

City Council – Action Request Form

Date: May 30, 2018

To: The City Manager

From: Marla Y. Newman, Community Development Director

Council Action Requested:

Review and approve the proposed Consolidated Housing and Community Development Plan (CHCD) for 2019-2023 and the proposed 2018-2019 Annual Action Plan to the U.S. Department of Housing and Urban Development (HUD).

Strategic Focus Area: Livable Neighborhoods

Strategic Objective: Expand Housing Assistance Programs

Strategic Plan Action Item: Yes

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 2014-2018 Consolidated Housing and Community Development Plan. This Council Action contains a proposed new Five-Year Plan for the 2019-2023 period as well as the proposed Annual Plan for the first year of the new five-year plan (FY19). The City receives Community Development Block Grant (CDBG) and Emergency Solutions Grant (ESG) 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.

The CHCD Plan integrates 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, the Assessment of Fair Housing, draft data from the Winston-Salem/Forsyth County Housing Study and Needs Assessment, and a community input process.

Committee Action:

Committee	Finance 6/11/18 CD/H/GG 6/12/18	Action	Approval
For	Unanimous	Against	
Remarks:			

Highlights of the 2019-2023 Five-Year Plan

The 2019-2023 CHCD Plan retains the Goals of the current plan with a focus on development of the overall community environment in a holistic manner to achieve safe, sound, viable and enriching neighborhoods. The Strategies incorporate results of the community input process as well as the goals of the Assessment of Fair Housing, which was accepted by HUD in November 2017. The Goals and Strategies are as follows:

Goal 1: Neighborhood Revitalization and Housing Conservation

Strategies include: housing code enforcement, assistance to neighborhoods; owner-occupied housing rehabilitation programs, including acquisition/rehab; multi-family rental rehabilitation; physical improvements to neighborhoods; vacant lots and units for in-fill redevelopment.

Owner-occupied rehabilitation will continue to be the forefront program, accounting for approximately one-third of proposed expenditures. Multi-family rental rehab will be funded depending on interest by property owners.

City staff will continue to work with neighborhood residents and neighborhood organizations in relation to accessing City services and the physical condition of neighborhoods. This includes housing code enforcement, educating residents about acceptable housing, sanitary, health and social issues, and Community Assistance Liaisons who work proactively with residents to solve neighborhood problems. This also includes continuing to increase the capacity of non-profit corporations to improve neighborhoods. The Plan proposes an effort to identify vacant lots and housing units and return them to the housing inventory.

Goal 2: Housing Production and Neighborhood Development

Strategies include: assistance to homebuyers, assistance to developers, redevelopment; multi-family rental production; reduce barriers to affordable housing, energy efficiency.

Housing production – financial assistance to developers for construction of housing units for owner-occupancy – has increased as the housing market has recovered. These projects are undertaken by non-profit developers, including Habitat for Humanity, S.G. Atkins Community Development Corporation (CDC), and Goler CDC. Financial assistance for multi-family rental housing is provided primarily as gap financing for projects using Low-Income Housing Tax Credits.

Homebuyer assistance programs – down payment, closing cost, and mortgage reduction assistance to first-time homebuyers – are operated by both the City and the County. Forsyth County continues to operate the Individual Development Account (IDA) program, which includes financial literacy and matched savings with a goal of home ownership.

Goal 3: Expanding Access and Opportunities

Strategies include: housing and services for the homeless; coordination of funds and activities related to homelessness; fair housing; public services for economic self-sufficiency.

The CHCD Plan provides housing and services to homeless individuals and families, such as project-based and tenant-based rental assistance, including rapid rehousing and permanent supportive; supportive services, including case management and housing search and placement; and coordinated intake and assessment. Support for emergency shelter and transitional housing and services will continue.

City staff will continue to provide technical assistance to the Continuum of Care. The City will continue to serve as fiscal agent for projects awarded Continuum of Care funds and as HMIS Lead Agency.

The Human Relations Commission will provide public education, counseling, conciliation, referral and follow-up for fair housing compliance. Public services such as home ownership counseling, services for ex-offenders, and tax preparation assistance will also continue.

Goal 4: Expanding Economic Opportunities

Strategies include: entrepreneurial development; employment training opportunities; neighborhood commercial revitalization; downtown revitalization.

The CHCD Plan includes economic development programs that impact the Neighborhood Revitalization Strategy Area (NRSA), low-income persons, and small businesses. These consist mainly of the Small Business Loan Program, the NRSA Building Rehabilitation Program, Revitalizing Urban Commercial Areas, and the Business Training Program. Activity will also continue to focus on development of the Brookwood Business Park.

Economic opportunities also include employment training, such as the Construction Training/Youth Build program, Successful Outcomes After Release (SOAR), and the Summer Youth Employment Program.

Goal 5: Expand Coordination and Accountability

Strategies include: implement needs assessments, coordination with non-profits and regional bodies; performance benchmarks and reporting.

The strategies within this priority area focus on working with stakeholders to review and implement recommendations in the Assessment of Fair Housing, housing study, and Continuum of Care Strategic Plan.

The following documents are components of the CHCD Plan and are included as appendices in the Plan:

- 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 new HUD guidance issued in 2016, the maximum term for an NRSA is now five years, and any grantee whose NRSA is older than five years must submit a new strategy that meets the new guidance for HUD's approval. Since the Winston-Salem NRSA was approved in 2000, a new strategy is required to be submitted as part of the Consolidated Plan. In addition, HUD reviewed the existing

NRSA during its monitoring visit in April 2018 and identified a Concern that the size of the Winston-Salem NRSA is too large.

A new Neighborhood Revitalization Strategy is included as an appendix in the CHCD Plan. The area focuses on the central and eastern regions of the city. Per the guidance, the proposed accomplishments focus on housing and economic opportunity, meaning job creation. HUD will review the Strategy separately and may request changes to the map, activities and accomplishments before it approves it.

- Affirmative Marketing Plan. Required by the HOME Program, this document describes marketing strategies to provide information and attract renters and buyers to HOME-assisted rental units and sales of dwellings without regard to race, color, national origin, sex, religion, familial status, or disability. Changes have been made to reflect current regulations.

Highlights of the 2018-2019 Annual Plan

The City's allocation of CDBG grant funds is \$2,214,393 (a 12.2% increase), \$1,378,614 (a 47.6% increase) in HOME funds, and \$177,701 in ESG funds (a 1.1% decrease), for an overall allocation increase of 20.8%. The City will receive \$1,116,614 of the HOME funds, and the County \$262,000. The City will receive an additional \$2,007,203 in Continuum of Care funds on behalf of local agencies providing homeless program services beginning in the fourth quarter of the FY19 program year. The City also expects to receive \$195,316 in additional ESG funds from the State of North Carolina during FY19.

Large increases in CDBG and HOME funds for the first time in several years and projected stable program income provides opportunities for funding projects. The results are: 1) consistent funding for subgrantee program operations; 2) stable funding for projects that assist the homeless; and 3) increased 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. Proposed special projects and financing commitments for FY19 are summarized below.

- Up to \$100,000 to Bethesda Center for the Homeless in support of renovations to its emergency shelter to increase the amount of usable space. Funds are anticipated to be a deferred/forgiven loan.
- Up to \$104,143 to YWCA of Winston-Salem and Forsyth County for renovations at Hawley House to increase service capacity. Hawley House provides transitional housing for women recovering from substance abuse, many of whom are transitioning out of incarceration. Funds are anticipated to be a deferred/forgiven loan.
- Up to \$55,000 to Exchange/SCAN to replace the heating, ventilating and air conditioning system in its facility. The agency provides services to prevent and treat child abuse, such as support groups, parent enrichment programs, parenting classes and counseling. Funds are anticipated to be a deferred/forgiven loan.

Housing rehabilitation, including purchase-rehab, is the forefront category of program activity, relative to the allocation of funds, totaling \$3,656,204, or 38.5%, 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 and other approved community development corporations (CDCs). A five-year grant for the Individual Development Account (IDA) program that was secured in 2014 will be completed in FY19.

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.

The Development Process and Citizen Input

Preparation of the Consolidated Plan began in October 2016 and continued through June 2018. The City of Winston-Salem, Forsyth County, and the Housing Authority of Winston-Salem (HAWS) engaged a consultant to complete the Assessment of Fair Housing (AFH), which was required by HUD to help the grantees meet their obligation to affirmatively further fair housing. The consultant began work in October 2016, the City submitted the AFH by HUD's deadline of October 4, 2017, and HUD accepted the AFH in November 2017. In the meantime, the City initiated a Housing Study and Needs Assessment to assess existing housing conditions, demographics and market demands; identify needs, gaps and issues for housing in the city and county at all incomes and price levels; and make recommendations regarding programs and funding. The City engaged a consultant, which began work in August 2017. A draft of the study was completed as of March 31, 2018, and the study is expected to be final in the summer of 2018. Both studies incorporated public input, including 2-3 public meetings and interviews with key stakeholders and an online community survey for the AFH.

To obtain input on strategies for the Consolidated Plan, the City and County held a public hearing on October 17, 2017 and undertook an extensive and multi-faceted approach to engaging residents and interested in January and February 2018. The Consortium held four public meetings for community residents as well as 14 targeted focus group discussions along the following topic areas: affordable housing needs and strategies, economic development, homeless and special needs, neighborhoods, and senior housing. 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 public engagement website and community needs and priorities survey were also developed and used to gather public input into the goals and needs of the 2019-2023 Consolidated Plan.

A Public Hearing was held on March 15, 2018 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 Draft 2019-2023 Consolidated Housing and Community Development Plan was available for public review and comment beginning on May 24, 2018 and ending on June 22, 2018.

The full draft Annual Plan and Five-Year Plan are posted on the City's website for public comment beginning May 24, 2018 at <http://cityofws.org/Portals/0/pdf/1CBD/Planning/2018/May%202018/Public%20Review%20Con%20Plan%20DRAFT%202019-23.pdf?ver=2018-05-24-132421-853>