

City Council – Action Request Form

Date: May 22, 2017

To: The City Manager

From: D. Ritchie Brooks, Community Development Director

Council Action Requested:

Review and approve the FY18 Consolidated Housing and Community Development Program and the Proposed 2017-2018 Annual Plan submission of the Consolidated Housing and Community Development Plan (CHCD) to the U.S. Department of Housing and Urban Development (HUD).

Summary of Information:

The Winston-Salem/Forsyth Housing Consortium is currently completing the fourth year of its 2014-2018 Consolidated Housing and Community Development Plan. This Council Action contains the proposed Annual Plan for the fifth year of the five-year plan (2017-2018). Program activities in this plan represent the continuation of ongoing programs and previously approved project activities as well as the appropriation of funds to initiate other recommendations contained in the 2014-2018 Five-Year Plan.

Timing

Normally, the Annual Plan is due to HUD by May 15th of each year. However, with the passage of a continuing resolution last fall, HUD directed grantees to delay submitting their Annual Plans until 60 days after HUD posted grant allocations but no later than August 16, 2017. HUD's annual budget for Federal Fiscal Year (FFY) 2017 was signed into law on May 5, 2017, and posting of grant allocations is expected about the first week of July. Therefore, the Annual Plan is due no later than August 16, 2017. This Council Action requests approval of the Annual Plan based on current-year grant allocations with authority for the City Manager to modify the Proposed 2017-2018 Annual Plan budget once grant allocations are known.

Committee Action:

Committee	Finance 6/12/17 CD/H/GG	Action	Approval Forwarded to Council
For	Unanimous Council Members: Besse and Adams	Against	Opposed: None; Excused: Council Member Montgomery
Remarks:			

2017-2018 CHCD Annual Plan

Since HUD has not published FFY 2017 allocations, the budget in this plan is based on current-year amounts for Community Development Block Grant (CDBG), HOME Investment Partnership (HOME), and Emergency Solutions Grant (ESG) funds: CDBG funds of \$1,996,684; HOME funds of \$948,577, of which the City will receive \$777,877 and Forsyth County \$170,700; and ESG funds of \$177,368. The City expects to receive \$2,560,300 in Continuum of Care funds, on behalf of local agencies providing homeless program services at the end of the current year through most of the FY18 program year.

Program activities in the 2017-2018 CHCD Annual Plan represent the continuation of ongoing programs and previously approved project activities as well as the appropriation of funds to implement recommendations contained in the 2014-2018 Five-Year Plan. 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 \$3,616,811, or 40.2%, 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. Homebuyer assistance policies have been updated to reflect HOME requirements on underwriting, responsible lending, and refinancing/subordination.

Since 2017-2018 is the fifth year of the 2014-2018 Five-Year Plan, financing is in place to undertake planning activities in preparation for the upcoming five-year period, such as:

- Completion and submission to HUD of the Assessment of Fair Housing by October 4, 2017
- Preparation of the 2019-2023 Consolidated Plan, which may include information from the upcoming housing study and needs assessment and consulting services to assist with public input

- Renewal of the Neighborhood Revitalization Strategy Area (NRSA) as required by a recent HUD Notice.

Subgrantee agency requests are being finalized for funding consideration as a part of the City's annual budget review process. The Allocation Committee met on February 6, 2017, February 20, 2017 and March 6, 2017 to consider proposals. Its recommendations were then reviewed by City management. The reviewed 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 obtained through two public hearings on October 20, 2016 and March 16, 2017 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*, advertised on WSTV-13 and posted on the City's web site. HUD had not published the entitlement allocations for FFY 2017 in time for the March 16, 2017 meeting; consequently, the handout showed estimated revenue and expenditure projections. Citizen comments expressed at the public hearings related to the TURN program and public input for the Assessment of Fair Housing.

The 2017-2018 Consolidated Housing and Community Development Annual Plan complies with all federal submission requirements as well as the CDBG and ESG statutory requirements for local entitlement communities and the HOME program for Consortia. Attached is an appropriate resolution and the proposed Annual Plan revenue and expenditure projections and program summary.

The full draft Annual Plan is posted on the City's website for public comment beginning April 6, 2017 at <http://cityofws.org/Departments/Community-Development/Planning/Reports>. No comments have been received. A revised full draft will be posted once grant allocations are known.