

Consolidated Housing and Community Development Plan 2017-2018 Annual Plan

**Winston-Salem /Forsyth County Housing Consortium
August 16, 2017**



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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) and Emergency Solutions Grant (ESG) funds, and the combined city-county Winston-Salem/Forsyth Housing Consortium receives HOME Investment Partnership (HOME) funds.

The five-year CHCD plan, with annual action plan submissions, 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 integrate planning and implementation of related needs – infrastructure, environmental protection, fair housing, supportive services and economic growth coordinated with human development.
- To allocate resources addressing physical and support needs of the homeless and populations with special needs along the "continuum of care."
- To facilitate "bottom-up" planning, collaboration, and public-private community partnerships.
- To reduce paperwork, improve accountability and measurable 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 and ESG for local entitlement communities and the HOME program for Consortia. It is also consistent with the Consolidated Plan template introduced by HUD in summer 2012.

In 1992 the Winston-Salem/Forsyth Housing Consortium was formed 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 2016, and consists of the City of Winston-Salem, Forsyth County, and the cooperating municipalities of Bethania, Clemmons, Kernersville, Lewisville, Rural Hall, Tobaccoville and Walkertown.

The 2017-2018 Annual Plan represents the fifth year of the 2014-2018 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.

Highlights of the 2017-2018 Annual Plan

Since HUD has not published allocations for FY18, the City's estimated allocation of CDBG grant funds is \$1,996,684 (a 0.0% increase), \$948,577 (a 0.0% increase) in HOME funds, and \$177,368 in ESG funds (a 0.0% increase), for an overall allocation increase of 0.0%. The City will receive \$777,877 of the HOME funds, and the County \$170,700. The City will receive an additional \$2,560,300 in Continuum of Care funds on behalf of local agencies providing homeless program services beginning in the fourth quarter of the FY18 program year. The City also expects to receive \$195,316 in additional ESG funds from the State of North Carolina during FY18.



Estimated flat funding and projected stable program income has somewhat eased the challenges to funding projects. The results are: 1) consistent funding for subgrantee program operations; 2) stable funding for projects that assist the homeless; and 3) continued funding for single-family production and homebuyer assistance due to steady improvement in the housing market. The budget maintains appropriations for the rehabilitation program and for financial and technical assistance to small businesses. A one-time, special project and financing commitment for

FY18 is summarized below; however, the funding is contingent on the project not negatively affecting the CDBG Public Service Cap. This would be achieved either by the City receiving word from HUD that the project is eligible as a special economic development activity or the City being awarded a Youth Build grant, which would cover activities that otherwise would fall under the cap.

- Up to \$50,000 to IFB Solutions (formerly Winston-Salem Industries for the Blind) in support of modernizing its optical (eyeglass) manufacturing through the purchase of anti-reflective coating equipment. The organization projects creating ten jobs, including those for the blind. Assistance is anticipated as a deferred/forgiven loan.

Housing rehabilitation, including purchase-rehab, is the forefront category of program activity, relative to the allocation of funds, totaling \$3,639,451, or 37.8%, of total projected expenditures. Financing is in place to meet 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. A new five-year grant for the Individual

Development Account (IDA) program was secured in 2014, and the program will be in full operation in FY18.

AVAILABLE RESOURCES

Identified financial resources include the CDBG, HOME and ESG 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; and the remaining balance of general obligation bonds approved in 2014 and Housing Finance Funds (local). Program income projections are based on recent experience as reasonably anticipated to be available. The following table identifies the projected expenditure of these resources during FY18 in general program categories.

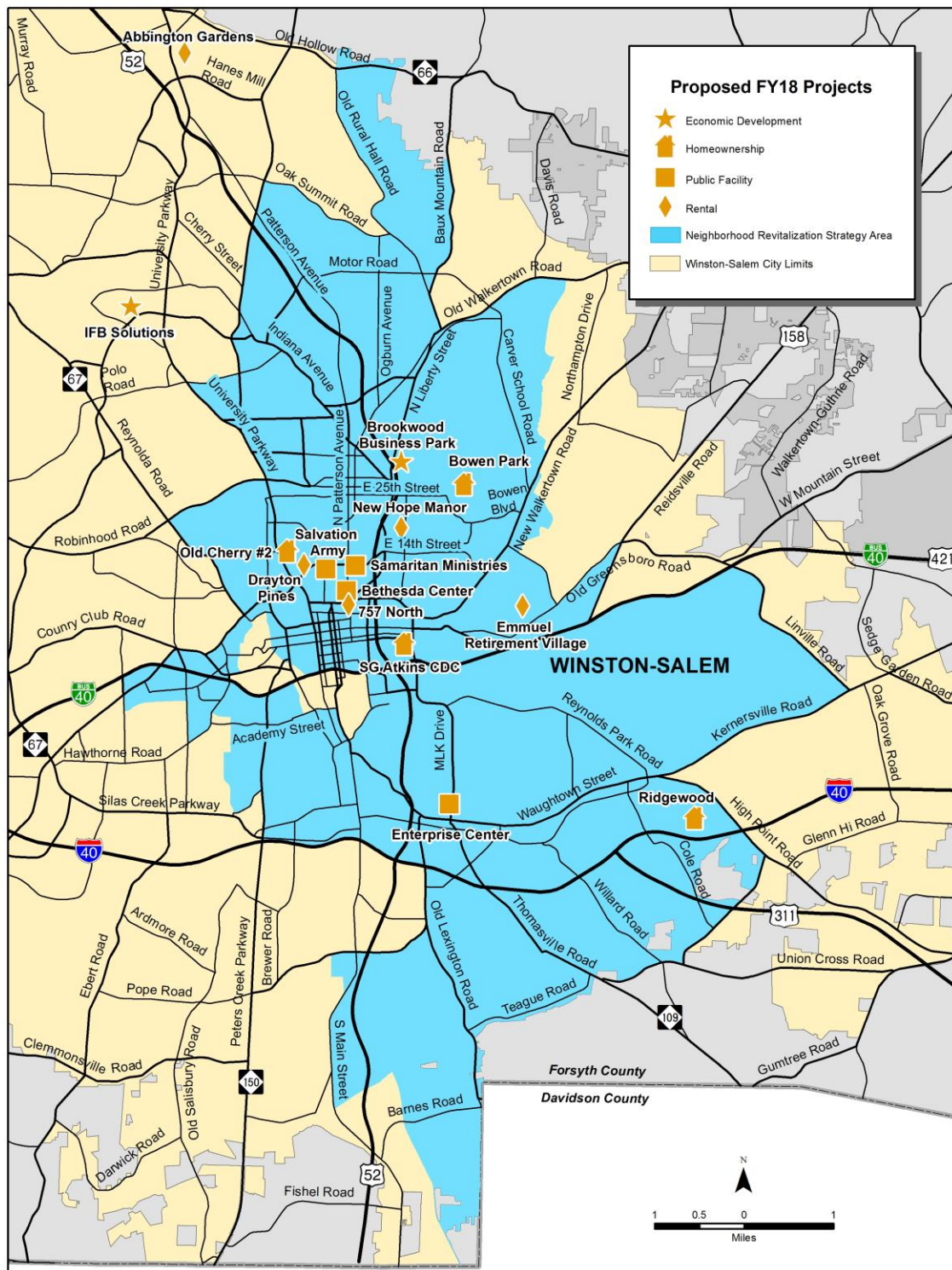
ACTIVITY	TOTAL	FEDERAL SOURCES (New Appropriations)			LOCAL	Prior Year Funds
		CDBG/PI	HOME/ PI	ESG/CoC	HFF	
Housing Rehab and Operations	3,489,451	1,198,434	559,817		67,000	1,664,200
Neighborhood Dev: Acq- Clearance	243,645	126,660			116,985	
Housing Production/ Infrastructure.	713,000		213,000			500,000
Homebuyer Assistance	201,810		76,810			125,000
Economic Dev/Self-Sufficiency	494,310	373,000			66,210	55,100
Public Services/Homeless Assist	3,847,784	286,100	200,000	2,932,984	339,420	89,280
Section 108 Loan Repayment	368,000	368,000				
Planning/Training, Capacity/Other	261,140	194,490	33,950		10,000	22,700
TOTAL	9,619,140	2,546,684	1,083,577	2,932,984	599,615	2,456,280

OBJECTIVES AND OUTCOMES

The strategy for meeting the goals identified in the Five-Year and Annual Plans centers on five goals, each with supporting strategies and programs. The goals are: Housing Conservation and Neighborhood Revitalization, Neighborhood Development and Housing Production, Expanding Access and Opportunities, Expanding Economic Opportunities, and Expanding Coordination and Accountability. A summary of the proposed objectives and outcomes of completed housing units in FY18 is provided in the table.

FY18 Summary of Housing Completions			
Objective/Outcomes			
		Obj.	# Units
New Construction	Owner	DH-2	37
	Rental	DH-2	115
Rehab/Repair	Owner	DH-2	126
	Rental	DH-2	86
Existing	Owner	DH-2	21
	Rental	DH-2	100
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).			

The map on the next page 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, encompassing the goals, objectives and operating plans of a wide range of agencies, coordinating entities and advisory boards. The Annual Plan reflects implementation of adopted neighborhood and redevelopment plans, and recommendations which 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 an ongoing and evolving process as elements are often refined in implementation.

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. 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.



Public Meeting Held 2-7-13

This Annual Plan was prepared with public input, relative to needs, obtained through two public hearings on October 18, 2016 and March 16, 2017 and an ongoing series of consultations with supportive service providers, advocacy groups and coordinating bodies. This submission was presented at the public hearing of March 16th. This submission was adopted by City Council on June 19, 2017, due to HUD's instructions through Notice CPD-16-18 and delay in announcing grant allocations.

Notices for all meetings were published in the Winston-Salem Chronicle and the Winston-Salem Journal, advertised on WSTV 13 and posted on the City's web site. Subsequent to public notice, copies of the proposed Plan were distributed at the public hearing and are available on the City's web site and at designated libraries for public review beginning April 6, 2017. Comments received from the public hearing and the review process are summarized in Appendix E.

Appendix D contains a list of agency consultations that extend beyond the homeless supportive housing needs and general housing need assessment which preceded the development of this plan. Staff in the Community Development 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: 2017-2018 STRATEGY IMPLEMENTATION

This 2017-2018 Action Plan represents the fifth year of the five-year planning period of the 2014-2018 Consolidated Plan. Since HUD has not published allocations for FY18, the budgets contained herein reflect estimated Federal Fiscal Year (FFY) 2017 grant allocations for the CDBG, HOME and ESG programs and projected program income for CDBG and HOME. HOME funds are allocated to the

Winston-Salem/Forsyth Housing Consortium.

Exhibit 1 FY18 HUD Entitlement Programs			
	Amount	Amount Change	% Change
Entitlement Funds			
CDBG	\$1,996,684	\$0	0.0%
HOME	\$978,577	\$0	0.0%
ESG	\$177,368	\$0	0.0%
Total Entitlement	\$3,122,629	\$0	0.0%
Program Income			
CDBG	\$550,000	\$0	0.0%
HOME	\$135,000	\$0	0.0%

Delay in HUD's announcement of grant allocations and projected stable program income has resulted in estimated flat funding in entitlements funds. Funding for core programs is maintained. The results are: 1) consistent funding for subgrantee program operations; 2) stable funding for homeless programs; and 3) continued funding for single-family production and homebuyer assistance due to steady improvement in the housing market.

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 and rapid re-housing during FY18.

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 FY18 by goal. Exhibit 2, which follows this section, outlines the strategies and implementing programs to be undertaken during FY18, including the source of funds and projected accomplishments.

Goal 1: Housing Conservation and Neighborhood Revitalization

Target available resources to optimize compliance with Minimum Housing Code and assist neighborhoods; continue single and multi-family rehab activities to protect the existing housing stock and diverse neighborhoods; ensure physical improvements in neighborhoods are adequate; and focus on placing vacant property and lots back into inventory.



Youth Build Class at Work

Single-family, owner-occupied rehab and emergency repair continue to play a major role. The City will continue the Transforming Urban Residential Neighborhoods (TURN) Program in designated neighborhoods by providing financing from \$4 million in general obligation bonds approved in November 2014 to owner-occupants and investor-owners. The City will also continue an Urgent Repair Program to help very low-income households address conditions that pose an imminent threat to life and safety. Habitat for Humanity will continue a five-year neighborhood revitalization initiative in the Cherry Street/Kimberly area that includes purchasing vacant structures and rehabbing them for sale to eligible homeowners. One community development corporation will continue infill development in a target neighborhood.

Historic preservation is included. Enforcement of the Minimum Housing Code through Operation Impact and regular code enforcement as well as neighborhood services activities are ongoing.

Rehabilitation of two multifamily rental developments are under way by the Housing Authority of Winston-Salem. Drayton Pines, 44 units for families, is undergoing substantial rehabilitation using CDBG funds. The Housing Authority acquired New Hope Manor, which is located in HAWS' Choice Neighborhoods Planning Area, to help stabilize the neighborhood. General obligation bonds approved by Winston-Salem voters in 2014 will be used for acquisition, to demolish buildings that are beyond repair, and to bring the remaining units to Minimum Housing Code.

Goal 2: Neighborhood Development and Housing Production

Support home ownership by lower income households; foster production of single- and multi-family housing for lower income households and persons with special housing needs through new construction, conversion and adaptive reuse; promote energy efficiency and sustainable development in housing programs; and provide incentives to develop housing for all income groups.

A steady improvement in the housing market will increase single-family housing production in 2017-18, including Habitat for Humanity. In addition to serving as its own lender, Habitat's partnership with the City has allowed it to maintain its level of production. Habitat will be working in the Cherry Street/Kimberly Neighborhood Revitalization Initiative. Habitat and one community development corporation will begin work in the Bowen Park/Dreamland area. S.G. Atkins Community Development Corporation will continue development in the Ridgewood Place subdivision using HOME funds and general obligation bonds approved by Winston-Salem voters in 2014. The City will continue to pursue development of land acquired through Redevelopment and in City-assisted subdivisions as economic conditions permit: Esquire Place, Happy Hill, Gateway Commons, Northeast Winston #2, Andrews Heights, Sunbridge, and Salem Pointe. Additionally, the Individual Development Account (IDA) program has restarted with the award of a new five-year grant.

Homebuyer assistance programs to increase access to affordable standard housing by providing down payment and closing costs for lower-income, first-time home buyers are available through both the City and the County. 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.

Abbingdon Gardens of Winston-Salem, a 96-unit rental development using Low-Income Housing Tax Credits and HOME funds, is completing construction and will be leasing up in early FY18.

Two multifamily rental projects using general obligation bonds approved by Winston-Salem voters in 2014 are under construction. 757 North is a 115-unit market rate development with 25% of the units restricted as affordable workforce housing according to the City affordable workforce housing policy. Emmanuel Retirement Village is a 42-unit planned senior housing rental development by Ujima Community Development Corporation with five units restricted as affordable housing.

Goal 3: Expanding Access and Opportunities

Meet the housing and service needs of homeless individuals and families; eliminate discriminatory practices in the sale and rental of housing; coordinate the community's efforts to meet the needs of the homeless; 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 rapid re-housing activities and coordinated intake and assessment. The Continuum of Care process continues to be refined in light of HEARTH, with the Ten-Year Plan to End Chronic Homelessness serving as the strategic guidance for decision-making. FY18 resources include one-year renewal funds from the Continuum of Care Federal FFY16 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 funds, and Tenant Based Rental Assistance. Funds to continue support of the implementation of the Ten-Year Plan are also included.

Goal 4: Expanding Economic Opportunities

Expand entrepreneurial development; foster employment training opportunities; encourage revitalization of neighborhood commercial areas; implement the downtown revitalization strategy.

Objectives for FY18 are: (1) to approve four new small business loans; (2) to expand marketing efforts and partnering opportunities with local commercial lenders; (3) to expand technical assistance and follow-up efforts offered to entrepreneurs, start-ups, and existing businesses; and (4) to work with community development corporations in the Neighborhood Revitalization Strategy Area (NRSA) to facilitate identification of available idle or vacant



Brookwood Business Park Speculative Building

properties suitable for the business needs of specific developers and businesses seeking to relocate within the community.



The Enterprise Center

In the Brookwood Business Park, the 7,500 square foot commercial spec building on lot #8 has been sold to a local company, leading to the creation of additional jobs and investment in the NRSA. Continued focus of FY18 will be directed toward marketing of the business park to business and industry. Upgrade of the kitchen in S.G. Atkins CDC's Enterprise Center to create a shared-use, licensed commercial kitchen will be completed during FY18.

Section 3 program activities include: 1) continued subcontractor opportunities in city and federally funded housing programs, 2) conduct the Business Training program, and 3) the Construction Training Program and

application for a new three-year Youth Build program.

Goal 5: Expanding Coordination and Accountability

Coordinate with non-profit organizations and local and regional planning bodies; systematic evaluation and assessment of the impact of public programs and policies on an ongoing basis.

The strategies within this priority area focus on improving coordination with non-profit organizations and other coordinating bodies in the community. In FY18, these efforts will include the Continuum of Care, implementing a coordinated intake system and governance strategy, final preparation and submission of the Assessment of Fair Housing to HUD, and planning for and preparation of the 2019-2023 Consolidated Plan, which may include a comprehensive housing needs assessment.

PART B: SUMMARY OF SPECIFIC ANNUAL OBJECTIVES

The following table identifies the activities to be undertaken and sources of funds to be appropriated in FY18.

Exhibit 2: WINSTON-SALEM/FORSYTH HOUSING CONSORTIUM FY17 ANNUAL PLAN A SUMMARY OF SPECIFIC ANNUAL OBJECTIVES FOR DIRECT-BENEFIT ACTIVITIES					
STRATEGY/ PROGRAM	DESCRIPTION	OBJ	FUND SOURCE	# UNITS	TYPE UNITS
GOAL 1: HOUSING CONSERVATION AND NEIGHBORHOOD REVITALIZATION					
Strategy 1.1	Target Neighborhood Services to Optimize Attainment of Neighborhood Stability and Revitalization				
	Targeted code enforcement, assistance to neighborhoods, capacity building	SL-3	CDBG	8,700	Persons
Strategy 1.2	Rehabilitate Single-Family Homes Owned by Lower-Income Families to Extend Their Useful Life, Preserve Affordability, and Make Adaptive Improvements to Address the Special Needs of Seniors and Disabled Persons				
Program 1.2.1	Neighborhood Revitalization Strategy Area (NRSA) Rehabilitation	DH-2	CDBG, HOME	52	Housing Units
Program 1.2.2	Citywide Rehabilitation	DH-2	HOME	11	Housing Units
Program 1.2.3	County Rehabilitation	DH-2	HOME, Other Federal	8	Housing Units
Program 1.2.4	Emergency Repair/Urgent Repair	DH-2	CDBG	30	Housing Units
Program 1.2.5	Architectural Barrier Removal	DH-2	CDBG, HOME	5	Housing Units
Program 1.2.6	Hazard Reduction and Interim Controls	DH-2	CDBG, HOME	20	Housing Units
Program 1.2.7	Acquisition-Rehab and Buy-Rehab	DH-2	Local	3	Housing Units
Program 1.2.8	Purchase-Rehab Revolving Loan Program	DH-2	Local	2	Housing Units
Strategy 1.3	Rehabilitate Multi-Family and Single-Family Substandard Rental Units to Extend Their Useful Economic Life and Preserve Affordable Rents				
Program 1.3.1	Rental/Investor Rehabilitation	DH-2	CDBG	2	Housing Units
Program 1.3.2	Large-Scale Multi-Family Rental Rehabilitation	DH-2	CDBG, HOME, Local	84	Housing Units
Program 1.3.3	Hazard Reduction Interim Controls	DH-2	CDBG, HOME, Local	0	Housing Units
Strategy 1.4	Provide Physical Improvements to Neighborhoods				
Program 1.4.1	Neighborhoods To Standards (NTS) Monitoring		N/A		N/A

Program 1.4.2	Public Improvements	SL-1	Local	0	Public Fac./Imp.
Program 1.4.3	Public Facilities	SL-1	Local, CDBG	1	Public Fac./Imp.
Strategy 1.5	Develop Measures That Facilitate the Placement of Vacant Units and Vacant Lots for In-Fill Development Back Into the Housing Inventory				
	Identifying vacant property, infill redevelopment, eminent domain rehab	DH-1	N/A	5	Housing Units
GOAL 2: NEIGHBORHOOD DEVELOPMENT AND HOUSING PRODUCTION					
Strategy 2.1	Subsidize Home Ownership Acquisition				
Program 2.1.1	Homebuyer Assistance Programs	DH-2	HOME, Local	32	Households
Program 2.1.2	Individual Development Accounts (IDA)	DH-2	Other Federal	10	Households
Strategy 2.2	Subsidize Single-Family Housing Production				
Program 2.2.1	Construction Loan Program	DH-2	Local	4	Housing Units
Program 2.2.2	Homeownership Development Assistance	DH-2	Local	4	Housing Units
Program 2.2.3	ASelf-Help/Sweat Equity@ Programs	DH-2	HOME, Local	12	Housing Units
Program 2.2.4	Redevelopment Acquisition/Clearance	DH-2	Local	2	Housing Units
Strategy 2.3	Subsidize Affordable Rental Housing				
Program 2.3.1	Rental Housing Production	DH-2	HOME, Local	115	Housing Units
Strategy 2.4	Support Ways to Lower Housing Cost and Reduce Governmental Constraints to the Production of Housing				
	Barriers to affordable housing, environmentally efficient development	SL-3	N/A	N/A	N/A
GOAL 3: EXPANDING ACCESS AND OPPORTUNITIES					
Strategy 3.1	Meet the Housing and Service Needs of Homeless Persons				
Program 3.1.1	Tenant Based Rental Assistance	DH-2	HOME	75	Households
Program 3.1.2	Supportive Services	SL-1	CDBG, CoC	200	Persons
Program 3.1.3	Coordinated Intake	SL-1	CoC	300	Persons
Program 3.1.4	Emergency and Transitional Shelter Facilities	SL-1	ESG	1,600	Persons
Program 3.1.5	Permanent Supportive Housing	DH-2	CoC	100	Households
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	SL-1	CDBG	500	Persons

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, foreclosure prevention, youth programs	SL-1	CDBG, Local	3,400	Persons
GOAL 4: EXPANDING ECONOMIC OPPORTUNITIES					
Strategy 4.1	Expand Entrepreneurial Development				
Program 4.1.1	Small Business Loan Program	EO-1	CDBG	8	Jobs
Program 4.1.2	Technical Assistance to Small Businesses	EO-1	CDBG	50	Businesses
Program 4.1.3	Contractor Training Program	EO-1	CDBG	25	Persons
Strategy 4.2	Expand Employment Training Opportunities				
Program 4.2.1	Construction Training Program	EO-1	CDBG	15	Persons
Program 4.2.2	Youth Build	EO-1	Other Federal	0	Persons
Program 4.2.3	Summer Youth Employment Program	EO-1	Local	100	Persons
Strategy 4.3	Revitalize Neighborhood Commercial Areas				
Program 4.3.1	NRSA Building Rehabilitation Program	EO-3	Local	2	Businesses
Program 4.3.2	Revitalizing Urban Commercial Areas (RUCA)	EO-3	Local	2	Businesses
Strategy 4.4	Implement Downtown Revitalization Plan				
	Support increase in retail and housing downtown	SL-1	Local	0	
GOAL 5: EXPAND COORDINATION AND ACCOUNTABILITY					
	Strengthen coordination and partnerships, strengthen accountability	N/A	N/A	N/A	N/A
<p>Fund Sources: Community Development Block Grant (CDBG), HOME Investment Partnership (HOME), Emergency Solutions Grant (ESG), Continuum of Care (CoC), Local (includes Housing Finance Fund and General Obligation Bonds), Other Federal (other federal grants received by City or County)</p> <p>OBJ: 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).</p>					

PART C: PROJECTED REVENUES AND EXPENDITURES

PROJECTED REVENUES/FUND RESOURCES

FY18 Budget Appropriations

1,996,684	Community Development Block Grant (CDBG)
550,000	Entitlement Grant B-17-MC
	Program Income: Loan Repayments/Interest
2,546,684	Sub-Total CDBG Funds
	HOME Investment Partnership Program (HOME)
948,577	Entitlement Grant M-17-DC
135,000	Program Income
1,083,577	Sub-Total HOME Funds
	OTHER
599,615	General Fund HFF Program Income/Fund Balance
177,368	Emergency Solutions Grant Program H-17-MC
2,755,616	Continuum of Care/State ESG
3,532,599	Sub-Total Other Program Funds
7,162,860	Total FY18 Budget Appropriations

Prior Year Fund Budget Commitments

	CARRY-OVER FUNDS
341,280	CDBG
690,000	HOME
225,000	Housing Finance Fund
1,200,000	G.O. Bonds
2,456,280	Sub-Total Prior Year Appropriations
9,619,140	Total FY18 Programmatic Resources

PROJECTED EXPENDITURES/COMMITMENTS (SPEND PLAN)

3,489,451	RESIDENTIAL REHABILITATION
2,245,001	Rehabilitation
190,000	Emergency Repair
16,000	Architect. Barrier Removal/Handicap Asst.
0	Investor/Multi-Family Rehab
40,000	Rehab Hazard Reduction
998,450	Program Operations
914,810	HOUSING PRODUCTION/HOMEOWNERSHIP
150,000	Buy-Rehab/Acquisition-Rehab Loans
201,810	Home Buyer Assistance
420,000	Single-Family Production
0	Multi-Family Production
0	Infrastructure Improvements
143,000	HOME CHDO Activities
3,434,284	HOMELESS/TRANSITIONAL HOUSING
240,000	Tenant Based Rental Assistance
3,016,916	Transitional Housing/Supportive Services
177,368	Homeless Shelter Improvements/Prevention
494,310	ECONOMIC SELF SUFFICIENCY
205,600	Business/Commercial Loans
50,500	Business/Contractor Education
238,210	Construction Training
178,185	Property Maintenance/Disposition
65,460	Redevelopment Acquisition/Clearance
413,500	Public Service/Subrecipient Activity
45,000	Planning, Training, Program Admin/Non-Profit Capacity Dev
216,410	Cost Allocation/GF Admin Reimbursement
368,000	Section 108 Loan Repayments
9,619,140	TOTAL PROJECTED USE OF FUNDS

EXHIBIT 3 HOUSING AND COMMUNITY DEVELOPMENT REVENUE AND EXPENDITURE ALLOCATIONS: FY 2017-2018 (CDY 42)									
DESCRIPTION	FY18 Spend Plan	FY18 Budget Appropriation	FFY 17 CDBG	CDBG Prog Inc	FFY17 HOME	HOME Prog Inc	CoC/ESG	HFF Prog Inc	Prior-Year
RESIDENTIAL REHAB									
NRSA: Owner	1,938,181	628,181	279,104	116,150	152,927	80,000			1,310,000
Citywide Rehab: Owner	230,000	130,000			130,000				100,000
Emergency Repair	190,000	150,000	150,000						40,000
Handicapped Asst.	16,000	16,000	8,000		8,000				
Multi-Family/Investor Rehab	0	0							
Rehab Hazard Reduction	40,000	40,000	25,000		15,000				
Program Operations	981,380	767,180	472,430	147,750	80,000			67,000	214,200
Forsyth County Rehab/Operations	93,890	93,890			93,890				
HOUSING STIMULATION/ HOME OWNERSHIP									
Home Buyer Assistance	201,810	76,810			76,810				125,000
Buy-Rehab/Acquisition- Rehab	150,000	0							150,000
Single-Family Production	420,000	70,000			70,000				350,000
Multi-Family Production	0	0							
Infrastructure Improvements	0	0							
HOME CHDO Activities	143,000	143,000			143,000				
ECONOMIC SELF-SUFFICIENCY									
Business Loans	205,600	184,500	46,500	138,000					21,100
Contractor Business Education	50,500	50,500	50,000	500					
Construction Training Program	238,210	204,210	138,000					66,210	34,000
OTHER ACTIVITIES									
Property Maintenance/Disposition	178,185	178,185	61,200						
Redevelopment Acquisition/Clearance	65,460	65,460	37,460	28,000				116,985	
Public Service Activities	413,500	390,720	66,750	66,200				257,770	22,780
Homeless: ESG/Transitional/TBRA	3,434,284	3,367,784	134,750	18,400	145,000	55,000	2,932,984	81,650	66,500
Non-Profit Capacity Dev/Training	0	0							
Planning/Training/ Administration	45,000	45,000	20,000		15,000			10,000	
Cost Allocation/GF Admin Reimbursement	193,440	193,440	174,490		18,950				22,700
Section 108 Loan Repayment	368,000	368,000	333,000	35,000					
TOTAL ALLOCATION	9,619,140	7,162,860	1,996,684	550,000	948,577	135,000	2,932,984	599,615	2,456,280

PART D: CDBG, HOME, AND ESG 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 the table above, CDBG funds will be used for the following programs and activities:

- Rehabilitation in the Neighborhood Revitalization Strategy Area (NRSA), including handicap 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 and case management, employment training, and assistance to neighborhood groups
- Planning and administration
- Repayment of Section 108 loans

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 Secretary with adjustments for smaller and larger families. Expenditures for planning and administration and repayment of the Section 108 loans are excluded from the calculation, as they are considered to meet the national objectives. Expenditures for planning and administration are projected to be 9.3% of the grant plus projected program income. The only activity the City funds that does not benefit low- and moderate-income persons is property maintenance and disposition.

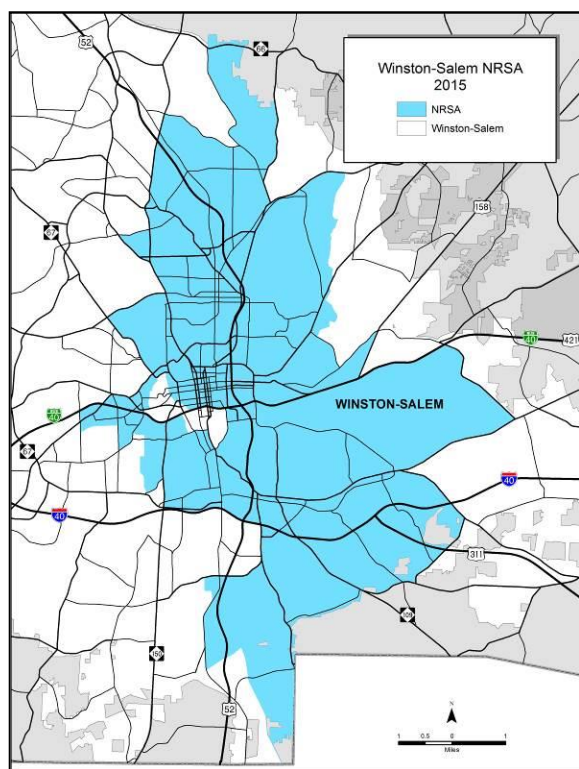
Calculation of Estimated Low and Moderate Income Benefit

• Projected Expenditures Subject to Program Benefit Rules	2,302,774
• Project Expenditures Principally Benefiting Low- and Moderate-Income Persons	2,176,114
• Projected Percent Benefit to Low- and Moderate-Income Persons	94.5%

Neighborhood Revitalization Strategy Area

The Neighborhood Revitalization Strategy submitted pursuant to Notice CPD-96-01 was approved by the U.S. Department of HUD and implementation was initiated during FY 2001 and recertified in FY 2004, FY 2009, and FY 2015. The Revitalization Strategy accomplishes or facilitates accomplishment of several objectives directed toward the goal of economic empowerment of residents, including:

- Consolidation of a patchwork of disconnected target areas into a contiguous, central corridor which is more closely aligned with the Neighborhood Strategy Areas under code enforcement, ensuring consistency of services to neighborhoods;
- Facilitates implementation of Empowerment Zone strategic plan elements which integrates housing, economic and community development under the umbrella of revitalization;
- Greater equity in housing service provision -- ability to serve both sides of the street in each targeted neighborhood;
- Increased emphasis on primary care in housing conservation -- the ability to rehabilitate units at lower average cost before substantial deterioration makes rehabilitation infeasible and more costly acquisition and rehabilitation, clearance or other redevelopment is required;
- Facilitation of neighborhood-based organizational development processes through exemption from the public services cap.
- 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.



The Revitalization Strategy Area is a contiguous area, primarily residential in character, and contains a percentage of low- and moderate-income residents that is no less than the upper quartile percentage as defined by the regulations at 24 CFR 570.208(a)(1)(ii) and reflected in the accompanying map. The area complies with the 2014 Low/Moderate Income Summary Data.

Goals and objectives for the NRSA are outlined in the Neighborhood Revitalization Strategy.

Pursuant to Notice CPD-16-16, activity in FY18 will include preparation of a new Neighborhood Revitalization Strategy to submit to HUD with the 2019-2023 Consolidated Plan.

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 all of the other cooperating municipalities of the County, consisting of Bethania, Clemmons, Kernersville, Lewisville, Rural Hall, Tobaccoville and Walkertown. 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 \$948,577 of new grant funds, \$170,700 is allocated to Forsyth County, in accordance with the provisions of the Consortium Agreement, and \$777,877 is allocated to the City of Winston-Salem with an additional \$135,000 in program income. The program activities and expenditures to be derived from FFY17 HOME funds, prior year carryover/reprogrammed funds, and program income, are as follows:

715,927	Rehab: Owner, Rental and Hazard Reduction
470,000	First-Time Homebuyer Assistance/Construction
0	Multi-Family Production
240,000	Tenant-Based Rental Assistance
143,000	CHDO Set-Aside: New Construction (15.1% FFY 17 Grant)
1,568,927	Sub-Total City Program Activities
76,820	Single-Family Owner Rehab
76,810	First-Time Homebuyer Assistance
153,630	Sub-Total County Program Activities
17,070	County Program Admin (10% County Allocation)
33,950	City Training, Admin, and Indirect Cost (4.4% City Allocation)
51,020	Sub-Total (5.4% of FFY 17 Grant)
1,773,577	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 and from unrecouped private sector contributions to one Community Housing Development Organization (CHDO) for home ownership units. HOME match funds for FY18 are projected to total \$38,205 from Forsyth County and participating municipalities 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, 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 application and other information by contacting a loan officer at the City or County.

Single-Family Rehab

The City provides direct and deferred 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. The City projects to assist up to 11 homeowners during FY18.

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 due and payable on sale or transfer of the property, when the property ceases to be owner-occupied, or when the first mortgage is paid in full. The program is funded with local and HOME funds, and the City projects to assist approximately 10 homebuyers during FY18. Program policies are included in Appendix C.



Home Receiving Homebuyer Assistance

CHDO Set-Aside

The FFY 17 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, noting that additional, previously encumbered funds remain from prior years.

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 credit projects or projects sponsored by non-profit, public agency entities,



House in Glenn Oaks

given the complexities of the HOME Program affordability restrictions; however, proposals may be reviewed on a case-by-case basis for projects serving special needs populations. One multi-family new construction project approved in a prior year will be leasing up in FY17.

Forsyth County Programs

The County's mission is to provide affordable housing to low- and moderate-income residents in unincorporated areas and small municipalities by the effective utilization of 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 22 low-income households (at or below 80% of 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, North Carolina Housing Finance Agency (NCHFA), and private bank fund contributions. The assistance will come in the form of deferred down payment loans, and some funds under the IDA program will be provided as a matching \$2,000 grant for \$1,000 provided by the home buyer. The NCHFA loans will be deferred until the first mortgage is fully amortized. The County HOME down payment assistance loan is a 30-year deferred loan that requires a balloon payment of the principal upon the completion of the 30th year. The County HOME loan will also be due upon sale of the property or when the home is no longer occupied by the HOME-assisted buyer. It is estimated that each household will be provided with an average of \$10,500 in financial assistance.

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 for a "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	Period of Affordability
• Under \$15,000	5 years
• Between \$15,000 and \$40,000	10 years
• Over \$40,000	15 years

Single-Family Owner Rehab

The County anticipates having between \$50,000 and \$80,000 in HOME funds available for use in rehabilitating 6 to 8 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. In some cases where rehabilitation assistance exceeds \$25,000, and the borrower shows some ability to repay the loans, they then may be amortized at 0% interest for the amount above the \$25,000 threshold.

The County Housing Department will include other rehabilitation funds as they become available, including locally derived municipal/county match, NC Housing Finance Agency (NCHFA) Essential Single-Family Rehabilitation (ESFR) and Urgent Repair (URP) funding. Properties assisted will be located in the other cooperating municipalities 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 may be eligible for participation in the URP, dependent on the availability of funds at the time or request. Depending on availability of funding, an additional \$175,000 to \$250,000 loan pool amount from NCHFA to rehab 10 to 18 dwellings is also available as additional financing. Owner occupants under the Emergency/Urgent Repair Program will be provided with up to \$8,000 in grants and/or loans for repairs/replacement of heating systems, septic systems, and roofs. The HOME-funded projects for comprehensive rehab will have an average funding of \$20,000 per structure.

Matching Funds

From County appropriation and \$12,000 to be derived from the small municipalities, it is anticipated that the County will provide up to \$26,205 in matching funds for the 2017-2018 program year. Other funds that may be used as match include, but are not limited to, eligible matching funds and volunteer labor generated by Habitat for Humanity.

Code Enforcement

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

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 in attaining housing stability. The program serves approximately 75 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 the goals of the Ten-Year Plan to End Chronic Homelessness.

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 entitlement funds in the amount of \$177,368 will be used to provide for the operational needs of five emergency shelters (60% of funds) and for rapid re-housing activities (40% of funds). State ESG funds will be used for shelter operations at five emergency shelters, 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.



Samaritan Ministries Shelter