

## City Council – Action Request Form

**Date:** May 20, 2019

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

**From:** Marla Y. Newman, Community Development Director

**Council Action Requested:**

Review and approve the FY20 Consolidated Housing and Community Development Program and the Proposed 2019-2020 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:** Expand Housing Assistance Programs

**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 2019-2023 Consolidated Housing and Community Development Plan. This Council Action contains the proposed Annual Plan for the second year of the five-year plan (2019-2020). Program activities in this plan represent the continuation of ongoing programs and previously approved project activities as well as the appropriation of funds to initiate other recommendations contained in the 2019-2023 Five-Year Plan. The Annual Plan is due to HUD no later than June 12, 2019.

Federal Fiscal Year (FFY) 2019 allocations are: Community Development Block Grant (CDBG) funds of \$2,180,746, a 1.5% decrease from the current year; HOME Investment Partnership (HOME) funds of \$1,270,660, a 7.8% decrease, of which the City will receive \$1,029,160 and the County \$241,500; and Emergency Solutions Grant (ESG) funds of \$187,896, a 5.7% increase. The City expects to receive \$2,226,000 in Continuum of Care funds, on behalf of local agencies providing homeless program services beginning in the fourth quarter of the FY20 program year.

**Committee Action:**

	Finance 5/20/19		
<b>Committee</b>	CDHGG 5/21/19	<b>Action</b>	Approval
<b>For</b>	Unanimous	<b>Against</b>	

**Remarks:**

## **2019-2020 CHCD Annual Plan**

Program activities in this plan represent the continuation of ongoing programs and previously approved project activities as well as the appropriation of funds to initiate other recommendations contained in the 2019-2023 Five-Year Plan. Decreases in CDBG and HOME funds as well as projected stable program income 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 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. One-time, special projects and financing commitments for FY20 are summarized as follows:

- Up to \$80,496 to Experiment in Self-Reliance for rehabilitation at Fifth Street Apartments, which provides permanent housing for chronically homeless, disabled individuals. Assistance is anticipated as a deferred/forgiven loan.
- Up to \$87,150 to Experiment in Self-Reliance for rehabilitation at Spring Street Apartments, which provides permanent housing for low-income individuals and families. Assistance is anticipated as a deferred/forgiven loan.
- Up to \$42,800 to Experiment in Self-Reliance for rehabilitation 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 \$3,228,106, or 35.9%, 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) and developers. Local funds will be used to continue to assist the Individual Development Account (IDA) program.

Subgrantee agency requests are being finalized for funding consideration as a part of the City's annual budget review process. Review committees reviewed and rated proposals. A list of recommendations, on which the CHCD Annual Plan budget is based, is attached.

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 HUD guidance, the City must submit a new NRSA because of the age of the existing one. In addition, HUD reviewed the existing NRSA during its monitoring visit in April 2018 and identified a Concern that the size of the Winston-Salem NRSA is too large. The City 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 is submitting two Neighborhood Revitalization Strategies, an NRSA – North and an NRSA – South, which are included as appendices in the CHCD Plan. The North area focuses on the northeastern region of the city and the South area on the south-central and southeastern region of the city. Per the guidance, the areas comply with the new data, and the proposed accomplishments focus on housing and economic opportunity, meaning job creation. HUD will review the Strategies separately and may request changes to the maps, activities and accomplishments before it approves one or both. A separate Council item is being presented to approve the boundaries of the two NRSAs.

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 obtained through two public hearings on October 10, 2018 and March 14, 2019, a public meeting on February 28, 2019 on proposed Opportunity Zones (OZs) and the Neighborhood Revitalization Strategy Area (NRSA), 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*. Citizen comments expressed at the public hearings were on housing repairs for seniors and the status of a duplex on North Cherry Street.

The 2019-2020 Consolidated Housing and Community Development Annual Plan complies with all federal submission requirements as well as the CDBG and ESG statutory requirements for local entitlement communities and the HOME program for Consortia. Attached are an appropriate resolution and the proposed Annual Plan revenue and expenditure projections and program summary.

The full draft Annual Plan is posted on the City's website for public review and comment beginning May 2, 2019 at <http://www.cityofws.org/departments/community-and-business-development/planning/reports>.