

City Council – Action Request Form

Date: November 1, 2017

To: The City Manager

From: D. Ritchie Brooks, Community Development Director

Council Action Requested:

Adoption of a Resolution Authorizing the City of Winston-Salem to be a co-applicant in the Submission of a U. S. Department of Housing and Urban Development 2017 Choice Neighborhoods Implementation Grant Application with the Housing Authority of Winston-Salem.

Strategic Focus Area: Livable Neighborhoods
Strategic Objective: Improve Character and Condition of Neighborhoods
Strategic Plan Action Item: No
Key Work Item: No



Summary of Information:

The Housing Authority of Winston-Salem (HAWS) is applying, again, for a \$30,000,000 Choice Neighborhoods Implementation Grant from the U.S. Department of Housing and Urban Development (HUD). In 2013, HAWS was awarded a Choice Neighborhoods Planning Grant from HUD which was used to develop a Transformation Plan for the Cleveland Avenue Corridor, but was not awarded a \$30,000,000 Choice Neighborhoods Implementation Grant in 2016. Should HAWS be awarded the grant, funds would be used to begin implementation of the Transformation Plan that was developed after award of the Choice Neighborhoods Planning Grant in 2013.

The Choice Neighborhoods Grant Program requires the City and HAWS to submit a joint application. The following are the components of the application that will require City action: First, adopt a Resolution and sign the grant application agreeing to participate as a joint-applicant (no change from last year’s request). The co-applicant signs the grant agreement along with the applicant and is jointly responsible for implementing the activities in the Transformation Plan. The grant requires that the local government of jurisdiction serve as the co-applicant in the event that it is not the lead applicant.

Committee Action:

Committee	Finance 11/13/17 CD/H/GG 11/14/17	Action	Forwarded without recommendation
For	Unanimous	Against	
Remarks:			

Second, execute a letter (drafted by the Housing Authority and revised without limitation by the City) outlining the City's capability to serve as the "Neighborhood Lead" in the event that the grant is awarded. The "Neighborhood Lead" is the entity responsible for overseeing the "community improvement" projects that get funded through the grant – for example, streetscape modification, park rehab and development, etc. (no change for last year's request).

Third, execute a HUD Certificate of Consistency form acknowledging the Cleveland Avenue Corridor's consistency with the Consolidated Plan (no change for last year's request).

The following are other "optional" City actions that are not a requisite for submission, but would garner additional points and make the grant more competitive: First, evidence of expenditure in the previous three years, or firm commitments, within the grant area in the amount of \$20MM or more. Second, Commitment of \$500,000 (1 point) or \$1.5 MM (2 point) of CDBG funds or Section 108 financing to activities within the grant area. The commitments must run over the life of the grant term, which will be from July 2018 through July 2024.

The following are possible uses of funds, but are not limited to those listed, that were included in last year's request:

- Financing for commercial and economic development projects;
- Neighborhood business façade improvement programs;
- Place-making projects;
- Neighborhood broadband;
- Revolving loan funds for business attraction and retention;
- Streetscape improvements above and beyond the city's norm;
- Programs to improve housing in the neighborhood surrounding the target housing subject of the grant application; and
- Acquisition of underutilized land for new parks, community gardens or community facilities.

Funds to carry out the abovementioned activities can be secured from a variety of sources. City funding would only be committed in future budget years in the event that HAWS is awarded the grant.

HAWS emphasis that any commitments from the City would have no financial obligation in the absence of the grant award.

In addition to HAWS funding requests to the City, they advised that they are working with United Way to "monetize" the in-kind contribution of human service providers, which will count as leverage for purposes of the grant application, but they do not yet have a number to assign to that portion. Additionally, the housing component of the \$30MM grant will be leveraged with bank debt, tax-credits, developer equity contributions, etc. However, the additional housing funding sources are too speculative to be able to count as leverage in the grant application. It is anticipated that there will be other funding sources that will contribute to the overall impact of

the grant, but at this point there aren't any other groups that have dedicated a contribution of hard dollars.

Attachment: HAWS Letter to the City Requesting the City's Partnership