

City Council – Action Request Form

Date: May 13, 2024

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

From: Aaron King, Assistant City Manager
Shantell McClam, Neighborhood Services Director

Council Action Requested:
Review and approve the FY25 Consolidated Housing and Community Development Program and the Proposed 2024-2025 Annual Plan Submission of the Consolidated Housing and Community Development Plan (CHCD) to the U.S. Department of Housing and Urban Development (HUD)

Strategic Focus Area: Livable Neighborhoods
Strategic Objective: No
Strategic Plan Action Item: No
Key Work Item: No



Summary of Information:
The Winston-Salem/Forsyth Housing Consortium is currently completing the first year of its 2024-2028 Consolidated Housing and Community Development Plan. This Council Action contains the proposed Annual Plan for the second year of the five-year plan (2024-2025). Normally the Annual Plan is due to HUD no later than May 15th. However, submission has been delayed this year because Congress was late passing the government’s budget. The Annual Plan will be submitted to HUD no later than June 30, 2024.

The City’s Federal Fiscal Year (FFY) 2024 allocation for Community Development Block Grant (CDBG) is \$2,021,331 (a 0.3% decrease (\$-5,383)), \$1,207,605 (a 17.8% decrease (\$-261,168)) in HOME Investment Partnership (HOME), \$178,127 (a 1.9% decrease (\$-3,522)) in Emergency Solutions Grant (ESG), and \$846,384 (a 1.8% increase (\$14,7822)) in Housing Opportunities for Persons with AIDS (HOPWA) funds, for an overall allocation decrease of -5.7%. The City will receive \$990,605 of the HOME funds and the County \$217,000. The City expects to receive \$2,746,359 in Continuum of Care funds, on behalf of local agencies providing homeless program services beginning in April 2025. The City also expects to receive \$211,889 in additional ESG funds from the State of North Carolina during FY25.

Committee Action:

Committee	CD/H/GG	Action	Approved
For	Unanimous	Against	

Remarks:

Level funding in CDBG, ESG and HOPWA entitlement funds and a large decrease in HOME entitlement funds still provide opportunities for funding projects. The results are: 1) consistent funding for public service and homeless programs; 2) maintaining services to persons living with HIV/AIDS; and 3) adequate funding for single-family production, homebuyer assistance, and multifamily housing commitments. The budget maintains appropriations for the rehabilitation program and for financial and technical assistance to small businesses. Special project and financing commitments for FY25 are summarized as follows:

- Choice Neighborhoods Initiative (CNI) - The City is committing \$500,000 in CDBG funds per year for six years. FY25 is the fifth year of the commitment. Funds will be used for demolition, land clearance and publicly owned infrastructure in support of the development of affordable housing.

Multifamily housing production and programs for the homeless have become forefront categories of program activity relative to allocation of funds. Financing is in place to meet homeowner rehabilitation and first-time homebuyer demand as well as activity projected to take place in scattered site infill locations to be developed by Habitat for Humanity and other approved community development corporations (CDCs) and developers. A decrease in HOME funds would be applied to multifamily rental housing.

Subgrantee agency requests are being finalized for funding consideration as a part of the City's annual budget review process. A review committee reviewed and rated proposals.

The **Neighborhood Revitalization Strategy Area (NRSA)** is a way to target CDBG resources in support of community revitalization efforts and also offers flexibility with certain regulations. According to a HUD Notice issued in 2016, the maximum term for an NRSA is five years from the date HUD approves the strategy. The City submitted two Revitalization Strategies – NRSA-North and NRSA-South – as part of the FY20 CHCD, and HUD approved them on July 2, 2019. Since the strategies will expire on July 2, 2024, the City of Winston-Salem is submitting the two Revitalization Strategies for HUD review and approval, updating the information and with minor additions to the areas using low- and moderate-income summary data released by HUD in July 2023.

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. The City also consults with the Continuum of Care and its providers to discuss potential changes to homeless assistance programs, including the best use of Emergency Solutions Grant and Continuum of Care funds.

This Annual Plan was prepared with public input, relative to needs, obtained through public hearings on January 18, 2024 and April 23, 2024 and an ongoing series of consultations with supportive service providers, advocacy groups and coordinating bodies. Notices for these meetings were published in *The Chronicle* and the *Winston-Salem Journal* and on the City's website and social media. Citizen comments and questions expressed at the public hearings were the process for obtaining funding from the City, progress on permanent supportive housing and

affordable housing, better neighborhood engagement and investment in neighborhoods, and accessory dwelling units.

The 2024-2025 Consolidated Housing and Community Development Annual Plan complies with all federal submission requirements as well as the CDBG, ESG, and HOPWA statutory requirements for local entitlement communities and the HOME program for Consortia. Attached are an appropriate resolution, the proposed Annual Plan revenue and expenditure projections and program summary, and a summary of comments and responses from the two public hearings.

The full draft Annual Plan will be posted on the City's website for public review and comment beginning May 16, 2024 at <https://www.cityofws.org/2823/Planning-and-Reporting>.