

I. INTRODUCTION

Program Overview

The City of Salisbury partners with the Salisbury Community Development Corporation (CDC), a non-profit 501(c)3 organization, to increase affordable housing opportunities and promote neighborhood revitalization within its jurisdiction. These community development activities are funded by grants from the U.S. Department of Housing and Urban Development (HUD).

The city receives funding from the following HUD grant programs:

- Community Development Block Grants (CDBG)
- HOME Investment Partnership (or HOME program)

The funds received from the CDBG and HOME programs are used to increase the supply of affordable housing available to citizens of Salisbury and to help eliminate slums and blight. The beneficiaries are low-moderate income families with earnings at 80% or below the area median income. Most activities are focused in specific revitalization areas where at least 51% or more of the population earns less than the threshold income and where substandard, vacant and deteriorated structures have been persistent problems.

While the two grant programs share the common goal of benefiting low-moderate income families, they differ in how funds are received by the city and also in how the funds may be used. The City of Salisbury is designated as an *entitlement city* for the CDBG program. The city receives CDBG funding annually according to a formula based on population, the extent of poverty and other factors. CDBG funds may be used to provide affordable housing and may also be used for infrastructure projects or other improvements that contribute to the livability of neighborhoods.

In contrast, HOME funds may only be used to provide affordable housing or to improve the housing conditions of low-moderate income homeowners. HOME funds are awarded to consortiums, or groups of counties and cities who have organized to apply jointly for HOME funds. Salisbury receives HOME funds through its participation in the Cabarrus/Iredell/Rowan HOME Consortium. In order to receive HOME funds, participating jurisdictions (PJ) must provide local matching funds. A city or county may be a member of a consortium, but if the match requirement has not been met, it is not a participating jurisdiction and will not receive HOME funds. The member identified as the lead agency* coordinates reporting, monitoring and distribution of funds to the other participating members.

Cabarrus/Iredell/Rowan HOME Consortium Members

City of Salisbury (PJ)	City of Statesville	Rowan County (PJ)
City of Concord (PJ) (* lead agency)	City of Mooresville (PJ)	Iredell County
City of Kannapolis (PJ)		Cabarrus County (PJ)
City of Davidson (PJ)		

Resources Available

The following resources were projected in the FY2008-2009 budget adopted by the Salisbury City Council on April 1, 2008. The actual amount received is listed in the second column.

	Projected	Received
CDBG Entitlement Grant	\$ 305,040.00	\$ 305,021.00
HOME Program Funds	118,255.00	118,255.00
Program Income	60,000.00	\$ 64,769.15
TOTAL	\$ 483,295.00	\$ 488,045.15

- ❖ *A copy of the FY2008-2009 budget as adopted by the Salisbury City Council is included in Appendix A.*

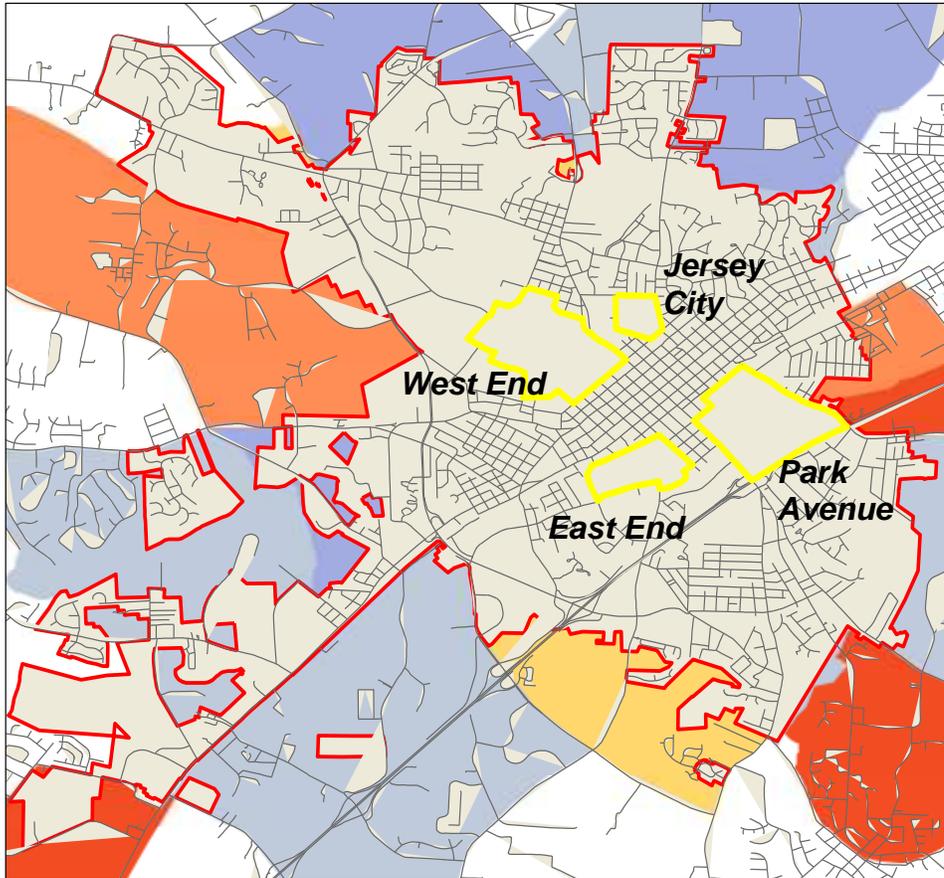
Geographic Areas Affected

The city has continued to focus its community development efforts in four revitalization areas: West End, Jersey City, Park Avenue and the East End neighborhoods (**Map A**).

A majority of the households in these neighborhoods earn less than 80% of the median income, the low-moderate income range established by HUD. The concentration of low-moderate income households ranges from 66%-83%. These areas have also had significant problems related to substandard, dilapidated houses, absentee landlords, abandonment, vacancy and aging infrastructure. The concentration of minority population is higher than the average citywide. The percentage of African-American persons in these neighborhoods ranges from 73%-86%, while the citywide average is 38%.

During this program year, a few activities were completed within these selected areas, and others were completed on a scattered-site basis within the city's municipal limits to assist low-moderate income families.

Salisbury, North Carolina
Percent of Population Low-Mod by Census Block Group



SAL_LOW_MOD.LOWMODPCT

- 0% - 35%
- 36% - 50%
- 51% - 65%
- 66% - 75%
- 76% - 100%

- Selected Neighborhoods
- City Limits - Salisbury

MAP A

What is the Consolidated Annual Performance & Evaluation Report (CAPER)?

The CAPER provides a summary of the activities the city has undertaken using CDBG and HOME program funds for the fiscal year beginning July 1, 2008 and ending June 30, 2009. The report includes information about types of activities and their location so that the public can get a complete picture of the accomplishments that have been made during the year and the areas of the city that have benefited from the funding. The document also illustrates how the funding has been used to further the goals included in the city's 2005-2010 Consolidated Plan for the

CDBG and HOME programs and if there have been any shortfalls in accomplishing the goals stated in the plan. Lastly, this document serves as an annual report to HUD assessing the program accomplishments, and lapses if any, in addressing local goals and national priorities of HUD.

Notice of Public Hearing

A public hearing regarding the CAPER was held on September 15, 2009. It was advertised in the Salisbury Post, a newspaper with a wide general circulation area which includes Salisbury and Rowan County, North Carolina. The notice was published on September 6, 2009, which allowed 21 days for public comment prior to submitting the report to HUD by September 28, 2009.

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

Summary of Citizen Comments

No comments were received concerning this performance report.

II. SUMMARY OF ACHIEVEMENTS AND PROGRESS TOWARD GOALS

Affordable Housing Activities

The housing crisis, downturn in the economy, high unemployment and subsequent recession of 2009 had an impact on some of the community development activities, resulting in fewer activities completed than anticipated. The slow housing market, and particularly the shaky employment conditions that prevailed in Rowan County, created a difficult environment for would-be homebuyers and for selling existing inventory of homes. Owner-occupied rehabilitation and emergency rehabilitation activities were likewise affected. Due to employment uncertainty and other factors related to the recession, fewer homeowners were able to apply for rehabilitation loans or were reluctant to incur additional liens on their property. Despite the difficult market climate, the city did make some forward progress on its housing goals.

This year the city began construction on one (1) new home which was approximately 85% complete in June 2009. One (1) owner-occupied rehabilitation activity was completed, as well as two (2) emergency rehabilitation activities. No new acquisitions or rehabilitation for resale activities were undertaken, although one (1) home was sold which was a rehabilitation for resale project completed in 2007-2008. One (1) family received down payment and closing cost assistance to purchase this home.

Location of Affordable Housing Activities

Although there was a reduction from previous years in total projects completed, CDBG and HOME funds enabled the city to assist a few families and make modest progress in revitalizing neighborhoods where substandard and run-down housing has been a persistent problem. The housing activities (described in the previous section) by neighborhood include:

Jersey City

- One (1) rehabilitation for resale activity completed in 2007-2008 was sold to a low-moderate income homebuyer.

West End

- One (1) owner-occupied rehabilitation activity was completed.
- One (1) new single family home was under construction.

Park Avenue

- No new housing activities were begun.

East End

- No new housing activities were begun.

Scattered Sites

- Two (2) emergency rehabilitation projects were completed.

Non-Housing Neighborhood Improvements

This year the city completed streetscaping improvements in the East End neighborhood at the Dixonville Cemetery. This cemetery, which is the city's oldest African-American cemetery, holds a prominent place in the history of the East End neighborhood and Salisbury. Other than a few headstones, relatively little remains on the site where over 450 slaves and their descendants were buried. The improvements funded through CDBG included granite retaining walls on the street frontage and a historical plaque to mark the site. The improvements were planned with extensive input by residents of the East End neighborhood.

Homeownership Assistance Program

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. 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 \$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.

This year, the city provided down payment and closing costs for one (1) family who purchased a home in the Jersey City neighborhood.

Homebuyer Education Program

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.

This year, thirty-two (32) potential first-time homebuyers received training through the program.

Foreclosure Prevention Programs (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 and closures has continued 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. Housing counselors have worked closely with homeowners, contacting banks and mortgage companies to arrange reduced interest rates and to reduce or eliminate late fees.

This year, the Salisbury CDC has provided foreclosure prevention counseling to 1,211 families.

Home Maintenance Program (non-HUD funding source)

The Salisbury CDC developed its Home Maintenance Program to help motivate homeowners to save for basic repairs and future home maintenance expenses. Under this program, first-time homeowners who have completed the homebuyer education classes and subsequently 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.

This year, twelve (12) families were enrolled in the program.

Progress toward One-Year Goals

The City of Salisbury 2005-2010 Consolidated Plan includes one-year target goals for affordable housing and neighborhood improvements (**Table 1**). Current economic conditions and the credit situation have had an impact; fewer projects were completed this year compared to recent years which can be attributed to high unemployment and the tightened credit market.

Table 1 Progress Toward Projected One-Year Goals		
Activities	FY 2008-2009 Accomplishments	One-Year Target Goal
Substandard acquisition/ redevelopment/ new construction or rehab/resale	1 *	4
Owner-occupied rehab	1	5
Emergency rehab	2	6
Homeownership assistance	1	4
Sidewalk projects	0	1
Non-housing neighborhood improvements	1	1

* In addition, one home completed in 2007-2008 was sold during this fiscal year.

Progress toward Five-Year Goals

Due to the changing economic climate, the city made only modest progress toward its five-year goals (Table 2).

Table 2 Progress Toward Projected Five-Year Goals						
Activities	FY 2005- 2006	FY 2006- 2007	FY 2007- 2008	FY 2008- 2009	Cumulative Accomplishments	Five-Year Goal
Substandard acquisition/ redevelopment/ new construction or rehab/resale	4	13	9	1	27	20
Owner-occupied rehab	4	--	1	1	6	25
Emergency rehab	3	4	2	2	11	30
Homeownership assistance	3	3	0	1	7	20
Sidewalk projects	1	1	0	0	2	5
Non-housing neighborhood improvements	--	1	1	1	3	5

Analysis of Successes and Failures and Actions Taken to Improve Programs

While progress on housing goals was modest, the activities during 2008-2009 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. Regarding timeliness and use of funds, the city met expenditure deadlines for CDBG and HOME dollars and 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 Salisbury CDC applied for and received designation as a HUD Housing Counseling Agency. The CDC has received many more referrals and has been able to assist more families since this designation was received. The CDC also applied for an \$80,000 operational grant from the N. C. Community

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Development Initiative, Inc.; unfortunately the application was not funded. However, the CDC received significant funding for foreclosure prevention counseling and assistance from Bank of America as a result of the Countrywide settlement (\$150,000); from United Way (\$55,000); and from the N.C. Commissioner of Banks (\$25,000). The CDC also received the Project of the Year award from the N. C. Association of Realtors in recognition of its work in the West End neighborhood.

In February 2008, the city submitted an application to the North Carolina Department of Commerce for Neighborhood Stabilization funds (NSP-1). An analysis of the local housing market found over 40 foreclosed properties on the market and another 60 properties that were being held by banks. The bulk of these properties were located in or near the neighborhoods where the city has been focusing revitalization efforts. With NSP funding the city could make dramatic progress in one or more of these neighborhoods. Unfortunately the application was not funded due to greater levels of need in other counties.

In May 2008, the city's activities were monitored by HUD for environmental review compliance; the inspection identified some areas of weakness and two findings were noted. The findings referenced incomplete documentation in two project files having to do with sidewalk improvements and also a minor discrepancy in how historic review was completed on a housing rehab project. One of the findings has since been resolved and city staff has continued to work with the HUD Greensboro Field Office to verify that environmental compliance has been properly documented in all project files.

The city's Analysis of Impediments to Fair Housing, which was last updated over ten years ago in 1998, should be updated as soon as possible. The city plans to begin the update within the 2009-2010 program year.

No other problems or compliance issues in the program have been identified during this reporting period.

III. FAIR HOUSING ACTIVITIES

Persons and Households Assisted by Housing Programs

Housing program accomplishments this year included one (1) new construction (85% complete and unsold), one (1) owner-occupied rehabilitation, two (2) emergency rehab activities and one (1) family received down payment and closing cost assistance. Through these activities, the city assisted four (4) households which included seven (7) persons. The race, income and family status of those assisted is shown in **Table 3**.

Table 3– Fair Housing Activities Persons and Households Assisted	
White	
Black/African American	7P
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	2H
51% - 80% AMI	2H
80%- AMI	
Family Status and Special Needs	
Female-Headed	2H
Disabled (not elderly)	
Elderly	5P
Homeless	
AIDS/HIV+	
Two Parent	
Single Parent	

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. In October 2008 the Salisbury Post ran a front page feature on the Foreclosure Prevention Program and ran a follow-up piece in November on one of the mortgage seminars held by the CDC. 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. This year the CDC also distributed flyers in the city water bills about foreclosure prevention counseling services it offers.

- ❖ See Appendix A for copies of flyers and newsletters promoting the housing programs, in addition to a Salisbury Post feature article on the Salisbury CDC.

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

Funding for Fair Housing Activities

The following table includes funding that was used to further fair housing and how it was spent (**Table 4**).

TABLE 4 Funding for Fair Housing Activities (CDBG administrative line item)	
Activity	Amount
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
TOTAL	\$6,280.00

Analysis of Impediments to Fair Housing

During the upcoming 2009-2010 program year, the city will begin the process to update its Analysis of Impediments which was last updated in 1998.

IV. DETAILED AFFORDABLE HOUSING ACTIVITIES

Acquisition / Rehabilitation for Resale / New Construction (CDBG)

Under this activity the City of Salisbury allocates funds for the acquisition of vacant lots and substandard dwellings in four selected neighborhoods. 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 construction project using HOME funds. The new home will then be sold to an eligible low to moderate income first-time homebuyer. While these efforts are concentrated in specifically selected revitalization areas, projects may also be completed at scattered sites within the city’s jurisdiction.

Specific Accomplishments

- One (1) rehabilitation for resale project in the Jersey City neighborhood that was completed during 2007-2008 was sold during this reporting year. The home has 800 sq. ft. of living space with two bedrooms and one bath.

Performance measures for this activity are shown in **Table 5**.

Table 5 HUD Performance Management System	
Activity:	Acquisition / Rehabilitation for Resale / New Construction
HUD Objective Performance Measure	Create suitable living environment Provide decent housing Create economic opportunities
HUD Outcome Performance Measure	Availability/accessibility Affordability 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.

Performance measures for this activity are shown in **Table 6**.

Race, ethnicity, income and other characteristics of the households that received assistance under this activity are shown in **Table 7**.

Specific Accomplishments

During this reporting period the city completed one (1) project under this activity.

- One (1) home in the West End neighborhood included repair/replacement of the roof, plumbing upgrades in the kitchen and baths, and floor repair replacement.

Table 6 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

Table 7– CDBG Owner-Occupied Rehab Owner Characteristics	
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	
51% - 80% AMI	1H
80%- AMI	
Family Status and Special Needs	
Female-Headed	
Disabled (not elderly)	
Elderly	2P
Homeless	
AIDS/HIV+	
Two Parent	
Single Parent	

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.

Performance measures for this activity are shown in **Table 8**.

Race, ethnicity, income and other characteristics of the households that received assistance under this activity are shown in **Table 9**.

Specific Accomplishments

- ◆ One (1) project in the city limits to repair and replace part of the roof and replace the heating unit.
- ◆ One (1) project in the city limits to improve heating and cooling efficiency, repair front porch hand rails and complete plumbing updates.

Table 8 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



Table 9– CDBG Emergency Rehab Owner Characteristics	
White	
Black/African American	3P
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	1H
80%- AMI	
Family Status and Special Needs	
Female-Headed	2H
Disabled (not elderly)	
Elderly	3P
Homeless	
AIDS/HIV+	
Two Parent	
Single Parent	

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.

Specific Accomplishments

- One (1) family received down payment and closing costs for the purchase of a home in the Jersey City neighborhood.

Performance measures for this activity are shown in **Table 10**.

Race, ethnicity, income and other characteristics of the household that received assistance under this activity are shown in **Table 11**.

Table 10 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

Table 11 – CDBG Home Ownership Assistance Owner Characteristics	
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	
Homeless	
AIDS/HIV+	
Two Parent	
Single Parent	

Acquisition / Rehabilitation for Resale / New Construction (HOME)

Similar to the CDBG program, vacant and deteriorated structures are purchased and rehabilitated, or they may be demolished and new homes built when site conditions require it. The home will then be sold to an eligible low to moderate income first-time homebuyer. While these efforts are concentrated in selected neighborhoods, projects may also be completed at scattered sites within the city’s jurisdiction.

Performance measures for this activity are shown in **Table 12**.

Specific Accomplishments

- One (1) new single family home in the West End neighborhood was under construction and approximately 85% complete in June 2009. The home features three bedrooms and two baths with 1100 sq. ft. of living space.

Table 12 HUD Performance Management System	
Activity:	Acquisition / Rehabilitation for Resale / New Construction
HUD Objective Performance Measure	Create suitable living environment Provide decent housing Create economic opportunities
HUD Outcome Performance Measure	Availability/accessibility Affordability Sustainability



V. PUBLIC SERVICE FUNDING

The City of Salisbury extended 14.93% of its CDBG monies to public service agencies which serve low-moderate income persons, just under the 15% cap allowed by HUD on this activity. The funding helped provide the following services:

- 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.

This year at least 2,099 persons benefited, which is a 28% increase in persons served through CDBG public service funding over the previous year (**Table 13**).

Performance Measures for the individual activities are shown in **Tables 14-18**.

Table 13 Recipients of CDBG-Funded Public Service Activities	
Agency	Total Number Benefiting from Activity
Rowan Helping Ministries	203
Family Crisis Council	277
Community Care Clinic	1,032
Youth Employment Program	11
West End Community Garden	576
TOTAL	2,099

Rowan Helping Ministries provides emergency and transitional housing for homeless persons along with meals, clothing and other supports. The \$22,500 grant provided 33% of the \$68,302 spent on shelter salaries from July 2008 until November 2008. During these months, 203 local homeless individuals received 4,218 nights of shelter services. Five (5) of those individuals were disabled and 27 were elderly.

Table 14 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

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, 277 victims of domestic abuse were sheltered and 4,905 nights of shelter services were provided. The shelter was at maximum capacity 17% of the time with an average daily occupancy of 13.46. Five (5) of those individuals were disabled and one (1) was elderly.

Table 15 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

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. Due to increasing need in the community for these services, the agency more than doubled the number of clinics held and the number of dental visits this year. The clinic reported 1,032 dental patients served during this time. Fifty (50) of those individuals were disabled and 21 were elderly.

Table 16 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

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 salaries. This year eleven (11) students were hired for a six-week term. The students go through the interview process, receive valuable on-the-job training and earn extra income. City employees provide supervision, job skill coaching and are able to provide mentoring for at-risk youth which has been an important city initiative.

Table 17 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

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 576 persons benefited from these programs. The garden is located in an area selected by the City of Salisbury for neighborhood revitalization.

Table 18 HUD Performance Management System	
Activity:	Rowan County Master Gardeners – West End Community Garden
HUD Objective Performance Measure	Create suitable living environment Provide decent housing Create economic opportunities
HUD Outcome Performance Measure	Availability/accessibility Affordability Sustainability

VI. 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, thirty-two (32) families were enrolled in homeowner education classes. Among beneficiaries who own their own homes, 1,211 families received counseling services from 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.

Among the housing rehabilitations completed during this program year, one (1) household with an elderly disabled member benefited from special accommodations that included new porch handrails and accessible bathroom features.

This year, at least sixty (60) persons with disabilities (not elderly) were served by public service agencies which received CDBG funding from the City of Salisbury. At least 49 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

Dixonville Cemetery Streetscape Improvements

The Dixonville Cemetery is the city’s oldest African-American cemetery and an important landmark in the East End neighborhood. The two-acre site is the burial place for many slaves and their descendants with the earliest documented burial occurring in 1851. During this fiscal year the City of Salisbury constructed decorative granite retaining walls and installed a historical marker to help bring recognition to the site and to enhance the East End neighborhood which is one of four neighborhoods the city has identified for revitalization activities.

Performance Measures for these improvements are shown in **Table 19**.

Table 19 HUD Performance Management System	
Activity:	Non-Housing Neighborhood Improvements
HUD Objective Performance Measure	Create suitable living environment Provide decent housing Create economic opportunities
HUD Outcome Performance Measure	Availability/accessibility Affordability Sustainability



VIII. ACTIONS TO ASSIST THE 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 203 homeless individuals benefited from the funding. Additional funding was provided to a shelter for victims of domestic violence. This funding benefited 277 homeless persons.

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.

IX. OTHER ACTIONS AND ACCOMPLISHMENTS

Underserved Needs

The city continued to focus housing activities in specific urban neighborhoods having predominantly low income population and high minority concentrations, areas that have traditionally been underserved (areas shown in the map on p.3). This year, three (3) units were constructed or rehabilitated in selected revitalization areas while two (2) units were improved to benefit low-moderate income homeowners in other parts of the city. Activities by project type and location are shown in **Table 20**.

Table 20 Relationship of Activities to Selected Neighborhoods					
Project Type	West End	Park Avenue	East End	Jersey City	Other Areas
Owner-Occupied Rehab	1				
Emergency Rehab					2
Rehab Projects for Resale				1*	
Property Acquisition					
Property Development					
New Construction	1				
Non-Housing Improvements			1		
TOTAL	2	0	1	1*	2

* Home completed in 2007-2008 was sold during this program year.

Foster and Maintain Affordable Housing

Activities to maintain affordable housing included one (1) owner-occupied rehabilitation and two (2) 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.

This year, one (1) family received down payment and closing cost assistance for the purchase of a home in the Jersey City neighborhood.

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

During this program year the Land Management and Development Department, which included planning, community development and other functions, was divided into two separate departments. The change promoted the city's planning, community development and GIS functions to a separate department of its own, apart from engineering, zoning and development services which had also made up the old LM&D. A newly-reorganized code services division (housing and other code violations) was also moved from the fire department and other areas of the city. Now all planning, community development, GIS and code enforcement positions fall within the scope of the new Community Planning Services Department. This change created a more narrowly-focused organization centered on neighborhood revitalization, downtown development and comprehensive and long-range planning. Planning and reporting for the HUD programs will remain with the same planning staff and director as before with no changes in personnel. Bringing code services under the umbrella of community planning and development has already shown that it will strengthen the city's neighborhood revitalization efforts by improving operating efficiency and allowing planning staff and code inspectors to work on deteriorated housing and nuisance abatement issues in a more concerted manner.

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.

A new, full-time housing and credit counselor position was added at the Salisbury CDC during the previous program year with funding received through the National Foreclosure Mitigation/ Neighborworks initiative. 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. Five (5) residents of public housing were enrolled and actively participating in the homeownership classes (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

No activities involving lead hazards or actions requiring abatement were undertaken this year.

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, two (2) households received assistance with immediate housing needs of an emergency

nature. One (1) family was assisted in the rehabilitation of their home to include roof repairs, plumbing upgrades and floor replacement. 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. All program files were kept up-to-date to include all required documentation, environmental reviews as required, and other necessary documents.

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. 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, conducted monitoring of the Salisbury CDC program activities for purposes of compliance with HOME program requirements. No findings were identified.

Leveraging of Public and Private Funds

The city and 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 \$ 386,101.51 in leveraged funding from other public or private sources (**Table 21**).

TABLE 21 Leveraged Funds		
Source	Description	Total
Bank of America	Foreclosure Prevention Counseling	\$150,000.00
NC Housing Finance Agency	0% loans	\$122,572.92
Rowan County United Way	Mortgage Assistance for laid-off workers	\$ 55,000.00
NC Housing Finance Agency	Credit counseling	\$ 29,128.59
NC Commission of Banks	Foreclosure Prevention Counseling Grant	\$ 25,000.00
Credit counselors	\$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
Total		\$386,101.51

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 **Table 22**.

Table 22		FY 2008-2009 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				
	31 – 50%	L		H-1		
	51 – 80%	L		H-1	H-1	
Small Related	0 – 30%	H				
	31 – 50%	M			H-1	
	51 – 80%	L				
Large Related	0 – 30%	H				
	31 – 50%	M				
	51 – 80%	L				
Special Needs	0 – 80%	M				

* One (1) home was under construction in FY2008-2009 and not yet sold.

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. **Table 23** illustrates how the projects and activities undertaken this year relate to the city's housing and community development goals.

Table 23 Conformance with Consolidated Plan Goals	
GOAL	ACTIVITIES
Goal 1 : Increase the supply of decent, affordable housing	<ul style="list-style-type: none"> ▪ One (1) new construction project was 85% complete. ▪ One (1) rehabilitation for resale project completed in 2007-2008 was sold. ▪ Two (2) emergency rehab projects were completed.
Goal 2 - Assist low-to-moderate income households toward homeownership and greater self-sufficiency	<ul style="list-style-type: none"> ▪ Down payment and closing cost assistance was made available to one (1) low-moderate income homebuyer. ▪ Homebuyer Education Program continued. ▪ Extensive foreclosure prevention counseling and direct foreclosure prevention funding assistance was provided (non-HUD sources).
Goal 3 - Revitalize neighborhoods through non-housing improvements	<ul style="list-style-type: none"> ▪ One (1) streetscaping improvement project was completed.
Goal 4 - Support efforts to reduce and prevent homelessness	<ul style="list-style-type: none"> ▪ Public service funding was extended to an emergency homeless shelter and to a battered women's shelter.
Goal 5 - Provide community and supportive services to assist low-to-moderate income persons and those with special needs	<ul style="list-style-type: none"> ▪ 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.
Goal 6 - Promote employment and economic development opportunities	<ul style="list-style-type: none"> ▪ Eleven (11) high school students from low income families participated in a summer employment program.

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 B.*

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 selected 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 frequent 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 selected 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 activities this year, there were seven (7) 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 B.*

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 FY2008-2009 is as follows:

Community Development Block Grants CDBG	\$ 64,769.15
HOME program	<u>0.00</u>
	\$ 64,769.15

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.