

City Council – Action Request Form

Date: May 9, 2022

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

From: Patrice Toney, Assistant City Manager
Marla Y. Newman, Community Development Director

Council Action Requested:

Resolution Approving the FY 23 Housing and Community Development Program and Authorizing Submission of the 2022-2023 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 fourth year of its 2019-2023 Consolidated Housing and Community Development Plan. This Council Action contains the proposed Annual Plan for the fifth year of the five-year plan (2022-2023). 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, 2022.

Since HUD has not published Federal Fiscal Year (FFY) 2022 allocations, the budget in this plan is based on current-year amounts for Community Development Block Grant (CDBG), HOME Investment Partnership (HOME), Emergency Solutions Grant (ESG), and Housing Opportunities for Persons with AIDS (HOPWA) funds: CDBG funds of \$2,168,157; HOME funds of \$1,348,537, of which the City will receive \$1,065,337 and Forsyth County \$283,200; ESG funds of \$188,585; and HOPWA funds of \$710,304. The City expects to receive \$2,677,000 in Continuum of Care funds, on behalf of local agencies providing homeless program services beginning in April 2023. The City also expects to receive \$211,400 in additional ESG funds from the State of North Carolina during FY23.

Committee Action:

Committee	CDHGG 5/10/22	Action	Approval
For	Unanimous	Against	

Remarks:

Estimated flat funding of entitlements funds and projected modest increases in CDBG and HOME program income provide opportunities for funding projects. The results are: 1) consistent funding for public service and homeless programs; 2) maintaining new services to persons living with HIV/AIDS; and 3) adequate funding for single-family production and homebuyer assistance. The budget maintains appropriations for the rehabilitation program and for financial and technical assistance to small businesses. Special projects and financing commitments for FY23 are summarized as follows:

- Choice Neighborhoods Initiative (CNI) - The City is committing \$500,000 in CDBG funds per year for six years. FY23 is the third year of the commitment. Funds will be used for clearance and publicly owned infrastructure in support of the development of affordable housing.
- The City will provide HOME funds toward Phase 2 of the Choice Neighborhoods Initiative. Phase 2 involves the construction of 72 units of multifamily rental housing for families.

Housing rehabilitation is the forefront category of program activity, relative to the allocation of funds, totaling \$3,132,464, or 30.7%, of total projected expenditures. Financing is in place to meet first-time 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. An increase in HOME funds would be used for multifamily rental housing. A decrease in CDBG funds would be applied to contingency or homeowner rehab.

Since 2022-2023 is the fifth year of the 2019-2023 Five-Year Plan, funding is in place to undertake planning activities in preparation for the upcoming five-year period, such as:

- Preparation of the 2024-2028 Consolidated Plan
- Renewal of the Neighborhood Revitalization Strategy Area (NRSA) as required by HUD Notice
- Fair housing planning, to be determined based on HUD guidance

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.

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 October 19, 2021 and April 26, 2022 held virtually 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 the Choice Neighborhoods Initiative and the availability of affordable rental housing.

The 2022-2023 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 and the proposed Annual Plan revenue and expenditure projections and program summary.

The full draft Annual Plan will be posted on the City's website for public review and comment beginning May 19, 2022 at <https://www.cityofws.org/2906/Annual-Action-Plan>.