

# Consolidated Housing and Community Development Plan 2020-2021 Annual Plan

Winston-Salem/Forsyth County Housing Consortium  
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# 2020-2021 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 from the U.S. Department of Housing and Urban Development (HUD).

The annual action plan 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 allocate resources addressing physical and support needs of the homeless and populations with special needs along the "continuum of care."
- To integrate planning and implementation of related needs – infrastructure, environmental protection, fair housing, supportive services and economic growth coordinated with human development.
- To facilitate "bottom-up" planning, collaboration, and public-private community partnerships.
- To 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).

The Winston-Salem/Forsyth Housing Consortium was formed in 1992 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 2019, 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 2020-2021 Annual Plan represents the third 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 as well as incorporating recommendations in the Assessment of Fair Housing submitted to HUD on October 4, 2017. The Assessment was approved by HUD on November 21, 2017.

## Highlights of the 2020-2021 Annual Plan

The City’s allocation of CDBG grant funds is 2,211,290 (a 1.4% increase), \$1,323,652 (a 4.2% increase) in HOME funds, and \$191,617 in ESG funds (a 2.0% increase), for an overall allocation increase of 2.4%. The City will receive \$1,058,952 of the HOME funds, and the County \$264,700. The City will receive an additional \$2,200,000 in Continuum of Care funds on behalf of local agencies providing homeless program services beginning in April 2021. The City also expects to receive \$173,880 in additional ESG funds from the State of North Carolina during FY21.



Increases in CDBG and HOME funds, a projected decrease in projected CDBG program income, and the commitment of CDBG funds for the Choice Neighborhoods Implementation Grant, should it be awarded, provide opportunities for funding projects. The results are: 1) consistent funding for subgrantee program operations; 2) a small increase for projects that assist the homeless; and 3) adequate funding for single-family production and homebuyer assistance. The budget maintains appropriations for the rehabilitation program and for financial and technical

assistance to small businesses. One-time, special projects and financing commitments for FY21 are summarized as follows:

- Phase II Project - Up to \$60,000 to Experiment in Self-Reliance for replacement of heating, ventilating and air conditioning units and parking lot repair at the Burton Street Shelter, which provides emergency shelter for homeless families. Assistance is anticipated as a deferred/forgiven loan.

Housing rehabilitation, including purchase-rehab, is the forefront category of program activity, relative to the allocation of funds, totaling \$3,154,132, or 35.4%, of total projected expenditures. Financing is in place to meet first-time 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) and developers.

## AVAILABLE RESOURCES

Identified financial resources include:

- 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
- Remaining balance of general obligation bonds approved in 2014 and 2018 and Housing Finance Funds (local).

Program income projections are based on recent experience as reasonably anticipated to be available. The following table, FY21 Activity and Funding Sources, identifies the projected expenditure of these resources during FY21 in general program categories.

FY21 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	2,854,132	1,182,500	645,632		96,000	930,000
Neighborhood Dev: Acquisition-Clearance	698,242	561,200			87,042	50,000
Housing Production/ Infrastructure.	1,049,000		369,000			680,000
Homebuyer Assistance	244,120		169,120			75,000
Economic Dev/Self-Sufficiency	250,000	250,000				
Public Services/Homeless Assist	3,522,647	376,850	240,000	2,601,497	304,300	
Section 108 Loan Repayment	0					
Planning/Training, Capacity/Other	335,640	290,740	34,900		10,000	
<b>TOTAL</b>	<b>8,953,781</b>	<b>2,661,290</b>	<b>1,458,652</b>	<b>2,601,497</b>	<b>497,342</b>	<b>1,735,000</b>

HUD encourages grantees to address the potential use of grant funds in the event of a disaster. In the event of a disaster, the Winston-Salem/Forsyth Housing Consortium could use CDBG, HOME or ESG funds for housing rehabilitation, housing construction or reconstruction, homebuyer assistance, acquisition of housing or other property, infrastructure improvements, demolition of buildings, reconstruction, replacement or repair of public facilities, small business grants and loans, relocation assistance, and public services.

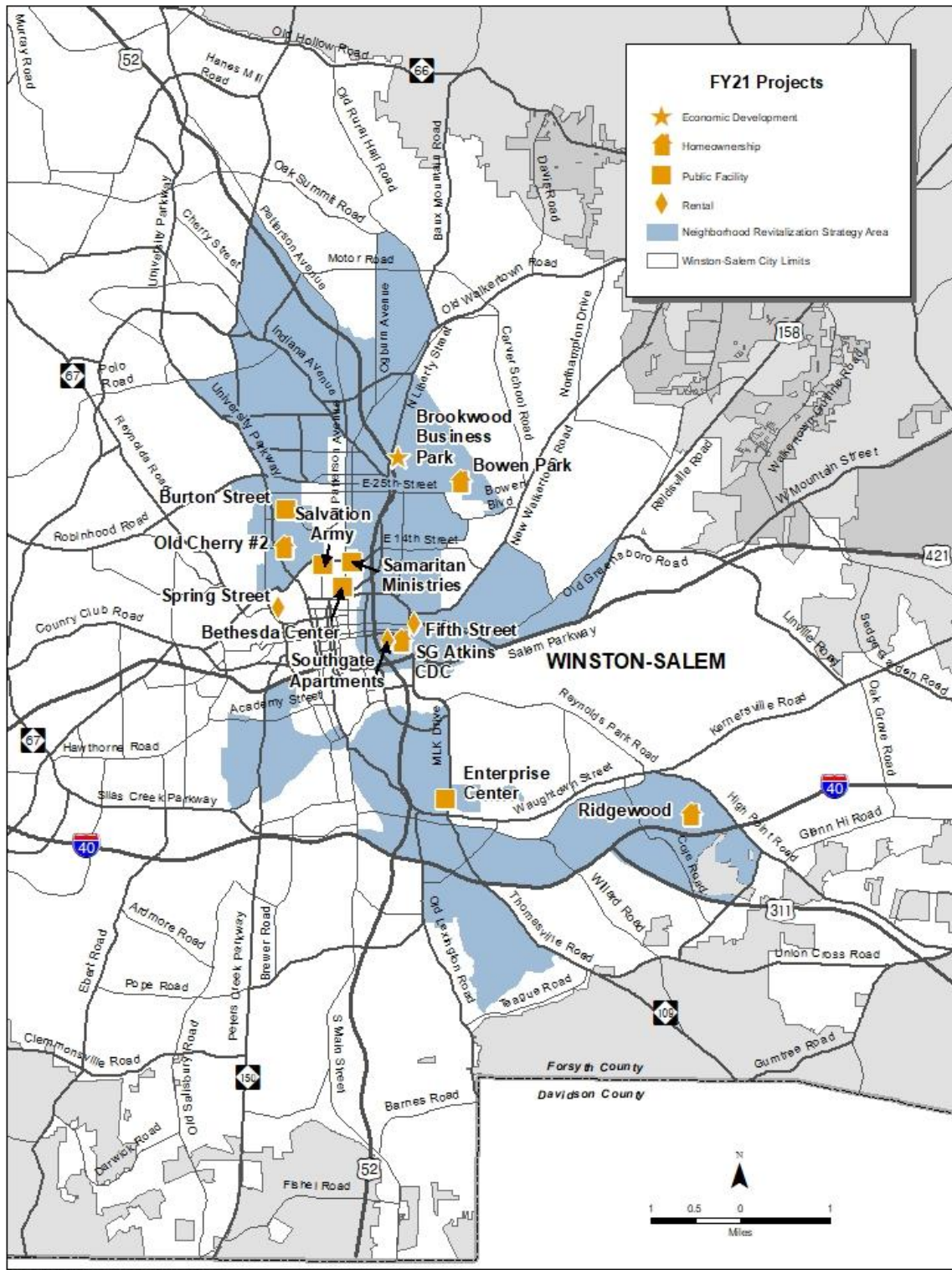
## OBJECTIVES AND OUTCOMES

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.

<b>FY21 Summary of Housing Completions</b>			
Objective/Outcomes		Obj.	# Units
New Construction	Owner	DH-2	34
	Rental	DH-2	0
Rehab/Repair	Owner	DH-2	86
	Rental	DH-2	110
Existing	Owner	DH-2	17
	Rental	DH-2	200
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).			

A summary of the proposed objectives and outcomes of completed housing units in FY21 is provided in the table, FY21 Summary of Housing Completions. The map, FY21 Projects, 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

This Annual Plan was prepared with public input, relative to needs, obtained through a public hearing on October 24, 2019, a virtual public hearing on March 23, 2020 due to COVID-19 restrictions, and an ongoing series of consultations with supportive service providers, advocacy groups and coordinating bodies. The virtual public hearing is available on the City's YouTube channel (<https://www.youtube.com/watch?v=9OPtj3EwKyk>). This submission is scheduled for adoption by the City Council on April 20, 2020.

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 available on the City's web site for public review and comment for 30 days beginning April 9, 2020 and ending May 8, 2020. Comments received from the public hearing and the review process are summarized in Appendix E.

Appendix D contains a list of agency consultations that extend beyond the homeless supportive housing needs and the general housing needs 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: 2020-2021 STRATEGY IMPLEMENTATION

This 2020-2021 Action Plan represents the third year of the five-year planning period of the 2019-2023 Consolidated Plan. The budgets contained herein reflect Federal Fiscal Year (FFY) 2020 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 FY21 HUD Entitlement Programs</b>			
	Amount	Amount Change	% Change
<b>Entitlement Funds</b>			
CDBG	\$2,211,290	\$30,544	1.4%
HOME	\$1,323,652	\$52,992	4.2%
ESG	\$191,617	\$3,721	2.0%
<b>Total Entitlement</b>	<b>\$3,726,559</b>	<b>\$87,257</b>	<b>2.4%</b>
<b>Program Income</b>			
CDBG	\$450,000	\$-100,000	-18.2%
HOME	\$135,000	\$0	0.0%

An increase in CDBG and HOME grant allocations and a projected decrease in CDBG program income has resulted in decreased funding in entitlements funds. Funding for core programs is maintained. The results are: 1) consistent funding for subgrantee program operations; 2) increased funding for homeless programs; and 3) adequate funding for single-family production and homebuyer assistance.

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 FY21.

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 FY21 by goal. Exhibit 2, which follows this section, outlines the strategies and implementing programs to be undertaken during FY21, 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 and improve the appearance of existing housing stock and diverse neighborhoods; provide physical improvements in neighborhoods; and focus on placing vacant property and lots back into inventory for affordable housing.*

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 general obligation bonds approved in November 2014 and November 2018 to owner-occupants and investor-owners. S.G. Atkins CDC will continue infill development in its East End Revitalization Area. 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. The City will also rehab six vacant homes it acquired through foreclosure and sell them to eligible homeowners. Historic preservation is included. Enforcement of the Minimum Housing Code through regular code enforcement as well as neighborhood services activities are ongoing.



One multifamily rental project received funds and will complete construction in FY21. Southgate Apartments is a 108-unit development for families using HOME

funds, general obligation bonds approved in November 2018, and Low Income Housing Tax Credits.

The Housing Authority of the City of Winston-Salem (HAWS) and the City are finalists for a HUD 2019 Choice Neighborhoods Implementation Grant. The City is committing \$500,000 in CDBG funds per year for six years. Funds would be used in an area bounded by East 25<sup>th</sup> Street, Patterson Avenue, East 3<sup>rd</sup> Street, and Cleveland Avenue, File Street, Dunleith Avenue and Jackson Avenue. Funds may be used for single-family and multifamily housing, small business development, streets and infrastructure.

Southgate Apartments 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 Place House

A steady improvement in the housing market will increase single-family housing production in 2020-21. Development will continue in the Ridgewood Place subdivision using HOME funds and general obligation bonds approved by Winston-Salem voters in 2014. 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 continue to work in the Cherry Street/Kimberly Neighborhood Revitalization Initiative. Habitat, Liberty East

Redevelopment (LER), Inc., and Experiment in Self-Reliance (ESR) started to work in the Bowen Park/Dreamland area. 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 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.

Funds may be used for the construction of multifamily rental projects; however, none are approved or under construction at this time.

### **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. FY21 resources include one-year renewal funds from the Continuum of Care Federal FFY19 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 Experiment in Self-Reliance for renovations at its Burton Street facility.

### **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 FY21 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 currently has two tenants: a city-county joint firearms training facility and GLAS, a local biogenetics company that purchased the city-built spec building. A local company recently purchased two lots within the Park to locate an approximately 80,000 square foot distribution facility, leading to the creation of additional jobs and investment in the NRSA. A site plan of the next



Enterprise Center

phase of development has been completed. Continued focus of FY21 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 has been completed and is in use by five caterers.

Section 3 program activities include:

- 1) continue subcontractor opportunities in city and federally funded housing programs,
  - 2) conduct the Small Business Training program,
  - 3) conduct another round of a Business Plan Contest, and
  - 4) conduct the Construction Training Program.
- Funds to continue support for the Summer Youth Employment Program (SYEP) are also included. The SYEP partners with local businesses to promote training and employment opportunities to eligible youth during the summer.

## **Goal 5: Expanding Coordination and Accountability**

*Coordinate with local and regional planning bodies, and local stakeholders to implement local housing assessments; 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 FY21.

<b>Exhibit 2: WINSTON-SALEM/FORSYTH HOUSING CONSORTIUM FY21 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	35	Housing Units
	Citywide Rehabilitation	DH-2	HOME, Local	25	Housing Units
	Emergency Repair/Urgent Repair	DH-2	CDBG	15	Housing Units
	Handicap Assistance	DH-2	CDBG, HOME	3	Housing Units
	Hazard Reduction and Interim Controls	DH-2	CDBG, HOME	30	Housing Units
	County Rehabilitation	DH-2	HOME, Other Federal	10	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	108	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	1	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	29	Households
	Individual Development Accounts (IDA)	DH-2	Other Federal	5	Households
Strategy 2.2	Subsidize Single-Family Housing Production				
Programs:	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
Strategy 2.3	Subsidize Affordable Rental Housing				
	Rental Housing Production	DH-2	HOME, Local	0	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	8	Persons
	Successful Outcomes After Release (SOAR)	EO-1	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	1	Businesses
	Revitalizing Urban Commercial Areas (RUCA)	EO-3	Local	1	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
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)					
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).					

# PART C: PROJECTED REVENUES AND EXPENDITURES

## PROJECTED REVENUES/FUND RESOURCES

### FY21 Budget Appropriations

2,211,290	Community Development Block Grant (CDBG)
<u>450,000</u>	Entitlement Grant B-20-MC
	Program Income: Loan Repayments/Interest
2,661,290	Sub-Total CDBG Funds
1,323,652	HOME Investment Partnership Program (HOME)
<u>135,000</u>	Entitlement Grant M-20-DC
	Program Income
1,458,652	Sub-Total HOME Funds
497,342	Other Program Funds
	General Fund HFF Program Income/Fund Balance
191,617	Emergency Solutions Grant Program E-20-MC
<u>2,409,880</u>	Continuum of Care/State ESG
3,098,839	Sub-Total Other Program Funds
7,218,781	Total FY21 Budget Appropriations

### Prior Year Fund Budget Commitments

	CARRY-OVER FUNDS
250,000	CDBG
610,000	HOME
175,000	Housing Finance Fund
<u>700,000</u>	G.O. Bonds
1,735,000	Sub-Total Prior Year Appropriations
8,953,781	Total FY21 Programmatic Resources

## PROJECTED EXPENDITURES/COMMITMENTS (SPEND PLAN)

2,854,132	RESIDENTIAL REHABILITATION
1,532,752	Rehabilitation
200,000	Emergency Repair
16,000	Architect. Barrier Removal/Handicap Asst.
0	Investor/Multi-Family Rehab
100,000	Rehab Hazard Reduction
1,005,380	Program Operations
1,293,120	HOUSING PRODUCTION/HOMEOWNERSHIP
300,000	Buy-Rehab/Acquisition-Rehab Loans
244,120	Home Buyer Assistance
380,000	Single-Family Production
170,000	Multi-Family Production
0	Infrastructure Improvements
199,000	HOME CHDO Activities
3,082,947	HOMELESS/TRANSITIONAL HOUSING
240,000	Tenant Based Rental Assistance
2,651,330	Transitional Housing/Supportive Services
191,617	Homeless Shelter Improvements/Prevention
250,000	ECONOMIC SELF SUFFICIENCY
184,500	Business/Commercial Loans
500	Business/Contractor Education
65,000	Construction Training
148,242	Property Maintenance/Disposition
550,000	Redevelopment Acquisition/Clearance
439,700	Public Service/Subrecipient Activity
95,310	Planning, Training, Program Admin/Non-Profit Capacity Dev
240,330	Cost Allocation/GF Admin Reimbursement
0	Section 108 Loan Repayments
8,953,781	TOTAL PROJECTED USE OF FUNDS



EXHIBIT 3 HOUSING AND COMMUNITY DEVELOPMENT REVENUE AND EXPENDITURE ALLOCATIONS: FY 2020-2021 (CDY 46)									
DESCRIPTION	FY21 Spend Plan	FY21 Budget Appropriation	FFY20 CDBG	CDBG Prog Inc	FFY20 HOME	HOME Prog Inc	CoC/ESG	HFF Prog Inc	Prior-Year
<b>RESIDENTIAL REHAB</b>									
NRSA: Owner, TURN	1,283,642	433,642	96,000	105,590	152,052	80,000			850,000
Citywide Rehab: Owner	130,000	130,000			130,000				
Emergency Repair	200,000	200,000	200,000						
Handicapped Asst.	16,000	16,000	8,000		8,000				
Multi-Family/Investor Rehab	0	0							
Rehab Hazard Reduction	100,000	100,000	50,000		50,000				
Program Operations	978,910	898,910	625,910	97,000	80,000			96,000	80,000
Forsyth County Rehab/Operations	145,580	145,580			145,580				
<b>HOUSING STIMULATION/ HOME OWNERSHIP</b>									
Home Buyer Assistance	244,120	169,120			169,120				75,000
Buy-Rehab/Acquisition-Rehab	300,000	0							300,000
Single-Family Production	380,000	0							380,000
Multi-Family Production	170,000	170,000			170,000				
Infrastructure Improvements	0	0							
HOME CHDO Activities	199,000	199,000			199,000				
<b>ECONOMIC SELF-SUFFICIENCY</b>									
Business Loans	184,500	184,500	52,500	132,000					
Business Training	500	500		500					
Construction Training Program	65,000	65,000	65,000						
<b>OTHER ACTIVITIES</b>									
Property Maintenance/Disposition	148,242	148,242	61,200					87,042	
Redevelopment Acquisition/Clearance	550,000	500,000	500,000						50,000
Public Service Activities	439,700	439,700	91,750	76,200				271,750	
Homeless: ESG/Transitional/TBRA	3,082,947	3,082,947	190,500	18,400	185,000	55,000	2,409,880	32,550	
Non-Profit Capacity Dev/Training	50,310	50,310	30,000	20,310					
Planning/Training/Administration	45,000	45,000	20,000		15,000			10,000	
Cost Allocation/GF Admin Reimbursement	240,330	240,330	220,430		19,900				
Section 108 Loan Repayment	0	0							
<b>TOTAL ALLOCATION</b>	<b>8,953,781</b>	<b>7,218,781</b>	<b>2,211,290</b>	<b>450,000</b>	<b>1,323,652</b>	<b>135,000</b>	<b>2,409,880</b>	<b>497,342</b>	<b>1,735,000</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 Exhibit 3, 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
- Choice Neighborhoods Implementation Grant activities, if the grant is awarded to HAWS and the City.

During FY20, the City paid off its Section 108 loans by placing the total outstanding loan balance – in a lump sum – with a HUD-designated trustee who will make the annual payments directly to HUD, known as defeasance. The City had been using CDBG funds for loan payments but will no longer have to as defeasing the loans will deem them paid in full.

### 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, since they are considered to benefit low- and moderate-income persons. Expenditures for planning and administration are projected to be 11.6% 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.

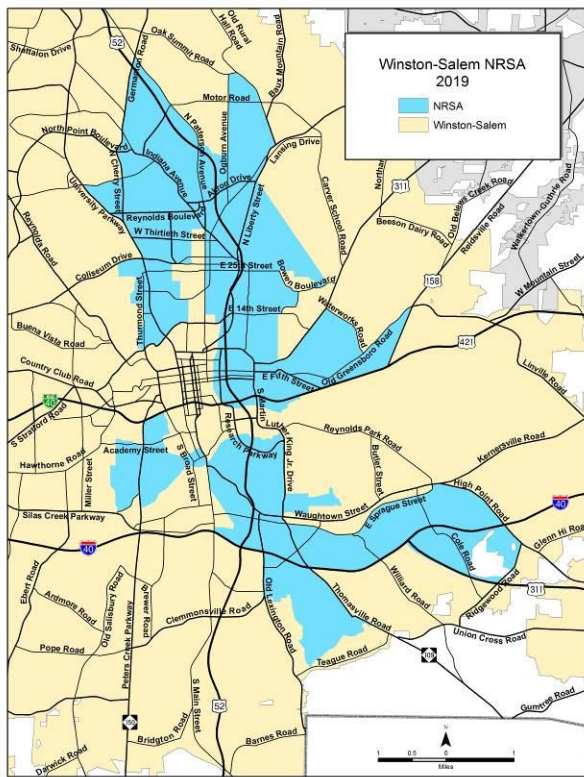
#### Calculation of Estimated Low and Moderate Income Benefit

• Projected Expenditures Subject to Program Benefit Rules	2,670,860
• Project Expenditures Principally Benefiting Low- and Moderate-Income Persons	2,609,660
• Projected Percent Benefit to Low- and Moderate-Income Persons (which exceeds the 70% minimum CDBG requirement)	97.7%

## Neighborhood Revitalization Strategy Area (NRSA)

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, the City of Winston-Salem submitted a new NRSA as part of the 2019-2023 Consolidated Plan. While waiting for HUD to review and approve the new NRSA, HUD released new low- and moderate-income summary data in February 2019. The City submitted two Revitalization Strategies that comply with the new data, and HUD approved them on July 2, 2019. Each 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;
- 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.



Each 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.

Goals and objectives for each NRSA are outlined in the strategies for NRSA-North and NRSA-South.

## 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 2019. 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 \$1,323,652 of new grant funds, \$264,700 is allocated to Forsyth County, in accordance with the provisions of the Consortium Agreement, and \$1,058,952 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 \$1,152,492.58 in program income. The program activities and expenditures to be derived from FFY20 HOME funds, prior year carryover/reprogrammed funds, and program income, are as follows:

730,052	Rehab: Owner, Rental and Hazard Reduction
430,000	First-Time Homebuyer Assistance/Construction
170,000	Multi-Family Production
240,000	Tenant-Based Rental Assistance
<u>199,000</u>	CHDO Set-Aside: New Construction (15.0% FFY 20 Grant)
1,769,052	Sub-Total City Program Activities
119,100	Single-Family Owner Rehab
<u>119,120</u>	First-Time Homebuyer Assistance
238,220	Sub-Total County Program Activities
26,470	County Program Admin (10% County Allocation)
<u>34,900</u>	City Training, Admin, and Indirect Cost (3.3% City Allocation)
61,370	Sub-Total (4.6% of FFY 20 Grant)
2,068,652	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 FY21 are projected to total \$54,338 from Forsyth County and participating municipalities, \$100,000 from general obligation bonds for the TURN program, 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, currently \$161,000 for existing housing and \$238,000 for newly constructed housing. The City projects to assist up to 25 homeowners during FY21.

### **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 forgivable after ten consecutive years of owner-occupancy. The program is funded with local and HOME funds, and the City projects to assist approximately 4 homebuyers during FY21. Program policies are included in Appendix C.

### **CHDO Set-Aside**

The FFY20 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.

### **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 rehabilitation Tax Credit project approved in a prior year is under construction and scheduled to be completed in FY21.



House in Glenn Oaks

## Forsyth County Programs

The County’s mission is to provide affordable housing opportunities for eligible low to moderate-income Forsyth County residents by effectively utilizing 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 Area 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) Community Partners Loan Pool (CPLP) funds, and private bank fund contributions. The assistance will be in the form of deferred repayment down payment loans, and funds under the IDA program will be provided as a \$2,000 grant to match the required savings of \$1,000 by the home buyer. The County’s HOME loans and the NCHFA/CPLP loans are deferred until the first mortgage is paid in full, due upon sale of the property, when there is a cash-out refinance, or when the home is no longer occupied by the HOME-assisted buyer as their principle residence. 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 during the “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 \$167,740 in HOME funds available for use in rehabilitating 10 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 HOME funded projects for comprehensive rehab are expected to have an average funding of \$20,000 per household.

The County's Community and Economic Development Department will include other rehabilitation funds as they become available, including locally derived municipal/county match, 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. Owner occupants under URP will be provided with a deferred loan up to \$10,000 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. Households located outside of the Winston Salem city limits, with annual incomes up to 80% of area median income, may be eligible for services through ESFR funding, with up to \$30,000 available in assistance per eligible household.

### **Matching Funds**

It is anticipated that the County will provide up to \$42,338 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 typically 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 35 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 \$191,617 will be used to provide for the operational needs of five emergency shelters and street outreach (60% of funds) and for rapid re-housing and data management in a homeless management information system (HMIS) (40% of funds). No funds will be used for administration. 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