

City Council – Action Request Form

Date: July 6, 2020

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

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

Council Action Requested:
Resolution Authorizing Application Submission For North Carolina Cares Act Grant Funds, Acceptance Of Cares Act Grant Funds, Execution Of Agreements With North Carolina Department Of Health And Human Services, And Execution Of Agreements With Local Homeless Service Provider Agencies.

Strategic Focus Area: Livable Neighborhoods
Strategic Objective: Expand Housing Assistance Programs
Strategic Plan Action Item: No
Key Work Item: No



Summary of Information:

On June 15, 2020, the North Carolina Department of Health and Human Services published notice of an allocation of \$712,943 in non-entitlement NC ESG-CV1 funds for the Winston-Salem and Forsyth County area. The City of Winston-Salem is the collaborative applicant for local agencies for these funds. Community Development Department staff are undertaking a process to obtain proposals from local agencies for the NC ESG-CV1 funds.

On June 22, 2020, the North Carolina Department of Health and Human Services issued its Request for Applications (RFA) for NC ESG-CV1 funds and will accept requests for up to \$712,943 from Winston-Salem agencies. The state's RFA requests that Housing Stability activities, such as rapid re-housing and homelessness prevention be prioritized at 60% of funding. The balance of 40% in funds may be allocated to crisis response activities such as emergency shelter and street outreach.

Committee Action:

Committee		Action	
For		Against	
Remarks:			

The NC-ESG-CV1 applications are due to the state on July 17, 2020. The funding process described more fully in Exhibit 1 “Funding Process,” utilizing the CoC Rating Panel, Operating Cabinet and Commission on Ending Homelessness, will be used to select applications for submission to the state for funding consideration.

Table 1 below shows a projected allocation of NC-ESG-CV1 funding. The final amounts may vary after project selection, depending on applications received from local agencies and selected through the state’s funding process. The project allocations shown will satisfy the state’s requirement that at least 60% of funds are allocated to housing stability activities.

Table 1: NC ESG-CV1 Projected Allocations	
ACTIVITY	NC ESG-CV 1Amount
Emergency Shelter Operations and Services	\$285,177
Rapid Re-housing	\$285,177
Homelessness Prevention	\$142,589
Total	\$712,943

Additional Requirements

All projects selected for funding will be required to participate in the Homeless Management Information System (HMIS) which is required by HUD for projects assisting homeless persons. HMIS is used for performance measurement and reporting to HUD and the state.

ESG-CV1 Funding

Prior to notice of the NC ESG-CV1 funds, on April 2, 2020, the U.S. Department of Housing and Urban Development (HUD) announced CARES Act funding allocations for Winston-Salem, including \$660,748 in ESG-CV1 funds and \$1,300,830 in CDBG-CV1 funds. On May 18, 2020, the Mayor and City Council approved a resolution authorizing acceptance of these CARES Act grant funds and execution of agreements with local agencies to provide services and assistance to homeless persons using a portion of the funds. Agreements were executed with HUD for the funds on June 24, 2020.

To date, the \$660,748 in ESG-CV1 funds and \$299,250 of the CDBG-CV1 funds have been allocated to local agencies as shown below in Table 2. The selection of programs and projects to be funded was accomplished using the process established in the Governance Charter of the Winston-Salem/Forsyth County Continuum of Care (CoC), described in Exhibit 1 as “Funding Process”.

Table 2: Initial CARES Act Allocations to Agencies				
Agency	Activity	Amount	Funding Source	Total by Agency
United Way	Rapid Re-housing Financial Assistance Fund	470,748	ESG	785,998
	Diversion Financial Assistance Fund	160,250	CDBG	
	Prevention Financial Assistance Fund	100,000	ESG	
	Diversion Screening (2-1-1)	55,000	CDBG	
Bethesda Center	Permanent Supportive Housing Case Management	45,000	CDBG	135,000
	Rapid Re-housing Case Management	45,000	ESG	
	Shelter Case Management	45,000	ESG	
City With Dwellings	Diversion Outreach Specialist	39,000	CDBG	39,000
	TOTAL	959,998		959,998

Additional Allocations of CARES Act Funding

On June 9, 2020, HUD announced an additional award of ESG-CV2 funds to the City of Winston-Salem in the amount of \$2,047,257. During the month of July, the Community Development Department will issue a Request for Proposals to seek projects to use the ESG-CV2 and the \$1,001,580 balance of the CDBG-CV1 funds to assist persons experiencing homelessness and meet supportive housing needs in the community. The same funding process for selecting programs and projects for ESG-CV1 and CDBG-CV1 funding will be employed. Funding recommendations resulting from this process will be submitted to the Mayor and City Council for consideration.

Upon approval of the Mayor and City Council for the ESG-CV2 funding allocations, the City will prepare and submit to HUD a Substantial Amendment to the Consolidated Housing and Community Development Plan. Upon HUD's acceptance of the Substantial Amendment, HUD will issue a funding agreement to the City of Winston-Salem. Following its execution, agreements will be executed with agencies.

A summary of all CARES Act funding and other funding to address homelessness is provided in Exhibit 2.

Funding Priorities

The HUD funding programs have a number of eligible activities. Table 3 below shows the priority for use of funding from the available sources. The priorities are based on needs identified by Continuum of Care partner agencies and City staff. Prioritization to meet these needs is consistent with the CoC's Strategic Plan.

Table 3: Priority for Allocation of CARES Act Funds		
Source	Amount	Priorities
CARES Act CDBG-CV1	\$1,001,580	<ul style="list-style-type: none"> • Permanent Supportive Housing
CARES Act ESG-CV2	\$2,047,257	<ul style="list-style-type: none"> • Rapid Re-Housing • Homelessness Prevention • Shelter Renovation/Conversion
CARES Act NC ESG-CV1	\$712,943	<ul style="list-style-type: none"> • Shelter Essential Services • Shelter Operations • Rapid Re-Housing • Homelessness Prevention

Funds are eligible to be used for both permanent housing and shelter activities. Permanent housing activities include Permanent Supportive Housing (PSH), rapid re-housing and homelessness prevention. Permanent Supportive Housing is housing with long-term services and assistance for homeless persons with disabilities. Rapid re-housing provides short- and/or medium-term financial assistance, accompanied by case management. Homelessness prevention provides financial assistance and supportive services to assist persons in avoiding homelessness.

Emergency shelter essential services includes services such as case management and housing search and placement assistance. Shelter operations includes costs to operate emergency shelter including maintenance, facility rent, security, fuel, equipment, insurance, utilities, food and furnishings. Where no appropriate emergency shelter is available for a homeless family or individual, eligible shelter operations costs may also include a hotel or motel voucher for that family or individual. Funds also can be used for shelter renovation or to convert a building into an emergency shelter.

Action Request

The accompanying resolution authorizes the City Manager to submit an application to the State of North Carolina for Emergency Solutions Grant (ESG) funds under the Coronavirus Aid, Relief and Economic Security Act (CARES Act), execute funding agreements with the state, negotiate and execute agreements with agencies in the amounts determined through the funding process, and submit periodic progress reports to the state.

Exhibit 1

Funding Process

The selection of programs and projects to be funded will be accomplished using the process established in the Governance Charter of the Winston-Salem/Forsyth County Continuum of Care (CoC). Under this process, projects first are reviewed by the CoC Rating Panel, which develops funding recommendations. The second step is to present the funding recommendation to the CoC Operating Cabinet for comments. Next, the funding recommendations are presented to the Winston-Salem/Forsyth County Commission on Ending Homelessness for its approval of the funding recommendation, which is subject to approval of the City of Winston-Salem. Further description of these groups and the process are provided below.

The CoC Rating Panel is comprised of citizens appointed by the CoC Operating Cabinet in a process facilitated by the Community Development Department. Six of the seven current Rating Panel members are citizen volunteers recruited from the list of graduates of the City of Winston-Salem University. The seventh member, serving in an ex officio capacity, is the chair of the Continuum of Care. Rating Panel members serve three-year terms and select a chair and vice chair to serve one-year terms.

The Panel's funding recommendations are presented to the CoC Operating Cabinet for comments. The Operating Cabinet is elected by the CoC's general membership and is comprised of 36 representatives. Because the Operating Cabinet includes agencies that are funded with HUD funds or seeking funding, the Operating Cabinet reviews the funding recommendations and provide comments, but has no authority to approve or reject the funding recommendations.

After CoC Operating Cabinet review, the funding recommendation and any comments obtained are presented to the Winston-Salem/Forsyth County Commission on Ending Homelessness. The Commission is comprised of sixteen voting commissioners. Five commissioners are appointed by the City Council, upon the recommendation of the Mayor. Five commissioners are appointed by the County Commissioners. Five commissioners are nominated by the Operating Cabinet of the Continuum of Care and are subject to recommendation for appointment by the City. The Mayor and the Chairperson of the County Commissioners appoint the chairperson of the Commission. To avoid any conflicts of interest, no member of the Winston-Salem/Forsyth County Commission on Ending Homelessness may participate in or influence discussions or resulting decisions concerning the award of a grant or other financial benefits to an organization that the member represents as a staff person or board member.

The funding recommendations resulting from the CoC process are subject to approval of the City of Winston-Salem. Also, funding awards to agencies will be subject to the City receiving awards of ESG-CV and CDBG-CV funds from HUD that are required to support the selected projects.

Exhibit 2

Table 1: Funding to Address Homelessness and COVID-19 Response				
Grant Type	Award Date	Amount	Uses/Activity Descriptions*	Notes
CARES Act ESG - 1	4/2/2020	\$660,748	<ul style="list-style-type: none"> • Rapid Re-Housing** • Homelessness Prevention • Shelter Services 	2
CARES Act CDBG	4/2/2020	\$1,300,830	<ul style="list-style-type: none"> • Permanent Supportive Housing** • Homelessness Diversion • Emergency Shelter 	3
CARES Act ESG - 2	6/9/2020	\$2,047,257	<ul style="list-style-type: none"> • Rapid Re-Housing** • Homelessness Prevention** • Shelter Services** • Shelter Operations** • Street Outreach • Shelter Renovation/Conversion** 	1, 5
NC CARES Act ESG	6/15/2020	\$712,943	<ul style="list-style-type: none"> • Rapid Re-Housing** • Homelessness Prevention** • Shelter Services • Shelter Operations 	1
FY2020 CoC	Pending	\$2,235,705	<ul style="list-style-type: none"> • Rapid Re-Housing • Permanent Supportive • Homeless Management Information System • Coordinated Entry System • Transitional Housing/Rapid Re-Housing 	1, 2, 4
FY2020 NC ESG	Pending	\$224,339	<ul style="list-style-type: none"> • Rapid Re-Housing • Shelter Operations • Homeless Management Information System 	1, 2, 4
Local Funds/FEMA	N/A	\$700,000	<ul style="list-style-type: none"> • Shelter for the Medically Fragile (Hotel) 	2

Notes:

1. The HUD or State funding agreement is pending.
2. All funds have been committed to programs.
3. A portion of funds have been committed to programs.
4. These grants are regular annual allocations as opposed to CARES Act funds.
5. The City will set aside a portion for certain essential services.

*Please see Exhibit 2 - Table 2 for detailed Use/Activity Descriptions.

**Activities of focus for priority

Table 2: Detailed Use/Activity Descriptions	
Uses	Description
Rapid Re-Housing	Rental assistance and arrears, security and utility deposits, utility payments and services such as housing search and placement and case management. Targeted to homeless persons.
Homelessness Prevention	Rental assistance and arrears, security and utility deposits, utility payments and services such as housing search and placement and case management. Targeted to persons at imminent risk of homelessness.
Emergency Shelter	Services, rehabilitation, conversion and operations.
Permanent Supportive Housing	Rental assistance, leasing costs, operations and supportive services such as housing search and placement and case management. Targeted to homeless individuals with disabilities.
Shelter Services	Housing search and placement, case management, child care, education, employment assistance and job training, health services, legal services, life skills training, mental health services, substance abuse treatment and transportation. Targeted to homeless persons in emergency shelters.
Shelter Operations	Maintenance (including minor or routine repairs), rent, security, fuel, equipment, insurance, utilities, food, furnishings, hotel/motel vouchers and supplies necessary for the operation of the emergency shelter. Used to support emergency shelters.
Street Outreach	Engagement, case management, emergency health and mental health services and transportation. Targeted to unsheltered homeless persons.
Homeless Management Information System	Software and services for the information system required by HUD for funded agencies.
Shelter Renovation or Conversion	Improvements to a building, either an existing emergency shelter or converting a building into an emergency shelter.
Housing Production	Labor and materials to create additional housing units.
Coordinated Entry System	Staff and operational costs of the system required by HUD to perform intake, assessment and referral of homeless persons to programs funded by HUD.