

City Council – Action Request Form

Date: August 12, 2019

To: Mayor, Mayor Pro Tempore, and Members of the City Council

From: Tasha Logan Ford, Assistant City Manager
Marla Y. Newman, Community Development Director

Council Action Requested:

Resolution Authorizing the City of Winston-Salem to be a Co-applicant in the Submission of a U. S. Department of Housing and Urban Development 2019 Choice Neighborhoods Implementation Grant Application with the Housing Authority of Winston-Salem. (East and Northeast Wards)

Strategic Focus Area: Livable Neighborhoods

Strategic Objective: Improve Character and Condition of Neighborhoods

Strategic Plan Action Item: No

Key Work Item: No



Summary of Information:

The Housing Authority of Winston-Salem (HAWS), in partnership with McCormack Baron Salazar/Urban Strategies, is applying, for a \$30,000,000 Choice Neighborhoods Implementation Grant from the U.S. Department of Housing and Urban Development (HUD). In 2013, HAWS was awarded a Choice Neighborhoods Planning Grant from HUD which was used to develop a Transformation Plan for the Cleveland Avenue Corridor, but was not subsequently awarded a \$30,000,000 Choice Neighborhoods Implementation Grant in 2016, 2017 or 2018. Should HAWS be awarded the grant, funds would be used to begin implementation of the Transformation Plan that was developed after award of the Choice Neighborhoods Planning Grant in 2013.

McCormack Baron Salazar

McCormack Baron Salazar (“MBS”) is a nationally-acclaimed firm, with developments in 45 cities and 25 states and territories, specializing in the revitalization of urban neighborhoods with multi-block, mixed-income projects that produce attractive, urban neighborhoods. During the past 45 years, MBS has closed 191 projects with development costs in excess of \$3.75 billion. MBS has developed more than 20,000 homes and 1.4 million square feet of retail and commercial space—all totaling \$3.75 billion reinvested into communities.

Committee Action:

Committee	Finance 8/12/19 CDHGG 8/13/19	Action	Approval
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For	Unanimous	Against	
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Remarks:

MBS was instrumental in the earliest HOPE VI efforts, including the first pre-HOPE VI demonstration development, and is now a leader in the Choice Neighborhoods Initiative. Under these programs (and others like it), MBS has closed seventy-eight phases of public housing transformation in 36 communities involving over \$2 billion in total redevelopment costs and resulting in 9,629 homes, with grants totaling more than \$300 million. MBS partners with non-profits and other community resources to strengthen neighborhood social structures, create connections to jobs and educational opportunities, and empower residents to lead healthy, prosperous lives in thriving, self-sustaining communities. To date, McCormack Baron Salazar is the housing developer in 12 Choice Neighborhoods Implementation efforts and two Choice Neighborhoods Planning Grants.

Urban Strategies

Urban Strategies, Inc. is an independent national not-for-profit planning organization with extensive experience in the design and implementation of human capital building and community development strategies. Urban Strategies works with Public Housing Authorities, city government officials, institutions, foundations, developers, property managers, community members and other stakeholders to build comprehensive plans around neighborhood conditions and human service needs. Founded in 1978, Urban Strategies is a leader in the field of community development, supporting more than 30,000 low- to moderate-income families, approximately 100,000 individuals, in 30 communities in 14 major metropolitan areas. Urban Strategies utilizes place-based strategies and local resources to capitalize on the inherent strengths of the community, while concurrently working with developers to create new physical facilities and amenities that complement human service systems and improve the capacity of existing community systems. Urban Strategies has extensive experience in developing and implementing community planning processes that fully engage residents and stakeholders to ensure the local input and inclusion necessary to effect long-term community change. Urban Strategies' approach to strong community engagement involves a highly interactive, fully participatory, and transparent process that offers meaningful engagement and that energizes the community through clear, open communication and outreach methods.

The Choice Neighborhoods Grant Program requires the City and HAWS to submit a joint application. The following are the components of the application that will require City action:

First, adopt a Resolution and sign the grant application agreeing to participate as a joint-applicant (no change from last year's request). The co-applicant signs the grant agreement along with the applicant and is jointly responsible for implementing the activities in the Transformation Plan. The grant requires that the local government of jurisdiction serve as the co-applicant in the event that it is not the lead applicant.

Second, execute a letter (drafted by the Housing Authority and revised without limitation by the City) outlining the City's capability to serve as the "Neighborhood Lead" in the event that the grant is awarded. The "Neighborhood Lead" is the entity responsible for overseeing the "community improvement" projects that get funded through the grant – for example, streetscape modification, park rehab and development, etc. (no change from last year's request).

Third, execute a HUD Certificate of Consistency form acknowledging the Cleveland Avenue Corridor's consistency with the Consolidated Plan (no change from last year's request).

Fourth, allocate up to \$165,000 to fund the community engagement and predevelopment activities that must precede application submission. It should be noted that requests for support of the engagement strategy is being sought from the community stakeholders. These resources are part of the \$215,000 budget submitted by McCormack Baron Salazar and Urban Strategies to provide these required services. HAWS is committing \$50,000 of the total costs.

Fifth, allocate \$3 million CDBG investment over the life of the grant, if awarded.

HAWS is requesting that the City reaffirm the following commitments made in the 2018 Application, which although not required, will garner additional points and make the grant more competitive:

- Evidence of expenditure in the previous three years, or firm commitments, within the grant area in the amount of \$20MM or more from public and/or private investment;
- Confirmation that \$3 million has been committed from 2014 bonds for East End Plan;
- Confirmation that \$1.7 million has been allocated for the East End Plan from 2018 Bonds;
- Confirmation that \$10 million has been allocated for affordable housing from 2018 bonds for projects throughout the community and a portion of these can be used for the CNI;
- Confirmation that \$3.675 million has been allocated for the East and Northeast Wards for infrastructure improvements from 2018 Bonds and a portion of this may be used within the project area; or
- Consideration of utilizing a community based tax increment financing mechanism to cover additional public needs in the CNI area.

The commitments will be spread over the life of the grant term, which will be from July 2020 through July 2025.

The following are possible uses of funds, but are not limited to those listed, that were included in the previous year's request:

- Financing for commercial and economic development projects;
- Neighborhood business façade improvement programs;
- Place-making projects;
- Neighborhood broadband;
- Revolving loan funds for business attraction and retention;
- Streetscape improvements above and beyond the city's norm;
- Programs to improve housing in the neighborhood surrounding the target housing which is the subject of the grant application; and
- Acquisition of underutilized land for new parks, community gardens or community facilities.

Funds to carry out the above-mentioned activities can be secured from a variety of sources. City funding would only be committed in future budget years in the event that HAWS is awarded the grant.

HAWS emphasizes that any commitments from the City would have no financial obligation in the absence of the grant award.

Attachment: HAWS Letter to the City Requesting the City's Partnership