

City Council – Action Request Form

Date: April 10, 2023

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 FY24 Housing and Community Development Program and Authorizing Submission of the 2024-2028 Consolidated Housing and Community Development 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, and the City as the Lead Entity, is currently completing the fifth year of its 2019-2023 Consolidated Housing and Community Development Plan (CHCD). This Council Action contains a proposed new Five-Year Plan for the 2024-2028 period as well as the proposed Annual Plan for the first year of the new five-year plan (FY24). The City receives Community Development Block Grant (CDBG), Emergency Solutions Grant (ESG), and Housing Opportunities for Persons with AIDS (HOPWA) funds as an entitlement city while HOME Investment Partnership (HOME) funds are awarded to the Consortium for use countywide. Consequently, the needs identified in the CHCD Plan and the reporting of accomplishments to HUD are done on a countywide basis, with the exception of HOPWA funds, which may be used in Forsyth, Davie, Davidson, Stokes, and Yadkin Counties.

The CHCD Plan consolidates the assessment of need, program planning, fund requests, and performance reporting into an integrated, collaborative process. The Plan is based on a template and data provided by HUD, recent Census data, local data and local knowledge, and a community input process.

Committee Action:

Committee	<u>CDHGG/FIN 4-11</u>	Action	<u>Approval</u>
------------------	-----------------------	---------------	-----------------

For	<u>Unanimous</u>	Against	<u></u>
------------	------------------	----------------	---------

Remarks:

Highlights of the 2024-2028 Five-Year Plan

The 2024-2028 CHCD Plan retains the Goals of the current plan. The Strategies align with the uses of HUD funds and incorporate results of the community input process. The Goals and Strategies are as follows:

- Neighborhood Revitalization and Housing Conservation – Implementation of Choice Neighborhoods Initiative, owner-occupied housing rehabilitation programs, multifamily rental rehabilitation, assistance to neighborhoods, physical improvements to neighborhoods, vacant lots and abandoned properties for affordable housing.
- Housing Production and Neighborhood Development – homebuyer assistance, single-family housing production, multi-family housing production, permanent supportive housing production, land acquisition and housing development.
- Expanding Access and Opportunities – Housing and services for the homeless, coordination of funds and activities related to homelessness, fair housing, public services for economic self-sufficiency.
- Expanding Economic Opportunities – Entrepreneurial development, employment training opportunities, neighborhood commercial revitalization.
- Expand Coordination and Accountability – Implementation of needs assessments, coordination with planning and regional bodies, new NRSA, long-term affordability of housing units.

The following items are outstanding under the CHCD:

- Neighborhood Revitalization Strategy Area (NRSA). The NRSA is a way to target CDBG resources in support of community revitalization efforts and also offers flexibility with certain regulations. According to a HUD Notice issued in 2016, the maximum term for an NRSA is five years from the date HUD approves the strategy. Grantees with existing, active NRSAs at the beginning of a new consolidated plan cycle may submit the prior HUD-approved strategy with a statement that there has been no change in the strategy. In this case, HUD approval for the existing strategy is not needed a second time, but the NRSA designation will terminate at the end of the original five-year term. The City is submitting its two existing, HUD-approved strategies – NRSA-North and NRSA-South – with a statement that there are no changes as an appendix in the CHCD. Since the strategies will expire on July 2, 2024 and staff anticipates that HUD will release new low- and moderate-income summary data based on 2020 Census block groups in the coming year, a new NRSA strategy will be developed during FY24.
- Affirmatively Furthering Fair Housing (AFFH). The City of Winston-Salem, Forsyth County, and the Housing Authority of Winston-Salem (HAWS) completed an Assessment of Fair Housing (AFH) in 2017, HUD accepted it on November 21, 2017, and the expectation was to submit a new AFH with the Consolidated Plan. AFFH

requirements have been in flux for the last five years, and the current requirement is only that grantees certify that they will affirmatively further fair housing. Since HUD has published a proposal to change the regulations, the City, County and HAWS will continue to use the AFH until HUD's new regulations are final.

Highlights of the 2023-2024 Annual Plan

The City's allocation of CDBG grant funds is \$2,026,714 (a 1.9% decrease), \$1,468,773 (a 1.7% decrease) in HOME funds, \$181,649 in ESG funds (a 0.3% decrease), and \$831,602 in HOPWA funds (an 11.5% increase) for an overall allocation increase of 0.4%. The City will receive \$1,174,973 of the HOME funds, and the County \$293,800. The City will receive an additional \$2,607,200 in Continuum of Care funds on behalf of local agencies providing homeless program services beginning in the fourth quarter of the FY24 program year. The City also expects to receive \$212,360 in additional ESG funds from the State of North Carolina during FY24.

A modest reduction in CDBG and HOME entitlement funds and an increase in HOPWA entitlement funds 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 and homebuyer assistance. The budget maintains appropriations for the rehabilitation program and for financial and technical assistance to small businesses. Special project and financing commitments for FY24 are summarized as follows:

- Choice Neighborhoods Initiative (CNI) - The City is committing \$500,000 in CDBG funds per year for six years. FY24 is the fourth year of the commitment. Funds will be used for 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.

Subgrantee agency requests are being finalized for funding consideration as a part of the City's annual budget review process. A review committee reviewed and rated proposals.

The Development Process and Citizen Input

To obtain input on strategies for the Consolidated Plan, the City and County held a public hearing on October 20, 2022, conducted focused community input meetings on March 14 at Rupert Bell Recreation Center and March 15, 2023 at William R. Anderson Recreation Center, and held a community input meeting at the Forsyth County Central Library on March 15, 2023. Each focused community input meeting consisted of two sessions each hour for three hours covering the following topic areas: homeless services and prevention, housing, vulnerable populations, small business, community needs, and community services and facilities. All

sessions were facilitated discussions designed to determine what participants felt were the most pressing needs and what efforts Winston-Salem should undertake over the next five years to address them. A community needs and priorities survey was also used to gather public input into the goals and needs of the 2024-2028 Consolidated Plan.

A Public Hearing was held on March 23, 2023 to present the draft Annual Plan and Draft Five-Year Plan Summary and receive comments. Notices for all meetings were published in The Chronicle and the Winston-Salem Journal, advertised on TV-13 and on the City's web site and social media platforms. The full draft Annual Plan and Five-Year Plan are posted on the City's website for public review and comment beginning April 6, 2023 at <https://cityofws.org/fycp> and ending May 5, 2023.