

# Consolidated Housing and Community Development Plan 2024-2025 Annual Plan

Winston-Salem/Forsyth County Housing Consortium  
June 30, 2024



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# 2024-2025 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), Emergency Solutions Grant (ESG), and Housing Opportunities for Persons with AIDS (HOPWA) 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 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, ESG, and HOPWA 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 2022. As the Town of Walkertown has exercised its “right not to participate” and withdrawn from the Consortium, the Consortium consists of the City of Winston-Salem, Forsyth County, and the cooperating municipalities of Bethania, Clemmons, Kernersville, Lewisville, Rural Hall, and Tobaccoville.

The 2024-2025 Annual Plan represents the second year of the 2024-2028 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 2024-2025 Annual Plan

The City’s allocation of CDBG grant funds is \$2,021,331, a \$5,383 decrease; \$1,207,605 in HOME funds, a \$261,168 decrease; \$178,127 in ESG funds, a \$3,522 decrease; and \$846,384 in HOPWA funds, a \$14,782 increase; for an overall allocation decrease of 5.7%. The City will receive \$9,990,605 of the HOME funds, and the County \$217,000. The City will receive an additional \$2,746,359 in Continuum of Care funds on behalf of local agencies providing homeless program services beginning in April 2024. The City also expects to receive \$211,889 in additional ESG funds from the State of North Carolina during FY25.



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.

## AVAILABLE RESOURCES

Identified financial resources include:

- CDBG, HOME, ESG, and HOPWA 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;
- Remaining balance of CDBG funds under the Coronavirus Aid, Relief and Economic Security Act (CARES Act);
- Remaining balance of HOME-ARP funds; 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, FY25 Activity and Funding Sources, identifies the projected expenditure of these resources during FY25 in general program categories.

FY25 Activity and Funding Sources							
ACTIVITY	TOTAL	FEDERAL SOURCES (New Appropriations)				LOCAL	Prior Year Funds
		CDBG/PI	HOME/ PI	ESG/CoC	HOPWA	HFF	
Housing Rehab and Operations	3,029,496	1,598,491	594,005			167,000	670,000
Neighborhood Dev: Acq-Clearance	666,885	61,200				105,685	500,000
Housing Production/ Infrastructure	966,400		393,400				573,000
Homebuyer Assistance	95,300		95,300				
Economic Dev/Self-Sufficiency	145,000	145,000					
Public Services/Homeless Assist	4,930,599	343,690	240,000	3,136,375	846,384	274,150	90,000
Planning/Training, Capacity/Other	387,850	347,950	34,900			5,000	
<b>TOTAL</b>	<b>10,221,530</b>	<b>2,496,331</b>	<b>1,357,605</b>	<b>3,136,375</b>	<b>846,384</b>	<b>551,835</b>	<b>1,833,000</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, ESG or HOPWA 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 performance and investment goals identified in the Five-Year and Annual Plans centers on five community goals, each with supporting strategies and programs.

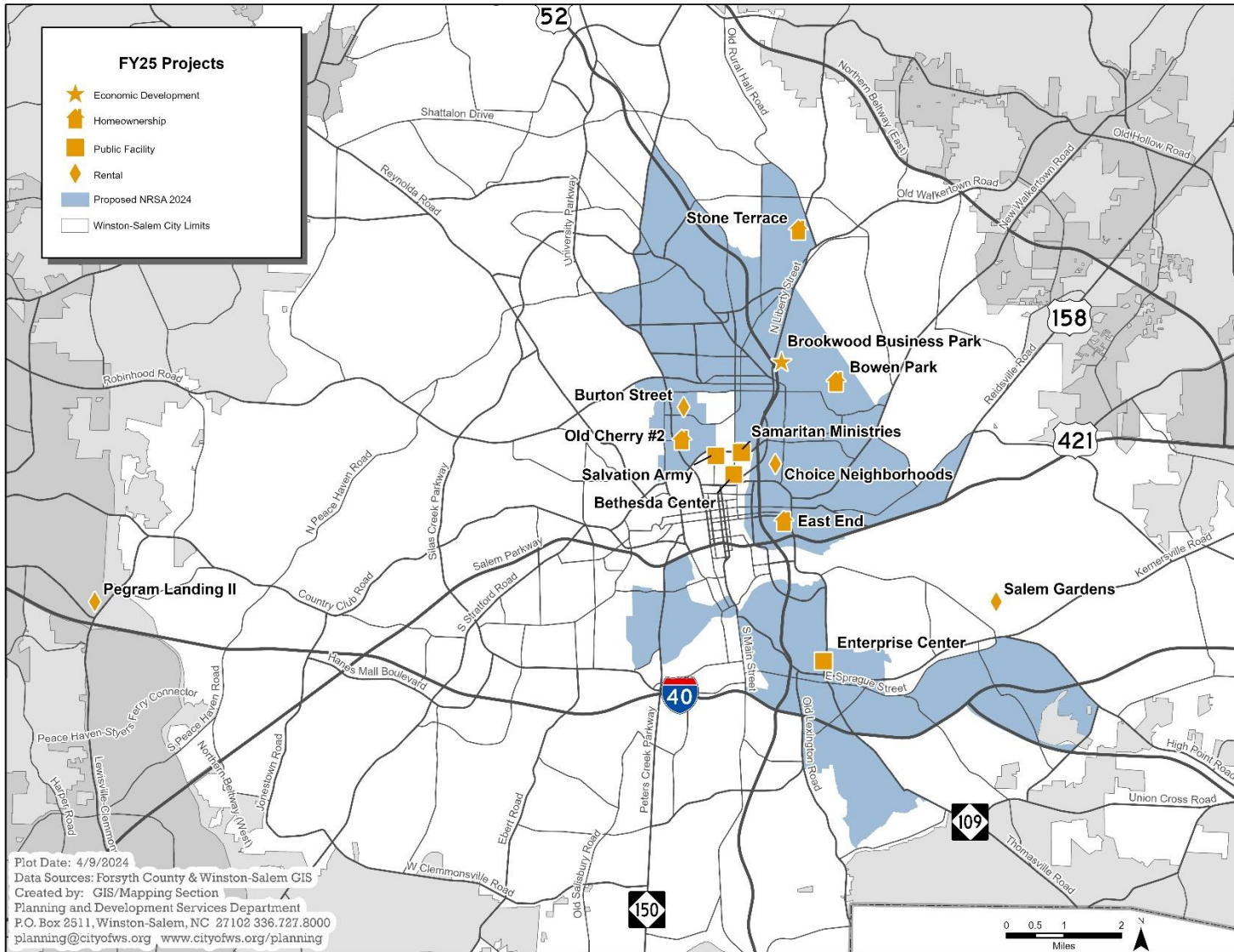
The goals are:

- Neighborhood Revitalization and Housing Conservation,
- Housing Production and Neighborhood Development,
- Expanding Access and Opportunities,
- Expanding Economic Opportunities, and
- Expanding Coordination and Accountability.

Objective/Outcomes			
		Obj.	# Units
New Construction	Owner	DH-2	36
	Rental	DH-2	70
Rehab/Repair	Owner	DH-2	60
	Rental	DH-2	151
Existing	Owner	DH-2	15
	Rental	DH-2	260
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 FY25 is provided in the table, FY25 Summary of Housing Completions. The map, FY25 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 housing assessments. The Annual Plan reflects implementation of adopted neighborhood 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 ongoing and evolving as elements are often refined in implementation.

A 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 Input Meeting

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. The Consolidated Housing and Community Development Plan was adopted by the City Council on May 6, 2024 and submitted to HUD by June 30, 2024.

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 platforms, 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 May 16, 2024 and ending June 14, 2024. Comments may be submitted to [hcsd@cityofws.org](mailto:hcsd@cityofws.org).

Appendix D also 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 Neighborhood Services 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: 2024-2025 STRATEGY IMPLEMENTATION

This 2024-2025 Action Plan represents the second year of the five-year planning period of the 2024-2028 Consolidated Plan. The budgets contained herein reflect estimated Federal Fiscal Year (FFY) 2024 grant allocations for the CDBG, HOME, ESG, and HOPWA programs and projected program income for CDBG and HOME. HOME funds are allocated to the Winston-Salem/Forsyth Housing Consortium.

<b>Exhibit 1 FY25 HUD Entitlement Programs</b>			
	Amount	Amount Change	% Change
<b>Entitlement Funds</b>			
CDBG	\$2,021,331	\$-5,383	-0.3%
HOME	\$1,207,605	\$-261,168	-17.8%
ESG	\$178,127	\$-3,522	-1.9%
HOPWA	\$846,384	\$14,782	1.8%
Total Entitlement	\$4,253,447	\$-255,291	-5.7%
<b>Program Income</b>			
CDBG	\$475,000	\$25,000	5.5%
HOME	\$150,000	\$0	0%

Level funding in CDBG, ESG and HOPWA entitlement funds and a large decrease in HOME entitlement has resulted in an overall decrease in entitlements funds. Funding for core programs is maintained. The results are: 1) consistent funding for subgrantee program operations; 2) maintaining funding for homeless programs and services to persons living with HIV/AIDS; and 3) adequate funding for single-family production, homebuyer assistance, and multifamily housing commitments.

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, rapid re-housing, and street outreach during FY25.

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 FY25 by goal. Exhibit 2, which follows this section, outlines the strategies and implementing programs to be undertaken during FY25, including the source of funds and projected accomplishments.

## **Goal 1: Neighborhood Revitalization and Housing Conservation**

*Continue Choice Neighborhoods Implementation (CNI) grant initiative; rehabilitate single-family and multi-family housing; target neighborhood services; provide physical improvements in neighborhoods; and use vacant and abandoned properties for affordable housing.*

The Housing Authority of the City of Winston-Salem (HAWS) and the City have been awarded a HUD 2019 Choice Neighborhoods Implementation (CNI) 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. Construction of Phase 1, consisting of 81 units of rental housing for families



on the former Brown Elementary School site, now known as the Brown School Lofts, is complete, and the property is leasing up. Demolition in Phases 2 and 3, the first section of Cleveland Avenue Homes to be redeveloped, is expected to be completed in FY24, and construction will start during FY25. A homeowners façade improvement program is under way in the CNI area.

Single-family, owner-occupied rehab and emergency repair will play a limited role due to staff shortages at the City. 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. Forsyth County will operate a homeowner rehab program in the Winston-Salem city limits. Infill development in the East End Revitalization Area will continue. Habitat for Humanity will continue neighborhood revitalization initiatives in the Bowen Park, Northeast Ward, and Boston Thurmond areas to include purchasing vacant lots to construct houses for sale to eligible homeowners. It will also assist the Housing Authority of Winston-Salem to complete the Happy Hill Gardens HOPE VI project by constructing 13 single-family homes in the project area. Historic preservation is included.

The City has committed \$3,000,000 in HOME funds and General Obligation Bond funds for the rehabilitation of Salem Gardens Apartments, consisting of 150 units of rental housing for families. The project is under construction and expected to be completed during FY25.

## **Goal 2: Housing Production and Neighborhood Development**

*Support home ownership by lower income households; subsidize single- and multi-family housing production for lower income households and persons with special housing needs.*

The City's focus on affordable housing will increase both single-family and multi-family housing production in 2024-25. Infill development will continue in the Northeast Ward. 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 construction in the Stone Terrace subdivision and continue to work in the the Northeast Ward and Bowen Park/Dreamland area. The City will continue to pursue development of land it has acquired and in City-assisted subdivisions as economic conditions permit. Additionally, the Individual Development Account (IDA) program is ongoing.



Brown School Lofts (CNI Phase 1)

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 the County, as the City program is currently inactive. 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.

The City has committed HOME funds to four multifamily rental developments. The construction of 81 units of rental housing for families in CNI Phase 1 completed construction during FY24 using \$500,000 of HOME funds and is leasing up. The City has committed \$500,000 to Pegram Landing II, consisting of 60 units of rental housing for families in Lewisville, NC. The project is under construction and expected to be completed during FY25. The City has approved \$500,000 in HOME funds for Phase 2 of the Choice Neighborhoods Initiative, which will consist of 72 units of multifamily rental housing for families. The \$1,000,000 in HOME funds approved for The Flats at Peters Creek has been replaced with local funds due to issues with completing the environmental review. The project, which involves the construction of 62 units of multifamily rental housing for families, is under construction and expected to be completed during FY25.

### **Goal 3: Expanding Access and Opportunities**

*Meet the housing and service needs of homeless individuals and families; coordinate the community's efforts to meet the needs of the homeless; expand equal access to housing for all member of the community; 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 permanent supportive housing, rapid re-housing activities and coordinated intake and assessment. The Continuum of Care (CoC) process continues to be refined in light of HEARTH, with an assessment of the Continuum of Care system completed in FY23 as the strategic guidance for decision-making. FY25 resources include one-year renewal funds from the Continuum of Care Federal FFY23 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 (ESG) funds, and rental assistance. Funds to continue support of CoC system coordination are also included.

The City will continue to use CDBG funds under the CARES Act (CDBG-CV funds) to help prevent the loss of permanent housing due to the economic impact of the COVID-19 pandemic by providing rent, utility, and/or mortgage assistance on behalf of eligible clients.

The City became a Housing Opportunities for Persons with AIDS (HOPWA) entitlement grantee effective July 1, 2021. Program funds are being used to provide health care and housing services to clients who are living with HIV.

The City has been awarded \$4,887,567 in HOME-ARP funds to provide housing, services, and shelter to individuals experiencing homelessness and other vulnerable populations. Their use will focus on rental housing, including permanent supportive housing, and supportive services. The City will provide operating cost assistance for Burton Street Apartments as permanent supportive housing.

### **Goal 4: Expanding Economic Opportunities**

*Expand entrepreneurial development; foster employment training opportunities; encourage revitalization of neighborhood commercial areas.*

Objectives for FY25 are: (1) to approve four new small business loans leading to job creation and investment in the Neighborhood Revitalization Strategy Area (NRSA) and low- to moderate- income

areas; (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 small business owners and 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.



Enterprise Center

Brookwood Business Park currently has three tenants: (1) a city-county joint firearms training facility, (2) GLAS, and (3) Coombs Wholesale Produce Company. GLAS (now Precision for Medicine), a biogenetics company, purchased a City-built spec building, and Coombs purchased two lots from the City to build a warehouse and distribution facility. Each created jobs and additional capital investment in the NRSA. A site plan of the next phase of development has been completed. Continued focus of FY25 will be directed toward marketing of the business park as well as exploring the development of additional sites. S.G. Atkins CDC has secured funding to increase the size of the Enterprise Center shared-use, licensed commercial kitchen.

Small business development activities include: 1) continue subcontractor opportunities in city construction projects and federally funded housing programs, 2) conduct the Small Business Training program, 3) conduct another round of a Business Plan Contest, and 4) continue involvement in the entrepreneurial ecosystem supporting enterprises. 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; systematically evaluate and assess 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 Needs Assessment, Center for Community Progress assessment, ForEveryoneHome assessment, and HomeBase assessment of the Continuum of Care. The City will renew the Neighborhood Revitalization Strategy Area (NRSA) and participate in Forward 2045, the update to the City/County comprehensive 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 FY25. Fund Sources are Community Development Block Grant (CDBG), HOME Investment Partnership (HOME), Emergency Solutions Grant (ESG), Continuum of Care (CoC), Housing Opportunities for Persons with AIDS (HOPWA), Local, such as Housing Finance Fund and General Obligation Bonds, and Other Federal, such as other federal grants received by the City or County. OBJ are 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).

<b>Exhibit 2: WINSTON-SALEM/FORSYTH HOUSING CONSORTIUM FY24 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	Implement Choice Neighborhoods Implementation (CNI) Grant Initiative				
Programs:	Pre-development, Site Preparation, Housing Construction	DH-3	CDBG, HOME, Other Federal	1	Public Fac./Imp.
Strategy 1.2	Rehabilitate Single-Family Homes Owned by Lower-Income Households				
Programs:	Neighborhood Revitalization Strategy Area (NRSA) Rehabilitation	DH-2	CDBG, HOME, Local	20	Housing Units
	Citywide Rehabilitation	DH-2	HOME, Local	6	Housing Units
	Emergency Repair/Urgent Repair	DH-2	CDBG	24	Housing Units
	Physical Accessibility	DH-2	CDBG, HOME	5	Housing Units
	Hazard Reduction and Interim Controls	DH-2	CDBG, HOME	15	Housing Units
	County Rehabilitation	DH-2	HOME, Other Federal	10	Housing Units
Strategy 1.3	Rehabilitate Multi-Family and Single-Family Substandard Rental Housing				
Programs:	Rental/Investor Rehabilitation, including hazard reduction	DH-2	CDBG	1	Housing Units
	Large-Scale Multi-Family Rental Rehabilitation, including hazard reduction	DH-2	CDBG, HOME, Local	150	Housing Units
Strategy 1.4	Neighborhood Services	SL-3	CDBG	4,700	Persons
Strategy 1.5	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 1.6	Use Vacant and Abandoned Properties for Infill Development of Affordable Housing				
Programs:	Infill Redevelopment, 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	30	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
	Land Acquisition, Housing Development	DH-2	Local	2	Housing Units
Strategy 2.3	Subsidize Affordable Rental Housing Production				
	Rental Housing Production	DH-2	HOME, Local	60	Housing Units
	Permanent Supportive Housing Production	DH-2	CDBG, CoC, Local	10	Housing Units
<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, HOPWA	260	Households
	Supportive Services	SL-1	CDBG, CoC	175	Persons
	Coordinated Intake	SL-1	CDBG, CoC	200	Persons
	Emergency and Transitional Shelter Facilities	SL-1	ESG, CDBG	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	N/A	N/A	N/A	N/A
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, HOPWA, Other Public Services	SL-1	CDBG, HOPWA, Local	3,575	Persons
<b>GOAL 4: EXPANDING ECONOMIC OPPORTUNITIES</b>					

Strategy 4.1	Expand Entrepreneurial Development				
Programs:	Small Business Loan Program	EO-1	CDBG	4	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:	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 Commercial Ares (RCA)	EO-3	Local	1	Businesses
<b>GOAL 5: EXPAND COORDINATION AND ACCOUNTABILITY</b>					
	Implement Needs Assessments, Strengthen Coordination, Partnerships, and Strengthen Accountability	N/A	N/A	N/A	N/A

# PART C: PROJECTED REVENUES AND EXPENDITURES

## PROJECTED REVENUES/FUND RESOURCES

### FY25 Budget Appropriations

	Community Development Block Grant (CDBG)
2,021,331	Entitlement Grant B-24-MC
<u>475,000</u>	Program Income: Loan Repayments/Interest
2,496,331	Sub-Total CDBG Funds
	HOME Investment Partnership Program (HOME)
1,207,605	Entitlement Grant M-24-DC
<u>150,000</u>	Program Income
1,357,605	Sub-Total HOME Funds
	Other Program Funds
551,835	General Fund HFF Program Income/Fund Balance
178,127	Emergency Solutions Grant Program E-24-MC
2,958,248	Continuum of Care/State ESG
<u>846,384</u>	Housing Opportunities for Persons with AIDS (HOPWA) NCH24F
4,534,594	Sub-Total Other Program Funds
8,388,530	Total FY25 Budget Appropriations

### Prior Year Fund Budget Commitments

	PRIOR-YEAR FUNDS
830,000	CDBG
703,000	HOME
0	HOME-ARP
0	Housing Finance Fund
<u>300,000</u>	G.O. Bonds ARPA, State ARPA???
1,833,000	Sub-Total Prior Year Appropriations
10,221,530	Total FY25 Programmatic Resources

## PROJECTED EXPENDITURES/COMMITMENTS (SPEND PLAN)

3,029,496	RESIDENTIAL REHABILITATION
	1,372,966 Rehabilitation
	205,000 Emergency Repair
	10,000 Architect. Barrier Removal/Physical Accessibility
	0 Investor/Multi-Family Rehab
	45,000 Rehab Hazard Reduction
	1,396,530 Program Operations
1,061,700	HOUSING PRODUCTION/HOMEOWNERSHIP
	0 Acquisition-Rehab Loans
	95,300 Home Buyer Assistance
	0 Single-Family Production
	700,000 Multi-Family Production
	0 Infrastructure Improvements
	266,400 HOME CHDO Activities
4,477,449	HOMELESS/TRANSITIONAL HOUSING
	240,000 Tenant Based Rental Assistance
	3,212,938 Transitional Housing/Supportive Services
	178,127 Homeless Shelter Improvements/Prevention
	846,384 HOPWA
145,000	ECONOMIC SELF SUFFICIENCY
	145,000 Business/Commercial Loans
	0 Business/Contractor Education
166,885	Property Maintenance/Disposition
500,000	Redevelopment Acquisition/Clearance
453,150	Public Service/Subrecipient Activity
30,000	Planning, Training, Program Admin/Non-Profit Capacity Dev
357,850	Cost Allocation/GF Admin Reimbursement
10,221,530	TOTAL PROJECTED USE OF FUNDS



EXHIBIT 3 HOUSING AND COMMUNITY DEVELOPMENT REVENUE AND EXPENDITURE ALLOCATIONS: FY 2024-2025 (CDY 50)										
DESCRIPTION	FY25 Spend Plan	FY25 Budget Appropriation	FFY24 CDBG	CDBG Prog Inc	FFY24 HOME	HOME Prog Inc	FFY24 HOPWA	CoC/ESG	HFF Prog Inc	Prior-Year
RESIDENTIAL REHAB										
NRSA: Owner, TURN	772,966	472,966	58,861	141,800	177,305	95,000				300,000
Citywide Rehab: Owner	100,000	100,000			50,000					50,000
Emergency Repair	205,000	105,000	105,000							100,000
Physical Accessibility	10,000	10,000	5,000		5,000					
Multi-Family/Investor Rehab	0	0								
Rehab Hazard Reduction	45,000	45,000	30,000		15,000					
Program Operations	1,224,830	1,104,830	785,830	72,000	80,000				167,000	120,000
Forsyth County Rehab/Operations	671,700	571,700	250,000	150,000	171,700					
HOUSING STIMULATION/ HOME OWNERSHIP										
Home Buyer Assistance	95,300	95,300			95,300					
Acquisition-Rehab	0	0								
Single-Family Production	0	0								
Multi-Family Production	700,000	200,000			200,000					500,000
Infrastructure Improvements	0	0								
HOME CHDO Activities	266,400	193,400			193,400					
ECONOMIC SELF-SUFFICIENCY										
Business Loans	145,000	145,000		145,000						
Business Training	0	0								
OTHER ACTIVITIES										
Property Maintenance/Disposition	166,885	166,885		61,200					105,685	
Redevelopment Acquisition/Clearance/CNI	500,000	0								500,000
Public Service Activities	453,150	453,150	179,000						274,150	
Homeless: ESG/Transitional/TBRA	4,477,449	4,387,449	129,690	35,000	185,000	55,000	846,384	3,136,375		90,000
Non-Profit Capacity Dev/Training	0	0								
Planning/Training/ Administration	3,139,897	3,139,897	3,139,897	3,139,897	3,139,897				5,000	
Cost Allocation/GF Admin Reimbursement	357,850	357,850	322,950	15,000	19,900					
TOTAL ALLOCATION	10,221,530	8,388,530	2,021,331	475,000	1,207,605	150,000	846,384	3,136,375	551,835	1,833,000

# PART D: CDBG, HOME, ESG, AND HOPWA 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 Areas (NRSA), including physical 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, case management and other public services
- Planning and administration
- Choice Neighborhoods Implementation Grant activities.

The City will continue to use CDBG-CV funds to assist low- and moderate-income persons to prepare for, prevent, and respond to coronavirus.

### 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 HUD Secretary with adjustments for smaller and larger families. Expenditures for planning and administration and repayment of 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 15.3% of the grant plus projected program income. Expenditures for public services are projected to be 12.2% of the grant plus projected prior-year program income. The only activity the City funds that does not benefit low- and moderate-income persons is property maintenance and disposition.

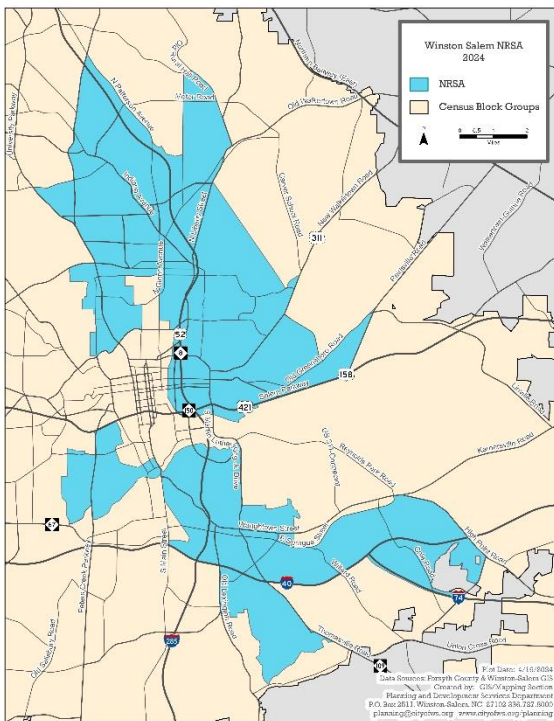
#### Calculation of Estimated Low and Moderate Income Benefit

• Projected Expenditures Subject to Program Benefit Rules	2,978,381
• Project Expenditures Principally Benefiting Low- and Moderate-Income Persons	2,917,181
• Projected Percent Benefit to Low- and Moderate-Income Persons (which exceeds the 70% minimum CDBG requirement)	97.9%

## Neighborhood Revitalization Strategy Area (NRSA)

The Neighborhood Revitalization Strategy submitted pursuant to Notice CPD-96-01 was approved by HUD on July 17, 2000 and recertified in FY 2004, FY 2009, and FY 2016. 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 (LMISD) in February 2019. The City submitted two Revitalization Strategies that comply with the new data, and HUD approved them on July 2, 2019. Since they expire on July 2, 2024, the City is submitting the two Revitalization Strategies with minor additions to the areas using LMISD data released by HUD in July 2023 and updating the information. 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 at least the required minimum percentage of low- and moderate-income residents as defined by the CDBG regulations and reflected in the accompanying map.

The City of Winston-Salem is submitting the two Revitalization Strategies, updating the information and with minor additions to the areas using LMISD data released by HUD in July 2023, for HUD review and approval. 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 the cooperating municipalities of the County consisting of Bethania, Clemmons, Kernersville, Lewisville, Rural Hall, and Tobaccoville. The Consortium has been renewed every three years, most recently in spring 2022; however, the Town of Walkertown withdrew from the Consortium. 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 \$1,207,605 of new grant funds, \$217,000 is allocated to Forsyth County, in accordance with the provisions of the Consortium Agreement, and \$990,605 is allocated to the City of Winston-Salem with an additional \$150,000 in program income. The amount of program income, repayments, and recaptured funds in the HOME local account on the submission date is \$1,706,389.03 in program income. The program activities and expenditures to be derived from FFY24 HOME funds, prior year carryover/reprogrammed funds, and program income, are as follows:

	<u>City</u>
552,305	Rehab: Owner, Rental and Hazard Reduction
50,000	First-Time Homebuyer Assistance/Construction
700,000	Multi-Family Production
240,000	Tenant-Based Rental Assistance
<u>266,400</u>	CHDO Set-Aside: New Construction (16.0% FFY 24 Grant)
2,208,873	Sub-Total City Program Activities
	<u>County</u>
150,000	Single-Family Owner Rehab
<u>45,300</u>	First-Time Homebuyer Assistance
195,300	Sub-Total County Program Activities
	<u>Administration</u>
21,700	County Program Admin (10% County Allocation)
<u>34,900</u>	City Training, Admin, and Indirect Cost (2.9% City Allocation)
56,600	Sub-Total (4.7% of FFY 24 Grant)
2,060,605	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, from unrecouped private sector contributions to one Community Housing Development Organization (CHDO) for home ownership units, and from City funds for homeowner rehabilitation in designated TURN areas. HOME match funds for FY25 are projected to total \$66,105 from Forsyth County and participating municipalities, \$50,000 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, generally 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 applications and other information by contacting a loan officer at the City or County.

### **Single-Family Rehab**

The City provides direct and forgivable 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 \$230,000 for existing housing and \$271,000 for newly constructed housing. The City projects to assist up to 5 homeowners during FY25.

### **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. The program is currently inactive due to staff shortages; however, approximately 5 homebuyers purchasing homes in City-assisted subdivisions during FY25 may receive assistance through the County. Program policies are included in Appendix C.

### **CHDO Set-Aside**

The FFY24 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



House in Glenn Oaks

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. One new construction development totaling 60 units is projected to be completed and one rehabilitation development totaling 150 units will be under construction during FY25.

## **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 30 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 (IDA), 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 grant funds under the IDA program. Forsyth County provides IDA program graduates with a \$2,000 grant as a match. IDA program graduates are required to save a minimum of \$2,000 and complete a curriculum focusing on Financial Literacy, Credit Counseling and Homebuyer Readiness/Preservation. The repayment terms of 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 principal residence. It is estimated that each household will be provided with an average of UP TO \$50,000 or 25% of the Sales Price, whichever is less, in financial assistance.

### *Period of Affordability*

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

- Under \$15,000
- Between \$15,000 and \$40,000

#### Period of Affordability

- 5 years
- 10 years

- Over \$40,000

15 years

### **Single-Family Owner Rehab**

The County anticipates having \$293,800 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. The HOME funded projects for comprehensive rehab are expected to have an average funding of \$40,000 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, Duke Energy High Energy Usage Program matching funds, 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 \$12,000 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 \$40,000 available in assistance per eligible household. Households residing in the Winston-Salem city limits, as well as in the unincorporated areas of the County with household incomes below 200% Federal Poverty Guidelines, may be eligible for services through the County's matching funds for the Duke Energy High Energy Usage Pilot Program, with up to \$15,000 available in assistance per eligible household.

### **Matching Funds**

It is anticipated that the County will provide up to \$56,105 in local matching funds with \$10,000 derived from county cooperating municipalities.

### **Code Enforcement**

The County enforces its minimum housing code in unincorporated areas and participating municipalities outside the Winston-Salem city limits. Inspections are typically initiated by a citizen complaint process, and the number of complaints is increasing.

### **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 who demonstrate housing instability in obtaining 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.

## HOME American Rescue Plan (HOME-ARP)

The Winston-Salem/Forsyth County Housing Consortium was awarded \$4,887,567 in HOME Investment Partnership funds through the American Rescue Plan (HOME-ARP funds) to provide housing, services, and shelter to individuals experiencing homelessness and other vulnerable populations. The HOME-ARP Allocation Plan was submitted September 30, 2022 and has been accepted by HUD. The plan priorities are permanent housing, including permanent supportive housing, and supportive services attached to housing. The estimated total number of HOME-ARP units in rental housing through the grant period is 48, and the estimated number of HOME-ARP TBRA units is six units. The City will provide operating cost assistance for Burton Street Apartments as ten units of permanent supportive housing.

## 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 estimated entitlement funds in the amount of \$178,127 will be used to provide for the operational needs of five emergency shelters (51.5% of funds) and for rapid re-housing and data management in a homeless management information system (HMIS) (48.5% of funds). No funds will be used for administration. State ESG funds will be used for shelter operations at four emergency shelters, street outreach, rapid re-housing, 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

## HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA) PROGRAM

The City of Winston-Salem became an entitlement grantee of the HOPWA program effective July 1, 2021, covering Forsyth, Davie, Davidson, Stokes, and Yadkin Counties. HOPWA

provides housing assistance and related supportive services to meet the housing needs of low-income persons and their families living with HIV/AIDS. Housing services are to include tenant based rental assistance, which provides an eligible client with a unit that is subsidized, and short-term rental assistance, which is assistance paid to a landlord or utility company to prevent an individual from becoming homeless. Housing programs will consist of housing referrals, tenant counseling, and costs associated with locating housing, including application fees, credit check expenses, and first month's rent.

HOPWA estimated entitlement funds in the amount of \$846,384 will be used to provide short-term rent, mortgage, and utility assistance payments, tenant-based rental assistance, associated housing programs, and administration. No funds will be used to provide permanent or transitional housing developed, leased, or operated with HOPWA funds. A Project Sponsor to carry out these activities was selected through the City's annual request for proposal process, which was open to community and faith-based organizations. The program is expected to serve approximately 60 clients with tenant-based rental assistance, 25 clients with short-term rent, mortgage and utility assistance, and 100 clients with supportive services.