

# 2018-2019 ANNUAL ACTION PLAN

## Executive Summary

The Consolidated Housing and Community Development (CHCD) Plan integrates the assessment of need, program planning, program fund requests, and performance reporting into an integrated, collaborative process for jurisdictions eligible to receive one or more of the four formula entitlement programs. Under the Consolidated Plan, the City of Winston-Salem receives Community Development Block Grant (CDBG) and Emergency Solutions Grant (ESG) funds, and the combined city-county Winston-Salem/Forsyth Housing Consortium receives HOME Investment Partnership (HOME) funds.

The five-year CHCD plan, with annual action plan submissions, is a comprehensive planning tool for the definition of lower-income and special population housing needs, by type and scale, with accompanying priorities, strategies and programs to address the identified housing and other supportive service needs. The CHCD also contains non-housing community development needs and activities, traditionally eligible under the CDBG program. The purposes and advantages of the consolidated plan are as follows:



- To enable communities to develop a comprehensive housing and community development vision and to address local needs in an integrated manner with HUD funded program resources.
- To integrate planning and implementation of related needs – infrastructure, environmental protection, fair housing, supportive services and economic growth coordinated with human development.
- To allocate resources addressing physical and support needs of the homeless and populations with special needs along the "continuum of care."
- To facilitate "bottom-up" planning, collaboration, and public-private community partnerships.
- To reduce paperwork, improve accountability and measurable performance reporting and measurement.
- To provide a single grant submission which describes the annual investment plan, containing proposed activities and proposed expenditures within the context of the five-year strategies.

This CHCD plan complies with consolidated plan submission requirements contained in the January 5, 1995 final rule, as amended, as well as compliance with the statutory requirements of CDBG and ESG for local entitlement communities and the HOME program for Consortia. It is also consistent with the Consolidated Plan template in the Integrated Disbursement and Information System (IDIS).

In 1992 the Winston-Salem/Forsyth Housing Consortium was formed by resolutions of the City of Winston-Salem as the lead entity, Forsyth County, and all of the other municipalities of the County to enable the entire county to qualify as an entitlement “participating jurisdiction” under the HOME Investment Partnership Program. The Consortium has been renewed every three years, most recently in spring 2016, and consists of the City of Winston-Salem, Forsyth County, and the cooperating municipalities of Bethania, Clemmons, Kernersville, Lewisville, Rural Hall, Tobaccoville and Walkertown.

The 2018-2019 Annual Plan represents the first year of the 2019-2023 Five-Year Consolidated Plan. An evaluation of past performance is included in the Five-Year Plan. Program activities within the Plan represent the continuation of ongoing programs, previously approved project activities, and initiation of limited new activities and recommendations and incorporate recommendations in the Assessment of Fair Housing submitted to HUD on October 4, 2017. The Assessment has been approved by HUD.

## Highlights of the 2018-2019 Annual Plan

The City’s allocation of CDBG grant funds is \$2,214,393 (a 12.2% increase), \$1,378,614 (a 47.6% increase) in HOME funds, and \$177,701 in ESG funds (a 1.1% decrease), for an overall allocation increase of 20.8%. The City will receive \$1,116,614 of the HOME funds, and the County \$262,000. The City will receive an additional \$2,007,203 in Continuum of Care funds on behalf of local agencies providing homeless program services beginning in the fourth quarter of the FY19 program year. The City also expects to receive \$195,316 in additional ESG funds from the State of North Carolina during FY19.



Large increases in CDBG and HOME funds for the first time in several years and projected stable program income provides opportunities for funding projects. The results are: 1) consistent funding for subgrantee program operations; 2) stable funding for projects that assist the homeless; and 3) increased funding for single-family production and homebuyer assistance due to steady improvement in the housing market. The budget maintains appropriations for the rehabilitation program and for financial and technical assistance to small businesses.

Proposed special projects and financing commitments for FY19 are summarized below.

- Up to \$100,000 to Bethesda Center for the Homeless in support of renovations to its emergency shelter to increase the amount of usable space. Funds are anticipated to be a deferred/forgiven loan.
- Up to \$104,143 to YWCA of Winston-Salem and Forsyth County for renovations at Hawley House to increase service capacity. Hawley House provides transitional housing for women recovering from substance abuse, many of whom are transitioning out of incarceration. Funds are anticipated to be a deferred/forgiven loan.
- Up to \$55,000 to Exchange/SCAN to replace the heating, ventilating and air conditioning system in its facility. The agency provides services to prevent and treat child abuse, such

as support groups, parent enrichment programs, parenting classes and counseling. Funds are anticipated to be a deferred/forgiven loan.

Housing rehabilitation, including purchase-rehab, is the forefront category of program activity, relative to the allocation of funds, totaling \$3,656,204, or 38.5%, of total projected expenditures. Financing is in place to meet homebuyer demand in redevelopment areas and City assisted subdivisions and locations where activity is projected to take place and in scattered site infill locations to be developed by Habitat for Humanity and other approved community development corporations (CDCs). A five-year grant for the Individual Development Account (IDA) program that was secured in 2014 will be completed in FY19.

## AVAILABLE RESOURCES

Identified financial resources include the CDBG, HOME and ESG Program grants from HUD; CDBG and HOME program and investment income, which are generated primarily by loan repayments; Continuum of Care funds; ESG funds through the State of North Carolina; and the remaining balance of general obligation bonds approved in 2014 and Housing Finance Funds (local). Program income projections are based on recent experience as reasonably anticipated to be available. The following table, FY19 Activity and Funding Sources, identifies the projected expenditure of these resources during FY19 in general program categories.

FY19 Activity and Funding Sources						
ACTIVITY	TOTAL	FEDERAL SOURCES (New Appropriations)			LOCAL	Prior Year Funds
		CDBG/PI	HOME/ PI	ESG/CoC	HFF	
Housing Rehab and Operations	3,506,204	1,259,290	600,914		96,000	1,550,000
Neighborhood Dev: Acq-Clearance	193,294	61,200			132,094	
Housing Production/ Infrastructure.	1,002,000		502,000			500,000
Homebuyer Assistance	260,800		135,800			125,000
Economic Dev/Self-Sufficiency	389,210	323,000				66,210
Public Services/Homeless Assist	3,544,133	560,243	240,000	2,380,220	363,670	
Section 108 Loan Repayment	361,000	361,000				
Planning/Training, Capacity/Other	244,560	199,660	34,900		10,000	
<b>TOTAL</b>	<b>9,501,201</b>	<b>2,764,393</b>	<b>1,513,614</b>	<b>2,380,220</b>	<b>601,764</b>	<b>2,241,210</b>

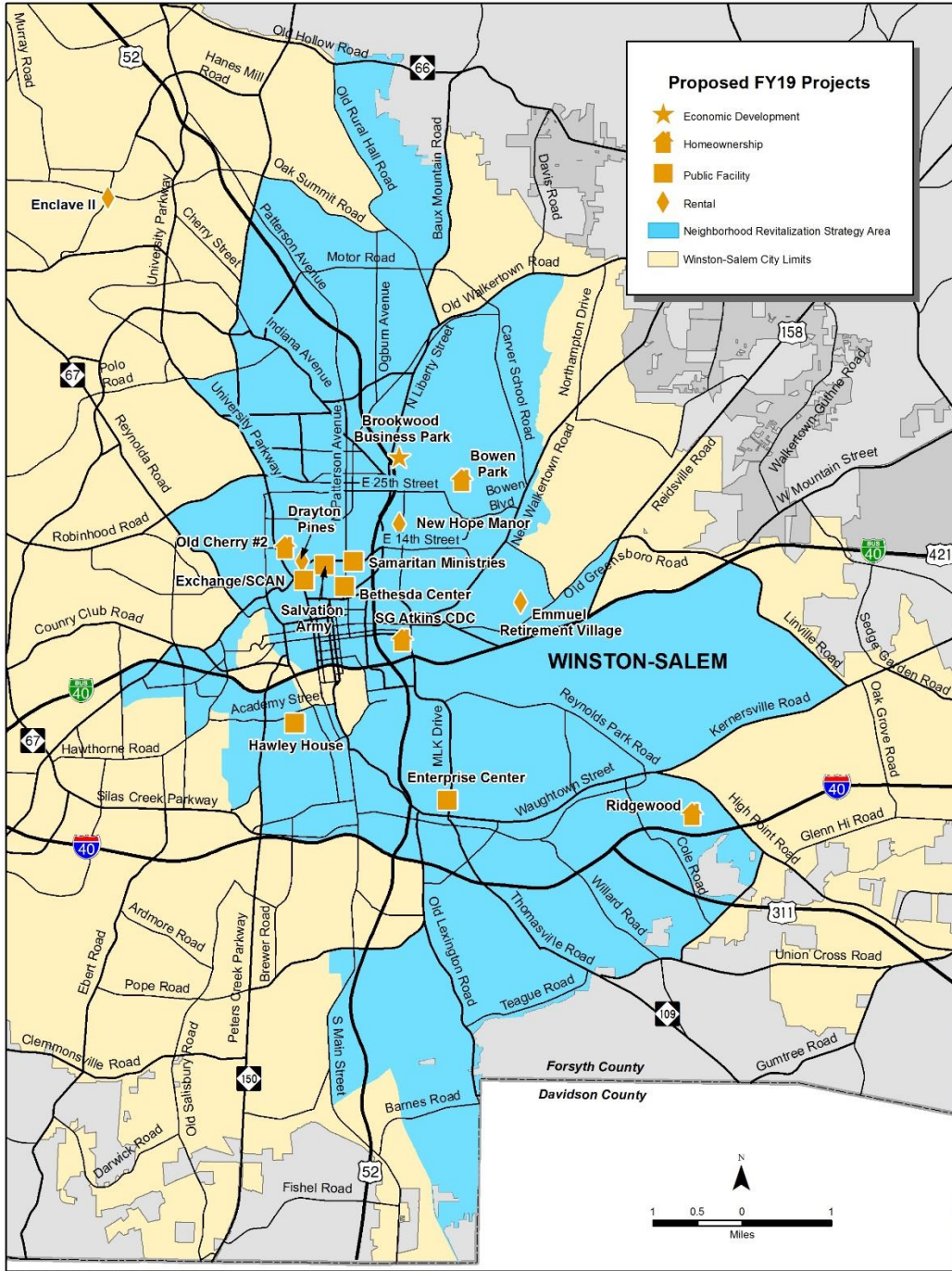
HUD encourages grantees to address the potential use of grant funds in the event of a disaster. The resources and general program categories outlined above would be used to undertake activities identified in the Consolidated Plan in the event of a disaster.

## OBJECTIVES AND OUTCOMES

The strategy for meeting the goals identified in the Five-Year and Annual Plans centers on five goals, each with supporting strategies and programs. The goals are: Neighborhood Revitalization and Housing Conservation, Housing Production and Neighborhood Development, Expanding Access and Opportunities, Expanding Economic Opportunities, and Expanding Coordination and Accountability. A summary of the proposed objectives and outcomes of completed housing units in FY19 is provided in the table, FY19 Summary of Housing Completions.

<b>FY19 Summary of Housing Completions</b>			
Objective/Outcomes			
		Obj.	# Units
New Construction	Owner	DH-2	37
	Rental	DH-2	42
Rehab/Repair	Owner	DH-2	56
	Rental	DH-2	126
Existing	Owner	DH-2	10
	Rental	DH-2	100
Special Needs Projects	Rental	DH-2	0
Obj.: HUD code that indicates the project provides Decent Housing (DH) and the benefit is primarily Affordability (2).			

The map on the next page reflects location-specific activities. Activities not shown in the map reflect programs for which the locations are not known in advance.



## THE DEVELOPMENT PROCESS AND CITIZEN INPUT

The Consolidated Plan encompasses the goals, objectives and operating plans of a wide range of agencies, coordinating entities and advisory boards as well as recommendations from the Assessment of Fair Housing and Comprehensive Housing Study and Needs Assessment. The Annual Plan reflects implementation of adopted neighborhood and redevelopment plans and recommendations that have been generated by a range of groups and organizations, including the Continuum of Care and its Operating Cabinet, Housing Authority of Winston-Salem, and non-profit housing developers. The process is an ongoing and evolving process as elements are often refined in implementation.

An ongoing review and assessment of housing needs and program responsiveness is included in the CHCD and public review process. As a part of the Continuum of Care application process, an update of homeless and special population housing needs is undertaken each year. To implement the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH Act), the City has also met regularly with the Continuum of Care and its Operating Cabinet, Commission on Ending Homelessness, homeless services providers, and the State of North Carolina to discuss potential changes to homeless assistance programs, the use of Emergency Solutions Grant and Continuum of Care funds, and coordination of services.



Community Meeting 2-20-2018

This Annual Plan was prepared with public input, relative to needs, obtained through a public hearing on October 17, 2017, an extensive public input process in January and February, 2018, a public hearing on March 15, 2018, and an ongoing series of consultations with supportive service providers, advocacy groups and coordinating bodies. Public input included 14 targeted focus group discussions, four meetings for the general public, and a community survey. Due to the delay in the release of appropriation of funds, review and adoption of the CHCD by City Council that had been scheduled for April 17, 2018 was postponed to June 21, 2018 to meet the submission deadline of July 1, 2018, which is mandated by HUD.

Notices for all meetings were published in the Winston-Salem Chronicle and the Winston-Salem Journal, and with assistance from the City's Marketing and Communications Department, advertised on WSTV 13 and social media, and posted on the City's web site. Subsequent to public notice, copies of the proposed Plan were distributed at the public hearing and available on the City's web site and at designated libraries for public review for 30 days beginning May 24, 2018 and ending June 22, 2018. A more detailed description of the community workshops, focus groups, community survey, and comments received from them and the public hearing, and the review process are summarized in Appendix D.

Appendix D contains a list of agency consultations that extend beyond the homeless supportive housing needs and general housing need assessment which preceded the development of this plan. Staff in the Community Development Department and the Office of Community Assistance also meets

with citizens and neighborhood associations to assist them in resolving issues, especially as they relate to City programs and services. This process results in more direct and immediate attention to neighborhood concerns and also constitutes a major element of the citizen participation process.

# PART A: 2018-2019 STRATEGY IMPLEMENTATION

This 2018-2019 Action Plan represents the first year of the five-year planning period of the 2019-2023 Consolidated Plan. The budgets contained herein reflect Federal Fiscal Year (FFY) 2018 grant allocations for the CDBG, HOME and ESG programs and projected program income for CDBG and HOME. HOME funds are allocated to the Winston-Salem/Forsyth Housing Consortium.

<b>Exhibit 1 FY19 HUD Entitlement Programs</b>			
	Amount	Amount Change	% Change
<b>Entitlement Funds</b>			
CDBG	\$2,214,393	\$260,436	12.2%
HOME	\$1,378,614	\$444,733	47.6%
ESG	\$177,701	\$-2,055	-1.1%
<b>Total Entitlement</b>	<b>\$3,122,629</b>	<b>\$683,114</b>	<b>22.1%</b>
<b>Program Income</b>			
CDBG	\$550,000	\$0	0.0%
HOME	\$135,000	\$0	0.0%

An increase in grant allocations and projected stable program income has resulted in increased funding in entitlements funds. Funding for core programs is maintained. The results are: 1) consistent funding for subgrantee program operations; 2) stable funding for homeless programs; and 3) increased funding for single-family production and homebuyer assistance due to steady improvement in the housing market.

Continuum of Care funds and Emergency Solutions Grant (ESG) funds from the State of North Carolina will be available for permanent supportive housing, shelter operations and rapid re-housing during FY19.

The intent of the annual plan is to identify the strategies and priorities that will be undertaken during the year, the resources to be utilized, and the category of resident (by type and income) to be assisted. Housing and community development strategies, programs and activities are contained within the Five-Year Consolidated Plan and organized by five goals. The following narrative summarizes the activities to be undertaken or continued during FY19 by goal. Exhibit 2, which follows this section, outlines the strategies and implementing programs to be undertaken during FY19, including the source of funds and projected accomplishments.

## **Goal 1: Neighborhood Revitalization and Housing Conservation**

*Target available resources to optimize compliance with Minimum Housing Code and assist neighborhoods; continue single and multi-family rehab activities to protect the existing housing stock and diverse neighborhoods; provide physical improvements in neighborhoods; and focus on placing vacant property and lots back into inventory.*

Single-family, owner-occupied rehab and emergency repair continue to play a major role. The City will continue the Transforming Urban Residential Neighborhoods (TURN) Program in designated neighborhoods by providing financing from \$4 million in general obligation bonds approved in November 2014 to owner-occupants and investor-owners. The City will also continue an Urgent Repair Program to help very low-income households address conditions that pose an imminent threat to life and safety. Habitat for Humanity will continue neighborhood revitalization initiatives in the



Cherry Street/Kimberly and Bowen Park areas that include purchasing vacant structures and rehabbing them for sale to eligible homeowners. S.G. Atkins CDC will continue infill development in its East End Revitalization Area. Historic preservation is included. Enforcement of the Minimum Housing Code through regular code enforcement as well as neighborhood services activities are ongoing.

The City has provided some funds, and rehabilitation of two multifamily rental developments are under way by the Housing Authority of Winston-Salem. Drayton Pines, 44 units for families, is undergoing substantial rehabilitation using CDBG funds. The Housing Authority acquired New Hope Manor, which is located in HAWS' Choice Neighborhoods Planning Area, to help stabilize the neighborhood. General obligation bonds approved by Winston-Salem voters in 2014 are being used for acquisition, to demolish buildings that are beyond repair, and to bring the remaining units to Minimum Housing Code.



Drayton Pines Rehab

**Goal 2: Housing Production and Neighborhood Development**

*Support home ownership by lower income households; foster production of single- and multi-family housing for lower income households and persons with special housing needs through new construction, conversion and adaptive reuse; promote energy efficiency; and provide incentives to develop housing for all income groups and to promote opportunity.*



Ridgewood House

A steady improvement in the housing market will increase single-family housing production in 2018-19. In addition to serving as its own lender, Habitat for Humanity's partnership with the City has allowed it to maintain its level of production. Habitat will be working in the Cherry Street/Kimberly Neighborhood Revitalization Initiative. Habitat, Liberty East Redevelopment (LER), Inc., Mt. Sinai, Inc., and Experiment in Self-Reliance (ESR) started to work in the Bowen Park/Dreamland area. S.G. Atkins Community Development Corporation will

continue development in the Ridgewood Place subdivision using HOME funds and general obligation bonds approved by Winston-Salem voters in 2014. The City will continue to pursue development of

land acquired through Redevelopment and in City-assisted subdivisions as economic conditions permit. Additionally, the Individual Development Account (IDA) program is ongoing.

Homebuyer assistance programs to increase access to affordable standard housing by providing down payment and closing costs for lower-income, first-time home buyers are available through both the City and the County. Levels and terms of assistance are reviewed annually, in response to public review input, to reflect changes in development costs, home buyer subsidy needs, and practices in the lending industry.

Two multifamily rental projects received funds and will be under construction in FY19. Emmanuel Retirement Village, is a 42-unit planned senior housing rental development by Ujima Community Development Corporation that is using general obligation bonds approved by Winston-Salem voters in 2014. Five units are restricted as affordable housing under the affordable workforce housing policy. Enclave II is a 96-unit development for families using HOME funds from the City, Neighborhood Stabilization Program funds from the County and City, and Low Income Housing Tax Credits.

### **Goal 3: Expanding Access and Opportunities**

*Meet the housing and service needs of homeless individuals and families; eliminate discriminatory practices in the sale and rental of housing; coordinate the community's efforts to meet the needs of the homeless; and support services in the community that promote economic self-sufficiency and wealth-building.*

Homeless needs reflect continuing implementation of the HEARTH Act, including expanding rapid re-housing activities and coordinated intake and assessment. The Continuum of Care (CoC) process continues to be refined in light of HEARTH, with the new Continuum of Care Strategic Plan serving as the strategic guidance for decision-making. FY19 resources include one-year renewal funds from the Continuum of Care Federal FFY17 grant on behalf of agencies serving the homeless, continued operating assistance for transitional case management, operations and renovations of emergency shelters using the Emergency Solutions Grant funds, and rental assistance. Funds to continue support of the implementation of the CoC System Coordination are also included. In addition, funding will be provided to three non-profit agencies for renovations at their facilities – Bethesda Center for the Homeless; YWCA Hawley House, transitional housing for women recovering from substance abuse; and Exchange/SCAN, which provides services to prevent and treat child abuse and neglect.

## Goal 4: Expanding Economic Opportunities

*Expand entrepreneurial development; foster employment training opportunities; encourage revitalization of neighborhood commercial areas; implement the downtown revitalization strategy.*

Objectives for FY19 are: (1) to approve four new small business loans leading to job creation and investment in the Neighborhood Revitalization Strategy Area (NRSA); (2) to expand marketing efforts and partnering opportunities of gap financing with local commercial lenders; (3) to expand technical assistance and follow-up efforts offered to entrepreneurs, entrepreneurial networks, and existing businesses; and (4) to work with community development corporations in the NRSA to facilitate identification of available idle or vacant properties suitable for the business needs of specific developers and businesses seeking to relocate within the community.



Brookwood Business Park Speculative Building



Enterprise Center

In the Brookwood Business Park, the 7,500 square foot commercial spec building on lot #8 has been sold to a local company expanding its operations in the community, leading to the creation of additional jobs and investment in the NRSA. Continued focus of FY19 will be directed toward marketing of the business park as well as exploring the development of additional sites. Upgrade of the kitchen in S.G. Atkins CDC's Enterprise Center to create a shared-use, licensed commercial kitchen will be completed during FY18 and open for use in FY19.

Section 3 program activities include: 1) continued subcontractor opportunities in city and federally funded housing programs, 2)

conduct the Business Training program, and 3) the Construction Training Program/Youth Build program.

## Goal 5: Expanding Coordination and Accountability

*Coordinate with local stakeholders to implement local housing assessments and local and regional planning bodies; systematic evaluation and assessment of the impact of public programs and policies on an ongoing basis.*

The strategies within this priority area focus on working with stakeholders to review and implement recommendations in the Assessment of Fair Housing, housing study, and Continuum of Care Strategic Plan. It also includes improving coordination with local and regional coordinating bodies in the community.

# PART B: SUMMARY OF SPECIFIC ANNUAL OBJECTIVES

The following table identifies the activities to be undertaken and sources of funds to be appropriated in FY19.

<b>Exhibit 2: WINSTON-SALEM/FORSYTH HOUSING CONSORTIUM FY19 ANNUAL PLAN A SUMMARY OF SPECIFIC ANNUAL OBJECTIVES FOR DIRECT-BENEFIT ACTIVITIES</b>					
STRATEGY/ PROGRAM	DESCRIPTION	OBJ	FUND SOURCE	# UNITS	TYPE UNITS
<b>GOAL 1: NEIGHBORHOOD REVITALIZATION AND HOUSING CONSERVATION</b>					
Strategy 1.1	Target Neighborhood Services to Optimize Attainment of Neighborhood Stability and Revitalization				
	Targeted code enforcement, assistance to neighborhoods, capacity building	SL-3	CDBG	8,700	Persons
Strategy 1.2	Rehabilitate Single-Family Homes Owned by Lower-Income Households				
Programs	Neighborhood Revitalization Strategy Area (NRSA) Rehabilitation	DH-2	CDBG, HOME, Local	20	Housing Units
	Citywide Rehabilitation	DH-2	HOME, Local	10	Housing Units
	Emergency Repair/Urgent Repair	DH-2	CDBG	15	Housing Units
	Handicap Assistance	DH-2	CDBG, HOME	2	Housing Units
	Hazard Reduction and Interim Controls	DH-2	CDBG, HOME	10	Housing Units
	County Rehabilitation	DH-2	HOME, Other Federal	8	Housing Units
	Buy-Rehab	DH-2	Local	1	Housing Units
Strategy 1.3	Rehabilitate Multi-Family and Single-Family Substandard Rental Housing				
Programs	Rental/Investor Rehabilitation	DH-2	CDBG	2	Housing Units
	Large-Scale Multi-Family Rental Rehabilitation	DH-2	CDBG, HOME, Local	124	Housing Units
	Hazard Reduction Interim Controls	DH-2	CDBG, HOME, Local	0	Housing Units
Strategy 1.4	Provide Physical Improvements to Neighborhoods				
Programs	Public Improvements	SL-1	Local	0	Public Fac./Imp.
	Public Facilities	SL-1	Local, CDBG	2	Public Fac./Imp.
Strategy 1.5	Develop Measures That Facilitate the Placement of Vacant Units and Vacant Lots for In-Fill Development Back Into the Housing Inventory				

	Identifying vacant property, infill redevelopment, eminent domain rehab, purchase-rehab revolving loan program	DH-1	N/A	2	Housing Units
<b>GOAL 2: HOUSING PRODUCTION AND NEIGHBORHOOD DEVELOPMENT</b>					
Strategy 2.1	Subsidize Home Ownership Acquisition				
Programs	Homebuyer Assistance Programs	DH-2	HOME, Local	25	Households
	Individual Development Accounts (IDA)	DH-2	Other Federal	5	Households
	Subsidize Single-Family Housing Production				
	Construction Loan Program	DH-2	Local	4	Housing Units
	Homeownership Development Assistance	DH-2	Local	2	Housing Units
	Self-Help/Sweat Equity Programs	DH-2	HOME, Local	15	Housing Units
	Redevelopment Acquisition/Clearance	DH-2	Local	2	Housing Units
	Subsidize Affordable Rental Housing				
	Rental Housing Production	DH-2	HOME, Local	42	Housing Units
Strategy 2.4	Support Ways to Lower Housing Cost and Reduce Governmental Constraints to the Production of Housing				
	Barriers to affordable housing, energy efficient development	SL-3	N/A	N/A	N/A
<b>GOAL 3: EXPANDING ACCESS AND OPPORTUNITIES</b>					
Strategy 3.1	Meet the Housing and Service Needs of Homeless Persons				
Programs	Rental Assistance	DH-2	HOME	200	Households
	Supportive Services	SL-1	CDBG, CoC	175	Persons
	Coordinated Intake	SL-1	CoC	200	Persons
	Emergency and Transitional Shelter Facilities	SL-1	ESG	1,800	Persons
Strategy 3.2	Coordinate City, County, State, Federal and Private Funds and Activities to Meet the Needs of the Homeless, Reduce Poverty and Prevent and End Homelessness				
	Planning, Continuum of Care application, Homeless Management Information System	N/A	N/A	N/A	N/A
Strategy 3.3	Expand Equal Access to Housing for All Members of the Community				
	Fair housing, Hispanic/Latino housing needs, UDO reasonable accommodation	SL-1	CDBG	500	Persons
Strategy 3.4	Support the Provision of Services in the Community for Economic Self-Sufficiency and Wealth-Building				
	Housing counseling, re-entry for ex-offenders and persons leaving institutions, wealth-building through tax credits, other public services	SL-1	CDBG, Local	2,450	Persons
<b>GOAL 4: EXPANDING ECONOMIC OPPORTUNITIES</b>					

Strategy 4.1	Expand Entrepreneurial Development				
Programs	Small Business Loan Program	EO-1	CDBG	8	Jobs
	Technical Assistance to Small Businesses	EO-1	CDBG	50	Businesses
	Business Training Program	EO-1	CDBG	25	Persons
Strategy 4.2	Expand Employment Training Opportunities				
Programs	Construction Training Program/Youth Build	EO-1	CDBG	15	Persons
	Successful Outcomes After Release (SOAR)	EO-1	CDBG/Local	6	Persons
	Summer Youth Employment Program	EO-1	Local	125	Persons
Strategy 4.3	Revitalize Neighborhood Commercial Areas				
Programs	NRSA Building Rehabilitation Program	EO-3	Local	2	Businesses
	Revitalizing Urban Commercial Areas (RUCA)	EO-3	Local	2	Businesses
	Grocery Store or Food Market	EO-3	N/A	0	Businesses
Strategy 4.4	Implement Downtown Revitalization Plan				
	Support housing and grocery store downtown	SL-1	Local	0	
<b>GOAL 5: EXPAND COORDINATION AND ACCOUNTABILITY</b>					
	Implement housing needs assessments, strengthen coordination, partnerships, and strengthen accountability	N/A	N/A	N/A	N/A
<p>Fund Sources: Community Development Block Grant (CDBG), HOME Investment Partnership (HOME), Emergency Solutions Grant (ESG), Continuum of Care (CoC), Local (includes Housing Finance Fund and General Obligation Bonds), Other Federal (other federal grants received by City or County)</p> <p>OBJ: HUD codes indicating whether the project provides Decent Housing (DH), a Suitable Living Environment (SL) or Economic Opportunities (EO) and whether the benefit is primarily Availability/Accessibility (1), Affordability (2), or Sustainability (3).</p>					

# PART C: PROJECTED REVENUES AND EXPENDITURES

## PROJECTED REVENUES/FUND RESOURCES

### FY19 Budget Appropriations

\$2,214,393	Community Development Block Grant (CDBG)
550,000	Entitlement Grant B-18-MC
	Program Income: Loan Repayments/Interest
2,764,393	Sub-Total CDBG Funds
	HOME Investment Partnership Program (HOME)
1,378,614	Entitlement Grant M-18-DC
135,000	Program Income
1,513,614	Sub-Total HOME Funds
	OTHER
601,764	General Fund HFF Program Income/Fund Balance
177,701	Emergency Solutions Grant Program E-18-MC
2,202,519	Continuum of Care/State ESG
2,981,984	Sub-Total Other Program Funds
7,259,991	Total FY19 Budget Appropriations

### Prior Year Fund Budget Commitments

	CARRY-OVER FUNDS
100,000	CDBG
650,000	HOME
291,210	Housing Finance Fund
1,200,000	G.O. Bonds
2,241,210	Sub-Total Prior Year Appropriations
\$9,501,201	Total FY19 Programmatic Resources



## PROJECTED EXPENDITURES/COMMITMENTS (SPEND PLAN)

\$3,506,204	RESIDENTIAL REHABILITATION
2,269,004	Rehabilitation
150,000	Emergency Repair
16,000	Architect. Barrier Removal/Handicap Asst.
0	Investor/Multi-Family Rehab
30,000	Rehab Hazard Reduction
1,041,200	Program Operations
1,262,800	HOUSING PRODUCTION/HOMEOWNERSHIP
150,000	Buy-Rehab/Acquisition-Rehab Loans
260,800	Home Buyer Assistance
645,000	Single-Family Production
0	Multi-Family Production
0	Infrastructure Improvements
207,000	HOME CHDO Activities
3,033,413	HOMELESS/TRANSITIONAL HOUSING
240,000	Tenant Based Rental Assistance
2,615,712	Transitional Housing/Supportive Services
177,701	Homeless Shelter Improvements/Prevention
389,210	ECONOMIC SELF SUFFICIENCY
184,500	Business/Commercial Loans
500	Business/Contractor Education
204,210	Construction Training
193,294	Property Maintenance/Disposition
0	Redevelopment Acquisition/Clearance
510,720	Public Service/Subrecipient Activity
45,000	Planning, Training, Program Admin/Non-Profit Capacity Dev
199,560	Cost Allocation/GF Admin Reimbursement
361,000	Section 108 Loan Repayments
\$9,501,201	TOTAL PROJECTED USE OF FUNDS

<b>EXHIBIT 3 HOUSING AND COMMUNITY DEVELOPMENT REVENUE AND EXPENDITURE ALLOCATIONS: FY 2018-2019 (CDY 44)</b>									
DESCRIPTION	FY19 Spend Plan	FY19 Budget Appropriation	FFY 18 CDBG	CDBG Prog Inc	FFY18 HOME	HOME Prog Inc	CoC/ESG	HFF Prog Inc	Prior-Year
<b>RESIDENTIAL REHAB</b>									
NRSA: Owner	2,039,004	569,004	183,150	144,140	161,714	80,000			1,470,000
Citywide Rehab: Owner	130,000	130,000			130,000				
Emergency Repair	150,000	150,000	150,000						
Handicapped Asst.	16,000	16,000	8,000		8,000				
Multi-Family/Investor Rehab	0	0							
Rehab Hazard Reduction	30,000	30,000	15,000		15,000				
Program Operations	1,015,000	935,000	604,240	154,760	80,000			96,000	80,000
Forsyth County Rehab/Operations	126,200	126,200			126,200				
<b>HOUSING STIMULATION/ HOME OWNERSHIP</b>									
Home Buyer Assistance	260,800	135,8000			135,800				125,000
Buy-Rehab/Acquisition- Rehab	150,000	0							150,000
Single-Family Production	645,000	295,000			295,000				350,000
Multi-Family Production	0	0							
Infrastructure Improvements	0	0							
HOME CHDO Activities	207,000	207,000			207,000				
<b>ECONOMIC SELF-SUFFICIENCY</b>									
Business Loans	184,500	184,500	46,500	138,000					
Business Training	500	500		500					
Construction Training Program	204,210	138,000	138,000						66,210
<b>OTHER ACTIVITIES</b>									
Property Maintenance/Disposition	193,294	193,294	61,200					132,094	
Redevelopment Acquisition/Clearance	0	0							
Public Service Activities	510,720	510,720	136,750	66,200				307,770	
Homeless: ESG/Transitional/TBRA	3,033,413	3,033,413	338,893	18,400	185,000	55,000	2,380,220	55,900	
Non-Profit Capacity Dev/Training	0	0							
Planning/Training/ Administration	45,000	45,000	20,000		15,000			10,000	
Cost Allocation/GF Admin Reimbursement	199,560	199,560	179,660		19,900				
Section 108 Loan Repayment	361,000	361,000	333,000	28,000					
<b>TOTAL ALLOCATION</b>	<b>9,501,201</b>	<b>7,259,991</b>	<b>2,214,393</b>	<b>550,000</b>	<b>1,378,614</b>	<b>135,000</b>	<b>2,380,220</b>	<b>601,764</b>	<b>2,241,210</b>

# PART D: CDBG, HOME, AND ESG SPECIFIC INFORMATION

## COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM

### Use of CDBG Funds

The use of funds reasonably expected to be available to the City are described throughout this annual plan. As can be seen in the table above, CDBG funds will be used for the following programs and activities:

- Rehabilitation in the Neighborhood Revitalization Strategy Area (NRSA), including handicap accessibility and hazard reduction (lead-based paint) work, as applicable
- Emergency repairs citywide
- Program operating costs of the Rehabilitation program
- Loans and technical assistance to businesses
- Operating costs to non-profit agencies that provide counseling and case management, employment training, and assistance to neighborhood groups
- Planning and administration
- Repayment of Section 108 loans

### Estimate of Projected Benefit for Low and Moderate Income Persons

According to Section 5301(c) of the Act, not less than 70% of CDBG funds shall be used for the support of activities that benefit persons of low- and moderate-income, which are defined as families and individuals whose incomes do not exceed 80% of the median income of the area involved, as determined by the Secretary with adjustments for smaller and larger families. Expenditures for planning and administration and repayment of the Section 108 loans are excluded from the calculation, as they are considered to meet the national objectives. Expenditures for planning and administration are projected to be 7.9% of the grant plus projected program income. The only activity the City funds that does not benefit low- and moderate-income persons is property maintenance and disposition.

#### Calculation of Estimated Low and Moderate Income Benefit

• Projected Expenditures Subject to Program Benefit Rules	2,303,733
• Project Expenditures Principally Benefiting Low- and Moderate-Income Persons	2,242,533
• Projected Percent Benefit to Low- and Moderate-Income Persons	97.3%

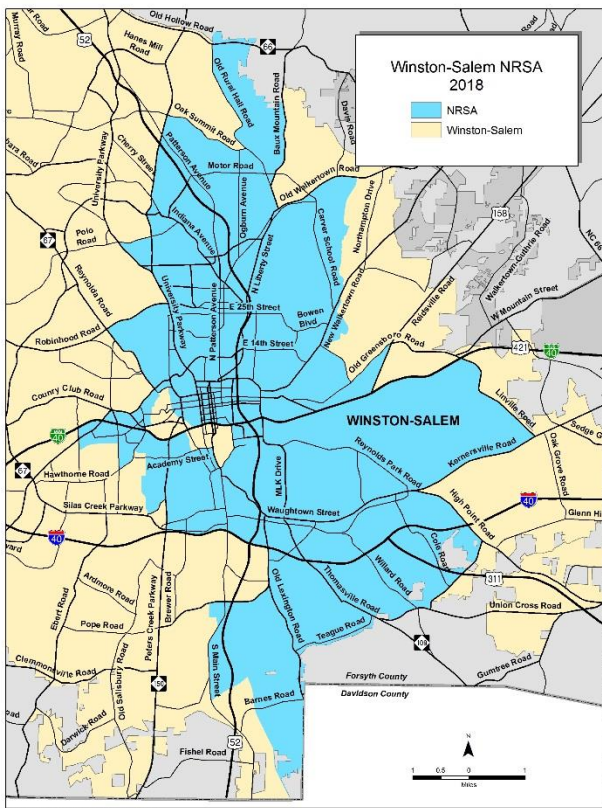
## Neighborhood Revitalization Strategy Area

The Neighborhood Revitalization Strategy submitted pursuant to Notice CPD-96-01 was approved by the U.S. Department of HUD on July 17, 2000, and implementation was initiated during FY 2001 and recertified in FY 2004, FY 2009, and FY 2015. Pursuant to HUD Notice CPD-16-16 to update the process for development, submission, approval and amendment of a Strategy and measurement of outcomes, the City of Winston-Salem is submitting a new NRSA. The proposed Revitalization Strategy accomplishes or facilitates accomplishment of several objectives directed toward the goals of housing and economic opportunities, including:

- Designation of an area widely regarded as in need of revitalization and investment;
- Promote the area's economic progress by focusing on housing and economic opportunities;
- Greater equity in housing service provision -- ability to serve households over 80% of area median income through aggregation of housing units to meet a national objective;
- Facilitation of neighborhood-based organizational development processes through exemption from the public services cap.
- Reduction of reporting burden on the part of businesses, which has been a disincentive to the use of CDBG funds in job creation/retention activities;
- Streamlined tracking and reporting and in general, greater flexibility in the use of CDBG funds to meet needs within the Revitalization Area.

The proposed Revitalization Strategy Area is a contiguous area, primarily residential in character, and contains a percentage of low- and moderate-income residents that is no less than the upper quartile percentage as defined by the regulations at 24 CFR 570.208(a)(1)(ii) and reflected in the accompanying map. The area complies with the 2017 Low/Moderate Income Summary Data.

Goals and objectives for the NRSA are outlined in the proposed Neighborhood Revitalization Strategy.



## HOME INVESTMENT PARTNERSHIP (HOME) PROGRAM

The Winston-Salem/Forsyth Housing Consortium consists of the City of Winston-Salem as the lead entity, Forsyth County, and all of the other cooperating municipalities of the County, consisting of Bethania, Clemmons, Kernersville, Lewisville, Rural Hall, Tobaccoville and Walkertown. The Consortium has been renewed every three years, most recently in spring 2016. The accompanying program description is submitted on behalf of the Consortium as a participating jurisdiction pursuant to HUD approval of February 23, 1993 with subsequent extensions.

HOME program activities focus on increasing the number of "affordable" housing units for lower income individuals and families and increasing the leverage of public funds through financing partnerships. These activities are consistent with Five-Year Consolidated Plan priorities and strategies and also the objectives of the Cranston-Gonzalez National Affordable Housing Act of 1990, as amended.

Of the \$1,378,614 of new grant funds, \$262,000 is allocated to Forsyth County, in accordance with the provisions of the Consortium Agreement, and \$1,116,614 is allocated to the City of Winston-Salem with an additional \$135,000 in program income. The amount of program income, repayments, and recaptured funds in the HOME local account on the submission date is \$531,604.30 in program income. The program activities and expenditures to be derived from FFY18 HOME funds, prior year carryover/reprogrammed funds, and program income, are as follows:

\$724,714	Rehab: Owner, Rental and Hazard Reduction
695,000	First-Time Homebuyer Assistance/Construction
0	Multi-Family Production
240,000	Tenant-Based Rental Assistance
207,000	CHDO Set-Aside: New Construction (15.0% FFY 18 Grant)
1,866,714	Sub-Total City Program Activities
100,000	Single-Family Owner Rehab
135,800	First-Time Homebuyer Assistance
235,800	Sub-Total County Program Activities
26,200	County Program Admin (10% County Allocation)
34,900	City Training, Admin, and Indirect Cost (3.1% City Allocation)
61,100	Sub-Total (4.4% of FFY 18 Grant)
\$2,163,614	Total Available HOME Fund Resources

HOME regulations require the participating jurisdiction to match 25% of HOME funds drawn for program activities. The Consortium meets the match requirement through funds from the County and the participating municipalities and from unrecouped private sector contributions to one Community Housing Development Organization (CHDO) for home ownership units.

HOME match funds for FY19 are projected to total \$38,250 from Forsyth County and participating municipalities and \$300,000 from private sector contributions.

As HOME program funding will be used to leverage and complement ongoing housing program activities funded from other sources, program administration will be undertaken by the operating departments administering CDBG and other housing activities. Program administration and project implementation functions are to be conducted by the City of Winston-Salem for those activities taking place within the City and by Forsyth County for those activities taking place within the other cooperating municipalities and unincorporated areas of the County. Interested parties may obtain application and other information by contacting a loan officer at the City or County.

### **Single-Family Rehab**

The City provides direct and deferred loans to rehabilitate owner-occupied single-family housing units citywide to applicants with total household incomes below 80% of area median income. The value of the house after rehab may not be higher than a limit set for the area by HUD. The City projects to assist up to 10 homeowners during FY19.

### **First-Time Homebuyer Assistance**

The City provides a down payment and second mortgage assistance program for the purchase of newly constructed or existing units citywide to applicants with total household incomes below 80% of area median income and who qualify as first-time home buyers. This assistance is provided in conjunction with fixed-rate, 15- to 30-year first mortgage loans and is due and payable on sale or transfer of the property, when the property ceases to be owner-occupied, or when the first mortgage is paid in full. The program is funded with local and HOME funds, and the City projects to assist approximately 5 homebuyers during FY19. Program policies are included in Appendix C.

### **CHDO Set-Aside**

The FFY 18 Community Housing Development Organization (CHDO) set-aside is reserved for one CHDO for up to 15 new construction or rehabilitation units for home ownership in multiple locations, noting that additional, previously encumbered funds remain from prior years.

### **Multi-Family Rehabilitation/Production**

The use of HOME funds for multi-family projects is principally reserved, as a policy decision, for Low-Income Housing Tax Credit projects or projects sponsored by non-profit, public agency entities, given the complexities of the HOME Program affordability restrictions; however, proposals may be reviewed on a case-by-case basis for projects serving special needs populations. One new construction Tax Credit project approved in a prior year will be under construction in FY19.



House in Glenn Oaks

## Forsyth County Programs

The County's mission is to provide affordable housing opportunities for low and moderate-income Forsyth County residents by effectively utilize through the effective utilization of local, state, and federal grant programs for activities such as housing rehabilitation, first-time homebuyer programs, and code enforcement.

### First Time Homebuyer

The County anticipates providing first-time home ownership opportunities for approximately 25 low-income households (at or below 80% of median income) with new and existing home acquisition. The financing will be provided through a combination of HOME Program funds and other funding programs, such as County Match, Individual Development Accounts, North Carolina Housing Finance Agency (NCHFA), and private bank fund contributions. The assistance will come in the form of deferred down payment loans, and some funds under the IDA program will be provided as a matching \$2,000 grant for \$1,000 provided by the home buyer. The NCHFA loans will be deferred until the first mortgage is fully amortized. The County HOME down payment assistance loan is a 30-year deferred loan that requires a balloon payment of the principal upon the completion of the 30th year. The County HOME loan will also be due upon sale of the property or when the home is no longer occupied by the HOME-assisted buyer. It is estimated that each household will be provided with an average of \$15,000 in financial assistance.

The Winston-Salem/Forsyth Housing Consortium utilizes the recapture provision of the HOME regulations. This is where the City/County, as per HUD regulations, requires recapture of HOME funds for down payment assistance for a "period of affordability". The HUD minimum period of affordability is detailed below and is based upon the amount of HOME financial assistance provided. The County period of affordability is the minimum period required by HOME regulations. During this period the County will recapture the entire direct subsidy, which is the amount of the County HOME loan for down payment assistance and closing costs. If the buyer sells the home during this period and the sales price is too low to pay off all debt, the County will only recapture the amount left after paying the first mortgage and closing costs. Recapture is limited to the net proceeds available at sale. The County ensures the period of affordability is preserved by utilizing a separate Buyer Written Agreement between the County and the homebuyer, a deed of trust, and promissory note.

HOME Investment	Period of Affordability
• Under \$15,000	5 years
• Between \$15,000 and \$40,000	10 years
• Over \$40,000	15 years

### Single-Family Owner Rehab

The County anticipates having between \$50,000 and \$80,000 in HOME funds available for use in rehabilitating 6 to 8 substandard, owner-occupied homes. These funds will be loaned as deferred forgiveness, no interest loans that will only be paid back upon early sale of the property or relocation of the owner from the property. In instances where rehabilitation assistance exceeds \$25,000, and the borrower shows some ability to repay the loans, the funds may be amortized at 0% interest for the amount above the \$25,000 threshold.

The County's Community & Economic Development Department will include other rehabilitation funds as they become available, including locally derived municipal/county match, NC Housing Finance Agency (NCHFA) Essential Single-Family Rehabilitation (ESFR), and NCHFA Urgent Repair Program (URP) funding. Qualifying households are located in cooperating municipalities outside of the Winston-Salem city limits, as well as in the unincorporated areas of the County. Households residing in the city limits of Winston-Salem with household incomes below 30% of median income, and in extenuating circumstances, up to 50% of median income, may be eligible for rehabilitation services with URP funding. Depending on availability of funding, an additional \$175,000 to \$250,000 in the NCHFA loan pool for ESFR may also become available as additional financing, with up to \$25,000 available in assistance per eligible household. Owner occupants under URP will be provided with a deferred loan up to \$8,000 for the repair of items at risk of immediately harming or displacing the household, as well as for the installation of accessibility and mobility modifications. The HOME funded projects for comprehensive rehab are expected to have an average funding of \$20,000 per household.

### **Matching Funds**

It is anticipated that the County will provide up to \$26,250 in local matching funds with \$12,000 derived from county municipalities.

### **Code Enforcement**

The County enforces an increasing number of minimum housing code complaints in unincorporated areas and participating municipalities outside the Winston-Salem city limits. Inspections are usually initiated by a citizen's complaint process.

### **Tenant Based Rental Assistance (TBRA)**

Tenant based rental assistance is an essential element of the consolidated plan. The goal of this component is to assist households in attaining housing stability. The program serves approximately 75 households per year, and households may participate for up to two years. The program requires coordination between the Housing Authority of Winston-Salem and social service agencies. The use of HOME TBRA assists the community in meeting community goals on ending homelessness.

## **EMERGENCY SOLUTIONS GRANT (ESG) PROGRAM**

The City of Winston-Salem receives ESG funds on an entitlement basis. The City will also apply to the State of North Carolina on behalf of homeless service providers for ESG funds that the State receives from HUD. City ESG entitlement funds in the amount of \$177,701 will be used to provide for the operational needs of five emergency shelters (60% of funds) and for rapid re-housing activities (40% of funds). No funds will be used for administration or street outreach. State ESG funds will be used for shelter operations at five emergency shelters, rapid re-housing, administration, and data management in a homeless management information system. Non-profit organizations to carry out these activities were selected through the City's annual request for proposal process, which was open to community and faith-based organizations. A rating panel made up of members appointed by the Continuum of Care reviewed all proposals and made recommendations for funding.



Standards for providing ESG assistance as well as performance standards for evaluating activities and consulting with homeless or formerly homeless individuals are described in Appendix F. As the collaborative applicant for the Winston-Salem/Forsyth County Continuum of Care, the City is involved in planning and developing programs to meet the needs of individuals and families in the community that are homeless or at risk of homelessness and works with service providers that assist them. The required 100% match will be provided by the subrecipient agencies.



Samaritan Ministries Shelter

**WINSTON-SALEM/FORSYTH COUNTY  
CONSOLIDATED HOUSING AND COMMUNITY DEVELOPMENT PLAN  
FIVE-YEAR STRATEGY SUMMARY, 2019-2023**

**GOAL 1: NEIGHBORHOOD REVITALIZATION AND HOUSING CONSERVATION**

**Strategy 1.1 Target Neighborhood Services to Optimize Attainment of Neighborhood Stability and Revitalization**

**Programs**

- Housing Code Enforcement
- Neighborhood Assistance
- Neighborhood Improvement Plan
- Capacity Building for Non-Profit Corporations

**Strategy 1.2 Rehabilitate Single-Family Homes Owned by Lower-Income Families to Extend Their Useful Life, Preserve Affordability, and Make Adaptive Improvements to Address the Special Needs of Seniors and Disabled Persons**

**Programs**

- Neighborhood Revitalization Strategy Area (NRSA) Rehabilitation
- Citywide Rehabilitation
- County Rehabilitation
- Emergency Repair and Urgent Repair
- Architectural Barrier Removal
- Hazard Reduction and Interim Controls
- Buy-Rehab
- Purchase-Rehab Revolving Loan Program

**Strategy 1.3 Rehabilitate Multi-Family and Single-Family Substandard Rental Units to Extend Their Useful Economic Life and Preserve Affordable Rents**

**Programs**

- Rental/Investor Rehabilitation
- Large-Scale Multi-Family Rental Rehabilitation
- Hazard Reduction and Interim Controls

**Strategy 1.4 Provide Physical Improvements to Neighborhoods**

**Programs**

- Neighborhoods To Standards (NTS) Monitoring
- Public Improvements
- Public Facilities

**Strategy 1.5 Develop Measures That Facilitate the Placement of Vacant Units and Vacant Lots for In-Fill Development Back Into the Housing Inventory**

**Programs**

- Vacant Unit Priority In Rehab Programs
- Infill Redevelopment
- Eminent Domain Housing Program

**GOAL 2: HOUSING PRODUCTION AND NEIGHBORHOOD DEVELOPMENT**

**Strategy 2.1 Subsidize Home Ownership Acquisition**

**Programs**

- Homebuyer Assistance Programs
- Individual Development Accounts (IDA)

**Strategy 2.2 Subsidize Single-Family Housing Production**

**Programs**

- Construction Loan Program
- Homeownership Development Assistance
- "Self-Help/Sweat-Equity" Programs
- Redevelopment Acquisition/Clearance

**Strategy 2.3 Subsidize Affordable Rental Housing**

**Program**

- Rental Housing Production Program

**Strategy 2.4 Support Ways to Lower Housing Cost and Reduce Governmental Constraints to the Production of Housing**

**Programs**

- Barriers to Affordable Housing
- Energy Efficient Development

**GOAL 3: EXPANDING ACCESS AND OPPORTUNITIES**

**Strategy 3.1 Meet the Housing and Service Needs of Homeless Persons**

**Programs**

- Rental Assistance
- Supportive Services
- Coordinated Intake
- Emergency and Transitional Shelter Facilities

**Strategy 3.2 Coordinate City, County, State, Federal and Private Funds and Activities to Meet the Needs of the Homeless, Reduce Poverty and Prevent and End Homelessness**

**Programs**

- Continuum of Care
- Continuum of Care Homeless Assistance Grants
- Homeless Management Information System (HMIS)

**Strategy 3.3 Expand Equal Access to Housing for All Members of the Community**

**Programs**

- Fair Housing Program
- Fair Housing Testing
- Hispanic/Latino Housing Needs
- UDO Reasonable Accommodation for People with Disabilities

**Strategy 3.4 Support the Provision of Services in the Community for Economic Self-Sufficiency and Wealth-Building**

**Programs**

- Home Ownership Counseling Program
- Re-Entry for Ex-Offenders and Persons Leaving Institutions
- Wealth-Building through Tax Credits
- Other Public Service Programs

**GOAL 4: EXPANDING ECONOMIC OPPORTUNITIES**

**Strategy 4.1: Expand Entrepreneurial Development**

**Programs**

- Small Business Loan Program
- Technical Assistance to Small Businesses
- Contractor Business Program

**Strategy 4.2 Expand Employment Training Opportunities**

**Programs**

- Construction Training Program/Youth Build
- Successful Outcomes After Release (SOAR)
- Summer Youth Employment Program

**Strategy 4.3 Revitalize Neighborhood Commercial Areas**

**Programs**

- NRSA Building Rehabilitation Program
- Revitalizing Urban Commercial Areas (RUCA)
- Encourage Location of a Grocery Store or Food Market in Food Deserts

**Strategy 4.4 Implement Downtown Revitalization Plan**

**GOAL 5: EXPAND COORDINATION AND ACCOUNTABILITY**

**Strategy 5.1 Strengthen Coordination and Partnerships**

**Programs**

- Implement Local Housing Needs Assessments
- Strengthen Coordination with Other Workforce Organizations
- Strengthen Coordination with Local and Regional Planning Bodies in Support of Community Development Goals

**Strategy 5.2 Strengthen Accountability for Funded Programs**

**Programs**

- Renew Neighborhood Revitalization Strategy Area (NRSA) Approval
- Performance Benchmarks and Reporting
- Preserve Long-Term Affordability of Existing, Low-Income Housing Units