

## I. INTRODUCTION

### **Neighborhood Revitalization Program Objectives**

The City of Salisbury partners with the Salisbury Community Development Corporation, Inc. (CDC) and other agencies to increase affordable housing opportunities and promote neighborhood revitalization within its jurisdiction.

Funds received from the U.S. Department of Housing and Urban Development (HUD) enable these efforts, along with other federal, state and local resources and in-kind supports. The City's affordable housing and neighborhood revitalization efforts are largely supported by the following HUD programs:

- ***Community Development Block Grants (CDBG)***
- ***HOME Investment Partnership (or HOME program)***
- ***Community Development Block Grants – Recovery (CDBG-R)***



Salisbury is designated as an *entitlement city* for the CDBG program and receives an annual allocation under this program. The City receives HOME program funds through its participation in the Cabarrus/Iredell/Rowan HOME Consortium. Participating jurisdictions (PJ) provide a 25% local match in order to receive HOME Program funds.

#### **Cabarrus/Iredell/Rowan HOME Consortium**

***City of Salisbury (PJ)***  
***City of Concord (PJ) (\* lead agency)***  
***City of Kannapolis (PJ)***  
***City of Davidson (PJ)***

***City of Statesville***  
***City of Mooresville (PJ)***

***Rowan County (PJ)***  
***Iredell County***  
***Cabarrus County (PJ)***

The national objectives of the CDBG and HOME programs are to increase the supply of affordable housing and help eliminate slums or blight. The beneficiaries are low and moderate income individuals and families with earnings below 80% of the area median income.

The City invests CDBG and HOME program funds in a range of housing and neighborhood revitalization activities to help carry out these national objectives at the local level and to improve quality of life for its citizens. Past activities have included housing rehabilitation, new home construction, down payment assistance, acquisition of vacant property, owner-occupied rehabilitation and emergency repairs, investments in parks and community centers, sidewalks and other neighborhood improvements.



**Salisbury Community Development Corporation, Inc. (CDC)**

The Salisbury Community Development Corporation (CDC) is a key partner in the City's neighborhood revitalization programs. The CDC is a non-profit organization dedicated to assisting low and moderate income individuals and families with housing needs, including homeownership, housing rehabilitation and foreclosure prevention.



The City's affordable housing activities using CDBG and HOME programs are carried out by the Salisbury CDC in accordance with the City's Annual and Five-Year Consolidated Plan goals. The Salisbury CDC office is conveniently-located in the West End Business & Community Center, in a neighborhood where revitalization efforts have been active.

### Designated Revitalization Areas

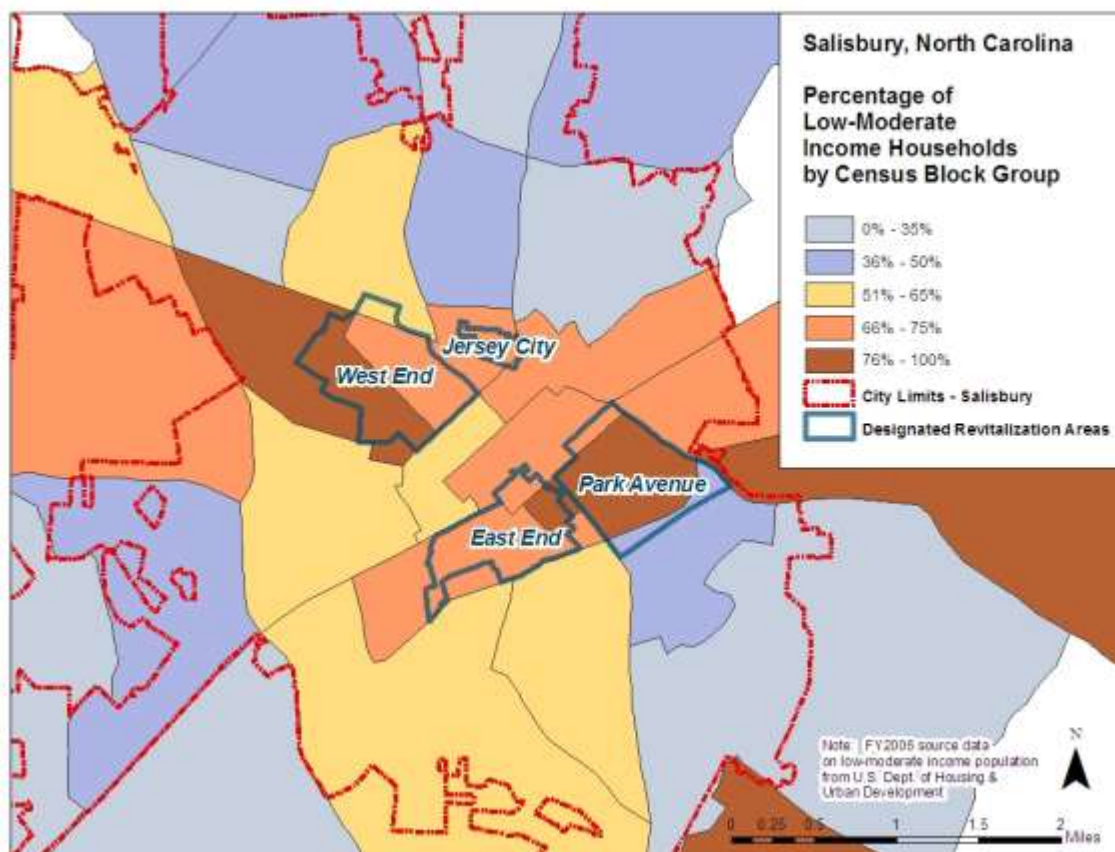
For a number of years, the City has focused its revitalization efforts and resources in the following four neighborhoods:

**West End Neighborhood**  
**Jersey City Neighborhood**

**Park Avenue Neighborhood**  
**East End Neighborhood**

HUD encourages communities to focus revitalization efforts to the extent needed to achieve tangible benefits for neighborhoods. HUD regulations further specify that public facility improvements, such as sidewalks, parks or community center upgrades must be located in a census tract where at least 51% of the population earns less than 80% of the area median income.

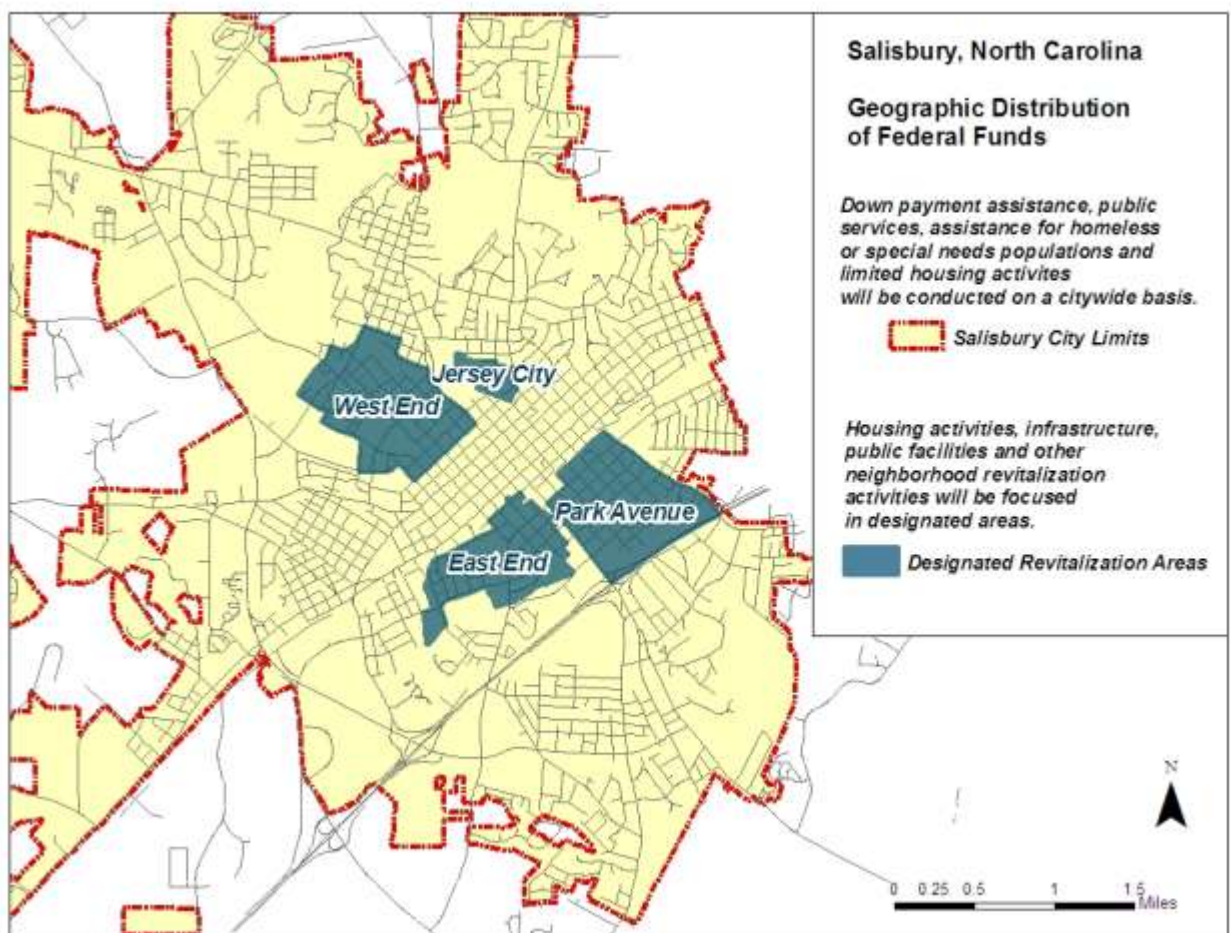
These neighborhoods were designated for revitalization by the City of Salisbury because they meet HUD income specifications and have had persistent issues with housing deterioration and vacancy that impact property values, livability and neighborhood stability. The concentration of minority population is also higher than the local average. The percentage of African-American persons in these neighborhoods ranges from 73%-86%, while the citywide average is 38%.



### **2009-2010 Geographic Areas Affected – West End & Jersey City Neighborhoods**

Revitalization activities this year were focused in the West End and Jersey City neighborhoods. Substandard, dilapidated houses, absentee landlords, abandonment, vacancy and aging infrastructure are issues that continue to affect neighborhood quality of life in these areas.

The types of activities completed this fiscal year in the West End and Jersey City neighborhoods were consistent with the City's five-year Consolidated Plan which places strong emphasis on housing and public infrastructure improvements in the City's four designated revitalization areas.



**Resources Available for Neighborhood Revitalization**

The projected amount of CDBG and HOME program funds for FY 2009-2010 was \$494,924. This included anticipated program income of \$70,000 from the sale of new or rehabilitated housing. The amount of program income received was somewhat lower than had been anticipated, putting the total received from CDBG and HOME at \$463,734.

The City also received a special allocation of \$82,747 in CDBG stimulus funds under the American Recovery and Reinvestment Act (ARRA) of 2008. The funds became available during the 2009-2010 fiscal year.

	<i>Projected</i>	<i>Received</i>
<i>CDBG Entitlement Grant</i>	<i>\$ 308,695.00</i>	<i>\$ 308,654.00</i>
<i>HOME Program Funds</i>	<i>116,229.00</i>	<i>116,229.00</i>
<i><u>Program Income</u></i>	<i><u>70,000.00</u></i>	<i><u>38,851.69</u></i>
<i>CDBG/HOME TOTAL</i>	<i>\$ 494,924.00</i>	<i>\$ 463,734.69</i>

<i>CDBG-R Recovery Funds</i>	<i>\$ 82,747.00</i>
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- ❖ *A copy of the CDBG and HOME program budget for FY2009-2010 is included in Appendix A.*

### **Performance Report, Notice of Availability & Public Hearing**

The Consolidated Annual Performance and Evaluation Report (CAPER) provides a summary of the activities the City has undertaken using CDBG and HOME program funds for the fiscal year beginning July 1, 2009 and ending June 30, 2010. The report includes information about types of activities and their location so that citizens, city officials and HUD will have a complete picture of the accomplishments that have been made during the year and the areas that have benefited from the funding. The document also illustrates how the funding has been used to carry out the annual plan and to further the goals of the City's Five-Year Consolidated Plan.

A public hearing regarding the CAPER was held on Tuesday, September 21, 2010, at a regularly-scheduled meeting of the Salisbury City Council. A non-legal, display ad to make the public aware of the CAPER was published on Saturday, September 4, 2010, in the *Salisbury Post*, a newspaper with a wide general circulation area which includes Salisbury and Rowan County, North Carolina. The report was made available for review at public locations and on the City's website. The notice provided at least eighteen (18) days for public comment on the report prior to its submission to HUD by September 28, 2010. HUD requires a minimum of fourteen (14) days for public comment on the performance report.

❖ ***A copy of the public hearing notice is included in Appendix A.***

### **Summary of Citizen Comments**

(Space left intentionally blank pending comments on the report)



## II. SUMMARY OF ACHIEVEMENTS AND PROGRESS TOWARD GOALS

### **Affordable Housing Activities (CDBG, HOME & CDBG-R Funds)**

The City's housing programs felt the impact of the recession during 2009-2010. Tighter credit and high unemployment rates contributed to a difficult environment for would-be homebuyers and for selling existing inventory of homes. However, the City was able to make some forward progress on its housing goals.

#### **2009-2010 Affordable Housing Activities**

##### **Property Acquisition (CDBG)**

- W. Cemetery Street (vacant lot) – Jersey City Neighborhood
- Messner Street – West End Neighborhood

##### **Property Acquisition (CDBG-R)**

- Willow Drive – Scattered site within municipal limits

##### **Property Development (CDBG)**

- Torrence Street – West End Neighborhood

##### **Owner-Occupied Rehabilitation (CDBG)**

- Messner Street – West End Neighborhood
- Old Wilkesboro Road – West End Neighborhood

##### **Emergency Rehabilitation (CDBG)**

- Old Plank Road – West End Neighborhood

##### **New Construction (HOME)**

- W. Bank Street – West End Neighborhood
- W. Cemetery Street – Jersey City Neighborhood (70% complete)

- ❖ **A more detailed account of these activities can be found in Section IV which begins on page 17.**

### **Public Service Activities (CDBG Funds)**

Entitlement cities may contribute up to 15% of their CDBG allocation to public agencies that serve low and moderate income individuals and families. The City of Salisbury is committed to public service activities that help provide emergency shelter, food, health care and other basic needs of low wealth households.

#### **2009-2010 Public Service Activities**

##### **Rowan Helping Ministries**

- Emergency shelter for the homeless: 325 homeless persons assisted

##### **Family Crisis Council**

- Shelter for victims of domestic abuse: 85 women and 53 children assisted

##### **Community Care Clinic**

- Dental care for the uninsured: 911 persons assisted

##### **Summer Youth Employment Program**

- Employment, job skills training and mentoring: 10 students assisted

##### **West End Community Garden**

- Garden-related educational programs for seniors and youth: 407 assisted
- Garden amenity maintained by the Rowan County Master Gardeners benefitting the West End Neighborhood

❖ **A more detailed account of these activities can be found in Section V, which begins on page 25.**

### **Non-Housing Neighborhood Improvements (CDBG Funds)**

Streets, sidewalks and other infrastructure are vital aspects of neighborhood revitalization providing safe transportation options and access to destinations and services. The age, condition and functionality of these features also affect overall neighborhood appearance and quality of life. This fiscal year the city completed one infrastructure project.

#### **2009-2010 Neighborhood Improvements**

##### **New Sidewalk**

- Partee Street (approximately three blocks) – West End Neighborhood

❖ **A more detailed account of this activity can be found in Section VII, which begins on page 31.**



### **Homeownership Assistance Program (HOME & Non-HUD Funding Sources)**

The Homeownership Assistance Program is designed to assist individuals and families in becoming homebuyers by providing down payment and closing cost assistance for the purchase of a single-family dwelling. This reduces up-front costs for the homebuyer and reduces the amount of principal financed, thereby making the mortgage affordable over the long term. Participants of the program are required to complete a comprehensive Homebuyer Education Program offered by the Salisbury CDC. Eligible participants can receive up to \$10,000 toward closing costs and down payment assistance in the form of a deferred second mortgage. Closing cost assistance may not exceed \$2,500. This loan is forgiven after five years. Down payment assistance up to \$7,500 is offered as a low interest 3% loan which is repaid after the end of the fifth year of the first mortgage.

#### **2009-2010 Homeownership Assistance Program**

While no one was able to take advantage of the homeownership assistance this year, the Salisbury CDC continued to see strong interest in the Homebuyer Education Program. Several participants were almost ready to qualify for a loan at the end of the reporting period.

### **Homebuyer Education Program (City & CDC Administrative Funds)**

The Salisbury CDC continued its Homebuyer Education Program to assist first-time homebuyers. The program consists of four modules for a total of twenty hours of training in the following topics: money management (6 hours); pre-homeownership (10 hours); home maintenance (2 hours); and landscaping (2 hours). The series of classes is repeated each spring and fall and is a prerequisite to receiving down payment and closing cost assistance from the CDC. Post-purchase counseling is also provided as needed.

#### **2009-2010 Homebuyer Education Program**

- 45 total participants;
- 6 participants were residents of public housing;
- Classes Offered:
  - Homeownership - Charles Putnam, Rowan-Cabarrus Comm. College
  - How to Purchase Insurance - Greg Edds, State Farm Insurance
  - Home Maintenance - Fred Adkins, Adkins Home Inspections
  - Credit - Salisbury CDC staff
  - Budgeting - Salisbury CDC staff

### **Foreclosure Prevention Program (Non-HUD Funding Sources)**

The Salisbury CDC has been extensively involved in foreclosure prevention since 2003 when it was one of several agencies identified to provide assistance to unemployed textile workers under the North Carolina Housing Pilot Protection Program. Since then, the trend in manufacturing cutbacks, plant closures and job losses has skyrocketed and the Salisbury CDC has been at the forefront offering housing and credit counseling to affected workers throughout Rowan County as well as Davidson County. The CDC has received sizeable grants from the Foundation for the Carolinas, the United Way, the N.C. Commissioner of Banks, Neighborworks and funding from local churches to help displaced workers avoid foreclosure. This funding has been used to provide one-time mortgage payment or short-term loans to families to help keep their mortgages current. CDC housing counselors have worked closely with homeowners, contacting banks and mortgage companies to arrange reduced interest rates and to reduce or eliminate late fees.

#### **2009-2010 Foreclosure Prevention Program**

- 452 persons received counseling;
- 220 loan modifications were completed, more than any other agency in the state;
- 9 families received short-term loans;  
(NCHFA Home Pilot Protection Program funds totaling \$142,042)
- 36 families received one-time payments;  
(Rowan County United Way funds totaling \$29,158)
- \$50,000 received for foreclosure prevention counseling from State of North Carolina through the Countrywide unfair lending practices settlement;
- Salisbury CDC counselor was certified for reverse mortgage counseling
- \$10,000 in additional funds received from Rowan County United Way for foreclosure prevention;
- City, CDC and other partners hosted *Save Your Home Expo* on May 20, 2010;
- Salisbury CDC was selected as one of 24 counseling agencies in North Carolina to administer \$159 Million Federal dollars allocated for foreclosure prevention in the state.

**Home Maintenance Plan (Non-HUD Funding Source)**

The Salisbury CDC developed its Home Maintenance Plan to help motivate homeowners to save for basic repairs and future home maintenance expenses. Under this program, first-time homeowners who have purchased a home from the CDC are eligible to receive grants totaling 50% of their project costs. The maximum grant is \$500 which can be used to pay for lawn equipment, basic home maintenance tools or many types of home improvements. In order to qualify, homeowners must save a minimum of \$25 per month. The program was funded by a \$10,000 grant from the Robertson Foundation.

**2009-2010 Home Maintenance Plan**

- 15 participants;
- One (1) family received a grant for bathroom renovations.

**Progress on One-Year Goals**

The City of Salisbury 2005-2010 Consolidated Plan includes one-year target goals for affordable housing and neighborhood improvements. This year the City met several of its projected goals, but fell short on others, notably those involving liens for homeowners or credit to new homebuyers.

<b>Activities</b>	<b>FY 2009-2010 Accomplishments</b>	<b>One-Year Target Goal</b>
Substandard acquisition/ redevelopment/ new construction or rehab/resale	4	4
Owner-occupied rehab	2	5
Emergency rehab	1	6
Homeownership assistance	0	4
Sidewalk projects	1	1
Non-housing neighborhood improvements	0	1

**Progress on Five-Year Goals**

The following table illustrates the City's cumulative accomplishments over the term of the 2005-2010 Consolidated Plan. Ultimately there were fewer than anticipated requests for owner-occupied and emergency rehab that could be addressed using HUD funds, while property acquisition to address critical neighborhood-destabilizing influences became a critical need over the same period.

<b>Activities</b>	<b>FY 2005- 2006</b>	<b>FY 2006- 2007</b>	<b>FY 2007- 2008</b>	<b>FY 2008- 2009</b>	<b>FY 2009- 2010</b>	<b>Cumulative Accomplishments</b>	<b>Five- Year Goal</b>
Substandard acquisition/ redevelopment/ new construction or rehab/resale	4	13	9	1	4	31	20
Owner-occupied rehab	4	--	1	1	2	8	25
Emergency rehab	3	4	2	2	1	12	30
Homeownership assistance	3	3	0	1	0	7	20
Sidewalk projects	1	1	0	0	1	3	5
Non-housing neighborhood improvements	--	1	1	1	0	3	5

### **Analysis of Successes and Failures and Actions Taken to Improve Programs**

While progress on housing goals was modest, the activities during 2009-2010 built upon previous accomplishments in stressed neighborhoods where the city has been engaged in revitalization efforts for many years. A few more affordable units were improved or created and homeowners were able to receive assistance getting needed repairs. The Homebuyer Education Program continued to provide training for low-moderate income families to eventually be able to purchase their first home. CDBG funding that was extended to public service agencies assisting the homeless and uninsured allowed those services to continue without interruption at a time when the need has increased exponentially. All activities undertaken during this year were in conformance with the Consolidated Plan goals.

The CDC has been able to respond to the rising need for foreclosure prevention counseling to help families stay in their homes and by structuring its programs to fit the changing need. By actively seeking out other funding opportunities, the CDC has been able to increase its counseling services, provide interim relief with short-term loans and one-time mortgage payments and help families overcome predatory loan situations.

This year the City began the process of updating its *Analysis of Impediments to Fair Housing*. This document outlines the prevalence of housing discrimination and any barriers that may exist in the community that have the effect of limiting fair housing choice. The document and the public process is expected to be completed in September 2010.

During the year, the City took actions to address a program weakness regarding the environmental review process for which HUD issued a finding in May 2008. City and CDC staff consulted with the HUD environmental specialist throughout the year on a case-by-case basis to address the lapses identified in the report. In a letter dated June 14, 2010, HUD announced that it had found the City's corrective measures adequate and that the finding was cleared.

Program weaknesses this fiscal year were centered on timeliness. The City failed to meet its spending goal in May 2010 which resulted in a finding issued by HUD. The City determined that the spending backlog was primarily due to an infrastructure project that had been stalled. Further engineering investigation was completed in July 2010 to identify an alternate course of action. The project is expected to be completed during the 2010-2011 fiscal year. The City developed an action plan to ensure that spending goals will be exceeded during the 2010-2011 program year. Other measures were put in place to ensure that spending continues at the necessary pace in future years.



### III. FAIR HOUSING

#### Efforts to Further Fair Housing

The city promoted fair housing using a variety of print, televised and web-based media to reach eligible individuals and families regardless of race, color, national origin, sex, religion, familial status or disability. All counseling services, homebuyer education classes and workshops were open to all with no fees or costs involved. The following sections describe these activities in more detail.

#### Homebuyer Education Program

The Salisbury CDC continued its efforts to educate prospective first-time homebuyers about various aspects of homeownership. Two series of classes were held in the spring and the fall. Classes were taught by CDC housing counselors and other professionals from the community who donate their time and expertise in accounting, banking, real estate, cooperative extension, home maintenance and other related fields. Subjects included money management, real estate transactions and the process of purchasing a home, basic home maintenance and care (HVAC, plumbing, electrical, interior finishes and related topics) and landscape maintenance and care. Classes offered by the CDC are open to anyone who is interested in learning more about homeownership or who would like to become eligible to purchase a home. These classes are a prerequisite to purchasing a home through the Salisbury CDC.

#### Foreclosure Prevention Counseling and Assistance

The Salisbury CDC provided extensive mortgage counseling services to hundreds of manufacturing-sector workers this year who were either laid off from their jobs or had their hours reduced. Counselors worked closely with company representatives for referrals as lay-offs and reductions were anticipated and held information sessions for workers either at the company site or at the Salisbury CDC office. Counselors helped workers develop a household budget to help them adjust to their reduced pay and keep their mortgages current, contacted mortgage lenders to arrange payment plans and reduced late fees, and helped workers qualify for direct financial assistance through the CDC. Financial assistance included one-time mortgage payments with funding provided by the United Way. The CDC also partnered with Legal Aid of Greensboro to provide three mortgage seminars free to the public.

#### Regional Partnership on Credit Counseling

The Salisbury CDC continued its partnership with Consumer Credit Counseling of Greater Greensboro to address a need for credit counseling which is not otherwise locally-available to residents of Salisbury and Rowan County. Through this partnership, the CCC of Greensboro provided services at the Salisbury CDC office one day per week.



### Media

The Salisbury CDC used printed, electronic and televised media to promote its services, classes, programs, workshops and information sessions. Flyers for information sessions for laid-off workers were printed in-house and also distributed electronically to the employers and affected workers. Ads were also placed in the Salisbury Post, a publication with wide general distribution throughout Rowan County. The Salisbury Post ran several front page features on the Foreclosure Prevention Program which generated many new referrals. The CDC newsletter, “New Beginnings” is printed and distributed biannually. The Salisbury CDC website provides basic information on its services and how to qualify for homeownership assistance.

### Workshops

Salisbury CDC staff conducted a workshop during this fiscal year for residents of the Eagles Nest and Eagles Nest II, transitional housing developments for the homeless operated by Rowan Helping Ministries. The presentations focused on basic budgeting and money management skills to help residents become more financially stable. These workshops were also held for public housing residents at Salisbury Housing Authority. Another workshop was held for residents of public and transitional housing which focused on basic insurance needs with a local insurance agent as the guest speaker.

### Other Community Presentations and Outreach

Salisbury CDC staff also made presentations about its homeownership and foreclosure prevention programs to the following groups and organizations:

- Salisbury Human Relations Council
- Rotary Club
- Update to the Salisbury City Council at one of their televised regular meetings
- Meeting of the Delta Sigma Theta Sorority
- Quarterly orientation sessions for new City of Salisbury employees
- Salisbury/Rowan County Food Giveaway (United Way event)
- City of Salisbury Benefits Fair

- ❖ **See Appendix B for examples of promotional flyers, newsletters and media hits during 2009-2010.**

### **Funding for Fair Housing Activities**

The following table includes funding that was used to further fair housing and how it was spent.

<b>Funding for Fair Housing Activities (CDBG administrative line item)</b>	
<b>Activity</b>	<b>Amount</b>
Biannual newsletter – printing and distribution	\$3,000.00
Website – webmaster fees	\$1,000.00
Advertising – Salisbury Post	\$580.00
Flyers, educational materials – printing and paper costs	\$1,000.00
Park Avenue Neighborhood Fun Fest and Christmas party	\$700.00
<b>TOTAL</b>	<b>\$6,280.00</b>



#### IV. DETAILED AFFORDABLE HOUSING ACTIVITIES

##### Acquisition / Rehabilitation for Resale / New Construction (CDBG & CDBG-R)

Under this activity the City of Salisbury allocates funds for the acquisition of vacant lots and substandard dwellings. Depending on site conditions, the property may be rehabilitated and sold to an eligible low to moderate income first-time homebuyer. In other instances the existing dwelling may be demolished and the property used for a future new home construction using HOME Program funds. The new home will then be sold to an eligible low to moderate income first-time homebuyer. While these efforts are concentrated in designated revitalization areas, projects may also be completed at scattered sites within the city's jurisdiction.

##### 2009-2010 Accomplishments

- **W. Cemetery Street – Jersey City Neighborhood**  
Acquisition of a vacant lot for a specific first-time homebuyer who was pre-qualified to purchase the property when completed. Construction of a new home was 70% complete (HOME program funds). Anticipated closing is September 2010.
- **Messner Street – West End Neighborhood**  
Acquisition of two bedroom home with a basement for future rehabilitation and resale.
- **Torrence Street - West End Neighborhood**  
Property development for future rehabilitation. Activities completed included lead inspection and work write-up. Home includes three bedrooms, two baths and a one-car garage. Anticipated completion is September 2010.
- ❖ **Willow Drive – Scattered Site (CDBG-R)**  
Acquisition of a foreclosed home for rehabilitation to meet Energy Star standards.

HUD Performance Management System	
Activity:	Acquisition / Rehabilitation for Resale / New Construction
HUD <i>Objective</i> Performance Measure	Create suitable living environment <b>Provide decent housing</b> Create economic opportunities
HUD <i>Outcome</i> Performance Measure	Availability/accessibility <b>Affordability</b> Sustainability

### **Owner-Occupied Rehabilitation (CDBG)**

The Housing Rehabilitation Program provides assistance to eligible homeowners for rehabilitation to their principal residence. Assistance may be provided in the form of a direct low interest loan or deferred loan. Funds may be used for housing improvements necessary to correct violations of Minimum Housing Code, handicapped improvements and other rehabilitation necessary to improve overall livability of the property.

#### **2009-2010 Accomplishments**

❖ **Messner Street – West End Neighborhood**

Work included new roof, new windows, new HVAC unit and minor exterior repairs.  
Completed in January 2010.



<b>CDBG Owner-Occupied Rehab Owner Characteristics</b>	
White	
Black/African American	1P
Asian	
American Indian/Alaskan Native	
Native Hawaiian/Pacific Islander	
Am Indian/Alaskan Native and White	
Asian & White	
Black/African American and White	
Am Indian/Alaska Native and Black	
Other Multi-Racial	
Hispanic Ethnicity	
Income:	
Less than 30% AMI	1H
31% - 50% AMI	
51% - 80% AMI	
80%- AMI	
Family Status and Special Needs	
Female-Headed	1P
Disabled (not elderly)	
Elderly	1P
Homeless	
AIDS/HIV+	
Two Parent	
Single Parent	

❖ **Old Wilkesboro Road – West End Neighborhood**

Work included new HVAC unit and was completed October 2009.



<b>CDBG Owner-Occupied Rehab Owner Characteristics</b>	
White	
Black/African American	2P
Asian	
American Indian/Alaskan Native	
Native Hawaiian/Pacific Islander	
Am Indian/Alaskan Native and White	
Asian & White	
Black/African American and White	
Am Indian/Alaska Native and Black	
Other Multi-Racial	
Hispanic Ethnicity	
Income:	
Less than 30% AMI	
31% - 50% AMI	1H
51% - 80% AMI	
80%- AMI	
Family Status and Special Needs	
Female-Headed	
Disabled (not elderly)	
Elderly	2P
Homeless	
AIDS/HIV+	
Two Parent	
Single Parent	

<b>HUD Performance Management System</b>	
<b>Activity:</b>	<b>Owner-Occupied Rehabilitation</b>
HUD <b>Objective</b> Performance Measure	Create suitable living environment <b>Provide decent housing</b> Create economic opportunities
HUD <b>Outcome</b> Performance Measure	<b>Availability/accessibility</b> Affordability Sustainability

### **Emergency Rehabilitation (CDBG)**

The Emergency Housing Rehabilitation Program provides assistance to eligible homeowners to assist in financing rehabilitation costs to correct emergency situations. Eligible activities include housing improvements such as a damaged or leaking roof, electrical, plumbing or other problems that might pose an immediate health or safety risk. Assistance is provided in the form of a direct low interest loan or deferred loan. The program is provided to low and moderate income homeowners whose annual family income does not exceed 80% of the area median income.

#### **2009-2010 Accomplishments**

❖ **Old Plank Road – West End Neighborhood**

Work to home included electrical updates and baseboard heating. Completed in March 2010.



<b>CDBG Emergency Rehabilitation Owner Characteristics</b>	
White	
Black/African American	1P
Asian	
American Indian/Alaskan Native	
Native Hawaiian/Pacific Islander	
Am Indian/Alaskan Native and White	
Asian & White	
Black/African American and White	
Am Indian/Alaska Native and Black	
Other Multi-Racial	
Hispanic Ethnicity	
<b>Income:</b>	
Less than 30% AMI	1H
31% - 50% AMI	
51% - 80% AMI	
80%- AMI	
<b>Family Status and Special Needs</b>	
Female-Headed	1P
Disabled (not elderly)	
Elderly	1P
Homeless	
AIDS/HIV+	
Two Parent	
Single Parent	



HUD Performance Management System	
Activity:	Emergency Rehabilitation
HUD <b>Objective</b> Performance Measure	Create suitable living environment <b>Provide decent housing</b> Create economic opportunities
HUD <b>Outcome</b> Performance Measure	<b>Availability/accessibility</b> Affordability Sustainability

**Home Ownership Assistance (HOME)**

The City of Salisbury's Home Ownership Assistance Program is designed to assist individuals and families in becoming homebuyers by providing down payment and closing cost assistance for the purchase of a single-family dwelling. Potential beneficiaries of the program are required to complete a comprehensive Homebuyer Education Program which is offered by the Salisbury CDC. Eligible participants can receive up to \$2,500.00 for closing costs and up to \$7,500.00 in down payment assistance.

**2009-2010 Accomplishments**

- No activities were completed this year.

HUD Performance Management System	
Activity:	Home Ownership Assistance
HUD <b>Objective</b> Performance Measure	Create suitable living environment <b>Provide decent housing</b> Create economic opportunities
HUD <b>Outcome</b> Performance Measure	<b>Availability/accessibility</b> Affordability Sustainability

### **Acquisition / Rehabilitation for Resale / New Construction (HOME)**

Under this activity, a vacant or deteriorated structure may be purchased and rehabilitated, or it may be demolished if conditions dictate in order to construct a new home on the lot. The home will then be sold to an eligible low or moderate income first-time homebuyer. While these efforts are concentrated in designated revitalization neighborhoods, they may also be completed at scattered sites within the Salisbury City Limits.

#### **2009-2010 Accomplishments**

- **West Bank Street – West End Neighborhood**

Construction was completed on an Energy Star-certified 1,240 sq. ft. home with three bedrooms and two baths. The home will sell for approximately \$110,000 with a monthly payment including taxes and insurance of \$610. This activity was first reported in 2008-2009 when it was about 60% complete.



- **West Cemetery Street – Jersey City Neighborhood**

Construction began in Spring 2010 on this home featuring three bedrooms and two baths. It includes 1,240 sq. ft. and will meet Energy Star standards. The lot was purchased with CDBG funds for a specific homebuyer who was pre-qualified to purchase the home. It was 70% complete at the end of the program year.



HUD Performance Management System	
Activity:	Acquisition / Rehabilitation for Resale / New Construction
HUD <b>Objective</b> Performance Measure	Create suitable living environment <b>Provide decent housing</b> Create economic opportunities
HUD <b>Outcome</b> Performance Measure	Availability/accessibility <b>Affordability</b> Sustainability

## V. PUBLIC SERVICE FUNDING

### Summary

The City of Salisbury extended just over 14% of its CDBG monies to public service agencies which serve low-moderate income persons. HUD limits public service funding to no more than 15% of the City's CDBG allocation. The funds helped provide public services that benefited 1,738 persons.

### 2009-2010 Accomplishments

- Overnight Supervisor position in an emergency homeless shelter;
- Resident Manager position in a shelter for victims of domestic violence;
- Dental Hygienist position in a health clinic serving uninsured, low-income persons;
- Summer employment program for at-risk youth;
- Educational supplies and programming expenses for a community garden located in the West End neighborhood.

Recipients of CDBG-Funded Public Service Activities	
Agency	Total Number Benefiting from Activity
Rowan Helping Ministries	325
Family Crisis Council	85
Community Care Clinic	911
Youth Employment Program	10
West End Community Garden	407
<b>TOTAL</b>	<b>1,738</b>

**Details on Agencies & Programs Funded**

**Rowan Helping Ministries** provides emergency and transitional housing for homeless persons along with meals, clothing and other supports. The \$22,500 grant provided 32% of the \$70,233 spent on shelter salaries from August 2009 until January 2010. Of the total 325 beneficiaries, 16 persons were elderly and 9 were disabled. Races and ethnicities represented included 180 White, 133 Black, 5 Other/Multi-Racial and 4 Hispanic.

HUD Performance Management System	
Activity:	Rowan Helping Ministries
HUD <i>Objective</i> Performance Measure	<b>Create suitable living environment</b> Provide decent housing Create economic opportunities
HUD <i>Outcome</i> Performance Measure	<b>Availability/accessibility</b> Affordability Sustainability

The **Family Crisis Council** provides emergency shelter services for victims of domestic abuse. The agency was able to fund a portion of the Resident Manager position for its emergency shelter with the \$14,000 in CDBG funds. During the year, 85 women and 53 children affected by domestic abuse were sheltered. Races and ethnicities represented among the adult women included 44 White, 40 Black, and 5 Hispanic. Two (2) persons were disabled.

HUD Performance Management System	
Activity:	Family Crisis Council
HUD <i>Objective</i> Performance Measure	<b>Create suitable living environment</b> Provide decent housing Create economic opportunities
HUD <i>Outcome</i> Performance Measure	<b>Availability/accessibility</b> Affordability Sustainability

The **Community Care Clinic** provides medical care, dental care and prescription medications to uninsured residents of Salisbury and Rowan County. The clinic was able to fund a portion of its Dental Hygienist position with the \$10,000 in CDBG funding. Beneficiaries included 622 White, 280 Black, 9 Other/Multi-Racial and 19 Hispanic. The clinic reported 148 initial dental visits, which for many of these patients was the first time to see a dentist in over ten years.

HUD Performance Management System	
Activity:	Community Care Clinic
HUD <b>Objective</b> Performance Measure	<b>Create suitable living environment</b> Provide decent housing Create economic opportunities
HUD <b>Outcome</b> Performance Measure	<b>Availability/accessibility</b> Affordability Sustainability

The **Summer Youth Employment Program** is coordinated jointly by the City of Salisbury Parks and Recreation and Human Resources Departments to place youth from low-moderate income families in various summer jobs with the city. All funding goes toward paying the student's salaries. This year ten (10) students were hired for a six-week term. The students go through the interview process and receive valuable on-the-job training. City employees provide supervision, job skill coaching and are able to provide mentoring for at-risk youth which has been an important city initiative. Races represented included 1 White and 9 Black.

HUD Performance Management System	
Activity:	Youth Employment Program
HUD <b>Objective</b> Performance Measure	Create suitable living environment Provide decent housing <b>Create economic opportunities</b>
HUD <b>Outcome</b> Performance Measure	<b>Availability/accessibility</b> Affordability Sustainability



The **West End Community Garden** is a demonstration garden located in the West End Neighborhood which is maintained by volunteers with the Rowan County Master Gardener Association. The garden received \$1,500.00 in CDBG funds for educational supplies and programming costs this year. The Master Gardeners coordinated garden programs for children enrolled at the Miller Center and the 4-H Club, and seniors from the Miller Center, local churches and retirement homes. At least 407 persons benefited from these programs. The garden is located in an area designated for neighborhood revitalization.

HUD Performance Management System	
Activity:	Rowan County Master Gardeners – West End Community Garden
HUD <i>Objective</i> Performance Measure	<b>Create suitable living environment</b> Provide decent housing Create economic opportunities
HUD <i>Outcome</i> Performance Measure	Availability/accessibility Affordability <b>Sustainability</b>

## V. OTHER HOUSING ACTIVITIES

### **Housing Activities to meet Worst Case Needs**

Worst case housing needs by definition includes unassisted very low-income renter households that pay at least half their income for rent or live in severely inadequate housing. To alleviate this situation, the Federal Government has recommended tenant-based rental assistance paired with housing created through the HOME program and other federal grants for rental housing. Due to the limited federal housing monies available to smaller cities, the City of Salisbury has focused its resources on increasing homeownership opportunities for low-moderate income citizens rather than providing rental assistance. The city has seen a dramatic improvement in neighborhoods where homeownership was at the core of revitalization efforts using CDBG and HOME funds. The Salisbury CDC coordinates an extensive homeownership education program to help renters obtain the financial skills they need to enter the housing market.

This year, 45 individuals or families were enrolled in homeowner education classes. Among beneficiaries who own their own homes, 452 families received counseling services and 220 received loan modifications through the assistance of the Salisbury CDC to help them stay current on their mortgages and be able to retain their homes.

### **Housing Activities to Serve Persons with Disabilities or other Special Needs**

The Salisbury CDC custom tailors its homes to suit the individual needs of the families who qualify. Accommodations as part of a new construction or rehabilitation project such as wheelchair ramps, wider doorways, lower countertops and other modifications can be provided for household members as needed. This year there were no such requests.

This year, at least 58 persons with disabilities (not elderly) were served by public service agencies which received CDBG funding from the City of Salisbury. At least 87 recipients of these services were elderly.

### **Section 215 Housing Opportunities Created**

The CDC did not undertake Section 215 housing during this program year. The City of Salisbury has continued to focus on homeownership opportunities and has made this a high priority in the housing goals of the Consolidated Plan.



## VII. NON-HOUSING NEIGHBORHOOD IMPROVEMENTS

### Sidewalk Improvements

The City frequently invests CDBG funds into retrofitting and upgrading streets to accommodate pedestrians. Sidewalks help provide safe transportation options and enhance overall neighborhood livability.

#### 2009-2010 Accomplishments

- **Partee Street Sidewalk – West End Neighborhood**  
Approximately 1,300 linear ft. of sidewalk was installed along Partee Street. The sidewalk will benefit residents of public housing and students of Livingstone College, a historically-black college located in the heart of the West End Neighborhood.



HUD Performance Management System	
<b>Activity:</b>	<b>Non-Housing Neighborhood Improvements</b>
HUD <b>Objective</b> Performance Measure	<b>Create suitable living environment</b> Provide decent housing Create economic opportunities
HUD <b>Outcome</b> Performance Measure	Availability/accessibility Affordability <b>Sustainability</b>



## VIII. ACTIONS TO ASSIST HOMELESS

The city provided assistance to the homeless through its public service funding. A portion of the city's CDBG allocation eligible for public services was extended to Rowan Helping Ministries. This organization follows a continuum of care approach by providing a range of supportive services including financial crisis assistance, emergency overnight shelter and transitional housing. The funding was used specifically for an overnight manager in the agency's emergency shelter. A total of 325 homeless individuals benefited from the funding. Additional funding was provided to a shelter for victims of domestic violence. This funding benefited 85 homeless women and 53 children affected by abuse.

The Salisbury CDC Housing Counselor conducted several seminars at Salisbury Housing Authority for residents of public housing, and at Eagles Nest, a transitional housing facility for the homeless operated by Rowan Helping Ministries. These seminars focused on improving credit, when and how to obtain insurance and budgeting skills.

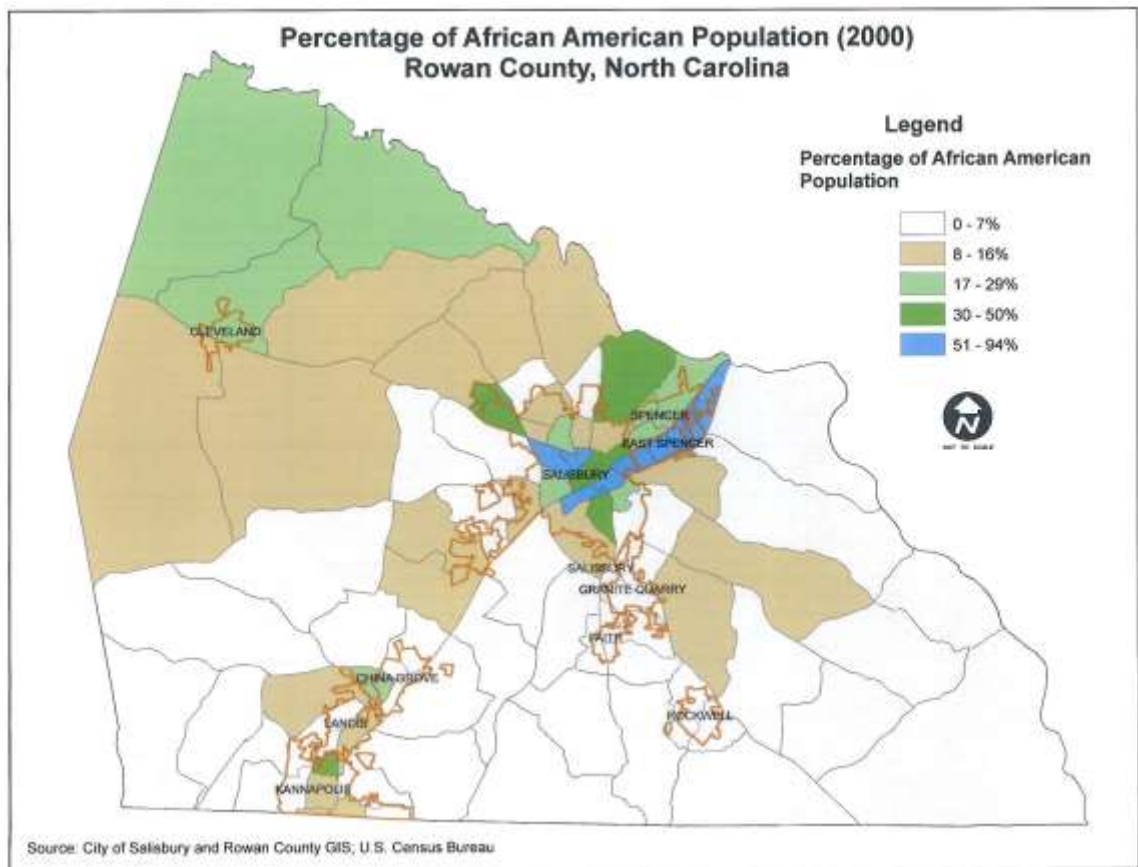
Rowan County is a member of the Piedmont Regional Continuum of Care, formed in 2005. Salisbury CDC staff has been involved in this initiative since its inception. The Continuum of Care includes a five-county area and seeks to obtain HUD funding to address homelessness on a regional level.



## VII. OTHER ACTIONS & ACCOMPLISHMENTS

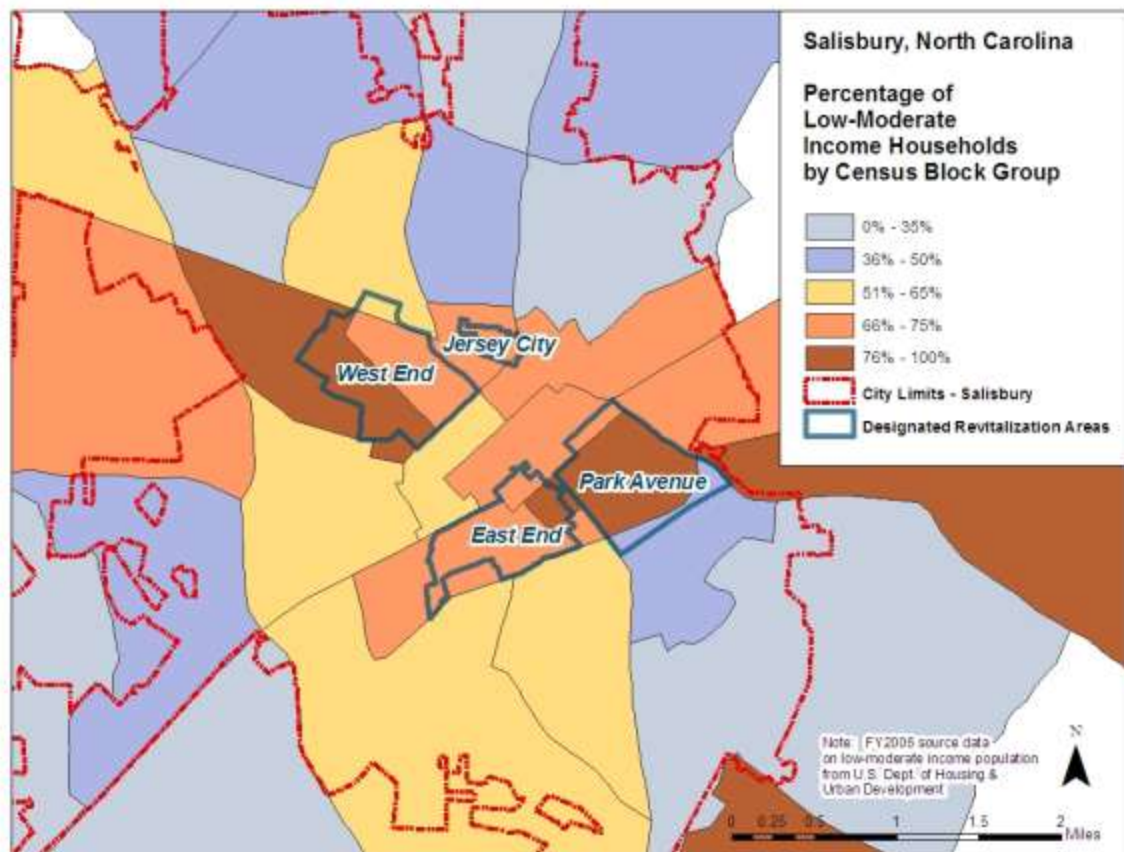
### Underserved Needs

The city continued to focus housing activities in specific urban neighborhoods having predominantly low and moderate income population and high minority concentrations, areas that have traditionally been underserved. Designated revitalization areas are located near downtown Salisbury where minority concentration is higher compared to outlying parts of the city.





Relationship of Activities to Designated Revitalization Areas					
Project Type	West End	Park Avenue	East End	Jersey City	Other Areas
Owner-Occupied Rehab	2				
Emergency Rehab	1				
Rehab Projects for Resale					
Property Acquisition	1			1	1
Property Development	1				
New Construction	1			1	
Non-Housing Improvements	1				
<b>TOTAL</b>	<b>7</b>			<b>2</b>	<b>1</b>



### **Foster and Maintain Affordable Housing**

Activities to maintain affordable housing included 2 owner-occupied rehabilitation and 1 emergency rehabilitation projects. These activities help improve the living conditions of low-moderate income-earning households who may not otherwise be able to complete the needed repairs. The nature of the emergency repairs can mean the difference in whether the family can continue to reside in the home into the extended future, preventing possible displacement and homelessness.

The Salisbury CDC offers down payment and closing cost assistance to qualified low-moderate income homebuyers using HOME program funds. Through its partnerships with local lending institutions, the Salisbury CDC is also able to secure below market-rate loans and waived PMI, ensuring the affordability of the home to low-moderate income households. Although no households were able to take advantage of this program this year, 45 participants were enrolled in homebuyer education classes offered by the Salisbury CDC.

### **Eliminate Barriers to Affordable Housing**

The City of Salisbury's new Land Development Ordinance (LDO) was adopted in November 2007 and went into effect on January 1, 2008. The ordinance contains several provisions that help reduce, or eliminate, some of the barriers to affordable housing that existed under the old zoning code.

- Smaller lot sizes equating to higher densities in most residential zoning districts;
- Streamlined review process that will help reduce overall development costs;
- Allowing on-street parking to count toward parking requirements in many districts, further reducing development costs;
- More administrative review of most types of projects as long as they meet the standards. In districts where multi-family housing is allowed, this will help eliminate the lengthy and often contentious, legislative review process that hinders the development of apartments and other multi-unit housing;
- Code encourages multiple housing options, such as accessory units or granny flats, and makes some alternative housing types, such as live-work units, available for the first time.
- Enables more compact, pedestrian-friendly development and mixed use projects that will improve accessibility of services to all of the city's residents.

### **Fill Gaps in Institutional Structure**

The Salisbury CDC continued to implement the CDBG and HOME grant programs and to coordinate housing rehabilitation and other activities called for in the Action Plan. The CDC acted on the City's behalf to forge partnerships with lenders and other agencies, including the N.C. Housing Finance Agency, as it has done in the past. The Salisbury CDC has developed a very efficient, fluid process for managing the city's housing programs and has made the most from partnerships with a variety of organizations. Its strengths lie in having built strong relationships with lenders, subcontractors, non-profits and other governmental agencies and departments. Reporting in the federal IDIS system was completed by CDC staff and the city's finance department.

The CDC continued to promote its Homebuyer Education Program and to encourage the participation of public housing residents in the housing programs. The City and the CDC also coordinated with neighborhood organizations to ensure that the needs of the residents are clearly understood.

The City, along with the CDC, also continued their partnerships with the various non-profit organizations and agencies serving low-to-moderate income populations and those with special needs. By extending CDBG funds as grants to several key public service providers in Salisbury, the city is able to help assist more individuals *more effectively* than it could by attempting to provide these services directly.

### **Facilitate Public Housing Authority Participation**

The Salisbury CDC continued to facilitate greater participation among public housing residents in homeownership and help improve their level of financial independence by encouraging residents to attend homeownership classes funded through the HOME program. Six (6) residents of public housing were enrolled and actively participating in the Homebuyer Education Program this year. Program staff coordinated with the Public Housing Authority and the PHA's Family Self-Sufficiency Program to help make residents aware of housing programs and opportunities offered by the CDC. The City of Salisbury Police Department continued to work closely with public housing staff to help keep developments free of drug-related and other criminal activity.

### **Reduce Lead-Based Paint Hazards**

This year the Salisbury CDC completed lead inspections on one (1) property located in the West End Neighborhood. This home was acquired with CDBG funds and will be rehabilitated and sold to an eligible first-time homebuyer.

### **Reduce Poverty**

The city's housing programs help to alleviate poverty conditions by making safe, affordable housing available to low-moderate income homeowners. By assisting low-moderate income households toward homeownership, the city contributes to the greater financial well-being and stability of those residents, thereby helping to reduce the overall incidence of poverty.

This year, one (1) household received assistance with immediate housing needs of an emergency nature. Two (2) families were assisted in the rehabilitation of their home to include roofing, electrical, HVAC and window upgrades. These activities improved living conditions and lessened the financial strain for these families had they been forced to make repairs without assistance.

The CDC continued its outreach to public housing agencies, public service providers, and citizens to help ensure maximum participation in housing programs. The housing improvements and neighborhood revitalization projects completed this year build upon previous actions in distressed neighborhoods to ultimately help improve the overall economic climate and help attract more private investment into these areas.

### **Ensure Compliance with Program Requirements**

All housing activities that the City of Salisbury undertakes are monitored as necessary to ensure that program requirements are met. Activities to be followed as part of the overall monitoring plan include:

- Acquisition or disposition of property by the CDC;
- Rehabilitation of existing housing units;
- Relocation of residents, if it occurs;
- Performance of organizations, contractors, subcontractors, or others involved with project activities;
- Subrecipients of funds or property from the CDC;
- Other community development activities financed with CDBG or HOME funds.

Project activities must be in conformance with the Consolidated Plan. Before a project or activity is included in the annual Action Plan, it is compared to priorities and objectives in the Consolidated Plan to ensure consistency with the city's short- and long-term community development goals. Project activity is monitored from beginning to end through site visits and consultation with contractors and other involved parties to ensure that the work is completed in accordance with Consolidated Plan goals.

During the program year, Salisbury CDC staff monitored all housing development and rehabilitation activities, including property grading and filling or other clearing and

preparation work, to ensure that the activities are carried out in accordance with the plan and that housing standards are met. This included frequent on-site inspections on all projects. CDC staff performed all necessary background research, including but not limited to credit and employment verifications, to ensure that client eligibility guidelines were met. CDC staff also ensured that all financing, mortgage and closing statements were in order and that the affordability guidelines were met.

Timeliness of expenditures is another component of compliance with program goals. During the program year, the Salisbury CDC maintained an on-going waiting list of qualified applicants for its housing projects. This helps to ensure that funding, once received, can be programmed and disbursed in a timely manner and that the agency does not incur a backlog of unspent funds.

In May 2010, the City was found by HUD to be noncompliant with spending expectations. A work-out plan was created to ensure that spending gets back on track during the next year. The City will report to HUD on a monthly basis on its progress toward the May 2011 spending threshold.

The Salisbury CDC staff made frequent site visits to projects under construction or during rehabilitation work to monitor compliance with all housing codes and standards. The CDC developed new inspection log sheets to keep track of property site visits and inspections. City staff responsible for code enforcement worked closely with CDC staff during the program year concerning nuisance issues in the city's selected neighborhoods.

Planning staff conducted on-site monitoring visits with each subrecipient of public service funding to ensure compliance with program requirements and to ensure that Consolidated Plan goals are met. Review of records during these visits included:

- Copies of all contracts and amendments;
- Most recent external audit report;
- Copies of city disbursements to organization's cash receipts journal;
- Proper authorization on disbursements;
- Roster of clients being served;

The City of Concord, lead agency of the Cabarrus/Iredell/Rowan Consortium, is responsible for monitoring of all HOME Program activities.

**Leveraging of Public and Private Funds**

The City and the CDC are able to increase housing affordability by partnering with other housing-related organizations, securing reduced fees, grants or receiving donated goods and services.

This year, the City of Salisbury received at least \$54,400 in leveraged funding from other public or private sources.

<b>Leveraged Funds</b>		
<b>Source</b>	<b>Description</b>	<b>Total</b>
Rowan County United Way	Mortgage Assistance for laid-off workers	\$ 50,000.00
Consumer credit counseling	\$10/hr x 20 hours X 12 months	\$ 2,400.00
Guest speakers	Homeownership classes (\$10/hr @ 100 hours)	\$ 1,000.00
KKA Architects	House Plans	\$ 1,000.00
<b>Total</b>		<b>\$ 54,400.00</b>



## X. COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

### Relationship of Expenditures to Priority Needs

The 2005-2010 Consolidated Plan identified the city's priority needs by household type and income characteristics. The household characteristics of recipients this year compared to the identified priorities are shown in the following table.

			FY 2009-2010 Housing Activities				
Housing Needs		Priority Need Level	CDBG Rehab	CDBG Emer. Rehab	CDBG Own- Occupied	HOME Dnpay. and Closing Costs	HOME New Constr.*
Elderly	0 – 30%	H		H-1	H-1		
	31 – 50%	L			H-2		
	51 – 80%	L					
Small Related	0 – 30%	H					
	31 – 50%	M					
	51 – 80%	L					
Large Related	0 – 30%	H					
	31 – 50%	M					
	51 – 80%	L					
Special Needs	0 – 80%	M					

### Low-Moderate Income Benefit

In order to qualify for assistance, a household must earn 80% or less of the area median income. All households that received assistance under the city's housing programs exceeded the minimum criteria for eligibility.

### Amendments and Other Changes to the Program

There are no foreseen changes to the program at this time.



### **Completion of Planned Actions**

#### **Pursue all Resources**

The identified resources included allocations from the CDBG and HOME programs and in-kind support and resources from local lenders, guest trainers for the homebuyer education program, other city departments including engineering services and utilities. All identified resources were pursued and received as planned.

#### **Consistency of Local Applicants for HUD Funds**

In order to ensure that applicants qualify according to the criteria set by HUD, the CDC conducts income verifications, obtains copies of tax returns, and verifies any entitlement benefits and SSI benefits.

#### **Support Consolidated Plan Goals**

The actions and activities completed during this program year were in conformance with the priorities outlined in the 2005-2010 Consolidated Plan. The following table illustrates how the projects and activities undertaken this year relate to the city's housing and community development goals.

<b>Conformance with Consolidated Plan Goals</b>	
<b>GOAL</b>	<b>ACTIVITIES</b>
<b>Goal 1 : Increase the supply of decent, affordable housing</b>	<ul style="list-style-type: none"> <li>▪ Acquisition/Rehab/Resale (3)</li> <li>▪ Property Development (1)</li> <li>▪ New Home Construction project (1 was completed and 1 was 70% complete)</li> <li>▪ Emergency Rehab (1)</li> <li>▪ Owner-Occupied Rehab (2)</li> </ul>
<b>Goal 2 - Assist low-to-moderate income households toward homeownership and greater self-sufficiency</b>	<ul style="list-style-type: none"> <li>▪ Homebuyer Education Program (45 active participants)</li> <li>▪ Extensive foreclosure prevention counseling and direct foreclosure prevention funding assistance was provided (non-HUD sources).</li> </ul>
<b>Goal 3 - Revitalize neighborhoods through non-housing improvements</b>	<ul style="list-style-type: none"> <li>▪ Sidewalk Improvements (1,300 linear ft.)</li> </ul>
<b>Goal 4 - Support efforts to reduce and prevent homelessness</b>	<ul style="list-style-type: none"> <li>▪ Public service funding to Rowan Helping Ministries</li> <li>▪ Public service funding to Family Crisis Council</li> </ul>
<b>Goal 5 - Provide community and supportive services to assist low-to-moderate income persons and those with special needs</b>	<ul style="list-style-type: none"> <li>▪ Public service funding was extended to 5 organizations serving low-moderate income persons. Services include emergency overnight shelter for the homeless, emergency shelter for victims of domestic abuse, dental services for low-moderate income, uninsured citizens, employment program for at-risk youth, and a community garden in a selected neighborhood.</li> </ul>
<b>Goal 6 - Promote employment and economic development opportunities</b>	<ul style="list-style-type: none"> <li>▪ Public service funding to Summer Youth Employment Program</li> </ul>

### **Consistency with National Objectives**

All activities pursued during this program year were in conformance with national objectives to benefit extremely low, low/moderate income persons and to prevent slums or blight. There are no perceived failures in addressing the national priorities.

### **Actions Taken to Avoid Displacement**

The Salisbury CDC avoids displacement by concentrating its activities in acquiring and rehabilitating vacant property. When owner-occupied rehabilitation projects are undertaken, the CDC includes in its contract that property owners may continue to occupy the dwelling while rehabilitation work is underway. There were no instances of displacement during the program year as a result of the city's housing activities.

### **Compliance with the Uniform Act (URA)**

The Uniform Act, passed in 1970, establishes minimum standards for federally-funded projects that involve the acquisition of real property or displacement of persons from their homes, businesses or farms. The City of Salisbury only acquires vacant property for rehabilitation and therefore does not undertake projects that involve displacement of individuals or families. When making an offer for real property, the Salisbury CDC first confirms that the property is unoccupied and informs the owner in writing of the offer to purchase. Purchase offers are made at the fair market value of the property based upon data from the county tax assessor. The owner is under no obligation to sell and is assured that the CDC can not pursue condemnation to acquire the property. Sale of property to the CDC is completely voluntary. If the owner is not interested in selling the property, the CDC takes no further action.

### **CDBG Financial Summary Attachments**

❖ The CDBG Financial Summary Attachments are included in Appendix C.

## XI. HOME INVESTMENT PARTNERSHIP (HOME PROGRAM)

### Distribution of Funds Among Identified Needs

The 2005-2010 Consolidated Plan indicated a need to increase the rate of homeownership among low-moderate income households. Specifically, it showed that renter households were found to have a higher percentage of housing problems\* than owner households (40.6% compared to 21.7% for owner households). The prevalence of housing problems among renter households indicated that increasing the rate of homeownership stood the best chance for improving the living conditions of lower income-earning residents.

To help address this need, the City of Salisbury focused its housing activities in four designated revitalization neighborhoods where the majority of homes are rental property. These neighborhoods have been plagued by persistent problems that can be associated with unsafe, substandard housing, including long-term vacancy of homes and abandoned homes, vagrancy, crime, drug activity, and overgrown weeds and other nuisances.

The Consolidated Plan further showed that disproportionate need exists among African-American households. For instance, in the City of Salisbury, approximately 46.7% of all households are classified as extremely-low or low income. Looking at the same classification by race, 61.9% of all African-American households meet this criterion, while only 38.6% of white households do.

To help address this need, the CDC focused its housing activities in designated revitalization neighborhoods where the prevalence of families living in poverty is more than double the city average of 12% and the proportion of African-American population ranges from 72-86% depending upon the neighborhood.

Taking into account all CDBG- and HOME-funded housing activities this year, there were four (4) direct recipients, all of whom were of African-American descent.

\*Housing problems is defined by HUD to include units with physical defects or substandard conditions, living in overcrowded conditions, or housing cost burden where combined utility and housing costs exceed 30% of gross income.

## **HOME Match Report**

❖ *The HOME Match Report is included in Appendix C.*

## **Contracting Opportunities for Women/Minority-Owned Businesses**

The Salisbury CDC followed requirements to encourage participation by minority-owned and women-owned businesses during the construction process. All advertisements for bids were published in a newspaper having general circulation in Salisbury and Rowan County and beyond. Notices included language to specifically encourage participation from minority and women-owned businesses. The CDC also works within the business and development community to incorporate affirmative marketing policies into affordable housing projects it oversees, including the services of minority- and women-owned contracting companies, lenders, and other professions and in all contracts drawn that support housing activities.

## **Affirmative Marketing Plans**

Marketing and outreach for the city's housing programs included print, televised and web-based media. Program staff also engaged eligible persons by making presentations throughout the year to church groups and neighborhood organization meetings to get the word out about the housing programs offered and opportunities available. The Salisbury CDC offered foreclosure prevention counseling and coordinates homeownership classes, providing more opportunities for outreach to eligible persons regardless of race, color, national origin, sex, religion, familial status or disability. For a more detailed description of these activities, refer to Section III – Fair Housing, p. 10.

## **Use of Program Income**

Program income received during FY2009-2010 is as follows:

Community Development Block Grants CDBG	\$ 38,851.69
HOME program	<u>0.00</u>
	\$ 38,851.69

CDBG program income was funneled back into CDBG rehabilitation projects to include emergency rehab, owner-occupied rehab and acquisition/rehab/resale activities. As a matter of course, program income is depleted first before new grant funds are drawn down.

