

City Council – Action Request Form

Date: April 20, 2020

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 Approving the Fiscal Year 2020-2021 Housing and Community Development Program and Authorizing Submission of the 2020-2021 Annual Plan to the U.S. Department of Housing and Urban Development

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 second year of its 2019-2023 Consolidated Housing and Community Development Plan. This Council Action contains the proposed Annual Plan for the third year of the five-year plan (2020-2021). 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 May 15, 2020.

Federal Fiscal Year (FFY) 2020 allocations are: Community Development Block Grant (CDBG) funds of \$2,211,290, a 1.4% increase from the current year; HOME Investment Partnership (HOME) funds of \$1,323,652, a 4.2% increase, of which the City will receive \$1,058,952 and the County \$264,700; and Emergency Solutions Grant (ESG) funds of \$191,617, a 2.0% increase. The City expects to receive \$2,200,000 in Continuum of Care funds, on behalf of local agencies providing homeless program services beginning in the fourth quarter of the FY21 program year.

Committee Action:

Committee

Action

For

Against

Remarks:

2020-2021 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. 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 housing 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 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.

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 their recommendations, on which the CHCD Annual Plan budget is based, is attached.

The 2020-21 Annual Action Plan includes the following:

- The Housing Authority of the City of Winston-Salem (HAWS) and the City of Winston-Salem 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 E. 25th St., Patterson Ave., E. 3rd St., and Cleveland Ave., File St., Dunleith Ave. and Jackson Ave. Funds may be used for single-family and multifamily housing, small business development, streets and infrastructure. Funds for the first year are included in the Annual Plan budget. HUD expects to announce grant awards in April 2020. If HAWS and the City are not successful, the CDBG funds will be used for eligible rehabs and other housing production activities and programs.
- Update homebuyer assistance policies to consolidate similar programs and make the assistance forgivable after ten years of continuous owner-occupancy. Currently, the assistance must be repaid on sale or transfer of the home, when the home is no longer owner-occupied, or payoff of the first mortgage has occurred.
- Update of the Citizen Participation Plan to provide the ability to hold public hearings and other meetings for the consolidated planning process on a virtual platform.

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 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. 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 on housing affordability and the City's plan to address it, the status of the City's TURN program and the HAWS/City Choice Neighborhoods Implementation Grant application, and information on issuing Housing Choice Vouchers.

The 2020-2021 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 April 9, 2020 at <https://www.cityofws.org/170/Annual-Action-Plans>.