



Consolidated Annual Performance and Evaluation Report City of Lawrence

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Community Development Department
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Program Year July 1, 2008 – June 30, 2009

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Preface

Every year, as a requirement of receiving Community Development Block Grant and other funds from the U.S. Department of Housing & Urban Development, the City of Lawrence is required to prepare and submit a “Consolidated Annual Performance Evaluation Report” (CAPER). This report must be prepared with citizen input, and should assess and evaluate the strengths and weaknesses of the program in meeting the goals and objectives of the Five-Year “Consolidated Plan” and One-Year “Action Plan” (both prepared with citizen input as well). The report should also recommend changes to the program based on this assessment and changing needs.

As such, the report is addressed to two audiences: on the one hand, it should be clear and readable by the general public, providing them with a snapshot “report card” of the department’s performance (and that of its community partners) in addressing the needs of the community; on the other hand, as a required document under HUD regulations, it must be reviewed by the Boston Field Office and address certain regulatory questions.

Also worth noting that many of the community development activities initiated in this program year may take longer than a year to complete, or to see funds finally drawn down (although timeliness is something the City has improved upon in recent years); similarly, many activities started in prior years are only bearing fruit (and drawing funds) today. Wherever possible we have attempted in the narrative to be clear whether we are speaking of specific activities funded through the FY2008-2009 Action Plan or more general efforts to accomplish the goals of the program, regardless of program year.

Acknowledgments

This report was prepared by Director James Barnes and the staff of the City of Lawrence Community Development Department. This evaluation of the City's efforts to address housing and community development needs—and the assessment of those needs themselves—includes valuable input from our nonprofit and community partners, including Lawrence CommunityWorks, Bread & Roses Housing, Arlington Community Trabajando, Merrimack Valley Habitat for Humanity, the YMCA, the Boys & Girls Club, the Lawrence Cultural Alliance, the Lawrence History Center/Immigrant City Archives, Greater Lawrence Community Action Council, Groundwork Lawrence, and other key community stakeholders.

The projects evaluated herein and the progress made toward meeting the City's short and long-term goals for the use of federal Community Development Block Grant (CDBG) funds would not have been possible without the work of dedicated individuals, our non-profit partners, the Commonwealth of Massachusetts, and the strong leadership of Mayor Michael J. Sullivan and the Lawrence City Council. The CD Department is indebted to staff at the HUD Boston Field Office, including Director Robert L. Paquin, Robert Schumeyko, Cedric Kam, Chris Higgins, and Paula Newcomb for their assistance and support.

1 Executive Summary

The 2008-2009 Program Year for the City of Lawrence Community Development Department (CDD) demonstrates major progress for the department. Several long-term development projects came online in this program year, and the CDD secured a significant number of grants from additional sources. The reputation of the department has been bolstered by these key advances, as the department has demonstrated its ability to complete large development projects on time, and to successfully administer grants from multiple sources. In Program Year 4, the CDD was awarded our fifth straight Urban Self Help grant now known as Parkland Acquisition and Renovation for Communities (PARC), and our third consecutive Community Development Action Grant (CDAG), and a significant Neighborhood Stabilization Program (NSP) Grant.

Key accomplishments in the City's Fiscal Year 09 Program Year include the following:

- We completed a major park construction, Manchester Street Park. This project not only greatly increases the amount of quality green space in low-income areas it is also a key parcel along the Spicket River and marks significant progress in the development of the Spicket River Greenway. It is a re-use of a former Brownfield site.
- We continued the Lawrence Lead Abatement Program, in the second year of a \$3 million grant and deleaded 112 units of housing.
- We rehabilitated 29 units of housing.
- We provided direct assistance and services to over 1,600 low- and moderate-income individuals and families through 19 different public services projects;
- We filled 2 key staff vacancies, the Housing Manager in January and the Community Development Manager in April.
- We undertook the Citizen Participation and application preparation process for three new grants: CDBG-R, HPRP and NSP.
- We engaged in an intense stakeholder process on issues of foreclosure which led to a successful application for NSP funding with the programs starting in the new Program Year.

2 Overall Evaluation: Needs & Resources

At each program year transition, we assess our progress in meeting the needs and priorities set forth in the Five-Year Consolidated Plan. To be meaningful, this assessment includes a discussion of 1) what those needs and priorities are; 2) what resources were used to address them; and 3) what concrete progress was made as a result of this effort. Finally, we can use this evaluation to more effectively and efficiently address outstanding needs and priorities as we plan for subsequent years.

2.1 Assessing the City's Needs

The goals of the Five-Year Consolidated Plan 2005-2009 may be summed up under three distinct points: *providing decent affordable housing; creating a suitable living environment; creating economic opportunities*. These three broad goals were agreed upon by an extensive community process and are consistent with HUD guidance for the use of Community Development Block Grant (CDBG) funds.

Along with setting these goals, the Consolidated Plan includes an assessment to determine more precisely where there are gaps between existing needs and available resources. By framing the problem in this way, it is hoped that each year's Action Plan can provide the strategy for the best approach to put new resources (funds, people, partnerships, land, political will, etc.) to work to reduce the "needs gap."

For the 2008-2009 Program Year, the City committed to the following needs and priorities:

2.1.1 Housing

In terms of funding needed to address needs, housing was prioritized more than any other area in the Consolidated Plan: over \$6.6M to address the housing needs of low- and moderate-income families will be required over the five year Consolidated Plan period. The single largest category in this section was the construction of new housing, which is expected to receive the lion's share of the City's HOME funding: approximately \$700,000-\$800,000 per year. Housing projects are further discussed in Section 4.

2.1.2 Public Facilities & Improvements

The Consolidated Plan describes a need for over \$4M in infrastructure improvements over the five year period, with an emphasis in developing and renovating parks and recreational facilities (approximately \$400,000 per year) and street and sidewalk reconstruction (approximately \$100,000 per year). The Program Year 4 Action Plan allocated \$420,000 for parks and recreational facilities improvements and \$150,000 for Street and Sidewalk Improvements - that was used for the Manchester Street Park and engineering work for the North Canal Bridge and Island Street reconstruction in support of the Union Crossing mixed use development and Gateway projects, both in the Canal District. Additional priority public improvement projects, planned in Program Year 3 and executed in Program Year 4, included renovations to the YWCA and water and sewer connections for housing units built by Habitat for Humanity. These activities are further discussed in Sections 6.2 and 6.3 under Community Development.

2.1.3 Public Services

The Consolidated Plan describes a need for \$1,780,000 in public service activities over the five year period, with a heavy emphasis on those activities serving low- and moderate-income youth, education, and activities linked to job training or increased economic opportunity. The Program Year 4 Action Plan identified \$159,640, specifically for youth services, \$66,400 for adult education and job training activities, and \$51,267 for general public services. These are further discussed in Section 6.5 under Community Development.

2.1.4 Economic Development

The need to create economic opportunities for low- and moderate-income people was addressed by this year's plan through job training opportunities and infrastructure improvements. Economic Development projects received proportionately less CDBG funding than some of the other community needs discussed earlier; however, the Community Development Department meets economic development needs through other sources, (Section 108 Loans; EDI/BEDI funds; tax credits, RC, TIF district, and other tax incentives; EPA Brownfield assistance; state grants for job creation; private investment; etc.), whereas other needs contained within the Consolidated Plan cannot.

Furthermore, the Department views many of its projects from other categories as leverage to attract economic development: economic development professionals are quick to note the importance of quality affordable housing, modern infrastructure, arts related development, clean and attractive parks, and efficient public services in attracting and retaining both jobs and workers. These efforts are further discussed in Section 7.

2.2 Resources

2.2.1 Entitlement Funds

In order to address the needs discussed in the Consolidated Plan, the City of Lawrence received \$2,713,548 of HUD Community Development Block Grant and HOME Investment Partnership funds for FY 2008-09. Added to this were \$88,972 in program income and \$3,530,634 in unexpended funds from prior years. All of these funds were programmed under the City's 2008-2009 One-Year Action Plan, developed by the Department and approved by HUD.

Table 1 consolidates Federal Resources and Expenditures for the Program Year. It also computes the City's expenditure rate for these funds. Essentially, this figure indicates that of all the HUD-controlled resources coming into the City, 51% were expended over the program year, down from 55% expenditure rate in the previous program year. Timely expenditure of funds to move projects forward continues to be a priority for the department, and it is expected that this number will improve in the upcoming program year.

Table 1: Resources & Expenditures for Community Development FY08-09

FEDERAL RESOURCES					
Funding	CDBG	HOME	ADDI	ESG	Total
FY 2008-09 Entitlement	\$1,710,755	\$1,002,793	\$ -	\$ -	\$2,713,548
Program Income Received	\$65,363	\$23,609	\$ -	\$ -	\$88,972
Unexpended Prior Year Funds	\$2,138,935	\$1,391,699	\$ -	\$10,000	\$3,540,634
Total Resources by Funding Source	\$3,915,053	\$2,418,101	\$ -	\$10,000	\$6,343,154
FEDERAL EXPENDITURES					
Expenditure	CDBG	HOME	ADDI	ESG	Total
FY2008-09 Current Year Projects	\$1,512,644	\$560,120	\$ -	\$ -	\$2,072,764
Prior Year Projects	\$417,700	\$744,640	\$ -	\$10,000	\$1,172,340
Total Expenditure by Funding Source	\$1,930,344	\$1,304,760	\$ -	\$10,000	\$3,245,104
EXPENDITURE RATE					
(Expenditure Rate = Total Expenditure/FY008-09 Entitlement + Program Income)					
Expenditure Rate	49%	54%	0%	100%	51%

2.2.2 Program Income

As discussed above and shown in Table 1, the department received \$88,972 in program income during the program year. These funds represent money generated by community development activities that are pledged to remain within the program, being recycled to benefit additional low- and moderate-income people and neighborhoods. The exact source of these funds is further specified in Table 2 on the following page. As Table 2 shows, these funds typically come from the repayment of loans made in prior years, either through the small business revolving loan fund or one of the CDBG- and HOME-funded assistance programs for low- and moderate-income homeowners and home-buyers. Concerning the

latter two programs, this program income is essential for the ongoing success of the program, especially given a recent history of level funding. By recycling funds through revolving loan programs and recapturing down-payment and rehab assistance, some of these activities can be made self-sustaining over time (although for some programs, such as the lead abatement or storefront improvement grants, attempting to do so may frustrate other worthy community goals). Nonetheless, the department is evaluating possibilities to increase or recapture program income wherever possible.

Table 2: Program Income

PROJECT NAME	FY09REVENUE
CDBG	
SBRLF (RL)	\$49,725.01
HIP LOANS	\$9,975.00
SEC 108 EARNINGS	\$5,662.50
SUBTOTAL	\$15,637.50
TOTAL CDBG	\$65,362.51
HOME	
DEFERRED HOME REHAB	\$13,569.44
NON-DEFERRED HOME REHAB	\$9,800.00
RENTAL REHAB	\$239.34
FEES*	\$1,230.00
SUBTOTAL	\$24,838.78
TOTAL	\$90,201.29

* These fees are not considered program income in IDIS and are therefore not included in the Program Income totals in Table 1: Federal Resources and Expenditures. These are recording fees from the Registry of Deeds for HOME-assisted projects.

Table 2a: Uses of Program Income

IDIS ACTIVITY #	DESCRIPTION	AMOUNT OF DRAW	TYPE
1817	FTHB Project Delivery	\$ 797.50	HOME PI
1848	Downpayment Assistance	\$ 10,000.00	HOME PI
1881	Downpayment Assistance	\$ 1,462.89	HOME PI
1891	Rehab Project Delivery	\$ 500.00	HOME PI
1953	Rehab	\$ 7,297.50	HOME PI
	Subtotal	\$ 20,057.89	

2.2.3 Interest Income (not program income)

In addition to the amounts stated above the City earned the \$5,685.84 under the CDBG Program (Table 3). In accordance with grant regulations those amounts were returned to the Department of Housing and Urban Development. This interest is not included in the public service or administrative cap calculations.

Table 3: FY09 Interest Income (not program income)

Program	Amount Earned & Returned
Small Business Loan Program	\$5,685.84
Total Returned	\$5,685.84

2.2.4 Additional Funds / Leveraging Resources

The City of Lawrence actively seeks opportunities to use CDBG and HOME funds to leverage grant funds and other resources from a wide range of public and private sources. Over the last few years the department has applied for nearly \$24 million in grant funds to address the needs identified in the Consolidated Plan, with \$8 million awarded and another \$7.7 million pending final decision of awards. The increased submission of external grant applications also speaks further to the increased capacity of the department and its ability to effectively solicit and manage significant grants from multiple sources.

These grants allow us to make significant progress in a number of areas the City would not be able to adequately address by its own means, most notably in terms of exceptional lead abatement throughout the city, and infrastructure improvements such as the InTown Mall site remediation, that paved the way for \$20 million in private investment by Northern Essex Community College for their expansion into a vacant building in the downtown area.

Table 4 shows the extent to which the department seeks to secure additional funding to meet the City's needs.

Table 4: Leveraged Resources for Community Development

Program	Grant Source	Description/purpose	Amount Requested	Status/Approved
MHTF/CommDev	NIOSH	Fall Prevention	\$71,900	\$71,900
Lead Hazard Control	OHHLHC	Lawrence LBPHC Program	\$3,000,000	\$3,000,000
CDAG	DHCD	North Canal Bridge replacement	\$1,000,000	\$1,000,000
PARC	EOEA	Cronin & Costello design and construction	\$258,669	\$258,669
EPA, Brownfield	EPA	Hazardous Assessment	\$200,000	\$200,000
EPA, Brownfield	EPA	Oxford Paper Site	\$200,000	\$200,000
EPA, Brownfield	EPA	Petroleum Assessment	\$200,000	\$200,000
EPA, Brownfield	EPA	Covanta Site Clean-up	\$200,000	\$200,000
McKinney Vento		Homeless Programs	\$523,164	\$523,164

Comm. Dev.	MCC-Adams Grant	Live Lawrence Programming	\$75,000	\$55,000
Comm. Dev.	DCS(state)	Recreational Trails	\$30,000	\$30,000
MHTF/CommDev	NIH	MassCONNECT4Kids	\$25,000	\$25,000
MHTF/CommDev	CDC/CEED	Reach 201 Latino Health Project	\$28,000	\$28,000
Neighborhood Stabilization Program DHC	D	Acquisition and Redevelopment of Foreclosed Properties	\$3,500,000	\$1,200,000
Gateway Plus Action Grant	DHCD	Study - Foreclosure Impact on the Arlington Neighborhood	\$75,000	\$75,000
		TOTAL	\$9,386,733	\$7,086,733

In addition to grants, the department has sought other forms of leveraged investment, including the following:

- **Housing Development:** Nearly every housing project funded by the City has also received assistance from the State and Federal governments, typically in the form of DHCD HOME funds, DHCD-allocated tax credits, MassHousing financing, and other financing programs. During Program year 4, all housing developments were in a hold status pending a resolution of the uncertainties in the tax credit market.
- **Renewal Community:** The City continues to market the incentives of the HUD Renewal Community designation, which provides tax incentives for businesses locating or expanding within the target area. Since participation is voluntary (and often involves sensitive business information), and the program is administered by the federal government (the local department provides technical assistance and outreach/publicity, but does not process applications), it is difficult to track participation or compute the precise dollar benefit of the program, but all marketing and training events have been well attended, and businesses have clearly expressed an interest in the program.
- **Tax Increment Finance Incentives:** Under the provisions of state law, the City can recommend properties for tax-incentive financing under the Tax Increment Finance program. Over the program year the City approved two projects under this program, leveraging over private investment, for job retention and job creation.
- **First-Time Home-Buyer Investment:** Under the City’s Down-Payment Assistance Program, thirteen families were assisted with \$125,000 in HOME funds, up from eleven families assisted in Program Year 3 and seven in Program Year 2. Each family purchased a home with MassHousing Partnership (MHP) or FHA financing.

- **MIT@Lawrence Partnership:** Over the course of the year the City, Lawrence CommunityWorks, Groundwork Lawrence, Bread & Roses Housing, and other community groups continued a partnership with students, professors, and researchers at the Massachusetts Institute of Technology (MIT) known as “MIT@Lawrence.” The goal of this ongoing project, led by Assistant Professor Lorlene Hoyt, is to direct research and service learning activities to the City of Lawrence, working closely with local nonprofits and the Planning and Community Development departments. During the year one MIT graduate student assisted the Community Development Director with research on housing strategies, and another assisted with various mapping projects.

2.3 Using Resources to Address Needs

Each of the major sections below begins with an assessment of progress made toward meeting the needs identified in the Consolidated Plan and how resources were used to address needs. Additional detail is given in the detailed Fund Balance Reports (Appendix E) and Community Development Priority Needs Summary (Appendix F).

3 Program Administration

The following sections discuss the City’s overall administration of the Community Development Block Grant, HOME Investment Partnership, and other HUD-funded community development activities. Rather than concentrating on outcomes, this section describes the policies and procedures followed in implementing the program to ensure compliance with HUD regulations. Sections can be found below on citizen participation, monitoring, and institutional structure, each with recommendations for improvement.

3.1 Managing the Process

The lead agency for the development of the Consolidated Plan and the implementation of Community Development Block Grant, HOME and other programs is the Community Development Department. The CD Director reports to the Mayor, who is elected in a City-wide election every four years. The Department is involved in the community with such agencies as the Greater Lawrence Community Action Council, Lawrence Housing Authority, Groundwork Lawrence, Lawrence CommunityWorks, the Greater Lawrence YMCA and others. Through ongoing involvement with organizations concerned with community issues and activities, the staff of the Community Development stays aware of the full spectrum of housing and community development needs. Staff members meet regularly with nonprofit and community partners and attend community meetings to discuss ongoing projects, evaluate past efforts, and plan for new initiatives and opportunities.

Along with CDD staff, the Mayor, members of the Mayor’s staff, members of the Community Development Advisory Board and the Lawrence City Council were involved throughout the year in public meetings and hearings concerning community development activities.

3.2 Citizen Participation

The process for assembling and reviewing the City's Consolidated Plan, annual Action Plan, and annual CAPER follows a Citizen Participation Plan which meets the requirements of Section 104(c) (3) of the Housing and Community Development Act of 1974, as amended, and is included in the Consolidated Plan. All draft and final copies of documents to be submitted to HUD are made available to the general public at the Public Library, City Clerk's Office, the Community Development Department, and on the City's website. The citizen participation process includes two important elements:

3.2.1 Public Hearings

Public hearings were used to review the purpose of the Community Development and HOME programs and outlined the goals for the program. The first public hearing was a discussion of needs, and the CD Office provided information concerning eligible activities and current and past use of HUD funding. Advertised public hearings were held on December 9, 2008, January 15, 2009, and February 12, 2009. All meetings were held at the Lawrence Heritage State Park, a handicap accessible building centrally located and accessible by public transportation, with nearby parking. A final public hearing was held at the City Council meeting on April 21, 2009. It is important to note that the department has adjusted both the schedule of public meetings and the availability of the RFPs by nearly three weeks earlier in the program year, allowing more time for public involvement in the process and for organizations to submit quality RFPs.

3.2.2 Consultation

Numerous public and private entities operating in the City in are also consulted in the preparation of the Action Plan. Research includes the program activity records of the CDD, the U.S. Census, reports generated by the Commonwealth of Massachusetts, MassHousing, the Massachusetts Health Department, and others. Non-profit and public agencies at the state and local level were consulted and provided important documentation that was also considered in the Plan. The CD staff has regular meetings with key nonprofit partners, such as Groundwork Lawrence, Lawrence Community Works, and the housing counseling agencies. Public hearings complemented this outreach work.

The following is a list of organizations that were contacted by the Community Development Department during the program year:

- Lawrence Housing Authority
- Greater Lawrence Community Action Council
- Lawrence CommunityWorks
- ValleyWorks
- Arlington Community Trabajando
- Elder Services of the Merrimack Valley
- Lawrence Senior Center
- Point After Club
- Windsor House
- The Psychological Center (Women's View, Pegasus)
- Greater Lawrence Family Health Center
- Lazarus House Ministries (Corpus Christi, Bethany House)

- Northeast Independent Living Program Inc.
- The Lawrence/Methuen Community Coalition
- Lawrence Neighborhood Associations
- Planning Board – City of Lawrence
- Conservation Commission – City of Lawrence
- Merrimack Valley Chamber of Commerce
- Groundwork Lawrence
- The Greater Lawrence YMCA
- U.S. Department of Housing and Urban Development
- Massachusetts Department of Public Health
- Merrimack Valley Project
- Northeast Center for Healthy Communities
- Merrimack Valley Planning Commission
- United Way of Merrimack Valley

Several steps are taken to ensure broad public participation. In an effort to overcome the language barrier, parts of the Citizen Participation Plan were translated into Spanish and made available for public review, along with the complete English version, at the public library, the CDD office, and the City Clerk’s office. All meetings were advertised in Rumbo (a local weekly publication printed both in English and Spanish), The Eagle-Tribune (the regional daily newspaper with the area’s largest circulation), on the local government access cable channel, and on a local radio station, and sent via email to all community groups and past applicants of CDBG funding.

The public meetings were held in the Lawrence Heritage State Park, accessible to parking and transit. The Heritage State Park is located in a central part of North Lawrence, within walking distance of a concentration of the lowest income neighborhoods of the City and is handicapped accessible with entry at ground level.

Consistent with HUD requirements, this CAPER was provided in draft form for citizen comments. The City published the availability of the CAPER in the Eagle-Tribune on September 9, 2009 for public review and comment. . The Department will submit the CAPER to HUD by the September 28 deadline – no comments were received by the public. Timely preparation and submission of the requisite CAPER and Action Plan to HUD was a priority for the department, and this year’s report was completed ahead of schedule. In the past program year, both were accepted by HUD with only minor revisions.

3.3 Institutional Structure

The department continues to operate under the recommended restructuring that was implemented in 2006. With the departure of Director Ezra Glenn at the beginning of Program Year 3, there was some concern whether the department could maintain the momentum and effectiveness that marked its turnaround from the days of direct HUD oversight. The appointment of Susan Fink, the Manager of Finance and Administration, to be the Acting Director provided the much needed continuity for this transition period, thus providing a smooth transition to the new Community Development Director, James Barnes,

in September 2008. The department continues to function at a very high capacity in terms of projects completed and new resources coming into the department to meet community needs.

3.4 Monitoring

The department has established policies and procedures for monitoring subrecipients of CDBG funding in accordance with federal monitoring requirements. These are outlined for staff in the department's "Subrecipient Monitoring Workbook," and reviewed by all staff managing subrecipient agreements. All new project managers also completed the CDBG Basics training and certification, and have a clear understanding of the procedures outlined in the Subrecipient Monitoring Workbook. A project manager is assigned to each subrecipient and a monitoring schedule established at the beginning of the program year. Each project manager conducts a minimum of one monitoring visit and one site visit for each project to ensure that the subrecipient was in compliance with all regulations governing their administrative, financial and programmatic operations; and achieving their performance objectives within the schedule and budget set forth in their subrecipient agreement. Records of these visits are kept in the subrecipients file in the department, and managers review these internal project files from time to time to ensure that all project files are complete and up to date.

In FY09, the City awarded subrecipient contracts to 19 public service projects and 3 public facilities projects. Each subrecipient is required to attend a mandatory finance training to ensure proper documentation of program activities and requests for drawdown of funds. This training takes place in June each year, prior to the execution of the subrecipient agreements. HUD required Performance Measures have been instituted on all projects. The projected vs. actual outcomes are discussed further in Section 6 Community Development.

3.5 Recommended Changes: Program Administration

As part of this CAPER, HUD asks the department to describe ways in which we would change the program as a result of this assessment. Internal recommendations are made by managers in consultation with staff, subrecipients, and other stakeholders. The recommendations made in last year's CAPER for Program Year 4 are listed below, with details on how CDD staff was able to address those recommendations.

3.5.1 FY07 CAPER recommendations and actions taken during the next program year:

- *Improve subrecipient end-of-year documentation.* Although end-of-year reporting is covered extensively at the mandatory financial training workshop in June prior to the start of the program year, a number of subrecipients struggled to properly submit end-of-year reporting requirements. This year, the department set earlier internal deadlines for the submission of final drawdown requests and year-end documents. Timeliness of project drawdowns was discussed at monthly meetings with project officers, and communication during the year with subrecipients was increased. At the close of Program Year 3, only three projects required an extension for final paperwork, and no projects needed an extension

for program activities extending beyond the grant period. *Recapture more funds.* Delinquent loans from the Small Business Revolving Loan fund have been referred to an attorney in attempt to collect these funds. The City is also reviewing its policy for loans vs. grants in an effort to make this program more productive and efficient.

In an ongoing effort to increase the efficiency and effectiveness of the work of the department, and to build on the improvements from the previous year, the following further recommendations are made to be addressed in the upcoming program year.

3.5.2 FY09 -10 Recommended Changes:

Better define economic development projects for staff. We begin the new Program Year with one of two Economic Development Managers taking a management position in Gloucester, and with a new Community Development Manager with a background in economic development. Generally, this gives us equal or greater expertise in economic development, while allowing for fewer hours to allocate to this area because of the Manager’s overall responsibilities. This will require some attention to deciding on and focusing on the highest priorities.

4.1 Assessment of Progress: Housing

The department made significant progress over the program year towards meeting goals identified in the City’s Housing Needs Analysis. In the previous Program Year CAPER, a number of housing projects came to completion, significantly furthering our objectives in this area of need - \$834,240 in HOME and \$1,266,687 Lead Based Paint Hazard Control funds were invested to assist 171 units of housing owned or rented by low- or moderate-income individuals or families including 16 rehab projects (totaling 29 units), 6 new units, and 112 units made lead-safe.

Table 5: HOME-Assisted Units Completed (IDIS), by Household Income, 2008-2009

Type of Housing Completed in FY09	Number of Households 0-30% AMI	Number of Households 31-50% AMI	Number of Households 51-60% AMI	Number of Households 61-80% AMI	Total 0-60% AMI	Total 0-80% AMI	Reported as vacant to date at end of FY09
Rental Units*	13	4	16	0	33	33	0
First Time Homebuyers	1	9	8	5	18	23	1
Existing homeowners	0	2	2	4	4	8	0
Total # units	14	15	26	9	55	64	1

This table includes prior year projects entered into IDIS as completed this year.

4.2 Affordable Housing Development

Over the 2008-2009 program year the Department advanced and supported the development of affordable housing with financing from HOME funds and other Department grant funding including CDBG and Lead Based Paint Hazard Control.

Table 6: Housing Development Projects, 2008-2009

Program Year 2008-2009 Housing Development							
Project Name	FY09 Investment	Total Development Cost	Total CD Investment	Leveraged Funds	Subsidized Units/Total	Unit Type	Project Status
41-47 Melvin Street (Bread and Roses Housing)	\$100,000	\$320,000	\$100,000	\$220,000	2/2	Owner	Construction of homeownership units complete. Project closed out.
115, 119, 121 Garden Street (Lawrence CommunityWorks)	\$0	n/a	\$680,000	n/a	10/10	Rental	Rehabilitation of REO Project will begin and is expected to be completed during FY'10. This project will also receive \$80,000 in Lead Based Paint Hazard Control Grant Funds
Scarito Homes (Lawrence Community Works)	\$0	\$3,170,162	\$800,000	\$2,370,162	10/10	Owner	3 units remain unsold and re-priced; project expected to close out in FY10
American Woolen Mills (Jupiter IV)	\$378,000	\$5,298,832	\$280,000	\$5,018,832	41/42	Rental	Lead abatement continues. An additional 6 units purchased by the developer and funded with Lead Hazard Control funds. Project also received FY09 HOME funds to designate 11 HOME units.
50-56 Eutaw Street (Bread and Roses Housing)	\$0	\$320,000	\$100,000	\$220,000	2/2	Owner	Construction of homeownership units complete. Project closed out.
89-95 Alder Street (Bread and Roses Housing)	\$0	\$320,000	\$100,000	\$220,000	2/2	Owner	Construction of homeownership units complete. Project closed out.
Market Common (Habitat for Humanity)	n/a	n/a	n/a	n/a	n/a	n/a	CDBG funds allocated toward water/sewer, asbestos abatement/site prep for affordable housing development. Homes were destroyed by extensive fire and will be rebuilt in FY09
108 Newbury Street (Lawrence CommunityWorks)	\$0	n/a	0	n/a	10-14	Rental	Expected to receive a revised portion of the original \$1,500,000 commitment of HOME funds for FY07 and FY08. Project must redesign due to issues related to site control
50 Island Street (Lawrence CommunityWorks)	\$0	n/a	\$900,000	n/a	60	Rental	Expected to begin development in FY'10. This project is currently on hold status pending a construction financing closing and LIHTC equity investment

Saunders School (EA Fish Co.)	\$0	n/a	\$144,000	n/a	16	Rental	This project is awaiting a review and approval of the DHCD One Stop application.
Sacred Heart (ETC Development)	\$0	n/a	\$300,000	n/a	44	Rental	This project is currently on hold status pending a change in ownership and a possible redesign of the project.

Project Descriptions:

- **Scarito Homes: Lawrence Community Works:** Construction was completed in FY07 and final payment was made in FY08.

As of the end of FY09, 3 units remain unsold. Local market conditions have made it particularly difficult to find buyers for units with affordability restrictions. In an effort to sell the units, and in accordance with a market analysis and appraisal, the prices have been adjusted. The organization has hired a new real estate broker and as a result has experienced a surge in showings and interest in the units. At this time, two offers to purchase have been accepted by the organization and are pending private financing by the income-eligible buyer. We cannot close out this project in IDIS until all units are sold.

Located in the North Common NRSA, these 10 affordable homeownership units comprise the City’s first “green” affordable housing project. The building uses solar roof panels to generate electricity and all units are Energy-Star rated. The total HOME commitment to this project was \$800,000. This leveraged a total investment of over \$3,000,000.

Leveraged Funds: LCW Scarito Homes

<u>Funder</u>	<u>Fundin</u>	<u>g</u>
City HOME	\$800	,000
State HOME	\$500	,000
AHTF	\$254	,473
NWA Grant	\$50,	000
TD Banknorth Foundation		\$15,000
Citizens Bank	\$1,4	62,000
LCW Loan		\$88,689
Total Development Cost		\$3,170,162

American Woolen Mills: Jupiter IV: This project is the revitalization of 41 townhouse rental units on Market Street in South Lawrence. This property is of historical significance and is located in an area that is being considered for NRSA designation. The site is consistent with smart growth strategies in that it is located near the commuter train station and within a few minutes of downtown and the regional bus station. As of the beginning of July 2009, the project has been approved for an additional \$48,000 in lead abatement grant funds, supporting 41 of the 42 units. In addition, \$330,000 of FY09

HOME funds was allocated to designate 11 HOME units. 2 of the HOME assisted units are Section 504 units. Construction continues and occupancy is expected by the end of 2009. This project leveraged a total investment of over \$5,000,000.

Leveraged Funds: American Woolen Mills

<u>Funder</u>	<u>Fundin</u>	<u>g</u>
City HOME	\$330	,000
City Lead	\$328	,000
Other Permanent Loan		\$3,114,000
Developer's Cash Equity		\$1,372,332
Total Development Cost		\$5,144,332

- 50-56 Eutaw Street & 89-95 Alder Street & 41-47 Melvin Street: Bread and Roses Housing:** Bread & Roses Housing is one of our designated CHDOs. Each site was previously a city-owned vacant lot that has been converted into a newly constructed 3 bedroom duplex. All of the units were sold at \$75,000, making them affordable to families between 30-50% AMI. This is a proven community land trust model that provides quality, sustainable homes to very low income families. Construction and occupancy on all 6 units have been completed. The six homeownership units leveraged a total investment of \$960,000.

Leveraged Funds: Bread and Roses Housing:

<u>Funder</u>	<u>Fundin</u>	<u>g</u>
City HOME	\$300	,000
Private Funding	\$300	,000
Permanent Financing		\$360,000
Total Development Cost		\$960,000

- Market Common: Habitat for Humanity:** This project received two CDBG grants to help facilitate the development of seven units of affordable housing. These will house between 28 and 46 individuals (depending on family size). One CDBG grant for \$40,000 was to prepare water and sewer lines on site. The other grant was for \$89,300 to be used toward demo/site prep and asbestos removal. Unfortunately, a fire destroyed much of the work that had been done, forcing Habitat to rebuild from scratch. Construction on these units was underway at the beginning of the program year, and some units were occupied in June of 2009. All seven units are to be completed and occupied by December 2009.

- **108 Newbury Street: Lawrence CommunityWorks:** A total of \$1.5 million in HOME funds was set aside for this project in FY06. The full amount of this commitment is no longer in effect for this site, as site control issues have prevented it from moving forward in a timely way. As the developer was unable to secure site control on one of the parcels, the project needed to be redesigned. As of now, it is expected to be 10-14 units instead of the original 22, but is expected to go forward in FY10 after obtaining site control through an appeal process and applying for Low Income Housing Tax Credits.
- **Union Crossing – 50 Island Street: Lawrence CommunityWorks**

LCW will develop 60 rental, family-style apartments. There will be a range of unit types suitable to the diverse range of families in Lawrence and the Merrimack Valley. The homes will be highly energy efficient and built with durable long lasting materials to minimize maintenance and replacement costs. Construction is expected to begin in the Spring of FY'10. This project is currently on hold status pending a construction financing closing and LIHTC equity investment. This project will leverage a total of \$45,597,000. Beyond its commitment of HOME funds the City is supporting this project with infrastructure engineering paid by CDBG and infrastructure funding applications to state and US EDA.

Leveraged Funds: Lawrence CommunityWorks:

<u>Funder</u>	<u>Fundin</u>	<u>g</u>
City HOME	\$	900,000
State Funding	\$7,5	50,00
Federal Funding		\$8,200,00
Private Funding	\$28,	947,00
Total Development Cost		\$45,597,000

- **Saunders School - 243 South Broadway Street: EA Fish Co.**

Peabody Properties will develop 16 units of affordable housing blended with services for Extremely Low Income (ELI) homeless families in a historic, vacant elementary school. This project is awaiting site control and a review and approval of its DHCD One Stop application. Upon approval of the One Stop application the developer will close with the City on the school purchase in the amount of \$450,000. This project will leverage a total of \$1,791,982.

Leveraged Funds: EA Fish Co.:

<u>Funder</u>	<u>Fundin</u>	<u>g</u>
City HOME	\$144	,000
State Funding	\$1,6	47,982
Total Development Cost		\$1,791,982

- **Sacred Heart - 321 South Broadway: ETC Development Corporation**

ETC Development Corporation will develop 44 units of affordable rental housing for the elderly (55 years and older). All the units, with the exception of three units, will be part of the adaptive reuse of the historic church properties. The three exempt units will be developed to accommodate the handicapped. This project is currently on hold pending a transfer in ownership and a possible redesign of the project to amend the proposed parking. This project will leverage a total of \$13,103.352.

Leveraged Funds: ETC Development:

<u>Funder</u>	<u>Fundin</u>	<u>g</u>
City HOME		\$ 300,000
State Funding	\$11,	603,352
Private Funding		\$ 1,200,000
Total Development Cost		\$13,103.352

4.3 Housing Rehabilitation

The Housing Rehabilitation program incorporates a holistic approach to assisting low-and moderate-income individuals sustain homeownership through funding of eligible rehab activities including as a component of leadbased paint hazard stabilization. All properties participating in the Housing Rehabilitation program are receiving assistance because violations of basic housing quality standards had been identified through an HQS inspection. As a result of their participation in the Housing Rehabilitation Program, all of these properties are brought into compliance. Sixteen projects were undertaken in this program year. Twenty-nine units (16 owner-occupied and 13 rental units) were made affordable, code compliant and sustainable units as shown in Table 7 below:

IDIS Activity #	REHAB	% Median	Hispanic	Race	Size	Type	Lead Funds	CDBG Funds	HOME Funds	Rental Units	Status
1840	REHAB	60-80%	Y	OTHER MULTI-RACIAL	3	SINGLE	0	0	\$ 7,100	0	Complete
1865	REHAB	60-80%	Y	OTHER MULTI-RACIAL	4	2 PARENTS	\$ 20,500	\$6,400	\$ 0	2	Underway
1871	REHAB	60-80%	Y	OTHER MULTI-RACIAL	4	2 PARENTS	\$2,200	\$8,000	\$ -	0	Complete
1882	REHAB	60-80%	Y	OTHER MULTI-RACIAL	4	SINGLE PARENT	\$ 17,860	\$0	\$ 7,840	2	Complete
1885	REHAB	60-80%	Y	OTHER MULTI-RACIAL	3	SINGLE PARENT	\$ 15,400	\$	\$ 2,400	2	Underway
1938	REHAB	50-60%	Y	OTHER MULTI-RACIAL	2	OTHER	\$ 18,584	\$ -	\$ 1,400	2	Complete
1939	REHAB	30-50%	Y	OTHER MULTI-RACIAL	4	SINGLE PARENT	\$ 14,600	\$9,975	\$ -	1	Complete
1940	REHAB	50-60%	N	WHITE	1	SINGLE, NON-ELDERLY	\$ 14,000	\$0	\$ 10,000	2	Complete
1943	REHAB	60-80%	N	WHITE	4	SINGLE PARENT	\$ 9,100	\$8,000	\$ 4,150	0	Complete

IDIS Activity #	REHAB	% Median	Hispanic	Race	Size	Type	Lead Funds	CDBG Funds	HOME Funds	Rental Units	Status
1945	REHAB	50-60%	Y	OTHER MULTI-RACIAL	3	SINGLE PARENT	\$ 11,500	\$17,158	\$	0	Complete
1946	REHAB	60-80%	Y	OTHER MULTI-RACIAL	2	OTHER	\$ 10,800	0	\$ 16,700	0	Complete
1951	REHAB	60-80%	Y	OTHER MULTI-RACIAL	4	2 PARENTS	\$ 8,000	\$1,900	\$ -	0	Complete
1953	REHAB	60-80%	N	BLACK	2	SINGLE NON-ELDERLY	\$ 0	\$0	\$ 6,500	0	Complete
1956	REHAB	60-80%	Y	OTHER MULTI-RACIAL	5	SINGLE PARENT	\$ 20,000	\$ -	\$ 9,550	1	Underway
1957	REHAB	50-60%	Y	OTHER MULTI-RACIAL	2	SINGLE PARENT	\$16,800	\$ -	\$ 5,800	1	Underway
1958	REHAB	60-80%	N	WHITE	4	2 PARENTS	\$1,730		\$2,800	0	Underway
TOTAL							\$181,074	\$51,433	\$74,240	13	

4.4 Lead-based Paint

The current Lead Hazard Control Grant Program commenced on November 1, 2007 and continues to be one of our most efficient and effective programs, achieving benchmarks ahead of schedule since its inception. The Lead Based Paint Hazard Control Grant Program has expended approximately \$1,500,000.00 to make a total of 156 units lead safe. In addition, every project undertaken through the Lead Program involves some degree of minimal housing rehabilitation. Corrective action requiring more than “minimal rehab” must receive CDBG or HOME loans to provide a solution. As is the case with the Housing Rehabilitation Program, the Lead Program has always resulted in the participating property achieving compliance with HQS as well as full compliance with the state and federal lead laws.

The lead program partners with a variety of agencies. Greater Lawrence Community Action Council (GLCAC) is the active outreach partner for the program. They provide free blood screening, referrals, public education, and outreach assistance. Environmental Management Training (EMT) provides free lead worker training to low-income Lawrence residents. A new component of the grant allows the program to fund this training which also includes free protective equipment and the initial license fee. In addition, the program partners with Lawrence General Hospital to provide the graduates with free physical examinations. This innovative, community-based approach fosters the development of job skills within the community, and supports the local economy.

The program is currently working closely with Massachusetts Childhood Lead Poisoning Prevention Program (MA CLPPP) on a large scale deleading project, the American Woolen Mills. The project required a design strategy to be implemented in order to obtain a waiver from the state agency. The lead abatement portion of the work is staged throughout the project and involves several phased lead paint inspections to assure compliance with state and federal requirements. When this project is completed, 41 lead safe, housing units will be made available to low-income families.

The lead program continues to work closely with the Housing Rehabilitation Program to improve the health of families and quality of housing. Homeowners can receive lead grants as well as HOME or CDBG funded loans through the lead/rehab program to supplement lead hazard control work and/or rehab.

Monitoring inspections are performed for all properties that receive assistance through the Housing Rehabilitation program and/or the Lead Hazard Control Program. The field staff makes site visits to assure compliance with the various programs that provided funding. If infractions are found during these monitoring inspections, corrective action is taken to bring each property into compliance. The staff provides technical assistance throughout the process to keep property owners informed and aware of all requirements and expectations. In most cases compliance is achieved within a few weeks. All violations identified through the monitoring process have been corrected.

The results of HQS inspections completed on assisted units are in the following table.

Table 7a: Results of FY09 HQS Inspections

	Total Inspected	Total Pass	Total Fail	% Pass
Results	62	62	0	100%

**Lead/Housing Rehabilitation Program – Monitoring
Units inspected from June 30, 2008 thru July 1, 2009:**

61 Eutaw St	1
30-34 Easton St	4
75-77 Andover St	3
69-71 Crescent St	4
46 Mann St	1
6 Haverhill St	3
65 Greenfield St	1
4 Grove St	2
508 Haverhill St	1
14 Lorenzo Rd	1
33-35 Perry Ave	2
5-7 Fitz St	3

84 Arlington St	3
262-264 Prospect St	3
51 Coolidge St	2
48-50 Olive Ave	3
42 Chelmsford St	1
9-11 Tremont St	9
20-22 Swan St	2
22-24 Logan St	2
137-139 Exchange St	3
22A Camden St	1
23-23 1/2 Summer St	7

4.5 First Time Homebuyer Program

The First Time Homebuyer Program, funded through City HOME funds, offers down payment assistance, homebuyer training classes, and counseling to low and moderate income first time homebuyers.

During the 2008-2009 program year, the First Time Homebuyer Down Payment Assistance Program (FTHB) awarded a total of \$130,000 of HOME funds, assisting thirteen low and moderate-income families purchasing homes in Lawrence. This investment leveraged over \$2 million from local banks servicing the Lawrence community and over \$60,000 in homebuyer contributions.

The FTHB program was marketed extensively this year in a variety of ways. Ana Camargo, the Homeownership Project Officer attended 7 homebuyer classes offered by Arlington Community Trabajando and Lawrence CommunityWorks, Inc. providing outreach to about 710 households. Outreach to industry resulted in four Realtor meetings and two Housing Collaborative Forums where over 40 realtors and lenders received information about the HOME First Time Homebuyer Program and Neighborhood Stabilization Down Payment Assistance Program. In addition, we also partnered with Groundwork Lawrence's Green Streets Program which provided free trees to homeowners who agreed to care for them. The program brochure created the previous fiscal year was redesigned to include additional resources available to first time homebuyers through the City and a total of 68 households received counseling through two First Time Homebuyer Classes conducted by the Homeownership Project Officer.

We remain a CHAPA certified Housing Counseling Agency and Ms. Camargo keeps herself updated on the latest information and tools to best provide services to potential homeowners and administer the HOME funds.

We also created a formal partnership with our two CDCs (both CHDOs) who offer FTHB courses, post-purchase classes, and housing and foreclosure counseling. A comprehensive schedule of homebuyer classes is posted and distributed to the community, with each of the three organizations taking turns offering Spanish and English courses. Each month a

homebuyer class is offered in both English and Spanish in the City. The counselors also work together and share information and resources that keep everyone as current as possible.

To become eligible for the Down Payment Assistance Program, participants need to:

- Be a first time homebuyer,
- Complete a 10-hour homebuyer training course and present a first time homebuyer certificate,
- Have 1.5% of the purchase price for the use of down-payment,
- Provide evidence of income within the established HUD adjusted median family income;

And properties need to:

- Pass a HUD Housing Quality Standards inspection, and
- Meet the HUD Maximum Purchase Price limit.

First Time Homebuyer Training Classes are 10 hour courses designed to review the basics of financial literacy, insurance, property taxes, and other legal and financial matters related to purchasing a home. A total of 68 potential homebuyers attended the City sponsored FTHB course.

Through individualized counseling, homebuyers can access information and products that suit their personal circumstances. For example, the program not only provides qualified homebuyers with down payment assistance, but also helps them to secure less expensive sources of funding for their purchase. This year, 77% of families who received down payment assistance also qualified for the Massachusetts Housing Partnership (MHP) SoftSecond Loan Program, a statewide mortgage program targeted to low and moderate income first time home-buyers. Under this program, families had a low down payment requirement, received low fixed interest rates and interest subsidies.

Table 8: FTHB NUMBER AND TYPE OF FAMILIES SERVED

IDIS#	Amount HOME Funds	% Median	Hispanic	Race	Size	Household Type	Owner Units	Rental Units	Status
1948	\$10,000.00	60+ to 80%	yes	Other Multi Racial	2	Single parent	1	2	COMPLETE
1944	\$10,000.00	50+ to 60%	yes	Other Multi Racial	3	Two Parents	1	2	COMPLETE
1885	\$10,000.00	30+ to 50%	yes	Other Multi Racial	3	Single parent	1	2	COMPLETE
1935	\$10,000.00	60+ to 80%	yes	Other Multi Racial	5	Two Parents	1	2	COMPLETE
1922	\$10,000.00	30+ to 50%	yes	Other Multi Racial	2	Single parent	1	0	COMPLETE
1886	\$10,000.00	50+ to 60%	yes	Other Multi Racial	3	Single parent	1	0	COMPLETE
1954	\$10,000.00	60+ to 80%	yes	Other Multi Racial	4	Two Parents	1	1	COMPLETE
1881	\$10,000.00	50+ to 60%	yes	Other Multi Racial	3	Two Parents	1	2	COMPLETE
1882	\$10,000.00	50+ to 60%	yes	Other Multi Racial	4	Two Parents	1	2	COMPLETE
1955	\$10,000.00	50+ to 60%	yes	Other Multi Racial	4	Two Parents	1	0	COMPLETE
1929	\$10,000.00	30+ to 50%	yes	Other Multi Racial	1	Single non Elderly	1	1	COMPLETE
1923	\$10,000.00	60+ to 80%	yes	Other Multi Racial	2	Single parent	1	0	COMPLETE
1877	\$10,000.00	30+ to 50%	Yes	Other Multi Racial	3	Two Parents	1	2	COMPLETE

4.6 Energy Star Performance Tracking

A number of homeownership projects came online meeting Energy Star Performance Standards through Bread and Roses Housing. The Energy Star Performance Standard is an integral part of the construction design and implementation of the homeownership units. Six energy star rated units were made available to first time homebuyers who purchased units located at 89-85 Alder Street, 41-47 Melvin Street and 50-56 Eutaw Street.

Table 9: FY09 Energy Star Performance

Completed Units			
Total Units	Energy Star Units	% Energy Star	Total Energy Star Qualified
6	6	100%	6

4.7 Housing for Persons with Disabilities

The City has not targeted funding to housing for persons with disabilities per se, although all large projects include accessible units as required by State and Federal law, the subsidy program, and the City’s review concerning affordability. For example, the American Woolen Mills project includes two Section 504 compliant accessible two-bedroom rental units. Providing affordable, accessible and sustainable housing for persons with disabilities remains a high priority for the City and the Housing Division.

4.8 Recommended Changes: Housing

The CD department recommended a number of changes noted in last year’s CAPER that the department sought to address in this program year.

- *Develop a full-scale Housing Rehab Program.*
Throughout the program year, Housing Division staff has been looking closely at owner-occupant rehab needs in Lawrence. Due to aged housing stock, low median incomes, and the foreclosure crisis, Lawrence has an extensive number of properties that are in need of rehab. Policy discussion originally took place under the guise of the previous Housing Manager but due to her departure, the plans were put on hold.
- *Sustainable Homeownership.*
The First-Time Homebuyer Program realizes the need for sustainable homeownership. This goal can, in part, be accomplished with training above and beyond the required FTHB course.
- *Emphasize program income.* We continue to review all programs to determine how funds can be allocated so that we may increase our program income, while still also meeting the needs of our community.

4.8.1 Recommended Changes for FY10 Program Year: Housing

In addition to continuing to develop and improve upon last year’s goals, the following are suggested:

- *Develop a full-scale Housing Rehabilitation Program.*

Plans to expand our HOME/CDBG rehab program have started in earnest with a TA visit from Dennison and Associates. The TA provided a program outline that includes marketing and programming to accommodate a full scale Housing Rehabilitation Program. Policy, programmatic and marketing plans will be finalized by the end of the fiscal year.

- *Sustainable Homeownership.*
The goal of sustainable homeownership will be accomplished by requiring FTHB to participate in a post-purchase course within one year of the mortgage closing as part of their commitment to the program. Closing documents and disclosures will be revised to reflect the new requirement.

4.9 Response to Foreclosure Crisis

The Community Development and Planning Departments hosted three stakeholder meetings (November 2008 – January 2009) to plan the application for Neighborhood Stabilization Program (NSP) funds. All community participants emphasized the importance of homeownership as a means of stabilizing neighborhoods, and recommended significant allocation of NSP funds towards homeownership. The nature of the Lawrence housing stock in general, and the foreclosed properties lists in particular, will make this goal challenging. Lawrence has a homeownership rate of only 38%, primarily because of the prevalence of 2 and 3-family and multifamily units and the low incomes throughout the community. On average there are about 100 lender owned and/or vacant properties on the market at any given time, and the majority of these are not single family dwellings. Yet, we continue to see a demand in our regular homebuyer assistance program, an indication of the pent up demand for homeownership, and as prices continue to drop, we see excellent potential for a homebuyer assistance model with the NSP funding. Many of the properties are at varying levels of deterioration, thus suggesting support for some modest rehabilitation financing, in addition to down payment assistance, will be a powerful and cost effective stabilization tool.

Many of the 3 and 4-family units are in very poor condition, presenting the additional challenge of high costs for rehabilitation, and for these we are proposing developer acquisition and rehab program, and in the most severe cases, a modest demolition program.

The city officials and community participants who prepared the NSP application were mindful of the challenges: anticipated high rehabilitation costs in severely distressed buildings (often the ones most in need of intervention); costs that may mean properties will be able to carry little if any debt service without project based assistance (which is not part of NSP); and uncertainty of private lender participation because of the current situation in the credit markets. We are committed to working with DHDC to overcome these challenges and meet the extensively documented needs with a well-administered NSP program.

The NSP application was submitted to the Massachusetts Department of Housing and Community Development (DHCD) in February and we received approval for \$1.2 million in April. The NSP planning and application writing was a significant workload during the last

half of Program Year 4, and we anticipate the NSP administration will become a significant workload for the Community Development Department during our Program Year 5. The application contained three programs:

- Homebuyer down payment and closing cost assistance with rehabilitation loan
- Acquisition and rehabilitation by for profit and non profit developers for sale or rental
- Demolition of properties too distressed for economical rehabilitation

Since the submission of our original application we have amended it once to include redevelopment, and we are actively exploring receivership options as well with the Attorney General's Office, DHCD, and MassHousingPartnership (MHP).

DHCD has identified 55 Census Block Groups in the City of Lawrence that are eligible for NSP funding. Only 3 are not, indicating how pervasive the problem has been in the city. The city intends to operate the NSP-funded homebuyer assistance program in all 55 eligible block groups. The city will focus NSP funds for the acquisition/rehab/rental program and demolition program in target areas, which based on the risk data and our recent visual inspections are exhibiting severe destabilizing impact.

5 Homelessness

5.1 Assessment of Progress: Homelessness

The Homeless Needs Table completed by the City as part of its five-year Consolidated Plan describes both housing and non-housing related needs of the City's homeless population. As such, it provides a good benchmark to measure progress and determine priorities on a yearly basis, in both the Action Plan (thinking ahead) and CAPER (reviewing the past) phases of the community development program cycle.

Obstacles to meeting these priority needs and specific objectives lie in the high cost of housing, both for homebuyers and renters in the state, as well as limited funding to address the goals. In order to overcome these obstacles, the City is coordinating efforts with community partners to assist in identifying and applying for funding beyond the McKinney-Vento funding.

5.2 Transitioning to Permanent Housing

The Lazarus House Capernaum Place was completed in FY08 providing 22 units of transitional housing and a range of supportive services, assistance, case management and other actions to ensure successful transitions for formerly homeless families and individuals. The owner of the American Woolen Mills project, which has been undergoing deleading and rehab since the end of the 2008 program year has designated 14 of the 41 townhouse rental units for transitional housing under a "scattered site" shelter model. The construction on the units has been completed and the owner is currently working with the Department of Transitional Assistance and Emmaus, Inc. to begin to occupy them with homeless families. In addition, the City will seek to include the Peabody Properties Saunders School Project in

the 2009 McKinney-Vento Grant application to assist with the funding of the supportive housing project.

During the Program Year the City of Lawrence participated in a regional homeless network that evolved into the *Merrimack Valley Regional Approach to Ending Homelessness*. The network received a grant from the Commonwealth of Massachusetts in the amount of \$756,767. The Community Development Director serves on the Leadership Council, and the Housing Manager and Manager of Financial and Administrative Services have participated in creation and operation of the network. The Network will provide case management and rental/flexible assistance with planned outcomes of 40 individuals and 80 families remaining in permanent housing. The Network plans to apply for State HPRP money, and is coordinating activity with the Lowell and Lawrence HPRP programs.

5.3 Continuum of Care & Federal Resources

The department chairs a “Continuum of Care” partnership with all major homeless providers in the City. Created in 1994, the Continuum is charged with coordinating services and funding priorities around homelessness and has the ultimate responsibility of preparing the City’s Ten Year Plan to End Chronic Homelessness. The Continuum also prepares and submits a combined application for funding for homeless services (“McKinney-Vento” funds) made available through HUD’s “SuperNOFA” process.

Although the Continuum of Care has several encompassing goals it works specifically to end chronic homelessness and create permanent housing solutions. Funding authorized by the McKinney-Vento Homeless Assistance Act provides key financial support for these and other developments. The City of Lawrence works with more than 50 non-profits, social service agencies, housing developers, and faith-based groups throughout the year to implement a Continuum of Care strategy to address homelessness in Lawrence. While some of the McKinney monies flow through the City, most of the Continuum of Care funding goes directly to the non-profits that apply.

For the 2008-2009 program year funds totaling \$523,164 were awarded to seven programs, as shown in table 9.

Table 10: Continuum of Care Funds

Project	Funds	SHP Type
YWCA Fina House	\$ 20,895	PH
YWCA OASIS	\$187,950	TH
Psychological Center Safe Haven	\$138,734	PH
YMCA Supportive Occupant Services	\$ 80,665	PH
Emmaus / Bethel	\$ 67,542	TH
Neighborhood Legal Services	\$ 14,962	SHP
Lawrence HMIS	\$ 12,416	HMIS
Total	\$523,164	

Moving forward, the Continuum partners and the City have established ending chronic homeless as a high priority, hoping to extinguish chronic homelessness entirely by 2012. Lawrence's top priority of developing new permanent housing for homeless families and individuals supports this goal. Progress towards these goals is discussed below.

- Expand substance abuse services for chronically homeless. Through the active participation of the Mayor's Health Task Force members of the Collaborative researched cooperative treatment models and coordinated with Department of Public Health to design and implement them, thereby connecting mainstream resources with existing programs serving chronic population. Maintain service delivery for chronic homeless populations.
- Increase access to job training and employment for chronic homeless. As part of a strategy to work closely with day-labor companies to ensure placement of chronic homeless, Women in the Building Trades provided an intensive construction training to men and women living in two local shelters. Job training and placement was also highlighted by public service activities undertaken by the YMCA REC program, Lazarus House, and American Training/LARE, Inc.
- Prevent inappropriate discharges. Lawrence has the most comprehensive Discharge policy in the state. The local hospitals and parole board abide by this policy.
- Improve structure and governance. Subsequent to receiving HUD-funded technical assistance in the previous year to evaluate and improve the administration of the Continuum of Care, the department has formalized the Continuum of Care with the adoption and implementation of formal by-laws to help clarify roles and responsibilities and increase the efficiency of program administration.
- Participation in the *Merrimack Valley Regional Approach to Ending Homelessness*

5.4 Specific Homeless Prevention Elements

The City has established a number of preventative measures to decrease the number of individuals and families that fall into homelessness. The Neighborhood Legal Services and Merrimack Valley Legal Services merged in 2006 to provide free comprehensive legal services to low-income residents. The Greater Lawrence Community Action Council operates a Fuel Assistance and Weatherization Program to assisted low-income individuals and families in paying utility bills to prevent eviction. Multiple non-profit organizations in Lawrence such as the Point After Club and Lawrence Veterans Service Office provided supportive services to the mentally-ill and the veteran population to prevent these sub-populations from slipping into a homeless status.

The Merrimack Workforce Investment Board, ValleyWorks, and Greater Lawrence Community Action Council provided education, training, and assistance to residents of the city. Many of the organizations providing housing advocacy also provide rent/mortgage assistance.

Additionally, the City of Lawrence has a "discharge planning policy" in order to effectively manage those individuals that are released from correctional facilities, social service

agencies, and medical facilities. The Department of Social Service Lawrence Area Director is committed to assisting older adolescents and young adults in the transition into independence and self-sufficiency. The Department of Social Services offers financial assistance for first and last months rent to eligible youth.

The Commonwealth of Massachusetts upholds a “Zero Tolerance Policy” for the discharges of psychiatric patients to homelessness. Both public and private hospitals are held accountable for securing housing opportunities for the patients that are being discharged. It is mandated that the Lawrence Continuum comply with these standards of care.

Local medical facilities work with a shelter case manager to obtain bed space for those discharged patients that are in need of housing. These patients also receive an aftercare plan. Prisoners set to be discharged within six months will begin their re-entry process guided by an advocate. This re-entry process includes securing housing.

Finally, HousingWorks greatly helps to facilitate the discharge plan. HousingWorks advocates are able to generate applications to all open and eligible housing options prior to the individual’s discharge. HousingWorks links advocates to potential private landlords and permanent sober housing providing a viable option for teens, ex-offenders, or elderly.

6 Community Development

6.1 Assessment of Progress: Community Development

The City’s non-housing priority needs fall into two categories: 1) creating a suitable living environment and 2) creating economic opportunities for low- and moderate-income residents. This includes both job creation and retention and support for new and emerging community based businesses. Activities undertaken to address the later are discussed in the section on Economic Development (see Section 7); the remainder of this section outlines progress toward the City’s “suitable living environment” goals.

“Living environment” has been broadly defined by the department to include not only the traditional urban planning tasks such as redevelopment of Brownfields and vacant lots, streetscape improvements, and the creation of neighborhood parks, but also the less-tangible (but equally important) things that make up our daily living environment: health and safety, artistic expression, the aesthetics of our neighborhoods, quality recreational options, vitality of community networks, educational opportunities, and civic participation.

The Community Development Priority Needs Summary (see Appendix F) shows funding for the CDBG-authorized activities related to creating a suitable living environment; Table 11a and Table 11b on the next page list the Community Development Projects included in the City’s One-Year Action Plan.

No changes or deviations have been made to Program Objectives outlined in the Consolidated Plan. All projects benefited low- and moderate-income individuals and families, either directly (public service and housing projects) or as an area-benefit (typically parks and infrastructure projects).

Table 11a: FY09 Community Development Activities (non-public service)

ORGANIZATION	PROJECT	FY08 AWARD	FY09 AWARD
Community Development Dept.	Parks Improvement Plan	\$436,274	\$420,000
Community Development Dept.	Streets and Sidewalk Replacement	\$150,000	\$0
Community Development Dept.	Lead Abatement Match	\$225,000	\$225,000
Community Development Dept.	Renewal Community Implementation	\$30,000	\$30,000
Community Development Dept.	Business Façade Program	\$150,000	\$60,000
Community Development Dept.	SEC 108 Loan Payment FTI	\$36,000	\$36,000
Community Development Dept.	Lawrence Building Materials Reuse Center	n/a	\$40,000
Community Development Dept.	North Canal Bridge Lighting	n/a	\$75,000
Community Development Dept.	Water and Sewer Connections	n/a	\$150,000
Merrimack Valley Habitat for Humanity	Water and sewer connections	\$40,000	n/a
YWCA Classr	oom Improvements	\$5,000	n/a
YWCA	SRO Renovations	\$5,000	n/a
German Old Folks Home	Kitchen Renovations	\$60,000	n/a
YWCA	Early Learning Center Playground Improvements	n/a	\$15,876
Grace Episcopal Church	Historic Preservation	n/a	\$20,000
Lawrence History Center	Historic Preservation	n/a	\$20,000
Accion	Microenterprise Assistance	n/a	\$10,000
Berkeley Retirement Home	Heating System Upgrade	n/a	\$74,421
Lawrence Family Development & Education Fund	YouthBuild Property Acquisition	n/a	\$20,000
Total Non Public Service		\$1,137,274	\$1,216,297

Table 11b: FY09 Community Development Activities (public services)

ORGANIZATION	PROJECT	FY08 AWARD	FY09 AWARD
Lawrence Police Athletic League	Midnight Basketball		
Greater Lawrence Family Health Center	Home-based Asthma Initiative	\$10,000	n/a
Elder Services	Hoarding Outreach	\$17,000	n/a
Greater Lawrence Community Boating Program, Inc.	Opening access to boating for Lawrence youth and families	\$25,000	\$25,000
Merrimack Valley YMCA	Junior and Teen Achievers Program	\$20,000	\$15,000
Merrimack Valley YMCA	Resource Educational Center (REC)	\$15,000	\$15,000
American Training/LARE Training Inc.	Empowerment Through Education and Employment	\$15,000	\$13,200
Arlington Community Trabajando	Foreclosure Prevention Network	\$35,000	\$35,000
Greater Lawrence Community Action	Lawrence/Methuen Community Coalition	\$25,000	

Council			\$10,000
Greater Lawrence Community Action Council	Boxing Program	\$6,000	\$4,800
Cambridge College	Ladder to Language	\$20,000	\$25,000
Greater Lawrence Community Action Council	Project Senior	\$18,000	\$20,000
Groundwork Lawrence	Downtown Farmer's Market	\$10,000	n/a
Boys & Girls Club	Teen Scene	\$15,000	\$25,000
Youth Development Org.	SAT Prep	n/a	\$8,800
Lawrence Family Development & Education Fund	Language Barrier Assistance/Civics Education	n/a	\$13,200
Esperanza Academy	After School Extended Day	n/a	\$17,600
Merrimack Valley YMCA	Music Clubhouse	n/a	\$15,000
Lawrence Fire Department	Fire Safety/Education	n/a	\$10,000
Lawrence Youth Soccer	Youth Soccer	n/a	\$5,000
	Total Public Service	\$274,000	\$284,107

6.2 Parks & Open Space

Park Improvements have been a consistent priority throughout the Consolidated Plan, and have been consistently supported and funded with CDBG funds over the last three Program Years. The allocation typically supports one major park renovation and several smaller improvements across several parks in low income neighborhoods.

6.2.1 Manchester Street Park

The location of Manchester Street Park was the former Covanta Incinerator site. The land where the park presently exists had an area of contaminated soil. Remediation of the soil was accomplished with the use of \$200,000 of Brownfield funds from the EPA. What once was a deplorable (four) 4 acre lot has been converted into a passive recreation park with new playground equipment and other amenities situated on the banks of the Spicket River. A walking trail has been added to eventually connect to the planned Spicket River Walkway.

Final design completed in FY08 and contract awarded in early February. The project was completed on June 30, 2009. Planning continues for extension of this park via a trail way along the Spicket River

Table 12: Leveraged Funds: Manchester Street Park

Source	Amount
City CDBG	\$336,292.01
Urban Self-Help (State)	\$500,000.00
EPA	\$200,000.00
Total Development Cost	\$1,336,292.01

6.3 Streets & Infrastructure

The City had prioritized the heart of downtown, Essex St. (within the North Common NRSA) as a target area for street and infrastructure improvements in Program Year 3. The downtown area of Essex St. holds tremendous potential for economic growth for the City, and the return of two-way traffic and the installation of streetscape amenities will complement the last few year's of storefront improvements in an effort to lure back businesses and customers. The \$150,000 allocated to Streets and Sidewalks in Program Year 3 was used for new street signage, new benches, trash receptacles, bike racks, and trees for Essex St. and Appleton Way. Engineering and design work for the two-way conversion was also included in this line item. This represented a portion of the City's match to acquire the full \$1 million State CDAG grant to complete the construction of the project, including crosswalks, repaving, striping, signal modifications and new signal equipment. This vital city center corridor was further enhanced during FY 09 by the addition of colorful hanging flower pots and planning is underway for the addition of new off street parking facilities to further enhance the prospects for expansion of the retail district during FY10

6.4 Brownfield, Vacant Lots, & Underutilized Buildings

The Community Development Priority Needs chart (see Appendix F) calls for CDBG funding for acquisition of real property, demolition and clearance, and clean-up of contaminated sites. These activities are intended to address the City's problem of brownfields, vacant and abandoned lots, and dilapidated or underutilized buildings. In the Five-Year Consolidated Plan the City pledged to allocate \$1.25M in CDBG funds to address these issues, with approximately \$250,000 of that being spent in the first year.

The City applied for two different grants from the EPA and was awarded \$600,000 to fund environmental assessment and remediation activities. By accurately assessing contamination and remediation costs, it is hoped that the City can increase predictability in the redevelopment process for vacant and/or contaminated sites.

As part of this emerging reutilization program, The Community Development Department commissioned Community Opportunities Group, Inc to prepare a Revitalization strategy for the Arlington Neighborhood. The work on the document included significant community outreach and was ongoing as of the end of the fiscal year. The final report expected in the fall of 2009. A focus of the strategy is already emerging under which many city owned undevelopable lots within the neighborhood will be reclaimed as community gardens and in-fill open space to enhance the living environment within this environmental justice neighborhood.

The City has also applied for 2 State Urban Self Help Grants, now known as PARC grants. If awarded the grants will be matched by use of a portion of the City's annual CDBG allocation and the proceeds will be used to restore and expand the Howard Playstead to permit expanded utilization by the neighborhoods and to build community gardens and pocket parks on otherwise undevelopable City owned Brownfield lots in strategic environmental justice locations throughout the City. The Merrimack Valley Planning Commission has agreed to

provide technical assistance for this endeavor and the City is also applying for a Coalition Brownfield Grant from the EPA to be used in the assessment and cleanup of the selected sites. This application is being made in partnership with the Massachusetts Department of Environmental Protection

6.5 Public Services

During the program year, the department funded 16 different public service activities to assist over 1,700 low- and moderate-income people through the City. Among these competitively-selected proposals were projects to offer job training, mentorship, language instruction, health and prevention education, and other identified needs. As is typical for the City, whose population average is the youngest in the state, a number of the projects specifically targeted youth populations, with academic, career, and educational programming.

Program Year 4 allocated \$284,107 in funding for public service activities in the program year. All projects were implemented with performance measurements standards, and significant progress was made toward attaining program goals, compared with the previous program year. Table 13 shows the objectives and accomplishments proposed at the beginning of the program year as stated in the Project Sheets in the Annual Action plan, with actual numbers served according to end-of-year reporting for each Public Service Project.

Table 13: Public Service Outcomes¹

CDBG FY09-10 Project	Objective	Outcome Category	Proposed Outcome	Proposed Accomplishments (persons served)	Actual Accomplishments (persons served)
Family Asset Building	Economic opportunity	avail./accessibility	financial literacy	200	100
Lazarus House	Economic opportunity	avail./accessibility	pre-employment training	14	20
Neighbors in Need	Suitable living environ	avail./accessibility	increase availability of food pantries	100	program extended
Corporate Internship	Economic opportunity	avail./accessibility	increase work experience for youth	20	15
Strengthening Asian Families	Economic opportunity	sustainability	increase English proficiency	250	189
Empowerment through Education/Training	Economic opportunity	avail./accessibility	increase English proficiency	14	14
Resource Education Center	Economic opportunity	avail./accessibility	increased skills	60	177
YMCA Child Care	Suitable living environ	avail./accessibility	expanded time in child care	20	22
Junior and Teen Achievers	Suitable living environ	avail./accessibility	successful completion of HS	75	368
Esperanza	Suitable living environ	avail./accessibility	increase literacy	40	42
Lawrence Soccer Acad.	Suitable living environ	avail./accessibility	sports activity	75	15
Nuestra Natasha Teatro	Suitable living environ	avail./accessibility	increase awareness, arts experience	13	14
Community Boating	Suitable living environ	avail./accessibility	increase boating/safety skills	450	473
TOTAL				1431	1616

¹ Data in this table was extracted from the projects sheets submitted in the FY08-09 Action Plan. The final column, Actual Accomplishments, was taken from end-of-year reports submitted by subrecipients.

Table 14: Public Service Outcomes, Area benefit totals

CDBG FY09-10 Project	Objective	Outcome Category	Proposed Outcome	Area served (census tracts)	Actual Accomplishments (persons served)
Alleyways	Suitable living environ	sustainability	Increased quality of neighborhood	NRSA	5,068
Lawrence Youth Volunteers	Suitable living environ	sustainability	increased youth volunteerism	2504, 2517	7,816
Neighbors in Action	Suitable living environ	sustainability	Increased quality of neighborhood	2508, 2507, 2502, 2514, 2516	26,096
Midnight Basketball	Suitable living environ	avail./accessibility	After-school recreation	2517, 2504	9,368

These project accomplishments are further described in narrative in the following sections, including the dates of the required site and monitoring visits.

6.5.1 Youth & Recreation: A majority of the projects targeted youth, with both academic and career programs as well as sports and recreation.

Merrimack Valley YMCA- Teen Achievers: By leveraging other community resources, this program expanded to serve 368 low-mod income participants—more than quadruple its original target—with structured after school program consisting of college tours, one on one mentoring, daily academic assistance, anger management and character building workshops, resume writing, weekly meeting on various leadership topics.

Site Visit: 5/21/09 Monitoring Visit 12/10/09

Lawrence Police Athletic League- Midnight Basketball: An area benefit in two low-income neighborhoods, this program provided open-gym at two schools in the city with supervised recreational activities. Kids also attended Field trip to a Lowell Spinners’ game and had guest speakers on Ice safety, internet predators and gang awareness. Sign-in sheets were kept for each session, with approximately 130 youth per night at each site. A new component to this program was added this year in January 2009 in partnership with the Lawrence Police Department School Resource Office, The Gang Resistance & Education Training Program

Site Visit: 5/27/09 Monitoring Visit: 3/5/09

Asian Center of Merrimack Valley

Project #: 91012

Amount Funded: \$13,200.00

Proposed # of participants:

100(Outreach) 40 (Literacy)

Monitoring Visit Done: 12/4/08

Site Visit Done: 3/5/09

Total Served: 171 low-mod income participants

Outreach Program: Served 122 low-mod income clients
Services provided alleviated language and cultural barriers and opened up access to services such as transportation, translation, assistance for SSI, DTA, INS, medical appointments and more

Family Literacy: Served 49 low-mod income adults by providing ESOL classes and Pre-school services for their kids

Boys & Girls Club
Project #: 91028
Amount Funded: \$15,000.00
Proposed # of participants: 20
Monitoring Visit Done: 1/29/08
Site Visit Done: 3/26/08
Total Served: 30 low-mod income participants

Program provided academic support during the course of the school year. The center recruited, screened and trained numerous volunteer tutors. Volunteer tutors from the local community assisted youths in homework help four days a week. A review of students' report cards showed that 135 kids made their school's honor roll. Feed back from local school teachers indicated clearly that the program helped many students to improve their performance in a variety of learning areas.

Esperanza Academy
Project #: 91040
Amount Funded: \$17,600.00
Proposed # of participants: 80
Monitoring Visit Done 5/7/09
Site Visit Done 5/5/09
Total Served: 76 low-mod income participants

Provided three different activities on a daily basis Advisory –provided daily opportunity for dialogue between students and their faculty advisors consisting of classroom issues, social issues, discussion of community service projects, involvement in sports, and participation in enrichment activities.

Exploratory-students participated in a wide variety of enrichment activities, including visual and performing arts, music, sports, and community service.

Homework and Tutorial – homework and tutorial was conducted in a structured quiet atmosphere teachers and volunteer tutors worked individually with students. This period also provided an opportunity for structured activities for students requiring remediation in specific subject areas.

Greater Lawrence Community Action Council, Inc. (Lawrence Boxing Club)
Project #: 91017

Amount Funded: \$6,000.00
Proposed # of participants: 7
Site Visit done: 4/2/08
Monitoring Visit done: 9/18/09
Total Served: 9 low-mod income participants

Boxing Program provided a location for participants to engage in positive physical activities. One boxer had the distinction of winning the Golden Gloves and another boxer won the Northeast Tournament. Program had 8 to 12 boxers participating nightly at the club releasing \$772.54 back to CDBG letter on file

Greater Lawrence Community Action Council, Inc. (Lawrence Methuen Community Coalition-LMCC)
Project #: 91020
Amount Funded:
Area Benefit: Census Tract
Site Visit done: 5/7/09
Monitoring Visit done: 9/18/09
Area Benefit (Served census track 2502,2507,2514,2516)

Organized National Night Out: provided public safety information, trainings and opportunities for neighborhood groups to plan future community building activities and provided technical assistance to neighborhoods for capacity building of neighborhood associations.

Greater Lawrence Community Boating
Project #: 91013
Amount Funded: \$25,000.00
Proposed # of participants: 480
Site Visit done: 8/13/08
Monitoring Visit done: 12/5/08
Total Served: 508 low-mod income participants

Program provided safe boating lessons and participants achieve proficiency in different levels of boating (Red Cross Cards issued)

Lawrence Fire Department
Project #: 91044
Amount Funded: \$10,000.00
Proposed # of participants: 10
Site Visit done: n/a
Monitoring Visit done: 3/4/09
Total Served: 15

Fire school conducted 2 ten week fire safety sessions. Fall class had 10 students of which 9 graduated. Winter class had 6 students all graduated. School teaches fire science, fire safety, fire survival, and teaches about the fire service itself. There is a strong emphasis in the program on personal responsibility, decision making, peer pressure and goal setting. Students are interviewed and evaluated.

No Spring session was held because the program did not have Lawrence residents enrolled – releasing \$3,382.52 back to CDBG letter on file

Lawrence Police Athletic League

Project #: 91009

Amount Funded: \$20,240.00

Area Benefit: Census Tract 2517 & 2504

Monitoring Visit Done: 3/5/09

Site Visit Done: 5/26/09 & 5/27/09

Area Benefit (Serviced census tract 2517 & 2504 approx. 130 youth per night)

Program provided open-gym at 2 schools in the city with supervised recreational activities. Participating youth also attended Field trip to Lowell Spinners game. The program also had guest speakers on ice safety, internet predators and gang awareness. The program added a new component to program this year partnered with Lawrence Police School Resource Officers. GREAT(Gang Resistance and Education Training) Program which was implemented in January 2009.

Lawrence Youth Soccer

Project #: 91042

Amount Funded: \$5,000.00

Proposed # of participants: 20

Site Visit done: 5/21/09

Monitoring Visit done:

Total Served:

FY'09 CONTRACT TERMINATED for lack of required reporting and no funds were disbursed.

Merrimack Valley YMCA (JTA)

Project #: 91010

Amount Funded: \$15,000.00

Proposed # of participants: 37

Monitoring Visit Done: 12/10/08

Site Visit Done: 3/3/09

Total Served: 37 low-mod income participants

Provided structured after school program for at risk youth consisting of college tours, one on one mentoring, daily academic assistance, anger management and character building workshops, resume writing, weekly meeting on various leadership topics

Merrimack Valley YMCA (Music)

Project #: 91041

Amount Funded: \$15,000.00

Proposed # of participants: 25

Monitoring Visit Done 12/10/08

Site Visit Done 3/5/09

Total Served: 58 low-mod income participants

Provided workshops, drop in center, and special events such as Open Mic Night and Clubhouse idol. The Program was also extremely successful through collaboration with other schools and nonprofits, truly expanding the musical realm to low income, inner city youth.

Youth Development Organization

Project #: 91038

Amount Funded: \$8,000.00

Proposed # of participants: 15

Monitoring Visit done: 4/14/09

Site Visit done: n/a

Total Served: 28 low-mod income participants

Provided SAT prep program – average SAT scores increased by 130 points

Merrimack Valley YMCA: Resource Education Center. Program provided morning /evening ESL/GED classes, computer classes, life skills, and one-on-one support to 177 homeless and extremely low income community members. Mental services were provided by health care agencies who partner with the YMCA.

Table 14a: Non Public Service Outcomes

CDBG FY08-09 Project	Objective	Outcome Category	Proposed Outcome	Area served (census tract)	Actual Accomplishments (units differ based on projects)
Park Improvements	Suitable living environ.	Availability/ Accessibility	Increased quality of open space	City-wide eligible census tracts	1 park built; Welcome signs installed; contract for new 5 year Open Space Plan
No. Canal Bridge Lighting	Suitable living environ.	Availability/ Accessibility	Increased quality of public way	1 bridge	underway
Lawrence History Ctr.	Suitable living environ.	Sustainability	Preservation of historic facility	1 facility	underway

Grace Episcopal Church	Suitable living environ.	Sustainability	Preservation of historic facility	1 facility	underway
YWCA Early Learning Ctr.	Suitable living environ.	Availability/Accessibility	Improved safety of playground	1 facility	underway
Berkeley Retirement Home	Suitable living environ.	Availability/Accessibility	Upgrade heating system	1 facility	complete
Project Senior	Suitable living environ.	Availability/Accessibility	Repairs to low/mod elderly/handicapped housing	39 units	underway
Youth Build	Suitable living environ.	Availability/Accessibility	Acquisition of lot to build low/mod housing on	1 lot acquired	1 lot acquired
Business Façade	Economic Opportunity	Sustainability	Enhance economic conditions in low-mod areas	3 businesses	3 businesses
Renewal Community	Economic Opportunity	Availability/Accessibility	Increase awareness of business tax incentives	186 outreach events in Lawrence	15 outreach events outside city
Lead Abatement	Suitable living environ.	Availability/Accessibility	Remove lead paint in low-mod housing	112 units	112 units
Water/Sewer Connections	Suitable living environ.	Availability/Accessibility	Improve water/sewer connections	Reprogrammed for infrastructure engineering	underway
Building Materials Reuse Ctr.	Economic Opportunity	Availability/Accessibility	Make building materials available at low to low-mod residents	Reprogrammed for Park Improvements	1 park built

6.6 North Common Neighborhood Revitalization Strategy Area (NRSA)

In 2006, consistent with HUD guidelines, the City adopted a “Neighborhood Revitalization Strategy Area or NRSA” plan for the North Common Neighborhood to show a clear and coordinated strategy for focused community development in this distressed area. The plan described a five-year strategy of investments and interventions to reverse decline and address chronic poverty in the neighborhood. In addition to broad goals and objectives, the plan calls for annual performance towards a clear set of “benchmarks” related to service delivery, infrastructure improvement, business and housing assistance, and other community development activities. Table 15 presents these benchmarks and describes the City’s progress toward meeting them.

Table 15: NRSA Benchmarks

Project/Activity	Target Benchmark	Progress during Program Year
Scarito Homes Occupancy	10 units	Marketing continues; Full planned in FY 2010
Lead Paint Abatement/ Housing Rehab	10 units	0 units
First Time Home-buyer Counseling	25 families	7 families assisted
FTHB Down-payment Assistance	7 families	0 low-mod families received down payment assistance
CHDO support	\$100,000 in support	\$20,000 (LCW)
GenCorp Site Remediation space	parking lot and open development	remediation is ongoing with Sec 108 and BEDI funding

6.7 Recommended Changes: Community Development

6.7.1 In the Program Year 2 CAPER, the following changes were recommended internally to improve the implementation of Community Development projects for Program Year 3.

1. *Improve Subrecipient Training Before the Grant Award.* Incomplete paperwork submitted by subrecipients was noted by CDD staff as an obstacle to improved timeliness. The mandatory financial training is now conducted in a workshop format, and the subrecipients are asked to bring drafts of the required contract paperwork as “homework” prior to the

meeting. Using these concrete examples in the financial training encourages questions and better prepares the subrecipients for the final draft of their contracts.

2. *Encourage Infrastructure and Public Facilities Projects.* Despite the fact that only 15% of the City's annual CDBG entitlement can be spent on public service activities, the selection of these projects generates the lion's share of discussion and citizen involvement, sometimes to the neglect of the many public facilities on which residents depend on for a wide range of services. The CDD staff noted that seeking CDBG funds for certain eligible physical improvements would both improve the delivery of important social services and broaden the focus of our non-profit partners to assist with the physical improvement of our neighborhoods. A perfect example of this was the YWCA, often an applicant for Public Service funds in the past, instead applied in Program Year 3 to make improvements to its SRO units which serve as a stable home for women seeking shelter from domestic abuse. The improvements had a direct impact on the health and safety of the occupants, and the YWCA was not in direct competition for the small portion of CDBG funds set aside for Public Service activities.

6.7.2 Recommended Changes for upcoming Program Year 5

Prepare for Mayoral Transition

Because Mayor Sullivan is term limited there will be a new Mayor elected in November 2009 who will come into office in January 2010. Mayor Sullivan has established a transition team and program which includes the Community Development Director. The Community Development Department recognizes the need to provide thorough information to the newly elected Mayor. Because this is the last year of the 5-year plan particular care will be taken to assess performance and use performance data in the planning process for the next 5-year Consolidated Plan.

7 Economic Development

7.1 Assessment of Progress: Economic Development

The CDD's economic development program can be broken down into six broad areas of focus:

1. Job Creation activities: including loans, grants, and tax incentives for new or expanding businesses;
2. Brownfield Redevelopment projects: to turn contaminated sites into new development opportunities;

3. Downtown Revitalization efforts: to support existing businesses and attract new ones to the commercial districts, including arts and cultural events to contribute to economic development;
4. Job Training assistance: to give low- and moderate-income individuals the skills they need to seize new economic opportunities (typically considered under “public services” rather than economic development).
5. The Gateway Project: the city’s signature economic redevelopment effort, to turn a former industrial site into a new park and 1,000 space parking facility in the downtown district.
6. Facilitation and Coordination of resources to promote and support the development of Community based businesses

The department has made significant progress on each of these areas. Some highlights include:

- Securing a commitment from Forest City to rehabilitate --- sf. of mill space on the Central Island.
- The completion of the revitalization of Essex St., including the conversion back to a two-way traffic pattern and the addition of significant streetscape amenities including new benches, trash receptacles and hanging flowering pots with the assistance of a State CDAG award of \$1 million.
- Initial planning for a massive overhaul of the east end of the Central Island called Union Crossing, a \$45 million public/private to complement the Gateway with workforce housing, green space, and jobs creation.

7.2 Job Creation

7.2.1 Small Business Revolving Loan Fund

The department has operated a small business revolving loan fund for many years, providing loans (typically \$10,000-\$75,000) to new or expanding small businesses. Funds are re-circulated in the program when repaid, thereby decreasing the need for new CDBG funds allocated to this activity over the years. Currently the program has over \$400,000 in funds available. Loans are made explicitly for the purposes of (1) job creation and (2) low/mod area benefit, both eligible national objectives under the CDBG guidelines. (Whenever possible, it is simpler administratively to qualify a project as an area-benefit activity, reducing paperwork requirements on both the department and the assisted business.)

Table 16: Outstanding Small Business Loans, 2001-present

NAME	DATE OF LOAN	AMOUNT OF LOAN	PRINCIPAL BALANCE
MULTIGRAINS/FARO REALTY TRUST	3/13/2001	\$50,000.00	\$10,380.28
RIVERSIDE REALTY REVISED	4/5/2001	\$84,996.00	\$56,767.55
BLOSSOM'S FASHIONS	4/15/2001	\$15,000.00	\$13,952.90

ASSOCIATION OF LATIN AMERICAN MERCHANTS	8/3/2001	\$35,000.00	\$35,000.00
THE PACKAGING CONNECTION	1/22/2002	\$50,000.00	\$23,082.76
CONTRACT ASSEMBLY MANUFACTURING	10/23/2003	\$50,000.00	\$24,266.77
CAMBRIDGE COLLEGE	5/7/2004	\$125,000.00	\$125,000.00
NEW ENGLAND PRETZEL & POPCORN	6/24/2004	\$50,000.00	\$23,119.63
ALL PRO FLOOR CARE	10/27/2005	\$30,000.00	\$9,355.46
NEXCELOM BIOSCIENCE LLC	11/29/2005	\$50,000.00	\$26,710.22
AHF/MOREHOUSE BAKERY	9/13/2006	\$150,000.00	\$150,000.00
TOTAL LOANS		\$839,996.00	\$497,635.57

Last year’s CAPER discussed a number of recurring administrative and servicing problems with this program, and proposed restructuring and refocusing the program. After evaluating the possibilities with HUD representatives and the Merrimack Valley Planning Commission (MVPC), the department decided it was best to fold the program into the existing program with the MVPC to provide similar funding with better procedures and resources for underwriting and review, ongoing oversight and servicing, marketing, and leveraging of funding and risk. The basic terms of the operating agreement have been set. This loan program will become part of an array of loan and financial assistance programs already administered by the Planning Commission so that applicant will not only have access to the city program but also be able to utilize coordinated one-stop access to the MVPC programs. Their will be an expedited and coordinated underwriting process for applicants. For loans under the city program the CD Director will still set the parameters for these loans, and the MVPC will administer the loans. For Loans from the existing MVPC programs the CD Director or his designee will be part of the underwrite process.

7.2.2 HUD Section 108 Loans

Under the HUD “Section 108 Loan” program an entitlement City such as Lawrence may borrow up to five times its annual entitlement amount for CDBG eligible activities (funds are guaranteed by the federal government on the security of future CDBG funds). As shown in table 17 on the next page the City has a number of outstanding loans to support economic development. Two of the loans are performing satisfactorily, one (FTI) is non performing and CDBG funds must be allocated each year to insure payment. The loan to the MVRTA requires interest only payments until 2012 at which time principle payments commence.

Over the project year \$190,000 in principal was repaid, along with \$204,226.40 in interest.

Table 17: Outstanding Section 108 Loans

Loan	Original Loan Amount	Principle Balance as of 7/1/08	Principle Balance as of 6/30/09	Principle Paid to HUD During Program Year	Interest Paid to HUD During Program

					Year
BEA	\$ 700,000	\$65,000.00	\$0.00	\$ 65,000.00	\$1,140.75
GEM	\$1,500,000	\$600,000.00	\$500,000.00	\$100,000.00	\$33,685.00
FTI	\$ 500,000	\$335,195.40	\$310,195.40	\$ 25,000.00	\$11,116.25
MVRTA	\$ 2,900,000	\$0.00	\$2,900,000.00	\$ 0.00	\$158,284.40
Totals	\$5,600,000	\$1,000,195.40	\$3,710,195.40	\$ 190,000.00	\$204,226.40

7.2.3 Tax Incentives for Job Creation (RC & TIF)

Renewal Community Designation

In 2001 portions of the City were designated as a “Renewal Community” by the Federal Government, thereby qualifying new or expanding businesses for a variety of special tax incentives, including a yearly wage tax credit of up to \$1,500 per employee living in the RC, reduced capital gains, accelerated depreciation schedules for improvements or new construction, and increased business deductions. The department serves as lead agency in marketing this program locally to attract development and encourage utilization of these benefits.

To attract participation in the program the department held four different information sessions for local property owners, businesses, developers, and accountants, describing the benefits in detail, including one accreditation seminar for tax preparers and tax attorneys, two info sessions for entrepreneurs, and one webcast for tax preparers and tax attorneys. The department also coordinates the publication and distribution of a wide variety of outreach materials on the program, including a new City-wide marketing brochure prepared, printed, and distributed at no cost to the City.

Beyond working locally to market the program, the department bears responsibility for implementing the “Tax Utilization Incentive Plan,” or “TUIP,” a key component of the City’s application for RC designation. The TUIP includes specific local actions the City has pledged to undertake to attract business and streamline development. One finding of HUD’s recent monitoring was that the City has not carried out these actions in a timely manner. With the newly reorganized department and new staff in place, the department hopes to turn once again to these commitments.

Tax Increment Financing (TIF)

The CD department helps to coordinate job creation through the State’s “tax increment financing” or TIF provisions. During the program year a TIF was granted to New Balance in recognition of a 2.5 million Dollar construction project to renovate the R and D and executive office facility at 5 South Union Street. It is expected the project will result in the addition of at least 25 permanent full time jobs.

Other TIFs are under negotiations that were not concluded by the close of Program Year 4 for inclusion in this report. Businesses that have approached the City regarding a TIF include Forest City, for their major mill rehabilitation project on the Central Island, and La Fruteria, for expansion of services and site improvements. If finalized, these TIFs will be outlined in the CAPER for Program Year 5.

7.3 Brownfield Redevelopment

Over the program year, the City was awarded \$200,000 in EPA Brownfield clean-up funds to assist at the former Covanta Incinerator site on Manchester Street. This site has been converted from an empty unused contaminated site into a neighborhood park. The park was successfully completed in the Summer of 2009. This grant supported the continued efforts of private investors and community development organizations to prevent future Brownfields by utilizing principles of smart growth.

7.3.1 EPA Brownfield Funding

Over the program year the City continued the work on the City’s Gateway project utilizing a portion of the EPA grant from the prior year for additional cleanup activities at the former Oxford Paper site, a critical component in the City’s Gateway project. The City also partnered with the Merrimack Valley Regional Planning Commission to submit a regional collaborative application for \$1,000,000 in Brownfields cleanup revolving loan funds. These grants and loans will help convert additional Brownfields into new economic development projects.

7.4 Downtown Revitalization

A third area for economic development concerns targeted attention to the downtown commercial corridors, especially Essex Street and Broadway. A number of activities focus on these areas, including funding for storefront improvement projects, streetscape and infrastructure improvements, and work to attract arts-related businesses and activity to the downtown area.

7.4.1 Storefront Improvement Program

The Storefront Improvement Program (SIP) offers deferred forgivable loans to businesses on Essex Street and Broadway to fund storefront improvement projects. Over the program year, funds were committed to three new projects totaling \$53,921.75 (shown in Table 19), which includes all outstanding projects). Approximately 12,000 of additional funds for design fees was allocated, resulting in three additional designs set for construction in FY10. Business recruitment to the downtown area is a priority for the City’s economic development strategy. A new component under the SIP this year will be a Best Retail Practices Program to assist small retailers and restaurants with technical assistance with store design, displays, signage, and cost-effective marketing tips.

Table 19: *Outstanding Storefront Improvement Loans as of June 30, 2009*

Name of Business/Owner	Principal Balance (June 30, 2009)	Terms
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DAYSI G'S RESTAURANT	\$ 7,091.00	LOAN FORGIVEN 10% EACH YEAR
MERENGUE TRAVEL	\$ 783.00	LOAN FORGIVEN 10% EACH YEAR
NAJI BARDWELL	\$ 12,600.00	LOAN FORGIVEN 10% EACH YEAR
SUPERIOR CLEANERS & TAILORS	\$ 11,200.00	LOAN FORGIVEN 10% EACH YEAR
GERARDO SPAGNUOLO	\$ 12,600.00	LOAN FORGIVEN 10% EACH YEAR
GLCAC	\$ 12,000.00	within 1-3 years 100%; within 4 years 80%; within 5 years, 70%; within 6 years 60%; within 7 years 50%; within 8 years 40%; within 9 years 30%; within 10 years 20%; after 10 years forgiven
ARNOLD ALBANO	\$ 18,000.00	LOAN FORGIVEN AFTER 10 YEARS
PAUL & RUTH FAUVEL	\$ 37,700.00	LOAN FORGIVEN AFTER 10 YEARS
BEVERLY LEBOWITZ	\$ 40,000.00	LOAN FORGIVEN AFTER 10 YEARS
CLOUTIER REALTY TRUST	\$ 40,000.00	LOAN FORGIVEN AFTER 10 YEARS
*MARKARIAN PROPERTIES	\$ 3,921.75	LOAN FORGIVEN AFTER 10 YEARS
*MARKARIAN PROPERTIES II	\$ 40,000.00	LOAN FORGIVEN AFTER 10 YEARS
* JOSE DEL CARMEN TERRA LUNA CAFE	\$ 10,000.00	LOAN FORGIVEN AFTER 10 YEARS
TOTAL	\$ 245,895.75	

* New FY09Loans

7.4.2 Essex St. Improvements

The program year included a number of infrastructure improvements in the North Common neighborhood, including street and sidewalk reconstruction and work to develop two new parks. In future years, the department will turn some of this focus to the more commercial areas of the NRSA, including the Essex Street commercial corridor.

As a way to jump start this new focus, CDD secured a \$1 million in funding under the State's Community Development Action Grant (CDAG) program for the second year to complete a comprehensive redevelopment of Essex Street, including new streetscape and aesthetic improvements, pedestrian amenities, and the restoration of a two-way traffic pattern. The project was complete as of June 30, 2009 and has had an immediate and positive impact on the downtown area, with less double and illegal parking, a safer pedestrian atmosphere, and more foot traffic to storefront businesses. The overall project also encompasses the expansion of Northern Essex Community College to the downtown area, as well as the units of affordable and HOME assisted housing units at the Blakely Building on Essex St.

7.4.3 Arts & Economic Development

In Program Year 4, the City was the lead applicant for the Mass Cultural Council's John and Abigail Adams Arts and Economic Development grant for the Live Lawrence! program. The City's involvement as lead agency leveraged a grant of \$55,000, a significant increase over last year's funding of \$30,000. CDBG funds invested in infrastructure improvements in the mill arts district including architectural lighting on a historic bridge and wayfinding elements to be designed and installed on FY10.

7.5 Gateway Redevelopment

The project includes the remediation and redevelopment of a 20-acre contaminated City-owned site into a passive park adjacent to the Spicket River, and the redevelopment of another old industrial site into landscaped surface parking to support intermodal transit demand, the reuse of the neighborhood mills and Lawrence General Hospital. The parking is necessary to support the redevelopment of some 1.2 million square feet of mill space in the downtown area and future overflow demand for transit needs.

To implement the project, the City of Lawrence, the Merrimac Valley Regional Transit Authority (MVRTA) and GenCorp, the primary private property owner in the Gateway area, have entered into a Memorandum of Agreement, with MVRTA as fiduciary agent and development project manager. This transit authority will augment Lawrence's management and development experience, and will ensure a coordinated, cohesive approach to the project.

The entire project is described in detail in the City's Consolidated Plan, as well as numerous funding applications to the State and Federal Government. Progress on individual components is described below:

GenCorp and Oxford Remedial Programs GenCorp and the City have completed all final remedial activities that do not rely upon implementation of the Gateway/Quadrant redevelopment program. All remaining remedial activities will be coordinated with the project schedule to be developed for the surface parking and passive park development.

Gateway/Quadrant Re-Use Program A significant change with the Quadrant program is that MassHighway has taken over complete control of the Canal Street widening project and the final design of the new Spicket River Bridge. Prior to this, these activities were carried as part of the budget for the Quadrant re-use program. MassHighway proposes to combine both the Canal Street widening and new Spicket River Bridge work into one project and is currently negotiating design contracts. The design of the landscaped surface parking facility is to be done by CDM who is now under contract to the MVRTA. The MVRTA has retained a Design/Construction Oversight Manager, SEA Associates, in accordance with Chapter 149 to review the design and permitting work. The MVRTA has now received 4 formal responses to an RFP for the landscape design of the passive park. MVRTA expects to negotiate a design contract with one landscape architect in the coming weeks.

Building 4 Demolition The demolition is complete. The Section 108 loan proceeds and the Neighborhood Initiatives Grant (NIG) were used to acquire this property for the cost of the demolition. The MVRTA has structured a P&S as the mechanism to reimburse GenCorp for the cost association with demo and to allow the MVRTA to acquire the site. The City, HUD and MVRTA have signed all the required 108 documents. The City included the full 108 loan (\$2.9M) in HUD's annual public offering to fix the interest rate on September 14th, 2006. The MVRTA has now drawn down the entire 108 loan proceeds (excluding some administrative costs kept by the City).

Permitting and Approvals The MVRTA and its design consultant(s) are proceeding on all permitting activities including MEPA, ACOE, ConCom/DEP and local city departments.

Design and Contract Documents The MVRTA's design engineer, CDM, has finalized the parking, internal road and access circulation and bus stop and shelter layout on the site. Preliminary drainage design is also complete. The MVRTA has had several meetings with abutters and is in general agreement on the design and drainage layout.

Schedule: The MVRTA is on track with the current project schedule which calls for permitting and final design complete by year end 2009, bidding 1st quarter 2010 and construction to begin in the second quarter 2010. This would result in project completion in the spring of 2011. We expect the parking lot phase to be completed by May, 2010

Budget: The following outlines the current status for the public funding sources obligated to the project:

Table 20: Gateway Redevelopment Project

Source	Amount	Notes/Progress
HUD Section 108	\$2.9M	Approved and available.
HUD BEDI Grant	\$2.0M	Approved and available.
SAFETEA Transit Appropriation	\$3.45M	The funds, allocated over federal FY06-09, are programmed in the STIP according to FY allocations (see attached chart). Due to a 1% Congressional mandatory rescission in FY06, this earmark has been reduced to \$3,444,000. Funds require a 20% non-federal match (see below). MVRTA is working with FTA to secure funds.
SAFETEA Highway Appropriation	\$2.5M	As with all such Highway monies, the funds were allotted in 20% equal shares over the federal FY05-09 period. They are programmed in the STIP according to this allotment. In addition to the FY06 1% mandatory rescission, the monies are subject to Congress' annual Obligational Authority limits. In FY05 this limit was 85% and in FY06 it was 87%. The STIP <i>assumes</i> yearly 87% Obligational Authority limits for FY07-09. All of this has reduced the appropriation by \$144,000 in real numbers and \$195,000 on an assumed basis. As such, the estimated total is now \$2,160,650. This money requires a 20% non-federal. Massachusetts Executive Office of Transportation (EOT) indicated that it could flex the monies over to FTA if FTA accepts program justification. MVRTA is working with EOT to secure funds.
MassDevelopment Grant	\$1.0M	This money is dedicated to the Oxford remediation and redevelopment. To date, the City has been reimbursed \$614,495 for Oxford remediation costs out of this grant. Current balance is \$385,505.
HUD Neighborhood Initiatives Grant	\$994,100	The grant request from MassDevelopment has been approved from HUD. MassDevelopment and MVRTA have entered a sub-recipient agreement and MVRTA has received approval from HUD to use these funds as part of the demolition/acquisition costs for Building #4.
Federal FY04 Transportation Appropriation	\$500,000	Money was transferred from MassHighway to the Federal Transit Administration (FTA) in late August, 2006. Funds are now available.

U.S. EPA Brownfield Revolving Loan Fund	\$400,000	Funds were obligated toward the remediation of the Oxford site. All funds have been expended.
City of Lawrence CDBG Grant	\$150,000	Funds were obligated to the Oxford project. To date, \$97,325 has been expended with \$52,675 the remaining balance.
U.S. EPA Brownfield Cleanup Grant	\$200,000	Awarded in summer, 2007, and made available in November of 2007. These funds are committed for remediation of Oxford Paper site during FY 09 and FY10

7.6 Job Training & Public Services

Section 6.5 under Community development discusses public service activities to assist low- and moderate income individuals in developing the job skills. In partial response to the severe economic downturn and the resulting increase in unemployment, the City has redoubled efforts to improve resources committed to job training and placement. The City has committed stimulus Funds available under the CDBG-R program for the addition of a new computer skills training facility at the senior center and started working with the Local Workforce Investment Board and Northern Essex Community College to develop and implement a new internship and work study program to assist community organizations and private businesses in job creation and placement. The program will be launched in FY10

7.7 Recommended Changes: Economic Development

The FY08 CAPER made internal assessments and recommendations to improve the delivery of Economic Development Activities. During FY09, a new, experienced economic development manger was hired. The duties of the manger will include greater coordination of Economic Development activities with Community Development activities to promote the establishment of Community Based Enterprise in addition to more traditional economic development. This was due in part to the recognition by management and staff that all of our public service and public works projects have a positive impact on economic development, and as such those projects that directly address increasing economic opportunity.

7.7.1 Recommended changes from CAPER 08 and actions taken during Program Year 3:

- *Improve job tracking throughout all job creation activities.* The Economic Development Project Officer II has updated projects that included a jobs creation commitment and has centralized this information to streamline access and accounting.
- *Increase Section 3 Business Participation.* The Economic Development Project Officer II is in the process of assembling a database of Section 3 businesses in the area, and conducting outreach regarding the program. Further, the department is considering a workshop for Section 3 businesses to review City procurement process and opportunities to contract with the City.

- *Reformulate SBRLF program as predevelopment assistance.* As mentioned earlier in this report, it was decided that the most efficient function of this program would be to merge with the MVPC to administer the program according to CD department parameters. This has been approved and is expected to be effective in Program Year 5.
- *Develop a Strategy for Workforce Investment: In the coming year the department will segment out workforce development from other public service activities and form local panel to advise the department on the most strategic investments to help low and moderate income residents access new and expanded economic opportunity.* This action did not receive the priority attention we had outlined in last year's CAPER. The CD department will strive to provide more focus on this activity in FY10.
- *Expand Arts and Economic Development Activities.* The city assumed oversight of the *Live Lawrence!* program, the City's signature arts events series. The City, through the CDD, stepped into the lead role on the state grant that funds the program, with Groundwork Lawrence—organizers of successful Farmers' Market concerts and longtime LCA member—as lead partner to administer the grant. It has been an opportunity for the City to become a more visible partner in the revitalization of the mill district as our downtown arts center.

Recommended changes for Program Year 5:

Better utilization and coordination of the resources of other city departments such as Inspectional Services and DPW and facilitation of opportunities for more self help within the neighborhoods accomplish the CDD Economic Development Priorities

8. Non-homeless Special Needs

Each year as part of our CAPER, HUD asks the City to identify actions we have taken to address special needs of persons that are not homeless but require supportive housing, including persons with HIV/AIDS and their families.

As part of the most recent five-year Consolidated Plan process the City prepared a detailed "Non-Homeless Special Needs Table." This table has been updated and included as part of this CAPER (see Appendix J).

There are several other sources of public funding, including state assistance and the (Federal) Health and Human Services support for CAP agencies, which go to Greater Lawrence Community Action Council (GLCAC). Many non-profits with services focused on the HIV/AIDS homeless community in the City of Lawrence are eligible to receive Housing Opportunities for Persons with AIDS (HOPWA) program funds, which are distributed through the Lynn Housing Authority and Neighborhood Development. The Lynn

Housing Authority and Neighborhood Development was designated by the state as one of the regional authorities for distributing the HOPWA funds. The City of Lawrence was included in the formula grant entitlement for the newly designated Essex County Area Eligible Metropolitan Statistical Area (EMSA). Essex County's eligibility was due to data collected by the Center for Disease Control and Prevention, which indicates that Essex County EMSA exceeds the statutory criterion of 1,500 cases of AIDS. The long-term goal of these HOPWA monies was designed to increase the development of permanent housing and the provision of housing-related services to persons with AIDS.

9. Other HUD/CAPER Requirements

The preceding sections all address the needs, activities, and accomplishments of the community development program in the City of Lawrence for the 2008-2009 program year. They describe to the lay reader the funds sought and expended, the specific needs of the community, and the work undertaken or funded by the department and its community partners to foster and maintain affordable housing, create a suitable living environment, and provide economic opportunity to low- and moderate-income residents. Where applicable, recommendations have been provided to improve the program and the efficiency and efficacy of the department's efforts, based on this evaluation. These sections are useful to planners and community developers working in Lawrence, our colleagues in similar cities, and the community at large.

However, this document was also prepared for HUD reviewers and is, in addition to being a helpful evaluation tool for the City, the CAPER is a statutorily-required document that must by law address certain specific questions that may not have been specifically addressed as such in the previous sections.

9.1 Benefit to Low- & Moderate-Income People

CDBG funds are specifically intended to benefit low- and moderate-income people: under the regulation, at least 70% of the City's CDBG entitlement funds² must be shown to benefit people in these income categories. The community development program is therefore required to target efforts to activities that will serve either low- and moderate-income individuals (so called "limited clientele" activities, as well as "low/mod jobs" and "low/mod housing") or neighborhoods (known as "area benefit" activities), and certify compliance with this requirement.

9.1.1 Low/Mod Area Benefit

An activity is considered to an Area Benefit if it will benefit all the residents of an area shown to be at least 51% low- and moderate income. Given Lawrence's geography and demographics, where all but one census tract (tract 2518) contains greater than 51% low- and moderate-income residents, many projects fall under this objective category.

Typical area-benefit activities include parks and infrastructure projects, storefront improvements, and the creation of public facilities to serve low- and moderate-income neighborhoods. For the 2008-2009 program year, the following activities were conducted

² Excluding planning and administration costs.

under the “Area Benefit” national objective category, totaling \$644,476 of the funds programmed for the year:

- Parks Improvement (\$400,000)
- Streets and Sidewalk Improvements (\$100,000)
- North Common Alleyways (\$10,000)
- Lawrence Youth Volunteer Corps (\$6,000)
- Neighbors In Action (\$28,476)
- Police Athletic League Midnight Basketball (\$25,000)
- Storefront Improvement Program (\$75,000)

For each project or activity, an eligibility map is kept on file documenting compliance with the “51% low/mod area” requirement.

9.1.2 Low/Mod Limited Clientele

Many activities funded with CDBG resources specifically assist low- and moderate-income individuals and families, or groups and programs serving such individuals and families. For example, programs to provide recreational opportunities to low-income youth, or ESL classes for income-eligible immigrants, would qualify for funding under this objective.

The department requires all subrecipients with “Limited Clientele” activities to obtain and keep documentation concerning the income-eligibility of all participants. These “Income Verification Forms” are reviewed by department staff during monitoring visits to ensure compliance with HUD requirements.

Examples of Low/Mod Limited Clientele Activities for the program year include

- Neighbors in Need: Elder and handicapped food pantries
- Boating Program: free memberships to low-income youth
- Asian Center: Family Outreach
- Gr. Lawrence Community Action Council: Project Senior - Handicap access works.

9.1.3 Low/Mod Jobs

Another way to assist low- and moderate-income individuals and families is through job creation and retention activities. Projects assisted in this way are required to make jobs available to (and affirmatively solicit) income-eligible applicants, and may not require advanced training prior to hiring. In the rare case when jobs are made available and not taken by income-eligible applicants, an employer would need to show evidence of the attempts made, or be subject to sanctions.

Typically, the only projects funded under this category are (1) small business loans, and (2) larger “special economic development activities,” such as the Gateway Initiative. For the program year, section 7.2 describes new Low/Mod Job activities initiated. No certifications were provided on outstanding job creation activities from prior year projects, and there were no cases in which jobs were not taken by low- or moderate-income persons.

9.1.4 Low/Mod Housing

Section 4 on page 17 provides an in-depth discussion and analysis of activities meeting the Low/Mod Housing National Objective.

9.2 Prior Period Adjustments

There were no prior-period adjustments during this program year.

9.3 Lump Sum Agreements

There were no lump sum agreements made during this program year.

9.4 CDBG-Acquired Property

No property was acquired or improved using CDBG funds and available for sale as of the end of the reporting period.

9.5 Antipoverty Strategy

Although all of the department's efforts seek to benefit low- and mod-income people and families, the following activities during the 2008-2009 program year were specifically intended to reduce the number of persons living below the poverty level by increasing skills and education:

- American Training: ESL, education and job skills
- YMCA Resource Education Center: job skills and job readiness
- Lawrence Community Works: Family Asset Building: match savings accounts and financial literacy
- Lazarus House: job training and placement

The following activities further helped to create or retain jobs for low- and moderate-income individuals:

- Renewal Community Tax Incentives Program
- Small Business Revolving Loan Fund

9.6 The “Did Not Hinder Implementation” Question

The programs and activities described in the previous sections, along with the discussion of internal capacity increases and staff structuring discussed in the Program Administration Sections, will serve as sufficient evidence that the department “did not hinder the Consolidated Plan implementation by action or willful inaction,” according to HUD requirements

9.7 Housing-Related Topics

9.7.1 Affirmatively Furthering Fair Housing

As discussed in the Consolidated Plan, the key impediments to furthering fair housing are:

- Acquisition of vacant lots/abandoned and distressed properties: Because of the wave of arson in the early and mid-1990s and other causes, Lawrence has a large number of vacant lots. Conversion of these vacant lots/blighting buildings can be an opportunity for affordable housing.
- Increasing real estate values in the region: These increases mean that land acquisition for facilities, including park space, is more expensive.
- High Construction Costs: Recently, facility and infrastructure costs have increased significantly.
- Coordination of non-profit activities: Often non-profits who would like to partner with the City to pursue similar agendas, particularly for housing. This can lead to a duplication of effort.

The department's actions taken to overcome the effects of these impediments are described in previous sections on "Housing" and "Homelessness." These include homeownership training classes, first-time home-buyer down-payment assistance, deleading and housing rehab assistance, and the provision of direct subsidies for new affordable housing development. The department also coordinates closely with private and non-profit development partners, community advocacy groups, banks, and other city departments (especially the Planning Department) to cooperatively and comprehensively address these issues. All housing projects assisted with CDBG or HOME funds include explicit language and restrictions concerning fair housing, non-discrimination, and the like, as required by HUD regulations.

9.7.2 Fostering and Maintaining Affordable Housing

All actions mentioned in 9.7.1 apply to this question as well.

9.7.3 Eliminating Barriers to Affordable Housing

The City of Lawrence is working to eliminate or reduce barriers of affordable housing with several strategic initiatives:

- Homeownership Counseling: The City is an accredited, HUD certified homeownership counseling agency through the Massachusetts Homeownership Collaborative. The City offered 4 courses over the program year on homeownership. Two of these courses were offered in Spanish.
- Regulatory relief: The City has developed a task force to adopt and implement a 40R (Smart Growth) zoning overlay which has the following criteria:
 - Institution of a comprehensive housing plan (enforce owner occupancy?)
 - Creation of expedited permitting process for overlay district
 - Lowered restriction on housing density
 - Permitted mix use housing for single and multi-family residential units
 - Permitted infill on existing vacant lots that may be non-conforming with the current zoning ordinance
 - Provisions that require no less than 20% of affordable housing units in all projects of more than 12 units
- Down-payment assistance
- Development of affordable/assisted housing

9.7.4 Public Housing Strategy

The City of Lawrence has a close working relationship with the Lawrence Housing Authority (LHA). The City supports strategic goals of the LHA to include residents in decision making and to improve their economic status. As part of the latter goal, the LHA has hired its residents to fill staff positions. Over 30% of the LHA staff, including its Executive Director, were LHA residents at one time. A large percentage of the staff who were residents are now homeowners.

The LHA resident advisory board (RAB) includes ten members who are either residents of public housing or assisted by Section 8. In addition, there is a United Tenants Council which includes six representatives elected from public housing developments. Whenever appropriate, the City supports the efforts of the LHA to involve its residents through these two different representative organizations and in any other way.

Over the FY 2008-2009 Program year the department supported the LHA's efforts to move LHA tenants toward homeownership. The City has begun to market its homeownership classes throughout the LHA with fliers, providing information to site managers and through the RAB and Tenants Council. Included in this marketing effort is information on the First Time Home-buyers program.

9.7.5 HOME-Specific Questions

In addition to the overall assessment provided in section 4 on page 17 and the responses above, HUD requires some very specific information on the City's HOME Investment Partnership funded activities.

HOME Match Report This report is found in Appendix C.

HOME MBE and WBE Report This report is found in Appendix D.

HOME Assessments

1. Detail results of on-site inspections of rental housing: In accordance with HOME regulations 92.203, 92.252 and 92.254, the department has inspected all HOME Rehab projects that are subject to re-inspection to determine compliance with Housing Quality Standards. The results of those individual inspections are on file at the Community Development Department. The HOME regulations require that when HOME funds are utilized to construct or renovate rental units HOME income eligible tenants must occupy those units. HOME regulations also require that the rents charged be affordable as defined by the regulations. The City requires re-certification of these units. The results of those income verifications and rental limits are available at the Community Development Department.

2. Describe the HOME jurisdiction's affirmative marketing actions: The goal of the City's Affirmative Marketing Policy is to assure that individuals who normally might not apply for vacant or rehabilitated units, or first time home-buyer assistance because of race, ethnicity, age, disability or other factor, become informed of all vacancies and assistance programs, feel welcome to apply for such, and have equal opportunity to participate in any assistance program. Consistent with this goal, the department conducts aggressive outreach for all of its programs, including promotion through ethnic print and radio media and outreach through

community organizations. Over half the department staff is bilingual (Spanish/English). Homebuyer classes and other forms of assistance are offered in both languages.

3. Describe outreach to minority and women owned businesses: The department has continued to further affirmative marketing actions and reach out to minority-owned and women-owned businesses. Both the Housing Rehabilitation and Lead Abatement staff have lists of qualified construction and lead-abatement contractors. Seventy-percent of the contractors actively bidding on projects are minority businesses. Nonetheless, the contractor list is updated on a routine basis, which involves advertising in both English and Spanish local newspapers. Contractor's now provide written information of their Section 3 status, and preference may be given in the bid process to a Section 3 business. Further, the department is considering a workshop for Section 3 businesses on the process of contracting with the City.

9.7.6 Housing for People with AIDS (HOPWA)

The Federal Government, through the U.S. Department of Housing & Urban Development, awards certain jurisdictions money to assist with housing for people with HIV/AIDS. Most of these funds are directly to state community development agencies or the largest city within a metropolitan area, although some are reserved for competitive grants under the SuperNOFA process.

The City of Lawrence is not a recipient of HOPWA funding, and the Housing Needs analysis conducted as part of the most recent Consolidated Plan (see Appendix G) did not identify housing for people with AIDS as a top priority. In future years this may change, if a strong coalition emerges to support these efforts. For more information on HOPWA, readers may visit HUD's website at:

<http://www.hud.gov/offices/cpd/aidshousing>.

9.8 Anti-Displacement & Relocation

There were no CDBG-funded projects in the FY06-07 Program Year involving displacement/relocation under the Uniform Relocation Act (URA). Purchasers of multi-family properties using down-payment assistance through the first-time home-buyers program must agree to retain existing tenants. Temporary relocation during deleading projects is accomplished through the paying of a lump-sum \$400 stipend to cover substitute housing, which landlords must help coordinate with tenants.

APPENDIX

APPENDIX A:

Maps

APPENDIX B

HUD “IDIS” Reports

PR03 CDBG Activity Summary Report

PR06 Summary of Consolidated Plan Projects

PR10 CDBG Housing Activities

PR14 CDFI and NRSA Activities

PR19 ESG Statistics

PR23 Summary of Accomplishments

PR26 CDBG Financial Summary

PR83 Performance Measures

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APPENDIX C
HOME Match Report

APPENDIX D

HOME MBE and WBE Report

APPENDIX E

Fund Balances by Activity

APPENDIX F

Community Development Priority Needs Table

Community Development Priority Needs Summary					
Community Development Needs	Priority Level (High, Medium, Low)	Estimated Dollars to Address (FY07)	Actual Expenditures (FY07)	Estimated Dollars to Address (FY06-FY10)	Fund Source
01: Acquisition of Real Property	H	\$0.00	\$0.00	\$250,000.00	C
Public Facilities and Improvements					
03: Public Facilities & Improvements (General)	H	\$0.00	\$0.00	\$3,074,925.00	C
03E: Neighborhood Facilities	H	\$0.00	\$0.00		C
03F: Parks, Recreational Facilities	H	\$460,000.00	\$350,219.86		C
03K: Street Improvements	H	\$100,000.00	\$100,870.99		C
03L: Sidewalks	H	\$0.00	\$0.00		C
04: Demolition and Clearance	H	\$200,000.00	\$1,978.69	\$635,000.00	C
04A: Clean-up of contaminated sites	H	\$50,000.00	\$4,661.59	\$360,325.00	C
Public Services					
05: Public Services (General)	H	\$120,476.00	\$70,464.23	\$1,780,725.00	C
05A: Senior Services	H	\$10,800.00	\$0.00		C
05B: Handicapped Services	H	\$0.00	\$0.00		C
05D: Youth Services	H	\$141,500.00	\$134,131.90		C
05M: Health Services	H	\$0.00	\$0.00		C
Housing/Rehab/Lead					
12: Construction of Housing	H	\$744,940.00	\$0.00	\$6,603,404.50	H
13: Direct Homeownership Assistance	H	\$200,000.00	\$120,388.42		H
14A: Rehab: Single-Unit Residential	H	\$35,000.00	\$426.90		H,C
14B: Rehab: Multi-Unit Residential	H	\$150,000.00	\$152,999.35		H,C
14I: Lead-Based/Lead Hazard/Abate	H	\$200,000.00	\$358,005.42		C
Economic Development					
17B: CI Infrastructure Development	H	\$0.00	\$0.00	\$1,010,000.00	C
17D: Other Commercial/Industrial Improvements	H	\$75,000.00	\$89,590.40		C
18A: ED Direct Financial Assistance to For-Profits	H	\$50,000.00	\$4,747.02		C
18B: ED Technical Assistance	H	\$30,000.00	\$29,168.23		C
Other Community Development Needs					
19F: Planned Repayment of Section 108 Loan Principal	H	\$36,000.00	\$5,037.10	\$583,818.90	C
21A: General Prgrm Administration	H	\$351,194.00	\$332,322.02		C
21H: HOME Admin/Planning Costs of PJ	H	\$104,326.00	\$113,783.45		H
21I: HOME CHDO Operating Expenses	H	\$50,000.00	\$0.00		H
Total		\$3,109,236.00	\$1,868,795.57	\$14,298,198.40	