

However, some of the factors identified in the 2010 Consolidated Plan continue to contribute to the difficulty of increasing the availability of affordable housing, including a shortage of land, lack of regulatory tools to require affordable housing in new developments, 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.

As a mature coastal city of only eight square miles, there is limited remaining developable land, and the remaining developable land is limited by environmental constraints and regulated by zoning and other state and federal land regulations. While Salem has been working extensively to allow for larger mixed-use and multi-family residential projects within its downtown area and the North River Canal Corridor, the recent recession hindered (although not completely stopped) the development of such projects. The recession had several impacts related to construction: first, it has caused severe constrictions in construction spending. One outcome of this is that there are fewer developers remaining with the financial resources and access to capital, staffing capacity and skills required to perform large scale construction projects. Second, changes in federal regulations with respect to lending, which have remained relatively favorable toward the construction of multi-family residential projects, have also made it more difficult for developers to cross-leverage their existing projects in order to secure construction financing and take out loans. Third, with a weaker market, building more expensive projects (such as those that require the construction of costly underground parking as well as extensive design review) have become less profitable. All of these issues, combined with high land values, and sites that entail high development costs have created barriers to the construction of affordable residential development at the scale needed to respond to the need.

Salem has seen the value of its residential stock generally increase in the post-recession years, however at the same time, tax rates have also been raised. In the past decade, the residential tax rate has increased from \$11.38 per \$1,000 in 2005 to \$16.41 per \$1,000 in 2015. Two factors affect property tax bills: the cost of municipal and school services, and the sources and amounts of revenue used to pay them. In Salem, the increase in homeowner tax bills has less to do with growth in local spending than a decline in nonresidential tax revenue and the amount of local aid as a percentage of the City's budget. Of the 348 cities and towns in Massachusetts the Department of Revenue collects data for, Salem's average single-family tax bill ranked 126 in the state in 2014, which is an improvement since 2009 when it was ranked 119. Decreases in the commercial and industrial tax base have contributed to the problem of high tax bills, along with increases in fixed costs such as health care. Salem has plainly experienced a growing shortfall in local aid, forcing property tax payers to make up the difference.

Redevelopment of obsolete residential and commercial space for new condominium or rental housing has produced higher-end units that are not affordable to a large percentage of the City's

existing residents. While the infusion of more people and disposable income in the downtown area supports local economic development goals, a lack of a sufficient supply of housing for low-, moderate-, and middle-income households may create negative social and economic consequences for the City as a whole. The City has negotiated the inclusion of affordable housing in developments as deemed feasible with some notable successes. Inclusionary zoning could provide a more permanent strategy to achieve this goal, but would offer less flexibility to negotiate the best feasible public benefits.

The City is looking to adopt a 40R Smart Growth Overlay District (SGOD) within the Point Neighborhood. Adoption of a 40R district would help encourage commercial and housing diversity in mixed-use developments at high minimum densities, by being allowed as-of-right rather than on a special permit basis. Under state law, a 40R SGOD district requires a minimum of 20% deed-restricted affordable housing units. In order to fund and facilitate the process of developing a 40R SGOD, the City has received a \$35,000 award from the MA Department of Housing and Economic Development's Planning Assistance Toward Housing (PATH) grant program. The PATH program supports multi-family housing proximate to existing infrastructure, community services and public transportation, as well as projects containing ancillary commercial facilities that are secondary to the residential use of properties. The goal of PATH is to increase the supply of multi-family, mixed-income housing across the Commonwealth by encouraging community-based planning activities that will lead directly to housing production. Funding will go toward the facilitation of public meetings, solicitation of community input, and the development and approval of ordinance language. The City envisions this process taking place in 2015.

Salem has also utilized Massachusetts' Chapter 40B Comprehensive Permit program which enables the City to waive local zoning requirements including density, height, and use, for developments to create new affordable housing. For example, the City approved a "friendly 40B" proposal to facilitate redevelopment of the former St. Joseph's church site to create 51 units of affordable housing. The site was also rezoned to Central Business zoning, allowing a mixed use component. 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.

In passing the Community Preservation Act, Salem has committed locally-raised funds to contribute to meeting affordable housing needs. These funds may be used in combination with funding from other sources to help overcome financing barriers to facilitate affordable housing development by public, non-profit, and private entities. To date, two housing projects being undertaken by NSCDC have been awarded CPA funds, which will create 61 affordable housing units.

Through its Housing Rehabilitation Loan Program, First-Time Homebuyer Downpayment Assistance Loan Program and Affordable Development Programs the City works to preserve and increase the supply of affordable housing. However, 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.

Lead-Based Paint Hazard Reduction

The age of the city's rental housing stock leads to a high proportion – over 85% - of rental units having a risk of containing lead-based paint. Children under the age of 6 are most vulnerable to lead poisoning. An estimated 1,179 households with children under the age of 6 live in housing units constructed before 1980, representing over 90% of the city's households with young children. More than homeowners, renters represent a higher share of households who have children under the age

of 6, and they are more likely to live in older buildings; significantly more children in rental housing are potentially exposed to the hazard of lead-based paint in their homes.

In 2001, Salem was considered one of the state's high risk communities, with 24 cases over five years, averaging 4.8 cases per year. However, the rate of lead poisoning has improved considerably over the past decade. Despite the age of the city's housing stock, the rate of lead poisoning is low: there have been about 1-3 cases of lead poisoning per year among children screened over the past decade.

The City of Salem has addressed the need for renovation and rehabilitation of older housing stock through its Housing Rehabilitation Loan Program, as well as supporting the modernization and rehabilitation of affordable housing owned by the Salem Housing Authority and North Shore CDC, and administering or supporting programs that provide weatherization and lead paint remediation. Moreover, the Get the Lead Out Program and the City's Housing Rehabilitation Loan Program, which provide loan funds for qualified applicants for lead testing, hazard reduction and abatement activities, and temporary relocation reimbursements, have de-leaded numerous properties over the last 25 years, which has helped the city to significantly reduce the rate of lead poisoning. Lead-based paint hazard control measures are consistent with the federal Title X requirements and State lead based paint regulations.

The Salem Board of Health disseminates information regarding the proper disclosure of lead hazards to property owners 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 conducts this inspection to enforce 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.

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.

CDBG and other funds are used to pursue an anti-poverty strategy carried out by the City and a variety of social service subrecipients. The City's anti-poverty strategy 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.

In FY14, the DPCD completed a Downtown Renewal Area Slums and Blight Assessment, in order to demonstrate that the Downtown is still eligible for CDBG activities on an Urban Renewal Area basis. Through the assessment, the City recorded and documented the building conditions of every parcel in the Downtown, along with the presence of any commercial parcels with high vacancy, high turnover, and/or low property values. The results of these efforts show that 38% of parcels in the Downtown are in a substandard or undesirable condition, meeting one or more of the conditions set forth in Title 24, Part 570.208 par (b) (1). Consequently, the City of Salem has determined that the Downtown remains eligible to receive CDBG funds on an area basis. Information on file includes a report, map, building conditions survey data and photographic documentation of each of the surveyed parcels

Coordination with Other Organizations

Salem Housing Authority: Although, the city does not currently use its CDBG funds to assist the Salem Housing Authority (SHA), the DPCD coordinates with the 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 SHA is governed by a Board comprised of five members. The Mayor of Salem appoints four of the five board members and the fifth board member is appointed by the Governor of the Commonwealth of Massachusetts. One member of the board is required to be a resident of public housing and one member must be a member who represents organized labor.

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.

Note: The SHA serves over 860 participants through the Section 8 Housing Choice Voucher Program. Community Teamwork in Lowell, MA administers approximately 360 Section 8 vouchers in Salem. That number fluctuates from time to time based on new vouchers/projects and terminations.

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

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

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

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

Monitoring

The DPCD monitors all projects to ensure compliance with applicable Federal, State and local regulations and program requirements.

As part of ongoing monitoring, public service sub-recipients submit monthly reports that include income, race and ethnic information on clients served and programmatic accomplishments. In

addition, public service sub-recipients are monitored on-site each year (exceptions are noted in the Monitoring Plan in the Appendix). 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, included in the Appendix of the Consolidated Plan. Monitoring of economic development activities undertaken with CDBG funds for compliance with Davis-Bacon and job creation is discussed in full in the Monitoring Guide. There is also a Loan Management Policy for dealing with delinquent or in default housing or economic development loans.

The DPCD also annually reviews its performance in meeting its goals and objectives set for in the Consolidated Plan during the development of the annual CAPER.

Payments to agencies are made on a reimbursement basis to ensure compliance with expenditure requirements. The Assistant Community Development Director encourages timely submission of reimbursement requests by subrecipients and reviews timeliness status weekly until the annual 1.5 draw ratio is met.

SUMMARY/PROGRAM EVALUATION/CONCLUSIONS

Overall, we made significant progress toward meeting the goals of our 5-year Consolidated Plan and FY15 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 FY15:

- A non-profit received acquisition assistance to acquire one building to be rehabbed into 34 units of new affordable rental housing;
- 5 families assisted to purchase their first home in Salem;
- 4 housing units were renovated, with an additional project underway;
- 42 families received assistance with first/last month's rent and/or security deposits;
- 23 social service programs assisted 8,565 persons, including at least 680 youth and at least 342 seniors;
- 3 business provided with an economic development loans;
- 2 businesses assisted with storefront design assistance;
- 20 new jobs documented;
- Salem Main Streets Program highlights:
 - Assisted 8 new, 37 existing businesses and 17 potential businesses (including 24 micro-enterprises);
 - 1 business assisted resulting in documentation of 8 new jobs;
 - Salem Farmers' Market; & Winter Farmers' Market
 - Heritage Days (Mayor's Night Out and Ice Scream Bowl)
 - Haunted Happenings;
 - Holiday Happenings (holiday tree lighting, holiday wreaths, holiday stroll, holiday window decoration contest, Santa's arrival events);
 - New Year's Eve Salem "Launch"
 - PEM/PM Artopia
 - Salem So Sweet Festival;
 - Salem Film Festival; and
 - Salem Arts Festival.
- 10 participants (6 existing businesses and 4 potential business) participated in the Working Cities Challenge project, which included 4 workshops;
- Pedestrian Mall Fountain redesign completed;
- Teen Resource Center expansion completed;
- Splaine Park environmental clean-up and improvement completed;
- 15 Ward Street developed into a neighborhood pocket park;
- 26 trees planted in low-mod neighborhoods;
- Sidewalk replacement completed Rainbow Terrace and the Point Neighborhood ; and
- Section 108 final loan payment completed.

The City's 5 Year Consolidated Plan was prepared at the start of FY11. In FY11, Salem received a higher allocation of CDBG funds than any of the previous five years and the goals laid out in the 5-Year Consolidated Plan were based on level funding of CDBG. However, in FY12 and FY13, we saw significant decreases in our CDBG allocation (FY13 was Salem's lowest CDBG allocation in over twenty years), resulting in a total decrease in CDBG funds from our FY11 allocation to our FY15 allocation of 23.5%. The same holds true for our HOME funds, which saw an even deeper percentage of cuts - 52% decrease in HOME from FY11 to FY15. Still, despite the reduction in HUD funding, we are proud of the accomplishments made and that the majority of our Consolidated Plan goals were met.

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 FY15, CDBG expenditures complied with the goals and objectives outlined in the FY15 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 FY15 Action Plan.

Geographic Distribution and Location of Investments

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

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

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

Compliance with Planned Actions

In FY15, the City of Salem pursued all resources indicated in its FY15 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 FY15, 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 FY15, the City of Salem funded several activities that served limited clienteles. For example, funds were expended on 23 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 FY15. The total program income was \$112,506.91.

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 FY15 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 FY15.

Performance Measurement

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

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

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

Management Policy for review of existing loans and process to address delinquent, default or uncollectable loans.

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

Additionally, the City ensures long-term compliance with program requirements, including minority business outreach and comprehensive planning requirements, in several ways. In particular, the DPCD has a Monitoring Plan, Section 3 Plan and Minority Outreach Procedures in place that allows the City to track whether long-term goals are being met. As detailed in the Managing the Process and Institutional Structure section of this document, the City manages its programs to ensure compliance with identified goals and federal, state and local regulations. The Environmental Review Record contains statutory checklists, documentation on flood management, wetlands protection, historic properties protection and prevailing wage documentation, as applicable. Staff periodically attend environmental review trainings - on site or via webinar.

This year the Assistant Community Development Director attended the following trainings or participated in the following webinars:

- August, 2014 – HUD Davis-Bacon training in Malden, MA (along with the Community Development Planner and the Conservation Commission Administrator/Staff Planner
- January, 2015 webinar – Introduction to Joint Partnership with U.S. Department of Labor and U.S. Housing and Urban Development
- April/May, 2015 webinar – Section 3 Proposed Rule Listening Session

Trainings attended by the Housing Coordinator at listed in the Housing section of this report.

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, 18 24, 28 and 30, 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.

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 FY15, the City of Salem spent \$64,810 in HOME funds. Funds were used to fund the Rental Downpayment Assistance Programs administered by the North Shore Community Action Programs, Inc., HAWC, Salvation Army and Citizens for Adequate Housing. The accomplishments of these projects can be found in the reports submitted by the City of Peabody on behalf of the Consortium.



*Above: Education Day with the Boys & Girls Club
Below: Boys Basketball at Palmer Cove Park
Photos courtesy of SATV*



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 FY15 and the funds leveraged through these expenditures.

Table 8: FY15 Funds Leveraged

Program	CDBG Expenditures	HOME Expenditures	Funds from Other Sources
Housing Programs	\$247,327.54	\$64,810.00	\$3,965,615.96
Public Services	\$136,455.72	-	\$3,806,916.08
Economic Development	\$258,029.90	-	\$759,315.00
Neighborhood Improvements	\$444,388.02	-	\$1,690,736.10
Planning & Administration	\$224,186.18	-	\$520,541.11
TOTAL FY15	\$1,310,387.36	\$64,810.00	\$10,743,124.25
TOTAL FUNDS LEVERAGED PER HUD DOLLAR: \$7.81			

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

CDBG funds help leverage additional funds for some of our projects, including our First Time Homebuyer Program, Salem Main Streets and public service agency programs.

Housing

- For the First Time Homebuyer Program (includes CDBG, HOME), homebuyers provided \$97,247.96 in private funds as well as obtained \$865,880 in financing from a primary lender.
- The Congress Street Residences will leverage approximately \$32million in other funds including AHTF, CATNHP, HIF, HOME and HSF for a total of \$4,050,000 subordinate DHCD debt, \$10,138,128 in private equity, \$93,505 CPA funds, Eastern Bank direct bond purchase of \$5,200,000 and a 12,600,000 construction loan. However, for the purposes of the above chart, only the leveraged funds for the acquisition portion of the project is included for a total of \$3,095,933 in CPA and LISC loan funds.

Economic Development:

- The Salem Main Streets Program leveraged \$91,300. Of this total, \$22,193 was from Destination Salem, business and corporate contributions and miscellaneous individual donations and \$49,402.80 was from events fees to cover costs.
- The Enterprise Center Micro-enterprise Program leveraged \$5,000 from the Working Cities Challenge Grant awarded by the Federal Reserve Bank of Boston and \$7,015 in Enterprise Center local match funds.

- The three business loans leveraged \$374,000 in private funds and \$282,000 in financing.

Neighborhood Improvements:

- CDBG funds leveraged \$119,486 in MassDEP funds, \$40,000 in DPA funds and \$16,479 in Salem Point II Limited Partnership funds for 15 Ward Street pocket park development.
- Mary Jane Lee Park's CDBG funds are leveraging \$85,075 in CPA funds and the City is applying for a \$210,956 PARC grant.
- CDBG funds for the Pedestrian Mall Fountain project are leveraging \$84,000 in local Capital Improvement funds and \$83,500 in other City funds.
- The Splaine Park Improvement Project is leveraging \$420,946 in State PARC grant funds, \$574,826 from local Capital Improvement funds, \$6,000 from the City's Park & Recreation Department, \$42,500 from MassDevelopment's Brownfield Assessment Program and \$6,668 in donations.

Planning & Administration:

- Planning and administration funds leveraged \$423,868.64 in City funds plus \$60,968.52 in benefit costs, along with and \$93.08 in State Seaport Advisory Council funds, \$19,610.87 from MA Department of Energy Resources Green Communities.
- The Preservation Master Plan leveraged \$16,000 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 \$3,806,916.08 in other federal, state or private funds.

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

CITIZEN PARTICIPATION SUMMARY

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

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

Public Comment Period

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.

Copies of the FY15 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 public comment was received.

APPENDIX

Financial Summary

Progress of Consolidated Plan 5-Year Goals

IDIS Report PR23

IDIS Report PR54

Maps

Section 3 Report

FINANCIAL SUMMARY

FY15 Consolidated Annual Performance and Evaluation Report

1	Summary of CDBG Resources	
2	FY14 End of Year Balance	\$ 936,812.35
3	FY15 CDBG Entitlement	\$ 952,491.00
4	Program Income, FY15	\$ 112,506.91
5	Total CDBG funds available for use in FY15	\$ 2,001,810.26
6	Summary of CDBG Expenditures	
7	Affordable Housing	\$ 247,327.54
8	Public Services	\$ 136,455.72
9	Neighborhood Improvements	\$ 408,479.77
10	Economic Development	\$ 258,029.90
11	Planning & Administration	\$ 224,186.18*
12	Section 108 Repayment (in CAPER narratives under neighborhood improvements)	\$ 35,908.25
13	Total Expenditures	\$ 1,310,387.36
14	Year-End CDBG Resources	
15	Total CDBG funds available for use in FY15	\$ 2,001,810.26
16	Total Expenditures in FY15	\$ 1,310,387.36
17	Unexpended Balance (CDBG Budget)	\$ 691,422.90
18	Low/Mod Credit	
19	Total FY15 CDBG Expenditures	\$ 1,310,387.36
20	Total for Program Administration	\$ 224,186.18*
21	Total for Section 108 Repayments	\$ 35,908.25
22	Total subject to Low/Mod Benefit Calculation	\$ 1,050,292.93
23	L/M Credit for multi-unit housing	\$ 125,906.63
24	L/M Credit for other activities	\$ 729,570.26
25	Percent of benefit to low/mod persons	81.45%
26	Public Services Cap Calculation	
27	Net obligations for FY15 Public Services Activities	\$ 158,645.54
28	FY15 Entitlement + FY14 Program Income	\$ 1,068,459.75
29	Percent obligated PS Activities	14.85%
30	Planning and Program Administration Cap Calculation	
31	FY15 Entitlement + FY15 Program Income	\$ 1,064,997.91
32	Net Obligations for Planning/Admin. Activities	\$ 209,682.16
33	Percent of funds expended	19.69%
34	HOME Summary	
35	HOME Project Expenditures	\$ 61,800.00
36	Salem HOME Administration (including fee/inspection reimbursements)	\$ 3,010.00
37	Total HOME Expenditures	\$ 64,810.00

**Note: Program delivery of \$218.85 charged to cancelled activity #1484 from FY14, was moved to Planning & Administration. Therefore the net adjustment to Planning & Administration for FY15 is +\$218.85.*



U.S. Department of Housing and Urban Development
 Office of Community Planning and Development
 Integrated Disbursement and Information System
 CDBG Summary of Accomplishments
 Program Year: 2014

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Count of CDBG Activities with Disbursements by Activity Group & Matrix Code

Activity Group	Activity Category	Open Count	Open Activities Disbursed	Completed Count	Completed Activities Disbursed	Program Year Count	Total Activities Disbursed
Acquisition	Acquisition of Real Property (01)	0	\$0.00	1	\$0.00	1	\$0.00
	Total Acquisition	0	\$0.00	1	\$0.00	1	\$0.00
Economic Development	ED Direct Financial Assistance to For-Profits (18A)	3	\$72,165.00	2	\$51,840.00	5	\$124,005.00
	ED Technical Assistance (18B)	0	\$0.00	2	\$113,294.88	2	\$113,294.88
	Micro-Enterprise Assistance (18C)	0	\$0.00	1	\$20,730.02	1	\$20,730.02
	Total Economic Development	3	\$72,165.00	5	\$185,864.90	8	\$258,029.90
Housing	Direct Homeownership Assistance (13)	0	\$0.00	5	\$38,303.29	5	\$38,303.29
	Rehab; Single-Unit Residential (14A)	1	\$7,295.00	3	\$19,542.50	4	\$26,837.50
	Rehab; Multi-Unit Residential (14B)	0	\$0.00	1	\$74,672.00	1	\$74,672.00
	Acquisition for Rehabilitation (14G)	1	\$51,234.63	0	\$0.00	1	\$51,234.63
	Rehabilitation Administration (14H)	1	\$750.00	1	\$55,530.12	2	\$56,280.12
	Total Housing	3	\$59,279.63	10	\$188,047.91	13	\$247,327.54
Public Facilities and Improvements	Public Facilities and Improvement (General) (03)	1	\$8,970.22	1	\$192,778.35	2	\$201,748.57
	Senior Centers (03A)	1	\$65.05	0	\$0.00	1	\$65.05
	Neighborhood Facilities (03E)	0	\$0.00	1	\$1,500.00	1	\$1,500.00
	Parks, Recreational Facilities (03F)	4	\$148,648.12	2	\$20,581.00	6	\$169,229.12
	Street Improvements (03K)	0	\$0.00	1	\$30,288.88	1	\$30,288.88
	Tree Planting (03N)	0	\$0.00	2	\$5,867.00	2	\$5,867.00
	Total Public Facilities and Improvements	6	\$157,683.39	7	\$251,015.23	13	\$408,698.62
Public Services	Public Services (General) (05)	0	\$0.00	2	\$18,875.00	2	\$18,875.00
	Senior Services (05A)	0	\$0.00	1	\$0.00	1	\$0.00
	Handicapped Services (05B)	1	\$4,800.00	0	\$0.00	1	\$4,800.00
	Youth Services (05D)	1	\$0.00	6	\$19,250.00	7	\$19,250.00
	Transportation Services (05E)	1	\$7,023.82	1	\$232.03	2	\$7,255.85
	Battered and Abused Spouses (05G)	1	\$9,800.00	0	\$0.00	1	\$9,800.00
	Employment Training (05H)	1	\$1,750.00	1	\$4,697.17	2	\$6,447.17
	Crime Awareness (05I)	1	\$436.32	1	\$8,584.85	2	\$9,021.17
	Child Care Services (05L)	0	\$0.00	2	\$19,800.00	2	\$19,800.00
	Subsistence Payment (05Q)	4	\$7,006.53	2	\$9,800.00	6	\$16,806.53



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Activity Group	Activity Category	Open Count	Open Activities Disbursed	Completed Count	Completed Activities Disbursed	Program Year Count	Total Activities Disbursed
Public Services	Food Banks (05W)	0	\$0.00	3	\$24,400.00	3	\$24,400.00
	Total Public Services	10	\$30,816.67	19	\$105,639.05	29	\$136,455.72
General Administration and Planning	Planning (20)	0	\$0.00	1	\$16,000.00	1	\$16,000.00
	General Program Administration (21A)	1	\$6,004.02	3	\$201,963.31	4	\$207,967.33
	Total General Administration and Planning	1	\$6,004.02	4	\$217,963.31	5	\$223,967.33
Repayment of Section 108 Loans	Planned Repayment of Section 108 Loan Principal (19F)	0	\$0.00	1	\$35,908.25	1	\$35,908.25
	Total Repayment of Section 108 Loans	0	\$0.00	1	\$35,908.25	1	\$35,908.25
Grand Total		23	\$325,948.71	47	\$984,438.65	70	\$1,310,387.36



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SALEM

CDBG Sum of Actual Accomplishments by Activity Group and Accomplishment Type

Activity Group	Matrix Code	Accomplishment Type	Open Count	Completed Count	Program Year Totals
Acquisition	Acquisition of Real Property (01)	Public Facilities	0	3,588	3,588
	Total Acquisition		0	3,588	3,588
Economic Development	ED Direct Financial Assistance to For-Profits (18A)	Business	4,235	0	4,235
		Jobs	0	14	14
	ED Technical Assistance (18B)	Jobs	0	8	8
	Micro-Enterprise Assistance (18C)	Persons	0	10	10
	Total Economic Development		4,235	32	4,267
Housing	Direct Homeownership Assistance (13)	Households	0	5	5
	Rehab; Single-Unit Residential (14A)	Housing Units	1	3	4
	Rehab; Multi-Unit Residential (14B)	Housing Units	0	2	2
	Acquisition for Rehabilitation (14G)	Housing Units	0	0	0
	Rehabilitation Administration (14H)	Housing Units	0	0	0
	Total Housing		1	10	11
Public Facilities and Improvements	Public Facilities and Improvement (General) (03)	Persons	7,836	0	7,836
		Public Facilities	0	1	1
	Senior Centers (03A)	Public Facilities	0	0	0
	Neighborhood Facilities (03E)	Public Facilities	0	3,408	3,408
	Parks, Recreational Facilities (03F)	Public Facilities	13,066	23,472	36,538
	Street Improvements (03K)	Persons	0	7,400	7,400
	Tree Planting (03N)	Public Facilities	0	9,080	9,080
	Total Public Facilities and Improvements		20,902	43,361	64,263
Public Services	Public Services (General) (05)	Persons	0	364	364
	Senior Services (05A)	Persons	0	0	0
	Handicapped Services (05B)	Persons	36	0	36
	Youth Services (05D)	Persons	0	638	638
	Transportation Services (05E)	Persons	341	195	536
	Battered and Abused Spouses (05G)	Persons	78	0	78
	Employment Training (05H)	Persons	4	119	123
	Crime Awareness (05I)	Persons	4,120	7,836	11,956
	Child Care Services (05L)	Persons	0	235	235
	Subsistence Payment (05Q)	Persons	85	55	140
Food Banks (05W)	Persons	0	2,965	2,965	



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Activity Group	Matrix Code	Accomplishment Type	Open Count	Completed Count	Program Year Totals
Public Services	Total Public Services		4,664	12,407	17,071
Grand Total			29,802	59,398	89,200



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CDBG Beneficiaries by Racial / Ethnic Category

Housing-Non Housing	Race	Total Persons	Total Hispanic		Total Hispanic Households
			Persons	Total Households	
Housing	White	0	0	11	2
	Total Housing	0	0	11	2
Non Housing	White	1,452	313	0	0
	Black/African American	182	51	0	0
	Asian	36	6	0	0
	American Indian/Alaskan Native	10	9	0	0
	Native Hawaiian/Other Pacific Islander	8	0	0	0
	American Indian/Alaskan Native & White	6	2	0	0
	Asian & White	7	0	0	0
	Black/African American & White	60	26	0	0
	Amer. Indian/Alaskan Native & Black/African Amer.	5	2	0	0
	Other multi-racial	416	341	0	0
	Total Non Housing	2,182	750	0	0
Grand Total	White	3,320	1,120	11	2
	Black/African American	1,095	850	0	0
	Asian	39	6	0	0
	American Indian/Alaskan Native	13	9	0	0
	Native Hawaiian/Other Pacific Islander	8	0	0	0
	American Indian/Alaskan Native & White	10	6	0	0
	Asian & White	9	0	0	0
	Black/African American & White	88	49	0	0
	Amer. Indian/Alaskan Native & Black/African Amer.	8	5	0	0
	Other multi-racial	557	460	0	0
	Total Grand Total	5,147	2,505	11	2



SALEM

CDBG Beneficiaries by Income Category

	Income Levels	Owner Occupied	Renter Occupied	Persons
Housing	Extremely Low (<=30%)	2	1	0
	Low (>30% and <=50%)	4	0	0
	Mod (>50% and <=80%)	2	0	0
	Total Low-Mod	8	1	0
	Non Low-Mod (>80%)	0	0	0
	Total Beneficiaries	8	1	0
Non Housing	Extremely Low (<=30%)	0	0	1,015
	Low (>30% and <=50%)	0	0	154
	Mod (>50% and <=80%)	0	0	396
	Total Low-Mod	0	0	1,565
	Non Low-Mod (>80%)	0	0	167
	Total Beneficiaries	0	0	1,732



Program Year 2014 Funds

2014 CDBG Allocation	\$952,491.00
Program Income Received During Program Year 2014	\$112,506.91
Funds Returned to Local Program Account During Program Year 2014	\$0.00
Total Available¹	\$1,064,997.91

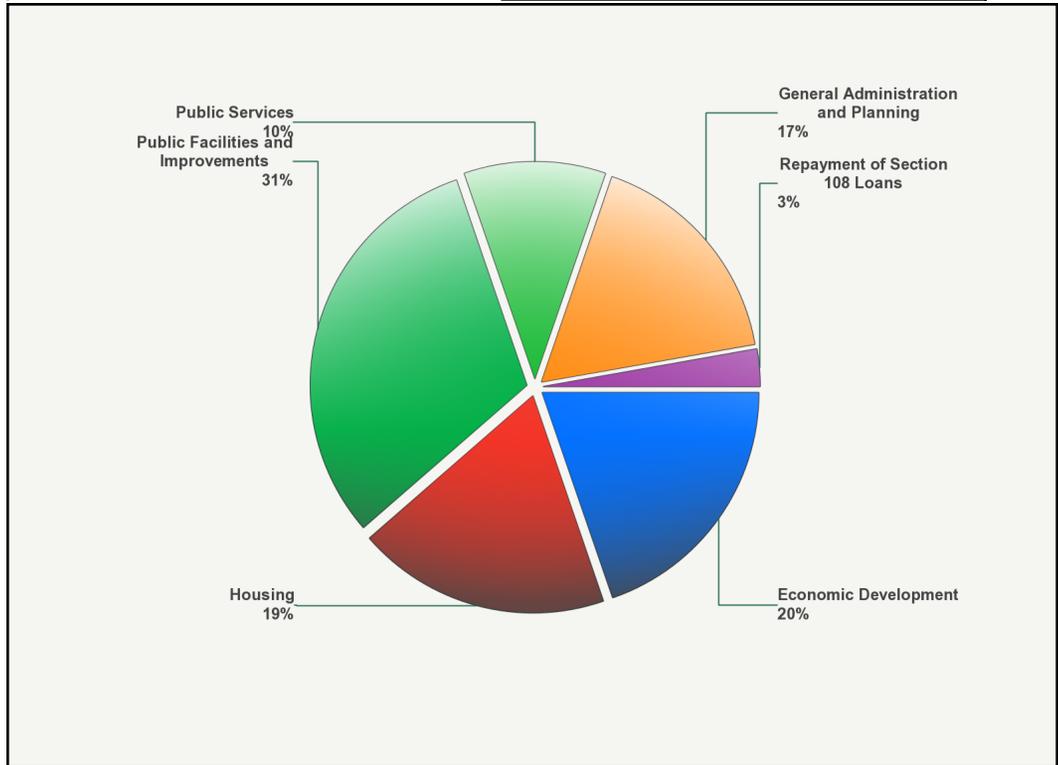
Expenditures²

Type of Activity	Expenditure	Percentage
Economic Development	\$258,029.90	19.69%
Housing	\$247,327.54	18.87%
Public Facilities and Improvements	\$408,698.62	31.19%
Public Services	\$136,455.72	10.41%
General Administration and Planning	\$223,967.33	17.09%
Repayment of Section 108 Loans	\$35,908.25	2.74%
Total	\$1,310,387.36	100.00%

Timeliness

Timeliness Ratio - unexpended funds as percent of 2014 allocation 1.11

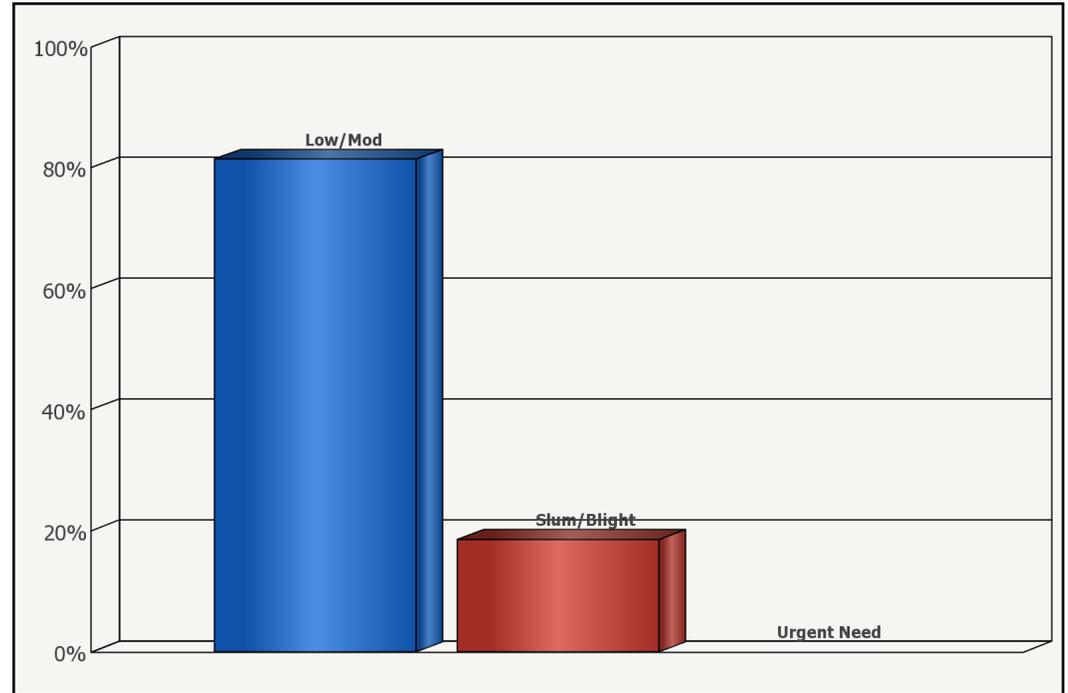
Expenditures by Type of Activity (%) Expenditures by Type of Activity (\$)





Program Targeting

1 -Percentage of Expenditures Assisting Low- and Moderate-Income Persons and Households Either Directly or On an Area Basis ³	81.43%
2 -Percentage of Expenditures That Benefit Low/Mod Income Areas	21.62%
3 -Percentage of Expenditures That Aid in The Prevention or Elimination of Slum or Blight	18.57%
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%



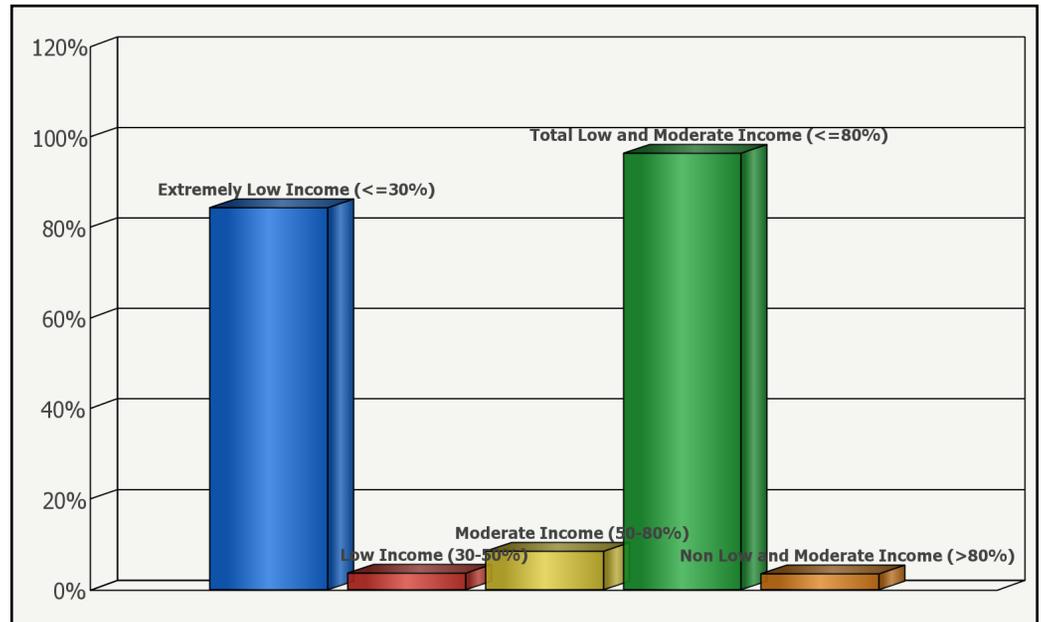


CDBG Beneficiaries by Racial/Ethnic Category⁴

Race	Total	Hispanic
White	62.19%	42.94%
Black/African American	22.88%	35.71%
Asian	0.79%	0.25%
American Indian/Alaskan Native	0.28%	0.38%
Native Hawaiian/Other Pacific Islander	0.17%	0.00%
American Indian/Alaskan Native & White	0.21%	0.25%
Asian & White	0.19%	0.00%
Black/African American & White	1.85%	2.02%
Amer. Indian/Alaskan Native & Black/African Amer.	0.17%	0.21%
Other multi-racial	11.28%	18.24%
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%)	84.32%
Low Income (30-50%)	3.67%
Moderate Income (50-80%)	8.45%
Total Low and Moderate Income (<=80%)	96.45%
Non Low and Moderate Income (>80%)	3.55%





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
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Accomplishment	Number
Actual Jobs Created or Retained	16
Households Receiving Housing Assistance	9
Persons Assisted Directly, Primarily By Public Services and Public Facilities	4,677
Persons for Whom Services and Facilities were Available	33,710 ⁵
Units Rehabilitated-Single Units	2
Units Rehabilitated-Multi Unit Housing	2

Funds Leveraged for Activities Completed \$984,438.65

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

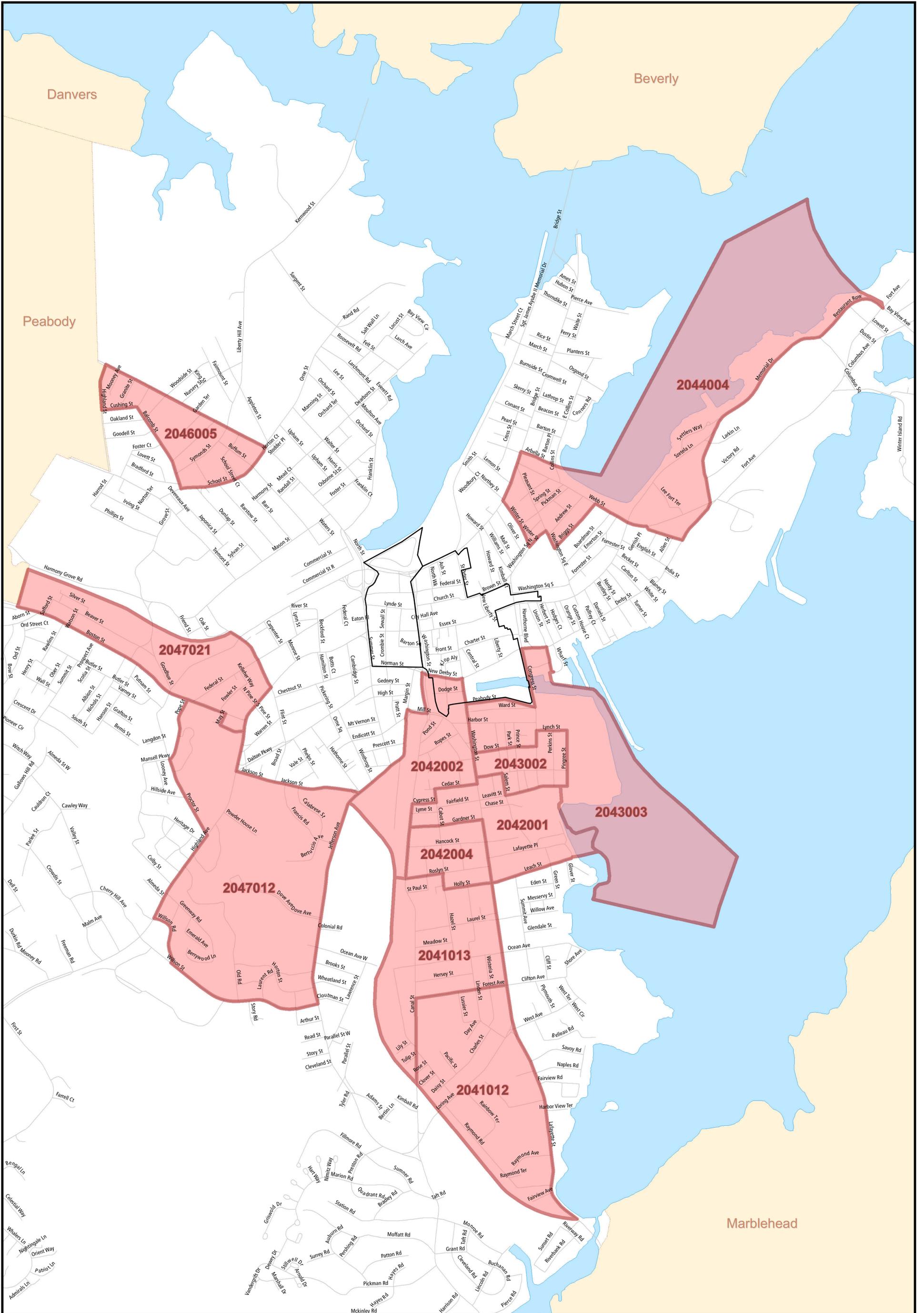
- Low to Moderate Income Areas
- Geographic Distribution of Entitlement Funds Expended FY15



CITY OF SALEM MASSACHUSETTS

Mayor
Kimberley Driscoll

LOW TO MODERATE INCOME AREAS JULY 1, 2014

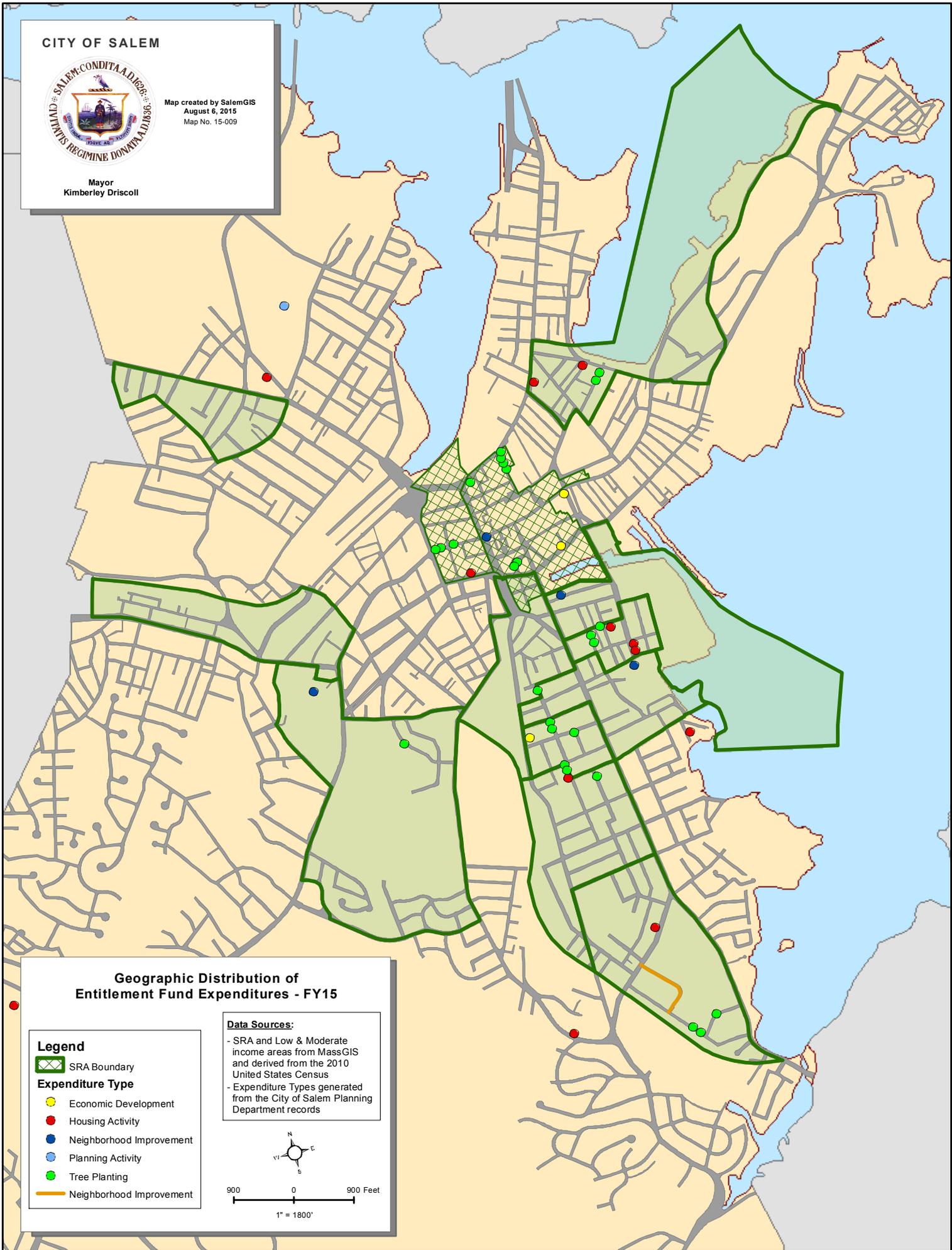


CITY OF SALEM



Map created by SalemGIS
August 6, 2015
Map No. 15-009

Mayor
Kimberley Driscoll



**Geographic Distribution of
Entitlement Fund Expenditures - FY15**

Legend

SRA Boundary

Expenditure Type

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

Data Sources:

- SRA and Low & Moderate income areas from MassGIS and derived from the 2010 United States Census
- Expenditure Types generated from the City of Salem Planning Department records



900 0 900 Feet

1" = 1800'

HUD.GOV

U.S. Department of Housing and Urban Development

Secretary Julián Castro



Section 3 Summary Annual Reporting System - Form 60002

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OMB Approval No. 2529-0043 (exp. 8/17/2015)

Section 3 Covered Funding

Agency Name: CITY OF SALEM

Address: 93 WASHINGTON STREET, SALEM, MASSACHUSETTS 1970

Contact Information: Name: Jane Guy, Phone Number: (978) 619-5685, Fax Number: (978) 740-0404, Email Address: jguy@salem.com.

HUD Disbursement Summary: 07/01/2014 through 06/30/2015

Program Code	Program Name	Total Draw-down Amount
All Programs	All Programs	\$0.00

Agency Submission Summary for Fiscal Year Starting: 07/01/2014 - Reports Submitted

You have no grants to report on for this period.

Nothing found to display.

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