

I. HOUSING & NEIGHBORHOOD REVITALIZATION PROGRAM OVERVIEW

The City of Salisbury Housing & Neighborhood Revitalization Program aims to increase the supply of quality housing affordable for low-wealth families and to improve the livability and sustainability of distressed urban neighborhoods. To help accomplish this, the City receives Community Development Block Grant CDBG and HOME Investment Partnership dollars from the Department of Housing and Urban Development (HUD). Working in collaboration with its housing non-profit partner, Salisbury Community Development Corporation, Inc. (CDC), the City is able to leverage other resources, such as low-interest loans from local banks for eligible applicants and grants from local and state agencies, and then strategically invest these resources to help achieve the goals of the program.

The beneficiaries of these efforts are low and moderate income individuals and families with earnings below 80% of the area median income. Specifically, a family of four earning \$40,650 or less is potentially eligible for direct assistance*. An example of direct assistance for an eligible family might include down payment assistance to purchase a home that was acquired as vacant or foreclosed property and

rehabilitated using CDBG or HOME funds. The City also invests federal funds in public infrastructure, such as sidewalks or parks, to improve living circumstances in designated revitalization areas where the majority of households are low or moderate income.

* FY 2015-2016 Income Limits for Rowan County, NC



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Salisbury Community Development Corp., Inc. (Salisbury CDC)

The Salisbury CDC implements the City's housing programs, which include new construction, purchase and rehab of vacant or foreclosed housing, owner-occupied rehab and homeownership assistance. The CDC works directly with potential applicants to verify income eligibility, act as project manager for work being done to the home, and coordinate homeownership education for first-time homebuyers. Foreclosure prevention is another critical service area which has earned the CDC numerous state and local awards for the services it provides to homeowners facing the threat of foreclosure. The CDC is conveniently located in the West End Business & Community Center, 1400 W. Bank Street, in the West End neighborhood.

Planning Framework: Vision 2020, Consolidated Plan and Annual Action Plans

The City's long range community development goals originate from the ***Vision 2020 Comprehensive Plan***. Developed in the late 1990s through an extensive public participation process and adopted by City

Council in 2001, this plan expresses the community's vision for new development as well as reinvestment in existing neighborhoods, infrastructure and downtown. It calls out the community-building strategies and improvements that are essential elements of vibrant, livable neighborhoods – parks, sidewalks & pedestrian features, street lighting, meeting places, public transportation, appropriately-scaled stores, services and infill development. This plan will be updated in 2016-2017 to reflect the vision for the city looking forward to 2040.

Building on the framework of Vision 2020, the ***Consolidated Plan (the "five-year plan")*** outlines priority needs for affordable housing and neighborhood improvements and the geographic areas that will be the specific focus of community development activities. This plan is the "compass" for year-to-year decisions regarding the use of federal CDBG and HOME program dollars.

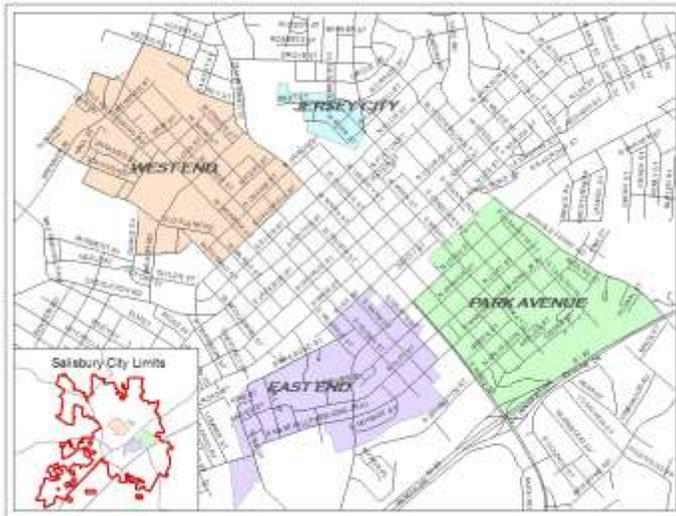
The annual ***Action Plan*** outlines a program of investments tailored to meet the needs and residents' expectations for designated revitalization areas. These annual activities are measurable, targeted tasks that are carefully aligned with the five-year goals.

II. REVITALIZATION ACTIVITY SUMMARY – FY 2014-2015

Designated Revitalization Areas:

West End, Jersey City, Park Avenue & East End

In order to make the greatest possible impact with limited funds, the City has selected four neighborhoods where housing deterioration and long-term vacancy have had a negative impact on livability and neighborhood stability. These areas are predominantly low-moderate income (51% or greater) and have a higher than average concentration of minority population.



Activities & Neighborhoods

Revitalization activities this year centered on housing, consistent with the highest priorities identified in the five-year plan. Housing activities took place in designated revitalization areas and other neighborhoods where foreclosure or long-term vacancies have threatened to undermine neighborhood stability and to assist low and moderate income families residing in various parts of the city. Neighborhoods that benefited from these investments included Park Avenue, West End, Green Hills, East End and Chestnut Hill.

Funding Sources

The 2014-2015 budget takes into account funds received from the CDBG & HOME programs, in addition to anticipated income generated from the sale of new or rehabilitated homes.

CDBG Entitlement Grant	\$ 311,749.00
HOME Program Funds	105,875.00
Program Income	35,000.00
CDBG/HOME TOTAL	\$ 417,624.00

- ❖ ***The itemized CDBG/HOME budget for FY 2014-2015 is included in the Appendix.***

Performance Report, Notice of Availability & Public Hearing

This document and appendix items, collectively referred to as the Consolidated Annual Performance and Evaluation Report (CAPER), provides a summary of the activities the city has undertaken using CDBG and HOME program funds over the fiscal year. The purpose of the report is to outline the types of activities and the geographic location of these investments 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.

A public hearing regarding the CAPER was held on Tuesday, September 15, 2015, 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 5, 2015, the *Salisbury Post*, a newspaper with a wide general circulation area including Salisbury and Rowan County, North Carolina.

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

Summary of Citizen Comments

[SPACE RESERVED]

Summary of Successes and Failures, and Actions to Improve Programs

Successes and actions to improve programs during this program year included:

- Seven homes were rehabilitated, improving living conditions for low and moderate income homeowners earning less than 80% of median income.

FY 2014-2015 Activities	Revitalization Area / Scattered Site	Activity Type
W. Marsh St.	Scattered	Emergency
Park Ave.	Park Ave	Substantial Rehab
Grady St.	Scattered	Substantial Rehab
Harrison St.	Scattered	Substantial Rehab
Messner St.	West End	Substantial Rehab
N. Clay St.	Park Ave.	Substantial Rehab
Old Concord Rd.	East End	Substantial Rehab

- Civic Park Redevelopment Phase I (renamed Brenner Crossing) was near 90% complete at the end of the reporting period. Phase I includes 36 public housing units and 44 affordable units. Together with additional units to be constructed in Phase II, the project replaces 80 1950s, barracks-style public

housing units to be demolished on an adjacent parcel.

- Continued work toward West End transformation by strengthening a partnership with the Blanche & Julian Robertson Foundation. A leader has been hired under the direction of the Robertson board to help create a non-profit organization dedicated solely to West End transformation in concert with neighborhood leaders and stakeholders;
- Celebrated the opening of the Stanback-Robertson Center, a new \$5.8 Million, 20,000 square foot facility for Rowan Helping Ministries which provides shelter and services for the homeless. The City and CDC donated a total of five parcels to assist with land assemblage for the new center;
- Supported activities of the Housing Advocacy Commission, a city board which advocates for fair housing and promotes better awareness of the rights and responsibilities of landlords and tenants. This year the commission hosted a workshop covering landlord and tenant rights, and fair housing issues;
- A total of 4,153 persons received assistance from public service agencies partly funded by the Block Grant. Of these, 591 were homeless and 100% were low-moderate income.
- City Council budgeted \$150,000 from the General Fund for a new housing stabilization program. These funds will be used to purchase,

stabilize and rehab distressed properties which can be sold to homebuyers who don't qualify for HUD-assisted programs. The goal is to target these investments to expand the impact of the HUD-funded housing rehab program, help stabilize blighted areas and increase the rate of homeownership.

- Sold two properties that had been on the market for an extended time.

Overall it was a productive year with signs of economic recovery in the housing market. New affordable units were created, partnerships were built or strengthened, and grants were leveraged to help sustain programs. There are no perceived failures in programs to report.

III. HOUSING ACTIVITIES

Housing Acquisition/Rehabilitation/Resale

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.

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

- Exterior and interior lead abated
- Unfortunately, the home was nearly destroyed by fire just after the work was completed. The insurance settlement, which is pending, will be used to rebuild or will be recycled back into other rehab projects.



N. Clay St. - Before



N. Clay St. - After



N. Clay Street (Park Avenue Neighborhood)

- House completely remodeled; new roof, windows, doors, flooring, sheetrock, appliances.

Owner-Occupied Rehabilitation

Under this activity, eligible homeowners can receive a direct low interest loan or deferred loan for rehabilitation to their principal residence. Funds may be used for housing improvements necessary to correct violations of Minimum Housing Code, handicap accessibility improvements and other rehabilitation necessary to improve overall safety and livability of the property.

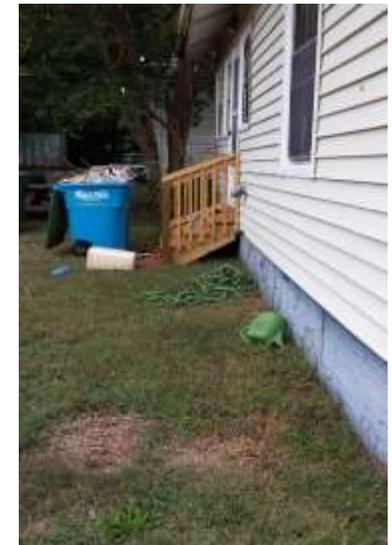
HUD Performance Management System	
Activity:	Owner-Occupied Rehabilitation
HUD Objective Performance Measure	Create suitable living environment Provide decent housing Create economic opportunities
HUD Outcome Performance Measure	Availability/accessibility Affordability Sustainability

Park Avenue (Park Avenue Neighborhood)

- HVAC replaced, secure unsafe porch board, replace handrails, replace rear steps, install insulation, wrap water pipes, install vapor barrier, install grab bars in bath, install new service panel to meet code, GFCI receptacles in kitchen and bath.
- No lead abatement activity needed.



Park Ave. - Before



Park Ave. - After

Grady Street (Green Hills Neighborhood)

- Roof replaced, replaced front steps, replaced rear steps, replaced windows, replaced doors, replaced water damaged floor and ceilings, HVAC. Installed grab bars, install new service panel to meet code, handicapped bath installed, new water and sewer tap.
- Lead testing completed. No lead found.



Green Hills - Before



Green Hills - After

Harrison Street (Chestnut Hills Neighborhood)

- Roof replaced, chimney removed, abated exterior lead & completed vinyl siding, replaced doors for safety, replaced windows, installed sheetrock in LR and Kitchen area, repaired front foundation, installed new bath fixtures, brought plumbing and electrical up to code, replaced broken walkway, replaced some flooring.
- Exterior and interior lead abated



Chestnut Hills - Before



Chestnut Hills - After

Messner Street (West End Neighborhood)

- Roof replaced, trim / fascia repaired, replaced exterior door for safety issue, replaced windows, insulation and vapor barrier installed, replaced water heater, replaced bath fixtures, new service panel, HVAC replaced, bath vents, foundation vents, replaced some flooring, installed step at porch, interior lights, painted where old heating units removed.
- Exterior and interior lead abated.



West End - Before



West End - After

Old Concord Road (East Side Neighborhood)

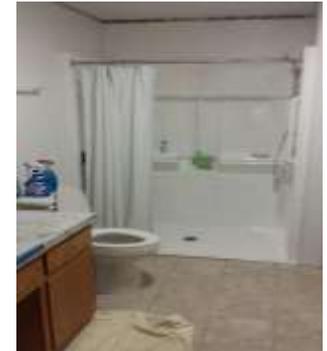
- Roof replaced, handicap ramp replaced, some new windows, HVAC replaced, handicapped bath installed, water heater, replaced some flooring, repaired water damaged wall, changed exterior door for security and added lights.
- Lead tested, none found.



East Side - Before



East Side - After



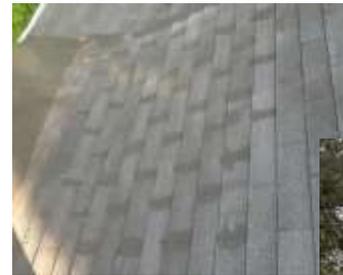
Emergency Rehabilitation

This program assists eligible homeowners with limited-scope rehab work, usually to address emergency or life safety-threatening situations. Eligible activities include damaged or leaking roofs, 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.

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

E. Marsh Street (West Square Neighborhood)

- Roof replaced, small area of interior ceiling replaced (water leak made it fall), repaired unsafe brick step and handrail, replaced water damaged lighting, replaced water damaged floor.
- No lead activity.



West Sq. - Before



West Sq. - After

Down Payment Assistance

Recipients 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.

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

No families received down payment assistance during this program year.

Affordable Multi-family Housing

Civic Park Redevelopment Phase I, renamed Brenner Crossing (West End Neighborhood)

- The City of Salisbury and the Salisbury Housing Authority, together with multiple partner organizations and the residents of the West End, completed the West End Transformation Plan which was funded by a FY2010 Choice Neighborhood Planning Grant.
- The first major initiative to be funded is the Civic Park Apartments Redevelopment Phase I which was selected by NC Housing Finance Agency for low income housing tax credits for the FY2013 cycle. The City committed \$75,000 FY2013-2014 HOME dollars to the project.
- This development includes 80 2- and 3-bedroom units for families at 60% or below the median income, including 36 units reserved for existing public housing residents.
- The project was approximately 90% complete by the end of the reporting period (June 2015). Phase II is set to begin construction in early 2016 and will be completed in about 18 months.

HUD Performance Management System	
Activity:	Affordable Rental Housing
HUD Objective Performance Measure	Create suitable living environment Provide decent housing Create economic opportunities
HUD Outcome Performance Measure	Availability/accessibility Affordability Sustainability



Other Housing Activities

Homebuyer Education

The Salisbury CDC continued its Homebuyer Education Program to assist first-time homebuyers. This year the CDC introduced a web-based curriculum, in addition to classroom-based instruction, on topics such as: credit, budgeting and money management; offer to purchase and loan documents; banking and shopping for a mortgage; home maintenance; and landscaping. The classes are a prerequisite to receiving down payment and closing cost assistance.

- 34 total participants;
- 6 participants this year were residents of public housing;

Home Maintenance Plan

This program was started several years ago and made possible by a \$10,000 grant from the Robertson Family Foundation. The program is designed to provide an incentive for new homeowners to save for basic repairs and future home maintenance expenses. First-time homebuyers who have purchased a home from the CDC and deposit at least \$25 per month in a savings account are able to receive 50% of their project costs or up to \$500 to pay for lawn equipment, basic home maintenance tools or many types of home improvements. **No families participated in the program this year.**

Foreclosure Prevention Program

The Salisbury CDC has been extensively involved in foreclosure prevention since 2003 when it was one of a few agencies in the state selected 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, Iredell, Cabarrus, Stanley and Davie Counties.

In past years the CDC has received sizeable grants from the Foundation for the Carolinas, the United Way, N.C. Housing Finance Agency, 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.

Although overall economic conditions have begun to improve locally, and fewer families are threatened with foreclosure, the CDC continues to offer this service to the families that need it.

IV. NEIGHBORHOOD REVITALIZATION ACTIVITIES

Public Infrastructure and Facilities

The City of Salisbury invests CDBG funds in designated revitalization areas (West End, Jersey City, Park Ave and East End neighborhoods) to retrofit and upgrade sidewalks, parks, community centers and similar types of public facilities in order to enhance overall neighborhood livability.

HUD Performance Management System	
Activity:	Infrastructure & Public Facilities
HUD <i>Objective</i> Performance Measure	Create suitable living environment Provide decent housing Create economic opportunities
HUD <i>Outcome</i> Performance Measure	Availability/accessibility Affordability Sustainability

Jersey City/W. Cemetery Street Intersection Improvements and Bus Shelter

- This project, which was largely completed in a previous funding year, improved the functionality and safety of the primary

entrance to the neighborhood. Just days after the bus shelter was installed in July 2013 as part of the project, it was destroyed when it was struck by a motorist. This year the shelter was replaced using funds from the insurance settlement. These improvements complete a multi-year revitalization effort in the Jersey City neighborhood.



Jersey City intersection – Before





Jersey City intersection – After

V. PUBLIC SERVICE ACTIVITIES

Each year as funds are available, the City of Salisbury contributes up to 15% of its annual HUD allocation (CDBG funds) to local human service agencies that serve low and moderate income individuals and families. This funding helps provide emergency shelter, food, health care and other basic needs of low wealth households in the community, including homeless populations.

Rowan Helping Ministries

This agency operates an overnight emergency shelter for homeless and chronically homeless populations in the Salisbury area. Also provided are meals, clothing, case management, substance abuse counseling, employment assistance, transitional housing, daily living skills training and other supports.

- Grant amount: \$17,255
- Funding helps pay part-time salaries for overnight shelter staff.
- During last fiscal year there were 281 homeless individuals ([resumed extremely low income) to whom overnight shelter was provided.

- Race/ethnicity:
White 140; African-American/Black 131; Asian 2; Native American/Alaskan native 3; Other multi-racial 5.

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

Family Crisis Council

This agency provides shelter for victims of domestic abuse from the Salisbury area where they also receive food, advocacy, group and individual counseling, and referrals for employment, health and legal issues.

- CDBG grant helped fund the Overnight Advocate on Duty whose role is to assist shelter residents, as well as be available to assist victims being brought to the shelter by law enforcement during the overnight hours.
- Grant amount: \$10,942
- 310 individuals (presumed extremely low income) received assistance during the program year.
- Race/Ethnicity:
White 141; African-American/Black 151; Native American/Alaskan native 1; Other multi-racial 17.

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

Community Care Clinic

This agency provides free medical care, dental care and prescription medications to uninsured residents of the Salisbury area who often would otherwise have to utilize the hospital emergency room, putting additional financial burden on our healthcare system.

- CDBG grant helped fund dental services (Dental Hygienist position)
- Grant amount: \$8,417
- 3,553 total patients seen
- 100% low-moderate income
- Race/Ethnicity:
White 1,677; African-American/Black 1,793; Asian 67; Native American/Alaskan native 16; Other multi-racial 17.

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

Summer Youth Employment Program

This program, coordinated jointly by City of Salisbury Parks and Recreation and Human Resources, places youth from low-moderate income families in various summer jobs with the city where they receive job skill coaching and mentoring. Each student went through an interview, selection and orientation process simulating “real world” employment activities and received exposure to various opportunities for future permanent employment, as well as educational requirements for such positions.

- Nine students were placed in summer jobs with the city.
- 100% low-moderate income

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

VI. FAIR HOUSING ACTIVITIES

Fair housing activities deal specifically with removing barriers that limit access to housing or lead to housing discrimination, as well as ameliorating the effects of housing discrimination. Illegal barriers take many forms, some of which are difficult or almost impossible to completely eradicate. Barriers can include outright discrimination, such as steering, blockbusting and redlining in the rental or sale of housing, predatory lending practices, as well as zoning

Consistency of Program Activities with the Consolidated Plan

The City of Salisbury aligns its yearly project activities with stated goals and objectives of the five-year Consolidated Plan to ensure transparency and the achievement of neighborhood and community development goals established through citizen engagement. This year, activities included housing and public services, reflecting the top priorities that were identified by citizens and reported in the five-year plan.

and development laws that have the effect of limiting access to housing by certain groups of people.

Citizen Participation and Consultation with Regard to Racial and Ethnic Minorities and Persons with Disabilities

A public hearing regarding the CAPER was held on Tuesday, September 15, 2015, at a regularly-scheduled meeting of the Salisbury City Council. The meeting location is accessible for persons with physical disabilities. A non-legal, display ad to make the public aware of the CAPER was published on Saturday, September 5, 2015, in the *Salisbury Post*, a newspaper with a wide general circulation area including Salisbury and Rowan County, North Carolina.

The report was made available for review at public locations accessible to persons with disabilities, including City Hall and Rowan Public Library. Both of these locations are within one block of public transit routes and centrally located in the city easily accessible from revitalization areas where racial and ethnic minority populations are largely concentrated.

The Salisbury CDC office is located in the West End revitalization area itself, as well as within one block of the transit route. The notice included contact information to request accommodations in advance of the meeting for persons with mobility, visual or hearing impairments, or by persons with limited English proficiency.

Addressing Racial/Ethnic Housing Needs

Within the Salisbury jurisdiction, the largest concentration of minority residents is made up of African-Americans, many of whom reside in the neighborhoods closest to the central business district. A number of factors can partly explain this development pattern, but foremost is the historical connection to textile and other manufacturing jobs that were once clustered near the downtown that helped bring about the growth of several African-American communities that thrived during the early-mid 20th century. Livingstone College, a historically black college that settled in Salisbury in the late 1800s, continues as an anchor in the West End revitalization area with enrollment topping 1,000 students. Today, these close-in neighborhoods are well-served by public transit with convenient access to goods and services, but are oftentimes plagued with overall housing decline as a result of long-term depressed incomes as well as the fact that these are

also the areas containing the oldest housing stock in the city.

Racial/ethnic housing needs are met in two ways, foremost being through designation and investment in specific revitalization areas. Four neighborhoods having a disproportionate concentration of minority residents have been specifically designated for investment and revitalization: West End, Jersey City, Park Avenue and the East End. These neighborhoods were designated because they meet HUD income requirements for area benefits and have had persistent issues with housing deterioration and vacancy that impact property values, livability and neighborhood stability. To the extent possible, housing activities have been focused in these four neighborhoods to open up new opportunities for homeownership and rehabilitate the existing housing stock in order to help protect the investment made by these homeowners.

Second, in order to make affordable housing more accessible in other parts of the city, scattered site activities have centered on purchase and rehab of foreclosed homes which are then made available to eligible low and moderate income applicants, many of whom are a racial or ethnic minority, who can also tap into down payment assistance to help reduce up-front costs and reduce the monthly mortgage payment.

Direct Beneficiary Characteristics

The following table summarizes the household characteristics of those who directly benefited either through housing assistance or as a recipient of public services funded by the block grant (CDBG).

National Objectives	Total Households Assisted	Total Persons	Minority Persons
Low-Moderate Income Housing (LMH)	6	7	5
Public Services / Limited Income Clientele (LMC)	n/a	4,153	2,194

Analysis of Impediments to Fair Housing

The following impediments and suggested actions were identified in the 2014 Analysis of Impediments.

PRIVATE SECTOR

Impediment #1

More frequent denial of home purchase loans to racial and ethnic minority residents.

- **Suggested Action:**
Educate buyers through credit counseling and home purchase training.

Impediment #2

Differential impact of predatory style lending on members of racial and ethnic minority groups.

- **Suggested Action:**
Educate buyers through credit counseling and home purchase training.

Impediment #3

Unequal distribution of Community Reinvestment Act loans.

- **Suggested Action:**
Contact local lending institutions to discuss impediments to investments in low-income areas and possible ways to promote investment in those areas

Impediment #4

Lack of knowledge of or access to fair housing system.

- **Suggested Action:**
Contact Legal Aid of North Carolina to discuss possibilities for partnership on education and outreach

Impediment #5

Discriminatory terms, conditions, privileges, or facilities relating to rental.

- **Suggested Action:**
 - Enhance testing and enforcement activities and document the outcomes of enforcement actions
 - Continue to educate landlords and property management companies about fair housing law
 - Continue to educate housing consumers in fair housing rights

Impediment #6:

Failure to make reasonable accommodation for individuals with disabilities.

- **Suggested Action:**
 - Enhance testing and enforcement activities and document the outcomes of enforcement actions
 - Educate housing providers about requirements for reasonable accommodation or modification
 - Conduct audit testing on newly constructed residential units

PUBLIC SECTOR

Impediment #1:

Insufficient understanding of Fair Housing Laws.

- ***Suggested Action:***
 - Contact Legal Aid of North Carolina to discuss possibility of partnership on fair housing outreach and education
 - Publicize this AI report.

Impediment #2:

Insufficient fair housing testing and enforcement activities.

- ***Suggested Action:***
 - Contact Legal Aid of North Carolina to discuss possibilities for partnership on fair housing testing

Impediment #3:

Lack of interest in fair housing and affirmatively furthering fair housing.

- ***Suggested Action:***
 - Host or participate in cohosting a public meeting related to fair housing each April, which is fair housing month

Steps Taken to Affirmatively Further Fair Housing & Remove Barriers

The following affirmative steps were taken to promote fair housing and remove barriers:

- The Housing Advocacy Commission (HAC), established in 2012, continued to provide a forum for issues related to tenant-landlord responsibilities and fair housing. This commission works to improve coordination among housing agencies and neighborhoods, and has worked with the Human Relations Council to further fair housing practices and awareness. The HAC continues to meet, regularly on the first Thursday of each month at City Hall. Their purpose is to assist and advise Salisbury City Council in initiating, establishing and enhancing programs, projects and policies related to housing and community development.
- HAC hosted a workshop in October 2014 on fair housing and landlord/tenant rights with invited speakers representing Legal Aid of NC and the Charlotte Human Relations Commission.
- HAC is developing a new fair housing brochure similar to other brochures the commission has produced on other housing-related topics.
- HAC is planning to host another workshop in spring 2016 to inform and educate the public about fair housing, with a speaker invited from Legal Aid of NC.
- City staff participated in the planning and preparation of the *Regional Fair Housing Assessment and Analysis of*

Impediments for the 14-county Centralina Council of Government service area which includes Rowan County.

- Continued to invest CDBG and HOME funds to increase or help stabilize homeownership in areas with substantial minority concentration.
- Assisted low-moderate income homeowners with obtaining low-interest loans for repairs to their homes.
- Provided web-based and classroom instruction on home purchase training.
- Publicized this AI document on the city's website.

Funding for Fair Housing Activities

Fair housing actions described in the previous section were at no cost, or were supported through existing staff and departmental resources and workflows. A fair housing line item (\$800) was set aside in the 2014-2015 budget and these funds were used to host a fair housing workshop in October, 2014, in conjunction with other city funds allocated to the Human Relations Commission.

VII. 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. The City committed \$75,000 FY2013-2014 HOME dollars to the development of Civic Park Apartments in the West End Revitalization Area. This development will include 80 2- and 3-bedroom units for families at 60% or below the median income, including 36 units reserved for existing public housing residents.

Construction of Phase I was 90% complete at the end of the reporting period which ended June 30, 2015.

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 three families received assistance with home modifications to improve accessibility.

Section 215 Housing Opportunities Created

The CDC did not undertake Section 215 housing during this program year.

Actions to Assist Homeless

In a previous program year, the City of Salisbury and the Salisbury CDC donated several land parcels to Rowan Helping Ministries to construct a new homeless shelter. The shelter construction began during 2012-2013 and opened in May 2014.

The City also 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.

VIII. 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	Scattered sites
Owner-Occupied Rehab	1	1	1		2
Emergency Rehab					1
Acquisition/Rehab for Resale		1			
Down Payment Assistance					
New Construction- Rental					
Infrastructure & Public Facilities				1	
TOTAL	1	2	1	0	3

Foster and Maintain Affordable Housing

Activities to maintain affordable housing included owner-occupied and emergency rehabilitation, in addition to acquisition/rehab of one property. HUD-assisted work to owner-occupied homes helps 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 continued its program to offer 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. During this program year, no families participated in the program.

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 City, Housing Authority and the neighborhood worked together to wrap up the West End Transformation Plan, adopted by City Council in December of 2013, and have continued to work jointly toward West End transformation. The plan was the result of a multi-year effort to create a citizen and multi-organizational vision for the West End, with a centerpiece goal to redevelop aging public housing at Civic Park. This project was funded by Low Income Housing Tax Credits, city contributions and other funding streams and the first phase completed during the summer 2015.

Reduce Lead-Based Paint Hazards

This year the CDC completed five lead inspections and three lead abatements during the course of housing rehabilitation work.

Reduce Poverty

The City's housing programs help to alleviate poverty conditions by making safe, affordable housing available to low-moderate income homeowners. This year activities included both homeownership as well as new opportunities for affordable rental units.

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.

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 desk reviews of each subrecipient of public service funding to ensure compliance with program requirements and to ensure that Consolidated Plan goals were met.

The City of Concord, lead agency of the Cabarrus/Iredell/Rowan HOME Consortium, continued oversight over 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.

Source	Description	Total \$
SHFPP	Foreclosure Prevention Counseling Grant \$25,000	\$25,000.00
Guest speakers	Homeownership Classes 10 Guest Speakers	10 HOURS
Mortgage Protection Program	Foreclosure Prevention Fund \$62,000	\$62,000.00
NFMC	National Foreclosure & Mitigation Counseling \$28,650	\$28,650.00

IX. COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

Relationship of Expenditures to Priority Needs

The Consolidated Plan identified the City’s priority needs by household type and income characteristics as shown in the following table.

The direct beneficiaries during this program year included five owner households in the 31-50% income category, and one owner household in the 51-80% income category.

Renter beneficiaries are not included in this reporting year.

Priority Housing Needs		RENTERS	OWNERS
Elderly	EXTREMELY LOW 0 – 30%		
	LOW 31 – 50%		5
	MODERATE 51 – 80%		1
Small Related	EXTREMELY LOW 0 – 30%		
	LOW 31 – 50%		
	MODERATE 51 – 80%		
Large Related	EXTREMELY LOW 0 – 30%		
	LOW 31 – 50%		
	MODERATE 51 – 80%		
Special Needs	0 – 80%		

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.

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.

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.

Certificates of Consistency with Consolidated Plan

No Certificates of Consistency were extended this year.

Support Consolidated Plan Goals

The actions and activities completed during this program year were in conformance with the priorities outlined in the 2015-2019 Consolidated Plan in which housing and public services were top priority goals.

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 cannot 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.

X. HOME INVESTMENT PARTNERSHIP (HOME PROGRAM)

Distribution of Funds among Identified Needs

Disproportionate need exists among African-American households. Approximately 46.7% of all households in Salisbury 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 City 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.

The program achieved its intent of addressing disproportionate needs. The City, in collaboration with Salisbury Housing Authority and numerous other stakeholders has completed the West End Transformation Plan which was funded by a 2010 Choice Neighborhood Planning Grant. These agencies along with the neighborhood have already begun implementing various aspects of the plan, starting with the redevelopment of Civic Park public housing. The developer has secured Low Income Housing Tax

Credits through North Carolina Housing Finance Agency. The City has committed \$75,000 HOME dollars as a set-aside to the project which will provide 80 new rental units (36 public/44 affordable) in the West End neighborhood.

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. This year the CDC revamped its website, flyers and brochures, and installed a new ground sign in front of its office on W. Bank Street. 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 coordinated homeownership classes, providing more opportunities for outreach to eligible persons regardless of race, color, national origin, sex, religion, familial status or disability.

Use of Program Income

As a matter of standard practice, program income received from the sale of property or repayment of loans was depleted first before new grant funds were drawn down.

APPENDIX