Consolidated Housing and Community Development Plan 2016-2017 Annual Plan

Winston-Salem /Forsyth County Housing Consortium
May 15, 2016

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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 2016-2017 Annual Plan represents the fourth 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 2016-2017 Annual Plan

The City's allocation of CDBG grant funds is $1,996,684 (a 1.3% increase), $948,577 (a 3.5% increase) in HOME funds, and $177,368 in ESG funds (a 1.6% increase), for an overall allocation increase of 2.0%. The City will receive $777,877 of the HOME funds, and the County $170,700. The City will receive an additional $1,865,000 in Continuum of Care funds on behalf of local agencies providing homeless program services beginning in the fourth quarter of the FY17 program year. The City also expects to receive $192,958 in additional ESG funds from the State of North Carolina during FY17.

The modest increase in HUD funds 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. One-time, special projects and financing commitments for FY17 are summarized as follows:

- Up to $200,000 to North Carolina Housing Foundation in support of rehabilitation at The Commons, which provides transitional housing for homeless families with minor children, autistic young adults, and youth aging out of foster care. This is the balance of a two-year funding commitment and will be added to the existing deferred/forgiven, subordinate loan.
- Up to $22,250 to the United Way of Forsyth County for a Continuum of Care strategic plan. Since the Ten-Year Plan to End Chronic Homelessness was completed in 2006 and its goals have been achieved, a new plan on ending homelessness is needed. Grant funds will be used for consulting services.

Housing rehabilitation, including purchase-rehab, is the forefront category of program activity, relative to the allocation of funds, totaling $ 3,683,823, or 40.9%, 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 FY17.

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 FY17 in general program categories.

ACTIVITY	TOTAL	FEDERAL SOURCES (New Appropriations)			LOCAL	
		CDBG/PI	HOME/ PI	ESG/CoC	HFF	Prior Year Funds
Housing Rehab and Operations	3,533,881	1,280,894	589,987		53,000	1,610,000
Neighborhood Dev: Acq-Clearance	167,262	61,200			106,062	
Housing Production/ Infrastructure.	646,200		146,200		65,000	435,000
Homebuyer Assistance	178,630		53,630			125,000
Economic Dev/Self-Sufficiency	396,040	328,000			68,040	
Public Services/Homeless Assist	3,420,846	276,100	240,000	2,235,326	669,420	
Section 108 Loan Repayment	370,000	370,000				
Planning/Training, Capacity/Other	294,250	230,490	53,760		10,000	
TOTAL	9,007,109	2,546,684	1,083,577	2,235,326	971,522	2,170,000

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 FY17 is provided in the table.

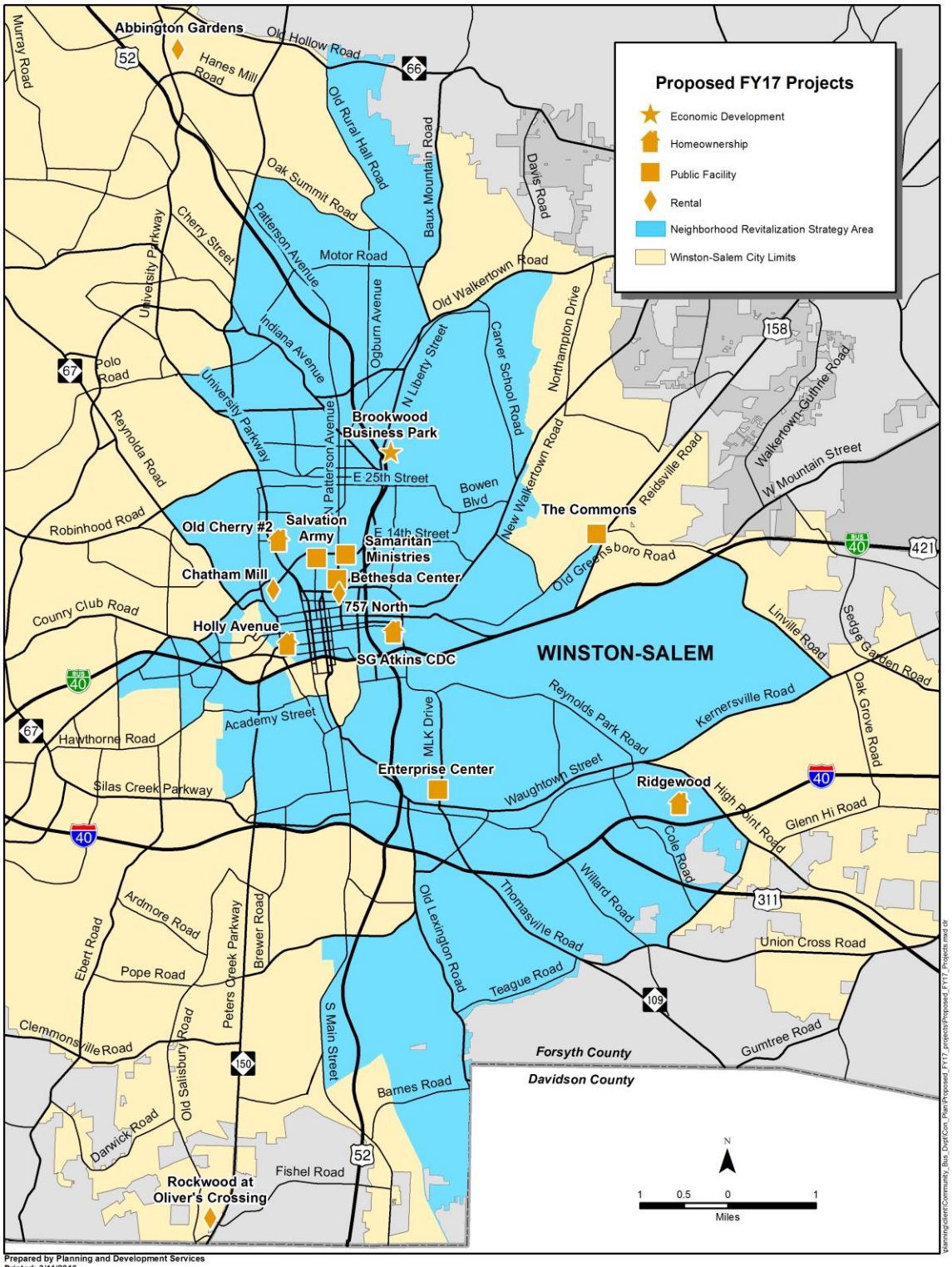
FY17 Summary of Housing Completions

Objective/Outcomes

		Obj.	# Units
New Construction	Owner	DH-2	41
	Rental	DH-2	96
Rehab/Repair	Owner	DH-2	116
	Rental	DH-2	2
Existing	Owner	DH-2	25
	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.


Proposed FY17 Projects
Economic Development
Homeownership
Public Facility
Rental
Neighborhood Revitalization Strategy Area
Winston-Salem City Limits
Abbington Gardens
Brookwood Business Park
Salvation Army
Old Cherry #2
Samaritan Ministries
Chatham Mill
Bethesda Center
757 North
Holly Avenue
SG Atkins CDC
The Commons
Enterprise Center
Ridgewood
Rockwood at Oliver's Crossing
WINSTON-SALEM
Forsyth County
Davidson County
Miles
Prepared by Planning and Development Services
Printed: 3/11/2016

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 20, 2015 and March 17, 2016 and an ongoing series of consultations with supportive service providers, advocacy groups and coordinating bodies. This submission, adopted by City Council on April 18, 2016, was presented at the public hearing of March 17th.

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. Comments received from the public hearing and the review process are summarized in Appendix D.

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 and Business 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: 2016-2017 STRATEGY IMPLEMENTATION

This 2016-2017 Action Plan represents the fourth year of the five-year planning period of the 2014-2018 Consolidated Plan. The budgets contained herein reflect Federal Fiscal Year (FFY) 2016 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
FY16 HUD Entitlement Programs

	Amount	Amount Change	% Change
Entitlement Funds			
CDBG	$1,996,684	$26,363	1.3%
HOME	$978,577	$31,734	3.5%
ESG	$177,368	$2,732	1.6%
Total Entitlement	$3,122,629	$60,829	2.0%
Program Income			
CDBG	$550,000	$0	0.0%
HOME	$135,000	$0	0.0%

A modest increase in grant funds and projected stable program income has resulted in a small increase 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 FY17.

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 FY17 by goal. Exhibit 2, which follows this section, outlines the strategies and implementing programs to be undertaken during FY17, 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 initiate 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 initiate 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.

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 2016-17, 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. One community development corporation, S.G. Atkins CDC, will continue development in the Ridgewood Place subdivision. 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.

Construction of Rockwood at Oliver's Crossing, a 64-unit rental housing development for families using Low-Income Housing Tax Credits, is complete and leased up. Abbington Gardens of Winston-Salem, a 96-unit rental development using Low-Income Housing Tax Credits, is under construction.

In November 2014, Winston-Salem voters approved $6 million in general obligation bonds for housing activities. Two projects have been approved. 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. The development is under construction. The Pepper Building involves conversion of a historic, downtown building into 54 units of rental housing with six units restricted as affordable workforce housing. Bond funds may be used as financing for single-family and multi-family housing developments as well as homebuyer assistance.

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. FY17 resources include one-year renewal funds from the Continuum of Care Federal FFY15 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 for a Continuum of Care strategic plan as well as 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 FY17 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 loan applicants and recipients; and (4) to work with community development corporations in the Neighborhood Revitalization Strategy Area (NRSA) to facilitate identification of available idle or vacant properties suitable for the business needs of specific developers and businesses seeking to relocate within the community.

Brookwood Business Park Speculative Building

In the Brookwood Business Park, construction of a 7,500 square foot

commercial spec building on lot #8, the second lot to be developed, is complete. Continued focus of FY17 will be directed toward marketing of the park to business and industry. Renovation of the lower level of S.G. Atkins CDC's Enterprise Center to increase space in the business incubator was completed during FY16. Spaces are expected to be fully occupied in early FY17.

Section 3 program activities include: 1) continued subcontractor opportunities in city and federally funded housing programs, 2) conduct the Business Education 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 Enterprise Center

The strategies within this priority area focus on improving coordination with non-profit organizations and other coordinating bodies in the community. In FY17, these efforts will include the Continuum of Care, implementing a coordinated intake system and governance strategy, and preparation for the Affirmatively Furthering Fair Housing requirements as they relate to the 2019-2023 Consolidated Plan.

PART B: SUMMARY OF SPECIFIC ANNUAL OBJECTIVES

The following table identifies the activities to be undertaken and sources of funds to be appropriated in FY17.

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	46	Housing Units
Program 1.2.2	Citywide Rehabilitation	DH-2	HOME	10	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	27	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	0	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	40	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	"Self-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	96	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	100	Households
Program 3.1.2	Supportive Services	SL-1	CDBG, CoC	175	Persons
Program 3.1.3	Coordinated Intake	SL-1	CoC	300	Persons
Program 3.1.4	Emergency and Transitional Shelter Facilities	SL-1	ESG	1,800	Persons
Program 3.1.5	Permanent Supportive Housing	DH-2	CoC	75	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	2,300	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

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)
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).

PART C: PROJECTED REVENUES AND EXPENDITURES

PROJECTED REVENUES/FUND RESOURCES

FY17 Budget Appropriations

	Community Development Block Grant (CDBG)
1,996,684	Entitlement Grant B-16-MC
550,000	Program Income: Loan Repayments/Interest
2,546,684	Sub-Total CDBG Funds
	HOME Investment Partnership Program (HOME)
948,577	Entitlement Grant M-16-DC
135,000	Program Income
1,083,577	Sub-Total HOME Funds
	OTHER
971,522	General Fund HFF Program Income/Fund Balance
177,368	Emergency Solutions Grant Program H-16-MC
2,057,958	Continuum of Care/State ESG
3,206,848	Sub-Total Other Program Funds
6,837,109	Total FY17 Budget Appropriations

Prior Year Fund Budget Commitments

	CARRY-OVER FUNDS
150,000	CDBG
660,000	HOME
160,000	Housing Finance Fund
1,200,000	G.O. Bonds
2,170,000	Sub-Total Prior Year Appropriations
9,007,109	Total FY17 Programmatic Resources

PROJECTED EXPENDITURES/COMMITMENTS (SPEND PLAN)

3,533,881	RESIDENTIAL REHABILITATION	
	2,282,121	Rehabilitation
	165,000	Emergency Repair
	16,000	Architect. Barrier Removal/Handicap Asst.
	0	Investor/Multi-Family Rehab
	40,000	Rehab Hazard Reduction
	1,030,760	Program Operations
824,830	HOUSING PRODUCTION/HOMEOWNERSHIP	
	150,000	Buy-Rehab/Acquisition-Rehab Loans
	178,630	Home Buyer Assistance
	353,200	Single-Family Production
	0	Multi-Family Production
	0	Infrastructure Improvements
	143,000	HOME CHDO Activities
3,090,126	HOMELESS/TRANSITIONAL HOUSING	
	240,000	Tenant Based Rental Assistance
	2,672,758	Transitional Housing/Supportive Services
	177,368	Homeless Shelter Improvements/Prevention
396,040	ECONOMIC SELF SUFFICIENCY	
	189,500	Business/Commercial Loans
	500	Business/Contractor Education
	206,040	Construction Training
167,262	Property Maintenance/Disposition	
0	Redevelopment Acquisition/Clearance	
330,720	Public Service/Subrecipient Activity	
105,000	Planning, Training, Program Admin/Non-Profit Capacity Dev	
189,250	Cost Allocation/GF Admin Reimbursement	
370,000	Section 108 Loan Repayments	
9,007,109	TOTAL PROJECTED USE OF FUNDS	

EXHIBIT 3
HOUSING AND COMMUNITY DEVELOPMENT REVENUE AND EXPENDITURE ALLOCATIONS: FY 2016-2017 (CDY 42)

DESCRIPTION	FY17 Spend Plan	FY17 Budget Appro-priation	FFY 16 CDBG	CDBG Prog Inc	FFY16 HOME	HOME Prog Inc	CoC/ESG	HFF Prog Inc	Prior-Year
RESIDENTIAL REHAB									
NRSA: Owner	1,922,121	522,121	147,984	134,220	159,917	80,000			1,400,000
Citywide Rehab: Owner	260,000	130,000			130,000				130,000
Emergency Repair	165,000	165,000	165,000						
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	1,013,690	933,690	645,010	155,680	80,000			53,000	80,000
Forsyth County Rehab/Operations	117,070	117,070			117,070				
HOUSING STIMULATION/ HOME OWNERSHIP									
Home Buyer Assistance	178,630	53,630			53,630				125,000
Buy-Rehab/Acquisition-Rehab	150,000	65,000						65,000	85,000
Single-Family Production	353,200	3,200			3,200				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	189,500	189,500	51,500	138,000					
Contractor Business Education	500	500		500					
Construction Training Program	206,040	206,040	138,000					68,040	
OTHER ACTIVITIES									
Property Maintenance/Disposition	167,262	167,262	61,200					106,062	
Redevelopment Acquisition/Clearance	0	0							
Public Service Activities	330,720	330,720	46,750	66,200				217,770	
Homeless: ESG/Transitional/TBRA	3,090,126	3,090,126	144,750	18,400	185,000	55,000	2,235,326	451,650	
Non-Profit Capacity Dev/Training	0	0							
Planning/Training/ Administration	105,000	105,000	60,000		35,000			10,000	
Cost Allocation/GF Admin Reimbursement	189,250	189,250	170,490		18,760				
Section 108 Loan Repayment	370,000	370,000	333,000	37,000					
TOTAL ALLOCATION	9,007,109	6,837,109	1,996,684	550,000	948,577	135,000	2,235,326	971,522	2,170,000

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 9.8% 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.

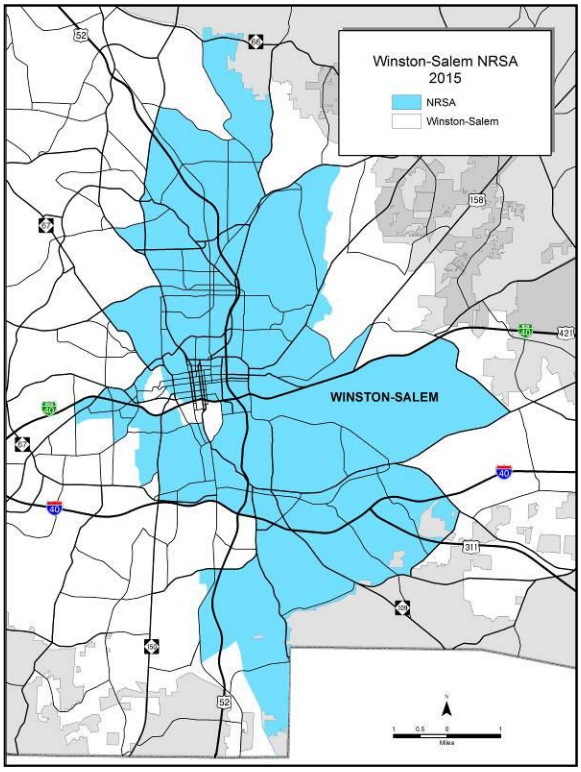
Calculation of Estimated Low and Moderate Income Benefit

• Projected Expenditures Subject to Program Benefit Rules	2,096,194
• Project Expenditures Principally Benefiting Low- and Moderate-Income Persons	2,034,994
• Projected Percent Benefit to Low- and Moderate-Income Persons	97.1%

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.

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 FFY16 HOME funds, prior year carryover/reprogrammed funds, and program income, are as follows:

732,917	Rehab: Owner, Rental and Hazard Reduction
403,200	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 16 Grant)
1,519,117	Sub-Total City Program Activities
100,000	Single-Family Owner Rehab
53,630	First-Time Homebuyer Assistance
153,630	Sub-Total County Program Activities
17,070	County Program Admin (10% County Allocation)
53,760	City Training, Admin, and Indirect Cost (6.9% City Allocation)
70830	Sub-Total (7.5% of FFY 16 Grant)
1,743,577	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 FY17 are projected to total $38,205 from Forsyth County and participating municipalities and $500,000 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 10 homeowners during FY17.

First-Time Homebuyer Assistance

Home Receiving 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 FY17. Program policies are included in Appendix C.

CHDO Set-Aside

The FFY 16 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.

House in Glenn Oaks

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,

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. Of two multi-family new construction projects approved in prior years, one will be closing out and one will be under construction 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 30 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 $9,500 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 $30,000 and $50,000 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, those loans 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 and Urgent Repair funding. Properties assisted will be located in the other cooperating municipalities as well as in the unincorporated areas of the County. 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 2016-2017 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 25 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

PART E: OTHER ACTIONS

PUBLIC HOUSING

The Housing Authority of the City of Winston-Salem (HAWS) currently manages and/or provides operating subsidies to 1,430 units of public housing in 15 conventional public housing and HOPE VI developments. The stock consists of three towers that serve primarily the elderly and disabled; two fairly dense and aging traditional public housing communities; four smaller family communities; and six HOPE VI developments – two for elderly and four for families – in which public housing units comprise one-third to one-half of the total units in the development.

In response to regulatory constraints and federal funding limitations, HAWS continues to assess its assets, policies and programs to ensure strategic utilization of resources in the best interest of current and future residents. HAWS' focus will continue to be on providing quality, mixed-income developments of choice to support the agency's mission. Goals include: 1) preservation and modernization of affordable housing stock; 2) development of additional affordable housing in high-growth areas (i.e., downtown); 3) de-concentration of poverty in traditionally underserved areas; and 4) catalyzation of economic development in marginalized neighborhoods through public-private partnerships.

- HAWS continues to manage two HOPE VI grants - Gateway Commons (formerly Kimberly Park Terrace) and Happy Hill Gardens. Three multi-family rental developments were constructed at each site. All remain viable and continue to provide quality affordable housing. Current efforts are focused on completing the home ownership components of each respective grant. HAWS received approval from HUD to modify the development plan at the former Kimberly Park Terrace site. This modification will enable Habitat for Humanity to construct an additional 37 single-family homes in the next three to five years, thereby bringing to completion the on-site home ownership phase of the grant. Such infill development will bring a sense of completeness to the aesthetic of the community, while concurrently providing an additional 37 families with quality affordable housing.

- HAWS continues to assess options to complete the build-out of 59 single-family detached homes and 89 townhouse units in the former Happy Hill Gardens site. Given the improving economic climate, HAWS anticipates increasing housing demand to drive real property values up, which may incentivize private development at the site. HAWs will continue to evaluate all options for completing the remaining phases of the grant.

The Oaks at Tenth

- The Oaks at Tenth, a 50-unit development consisting of 22 one-

bedroom, 22 two-bedroom and 6 three-bedroom units, completed construction in June 2014. This development was the Authority's first development to embody the new concept called "step-up housing". Step-up housing is specifically for working families that may require community and supportive services in order to graduate to non-subsidized, mainstream rental housing or homeownership.

- The Authority completed a major rehabilitation of Stoney Glen Apartments in November 2014. The 48-unit duplex-style apartment development consists of all two bedroom units and has a free-standing office and community center. It is the Authority's second "step-up housing" community.

- The Housing Authority completed construction on a new 30-unit apartment community in February 2016. Camden Station Apartments consists of 14 one-bedroom, 14 two-bedroom and 2 three-bedroom units. This is the Authority's third "step-up housing" development.

Camden Station

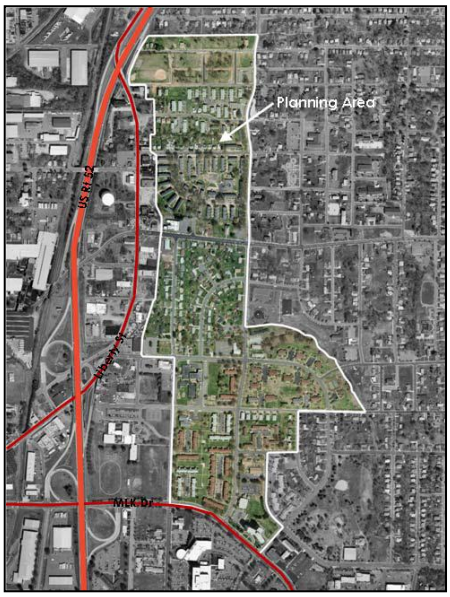
- The Housing Authority operates a Housing Choice Voucher Program consisting of 3,982 tenant-based vouchers, 73 Mainstream vouchers, 121 VASH vouchers, 327 project-based vouchers, and 158 moderate rehabilitation units. In addition, the Housing Authority administers approximately 200 special use vouchers, such as Shelter Plus Care, HOME Tenant-Based Rental Assistance and Housing Opportunity for Persons with AIDS vouchers, for other agencies. The waiting list for the HCV tenant-based program has approximately 2,000 families and has been closed since April 2010. Families who have an HCV tenant-based voucher and participate in the Family Self-Sufficiency Program are eligible to participate in the HCV Homeownership Program. The Housing Authority currently administers 58 HCV homeownership vouchers. The total annual budget authority for the Housing Choice Voucher Program is approximately $27 million.

New Basketball Courts at Piedmont Park

- HAWS will continue and improve its self-sufficiency programs. These include Housing Choice Vouchers Family Self-Sufficiency Program; the Homeownership Program, which provides counseling and training to help residents save money and earn sound credit; William H. Andrews/HAWS Scholarship; the LEAD scholarship, which offers tuition assistance to public housing residents; and the

PATH Program, a partnership with community supportive services agencies, which provides an array of educational and employment supportive services to public housing tenants.

- Based on the newly completed Physical Needs Assessment, HAWS has made and will make capital improvements to its public housing properties, including those described below:
  - Installation of mailbox shelters at Cleveland Avenue Homes and Piedmont Park was completed in January 2016.
  - Upgrades and replacements to the camera systems at Sunrise Towers and Crystal Towers
  - Site erosion improvements at Cleveland Avenue Homes and Piedmont Park will be ongoing through fiscal years 2016 and 2017.
  - Approximately 20 replacement HVAC installations at Piedmont Park will be completed in 2016.
  - Partial replacement of sanitary plumbing lines at Crystal Towers and Sunrise Towers.
  - Replacement of gutters, downspouts, and fascia boards at Piedmont Park



Satellite Photo of Choice Neighborhoods Planning Area

- In November 2013, HAWS was awarded a HUD Choice Neighborhoods Planning Grant to develop a holistic approach to the transformation of the Cleveland Avenue community into a "neighborhood of choice." The Transformation Plan will be completed and submitted to HUD for final approval in April 2016. Following submission of the Transformation Plan, HAWS will seek Choice Neighborhoods Implementation Grant funding to expedite the development of activities proposed in the Transformation Plan. Choice Neighborhoods Implementation Grant funding is highly competitive, and funding of the grant is subject to discretionary annual appropriations; however, if funding is appropriated, HAWS will be well positioned to submit a strong application in 2017.

- HAWS will continue to implement management improvements, including contract security guards, staff and resident training, UPCS Inspections Contract, and computer software upgrades.

The public housing agency is not designated as troubled under 24 CFR Part 902 and is not subject to a Section 504 Voluntary Compliance Agreement.

Jurisdiction/Housing Authority Relationship. The Mayor of the City of Winston-Salem appoints all nine commissioners of the public housing agency. The jurisdiction participates in review of the comprehensive grant submission of the Housing Authority in both the five-year and one-year intervals. The Housing Authority participates in development of the jurisdiction's Consolidated Plan, including participation in public meetings. Collaboration between the

jurisdiction and the Housing Authority insures that the Comprehensive Grant annual statement is consistent with the jurisdiction's assessment of low-income housing needs as evidenced in the Consolidated Plan.

HOMELESS AND OTHER SPECIAL NEEDS ACTIVITIES

Outreach

The Continuum of Care (CoC) has adopted coordinated intake and assessment as a key central element of its system of care for homeless persons. Coordinated intake and assessment is accomplished through the Community Intake Center. Homeless persons served by shelters and street outreach are referred to the Community Intake Center.

Emergency Shelter and Transitional Housing

ESG funds support emergency shelter (operation, services, and renovation) and rapid re-housing. In addition, CoC funds support case management programs to support the transition from homelessness to housing.

Permanent Housing

Permanent housing includes rapid re-housing, permanent supportive housing and housing stabilization services. Due to the HEARTH Act and new rules for the Emergency Solutions Grant and Continuum of Care grant, the community has reallocated funds to programs using a housing first approach, which shortens the period of times that households remain homeless. Coordinated intake and assessment includes a barrier assessment and vulnerability assessment. Households needing longer-term supports, including chronically homeless individuals and families, are referred to permanent supportive housing. Homeless households also may receive rapid re-housing assistance, as either a bridge to housing self-sufficiency or to permanent supportive housing. Veterans and their families may avail themselves of these resources, as well as utilize Supportive Services for Veterans Families (SSVF), which is a form of rapid re-housing for veterans, and Veterans Affairs Supported Housing (VASH), which is permanent supportive housing. All households have access to Permanent Housing Case Management to prevent individuals and families who were recently homeless from becoming homeless again.

Homeless Prevention

Coordinated intake and assessment uses a progressive engagement approach designed to forestall homelessness. In addition, the community has a strong history in prevention of evictions through emergency financial assistance. In FY15, $4,075,200 in financial assistance was provided by five agencies in 15,527 cases to prevent homelessness. This assistance was provided by agencies including Crisis Control Ministry, The Salvation Army, Sunnyside Ministry, the Forsyth County Department of Social Services, and many churches and other faith-based organizations.

The community has created the Youth in Transition Community Initiative to improve outcomes for youth transitioning out of foster care. Goodwill Industries of Northwest North Carolina is the lead agency for the program and has implemented supportive programs such as Youth Opportunities Coaches, mentoring programs, housing support, and financial literacy training.

The plan goals support linkages to mainstream supportive services. The Community Intake Center, which opened in 2013, will support this connectivity function on an ongoing basis. Each

client served through coordinated intake and assessment will develop a Housing Stabilization Action Plan, which will included strategizes to utilize appropriate mainstream services.

LEAD-BASED PAINT

Overview: The City operates a hazard reduction program, funded with CDBG and HOME funds. Hazard reduction is primarily accomplished in conjunction with all programs administered by the City's Rehabilitation Division. However, referrals may also be made by the Forsyth County Health Department. Should Rehabilitation costs on a project exceed $25,000, the HUD mandated threshold, abatement of the lead hazard occurs. If below the $25,000 threshold, interim controls, a less invasive method, can be utilized.

The City of Winston-Salem has been awarded a three-year $2,300,000 Lead-Based Paint Hazard Reduction Grant and a $200,000 Healthy Homes grant from HUD. The program began August 1, 2013 and will end July 31, 2016, with the possibility of a one-year extension. Under the grant work plan, a total of 150 homes are to be inspected, 115 units are to be remediated, 72 outreach events reaching at least 90,000 people are to be conducted, and five training sessions are to be held for staff and contractors to promote RRP and Lead Safe Worker certifications.

Annual Activities: Projected activities in 2015-2016 will be to: 1) test 52 units, 2) provide treatment to 65 units and 3) continue education and poison prevention. Training and state certification programs for staff and contractors will continue as required. Additionally, rehabilitation staff will continue to utilize an XRF analyzer to perform lead-based paint inspections on properties that have been selected for the City's Rehabilitation Program and as requested by the Forsyth County Housing and Community Development Department. The paint inspections on properties may be supplemented with the use of outside lead consultants as needed. Typically the properties are single-family homes but may also be multi-family apartments.

House Rehabbed with Lead Based Paint Hazard Reduction Funds

Staff and Training: An investment in human resources has continued to be the first priority in hazard reduction activities. Qualified, as well as certified staff personnel are necessary to reduce hazards safely and effectively. Regulated yearly training and refresher courses will continue to expand the capacity and education of staff. During the upcoming period, staff will renew annual certifications for Lead Inspector and Risk Assessor. Because of state certification requirements, Lead Inspector and Risk Assessor licenses renew yearly, and refresher courses are mandated

every two years to continue active licensure. Finally, as new personnel are hired, Lead Inspector training and certification are a mandatory part of overall staff development.

Education and Prevention: City of Winston-Salem staff will utilize an outreach strategy to promote the principles of Environmental Justice. We anticipate reaching individuals using information that will be distributed through presentations made and activities conducted at churches, schools, doctor's offices, clinics and community events which serve minorities, LEP populations, and persons with disabilities. Marketing will be done through traditional methods such as paid ads, billboards in targeted areas, public service announcements on radio and television, newspapers, and the Winston-Salem/Forsyth County School System, as well as any other means available. Staff has worked with Marketing and Communications to roll out a digital media campaign that included Facebook and digital ads. City and County staff continue to participate in the Lead Poisoning Prevention and Education Coalition, led by the Forsyth County Health Department, Childhood Lead Poisoning Prevention Program staff. Initiatives include ways to identify and intervene in cases of no or low-level poisoning and poisoning in non-HUD-assisted housing, as well as ways to partner with other organizations to reach various populations, such as Latinos through the Hispanic Services Coalition.

Relation to Economic Empowerment: A shortage of certified abatement contractors in North Carolina continues, but with the evolvement of more certification courses being offered by educational organizations in North Carolina and South Carolina, more contractors will be certified RRP Renovators and Supervisors, and have employees certified as Lead Workers. Even so, economic opportunities continue to abound in the field for those willing and able to be trained and certified. For example, the City's Community and Business Development Rehabilitation Division will continue to offer training to its contractors and staff as often as possible and when available through lead grant training requirements.

BARRIERS TO AFFORDABLE HOUSING

The City of Winston-Salem approved an affordable workforce housing policy in August 2015 that applies to market-rate housing when locally derived funds are the only source of City funds in a project. The policy provides that ten percent of units be set aside as workforce housing for a 15-year period.

Staff will review the recommendations of the Development Review-Related Advisory Committee to improve the City/County development review and make procedural changes and recommend changes to ordinances as appropriate. Changes are being proposed to the Unified Development Ordinance regarding accessory units.

INSTITUTIONAL STRUCTURE AND COORDINATION

The City's Community and Business Development Department is the City's liaison with federal, state, and other local public agencies as well as with private sector for-profit and non-profit entities, including lenders, realtors, builders and developers, for the production and rehabilitation of affordable housing, and as the lead entity for the Winston-Salem/Forsyth Housing Consortium. The City will continue to maintain and improve these relationships.

The need for greater service coordination is somewhat dictated by the statutory division of governmental service functions between municipal and county entities. The primary responsibility for coordination of activities, to assure that agencies and programs are working together and that overlap and duplication of services is minimized, rests with coordinating bodies that are coalitions of citizens and agencies that have a targeted service or group focus. Such groups that have housing or related interests are The Continuum of Care, the National Alliance for the Mentally Ill–Forsyth, the Workforce Development Board, the Human Relations Commission, and the Drug and Alcohol Coalition. The ongoing role of monitoring accomplishment of Con Plan goals will lie with these coordinating bodies and collaborative networks for their respective service areas and through the broader citizen participation process.

OTHER ACTIONS

Actions planned to address obstacles to meeting underserved needs, to foster and maintain affordable housing, and to reduce the number of poverty-level families are incorporated into all of the activities described in this Action Plan.

CERTIFICATIONS

In accordance with the applicable statutes and the regulations governing the consolidated plan regulations, the jurisdiction certifies that:

Affirmatively Further Fair Housing -- The jurisdiction will affirmatively further fair housing, which means it will conduct an analysis of impediments to fair housing choice within the jurisdiction, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting that analysis and actions in this regard.

Anti-displacement and Relocation Plan -- It will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and implementing regulations at 49 CFR 24; and it has in effect and is following a residential antidisplacement and relocation assistance plan required under section 104(d) of the Housing and Community Development Act of 1974, as amended, in connection with any activity assisted with funding under the CDBG or HOME programs.

Anti-Lobbying -- To the best of the jurisdiction's knowledge and belief:
1. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and

3. It will require that the language of paragraph 1 and 2 of this anti-lobbying certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

Authority of Jurisdiction -- The consolidated plan is authorized under State and local law (as applicable) and the jurisdiction possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations.

Consistency with plan -- The housing activities to be undertaken with CDBG, HOME, ESG, and HOPWA funds are consistent with the strategic plan.

Section 3 -- It will comply with section 3 of the Housing and Urban Development Act of 1968, and implementing regulations at 24 CFR Part 135.

5-2-2016

Signature/Authorized Official Date

Specific CDBG Certifications

The Entitlement Community certifies that:

Citizen Participation -- It is in full compliance and following a detailed citizen participation plan that satisfies the requirements of 24 CFR 91.105.

Community Development Plan -- Its consolidated housing and community development plan identifies community development and housing needs and specifies both short-term and long-term community development objectives that provide decent housing, expand economic opportunities primarily for persons of low and moderate income. (See CFR 24 570.2 and CFR 24 part 570)

Following a Plan -- It is following a current consolidated plan (or Comprehensive Housing Affordability Strategy) that has been approved by HUD.

Use of Funds -- It has complied with the following criteria:

1. Maximum Feasible Priority. With respect to activities expected to be assisted with CDBG funds, it certifies that it has developed its Action Plan so as to give maximum feasible priority to activities which benefit low and moderate income families or aid in the prevention or elimination of slums or blight. The Action Plan may also include activities which the grantee certifies are designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available);

2. Overall Benefit. The aggregate use of CDBG funds including section 108 guaranteed loans during program year(s) FFY14, FFY15 and FFY16 (a period specified by the grantee consisting of one, two, or three specific consecutive program years), shall principally benefit persons of low and moderate income in a manner that ensures that at least 70 percent of the amount is expended for activities that benefit such persons during the designated period;

3. Special Assessments. It will not attempt to recover any capital costs of public improvements assisted with CDBG funds including Section 108 loan guaranteed funds by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements.

However, if CDBG funds are used to pay the proportion of a fee or assessment that relates to the capital costs of public improvements (assisted in part with CDBG funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds.

The jurisdiction will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108, unless CDBG funds are used to pay the proportion of fee or assessment attributable to the capital costs of public improvements financed from other revenue sources. In this case, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. Also, in the case of properties owned and occupied by moderate-income (not low-income) families, an assessment or charge may be made against the property for public improvements financed by a source other than CDBG funds if the jurisdiction certifies that it lacks CDBG funds to cover the assessment.

Excessive Force -- It has adopted and is enforcing:

1. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and

2. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction;

Compliance With Anti-discrimination laws -- The grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 USC 2000d), the Fair Housing Act (42 USC 3601-3619), and implementing regulations.

Lead-Based Paint -- Its activities concerning lead-based paint will comply with the requirements of 24 CFR Part 35, subparts A, B, J, K and R;

Compliance with Laws -- It will comply with applicable laws.

5-2-2016

Signature/Authorized Official Date

City Manager
Title

Specific HOME Certifications

The HOME participating jurisdiction certifies that:

Tenant Based Rental Assistance -- If the participating jurisdiction intends to provide tenant-based rental assistance:

> The use of HOME funds for tenant-based rental assistance is an essential element of the participating jurisdiction's consolidated plan for expanding the supply, affordability, and availability of decent, safe, sanitary, and affordable housing.

Eligible Activities and Costs -- it is using and will use HOME funds for eligible activities and costs, as described in 24 CFR § 92.205 through 92.209 and that it is not using and will not use HOME funds for prohibited activities, as described in § 92.214.

Appropriate Financial Assistance -- before committing any funds to a project, it will evaluate the project in accordance with the guidelines that it adopts for this purpose and will not invest any more HOME funds in combination with other Federal assistance than is necessary to provide affordable housing;

5-2-2016

Signature/Authorized Official Date

City Manager
Title

ESG Certifications

The Emergency Solutions Grants Program Recipient certifies that:

Major rehabilitation/conversion – If an emergency shelter's rehabilitation costs exceed 75 percent of the value of the building before rehabilitation, the jurisdiction will maintain the building as a shelter for homeless individuals and families for a minimum of 10 years after the date the building is first occupied by a homeless individual or family after the completed rehabilitation. If the cost to convert a building into an emergency shelter exceeds 75 percent of the value of the building after conversion, the jurisdiction will maintain the building as a shelter for homeless individuals and families for a minimum of 10 years after the date the building is first occupied by a homeless individual or family after the completed conversion. In all other cases where ESG funds are used for renovation, the jurisdiction will maintain the building as a shelter for homeless individuals and families for a minimum of 3 years after the date the building is first occupied by a homeless individual or family after the completed renovation.

Essential Services and Operating Costs – In the case of assistance involving shelter operations or essential services related to street outreach or emergency shelter, the jurisdiction will provide services or shelter to homeless individuals and families for the period during which the ESG assistance is provided, without regard to a particular site or structure, so long the jurisdiction serves the same type of persons (e.g., families with children, unaccompanied youth, disabled individuals, or victims of domestic violence) or persons in the same geographic area.

Renovation – Any renovation carried out with ESG assistance shall be sufficient to ensure that the building involved is safe and sanitary.

Supportive Services – The jurisdiction will assist homeless individuals in obtaining permanent housing, appropriate supportive services (including medical and mental health treatment, victim services, counseling, supervision, and other services essential for achieving independent living), and other Federal State, local, and private assistance available for such individuals.

Matching Funds – The jurisdiction will obtain matching amounts required under 24 CFR 576.201.

Confidentiality – The jurisdiction has established and is implementing procedures to ensure the confidentiality of records pertaining to any individual provided family violence prevention or treatment services under any project assisted under the ESG program, including protection against the release of the address or location of any family violence shelter project, except with the written authorization of the person responsible for the operation of that shelter.

Homeless Persons Involvement – To the maximum extent practicable, the jurisdiction will involve, through employment, volunteer services, or otherwise, homeless individuals and families in constructing, renovating, maintaining, and operating facilities assisted under the ESG program, in providing services assisted under the ESG program, and in providing services for occupants of facilities assisted under the program.

Consolidated Plan – All activities the jurisdiction undertakes with assistance under ESG are consistent with the jurisdiction's consolidated plan.

Discharge Policy – The jurisdiction will establish and implement, to the maximum extent practicable and where appropriate policies and protocols for the discharge of persons from

publicly funded institutions or systems of care (such as health care facilities, mental health facilities, foster care or other youth facilities, or correction programs and institutions) in order to prevent this discharge from immediately resulting in homelessness for these persons.

5-2-2016

Signature/Authorized Official Date

City Manager
Title

APPENDIX TO CERTIFICATIONS

INSTRUCTIONS CONCERNING LOBBYING:

A. Lobbying Certification

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

MONITORING PLAN AND SCHEDULE, 2016-2017
SUBRECIPIENTS, CHDOs, HOME RENTAL AND TBRA PROJECTS

Subrecipient and CHDO Monitoring Plan

Subrecipients and CHDOs Subrecipient and CHDO monitoring is scheduled using a risk-based approach.

I. Applicability:

Period: Program Year 2016-2017
Subrecipient Funding Sources Covered: HOME, CDBG, ESG, Continuum of Care
Types of Entities to be Monitored: Nonprofit corporations; Regional Council; Public Housing Authority; Forsyth County, and other City departments, offices and programs.

II. Monitoring Objectives:

Primary:	To ensure that subrecipients comply with applicable rules of the funding program, including financial management standards and eligibility requirements for participants. To ensure that subrecipients meet benchmarks and performance standards proposed for the program.
Secondary:	To identify areas where training and technical assistance may be offered to improve performance and build capacity.

III. Site Visit Procedures:

Step # 1:	Prepare for visit by reviewing applicable rules and guidelines and the subrecipient proposal and agreement.
Step # 2:	Conduct visit as follows: a. Notify subrecipient of date, scope, and focus of review. b. Begin visit with entrance conference with designated official c. Document, gather, analyze and ask questions d. Hold exit conference to report preliminary results, hear reaction/explanations and form conclusions
Step # 3:	a. Follow up with letter that commends successful performance and identifies findings and concerns b. Institute corrective actions as necessary

At this step, post-monitoring intervention may include:

- Low-level Intervention: recommendation of actions; more frequent or more thorough reporting; more frequent monitoring; participation in technical assistance or training.

- Medium-level Intervention: restriction on funding of payment requests; disallowing payments; requiring repayment; impose probationary status.

- High-level Intervention: temporarily or indefinitely suspend funding; do not renew funding in the subsequent year; terminate funding for the current year; initiate legal action.

IV. Desk Monitoring Procedure

Step # 1:	Ensure that subrecipient file is up-to-date in terms of annual audit report, personnel and procurement policies, board roster, and all other items required in the Subrecipient Agreement.
Step # 2:	Review all requests for reimbursement to ensure that they are accurate, identify eligible costs of eligible activities and serve eligible beneficiaries. Assure that required program reports and back-up documentation are submitted; request any missing information or documentation. Funds may be withheld until missing items are provided by the subrecipient.
Step # 3:	For subrecipients for whom reimbursement requests typically are submitted by staff in a location different from program staff (e.g. Family Services, WSFC Schools), ensure that all program reports due have been received.
Step # 4:	Financial and accounting staff will pre-audit reimbursement request before processing payment.
Step # 5:	Performance reports must be submitted satisfactorily and on time or reimbursement will be delayed.

V. Monitoring Policy Based on Risk Assessments:

Relative Risk Category	***Frequency & Type of Monitoring***
High Risk	Annual site visits to include comprehensive program and fiscal monitoring; ongoing desk monitoring.
Moderate Risk	Annual site visits; focus of visits limited to targeted program and/or fiscal issues; ongoing desk monitoring.
Low Risk	Focus of visits may be comprehensive or limited to targeted program and/or fiscal issues; subject to supervisory approval, on-site visits may be scheduled in alternative years; ongoing desk monitoring.

NOTE: All subrecipients are subject to participation in required training and/or technical assistance, which will be considered on a case-by-case basis, as needed.

VI. **Risk Assessment**:

A. Risk Factors: Subrecipients undertaking multiple activities or using multiple HUD funding sources, especially with relatively large amounts of funds; subrecipients conducting rental housing, rental assistance or economic development projects; new subrecipients or subrecipients with new management; subrecipients with recent turnover among funded staff or with history of high turnover; subrecipients with prior history of concerns and findings; subrecipients with large or complex organizational structures; subrecipients with changes in leadership, goals or direction of agency; subrecipients failing to meet schedules or failure to submit timely reports; subrecipients with unresolved audit findings or no audit; subrecipients failing to meet federal program or OMB compliance requirements; subrecipients with low quality documentation; subrecipients with unexplained decrease or increase in productivity; failure to resolved findings or concerns from prior monitoring.

B. Ranking: *(highest risk first)*

i. *High Risk:*

- Habitat for Humanity – high risk (large funding amounts from multiple sources–HOME and Local; special HOME CHDO requirements; special lender requirements e.g. truth-in-lending)

- Experiment in Self-Reliance – high risk (multiple activities of rental housing, TBRA and case management and multiple funding sources–HOME, CDBG and CoC; Shelter Plus Care project-based assistance in HOME project; relatively large funding amounts)

- Housing Authority of the City of Winston-Salem – high risk (multiple funding sources for multiple rental assistance programs–HOME and CoC,)

- United Way – high risk (multiple CoC and ESG rapid re-housing and coordinated assessment grants; modest Ten Year Plan subgrant)

ii. *Moderate Risk*

- AIDS Care Service – moderate risk (multiple funding sources–CDBG and Shelter Plus Care)
- Bethesda Center – moderate risk (case management and outreach staff expenses & mileage; ESG and CoC programs)
- The Salvation Army – moderate risk (multiple funding sources—ESG and CoC)

iii. *Low Risk*

- Family Services – low risk (case management staff expenses)
- Financial Pathways of the Piedmont (Center for Homeownership) – low risk (limited activities & single funding source–CDBG)
- Forsyth County Housing– low risk (multiple activities, single funding source–HOME)
- Goodwill Industries – low risk (modest staff funding only)
- Liberty East Redevelopment – low risk (small, single funding source; very low utilization of funds)
- North Carolina Housing Foundation – low risk (small operational grant & single funding source-CDBG)

- Piedmont Triad Regional Council – low risk (limited activities & single funding source–CDBG)
- Samaritan Ministries – low risk (case management and miscellaneous supportive services)
- Summer Youth Employment – low risk (limited period each year, with intensive desk monitoring)
- WS Foundation/Neighbors for Better Neighborhoods – low risk (limited activities & single source–CDBG)

VII. 2016-2017 Subrecipient Monitoring Schedule:

Agencies	***Current Year or Last On-Site Visit***	***Next On-Site Visit***
Experiment in Self-Reliance	June, 2016	April, 2017
Habitat for Humanity	June, 2016	June, 2017
HAWS	June, 2016	April, 2017
United Way	May, 2016	May, 2017
AIDS Care Service	June, 2016	June, 2017
Bethesda Center	June, 2016	April, 2017
Goodwill Industries	June, 2016	June, 2017
NC Housing Foundation	May, 2015	June, 2017
Salvation Army	May, 2016	June, 2017
Family Services	May, 2016	May, 2017
Financial Pathways	June, 2015	June, 2017
Forsyth County Housing	June, 2016	June, 2017
Liberty East Redevelopment	June, 2016	May, 2017
Piedmont Triad Regional	May, 2015	May, 2017
Samaritan Ministries	June, 2016	June, 2017
Summer Youth Employment	June, 2016	June 2017
WSF-Neighbors for Better Neighborhoods	June, 2016	June, 2017

VIII. 2016-2017 HOME-Assisted Unit Inspection Schedule

HOME-assisted units to be inspected are shown below. First-year warranty inspections are completed for 100% of units in all projects by rehabilitation construction staff. Post-completion monitoring in subsequent years by housing code enforcement staff follows the following schedule. TBRA units are inspected upon initial occupancy and annually as a part of the recertification process.

HOME Rental and TBRA Project Inspections

Project Name	*Agency*	*Location*	*HOME/Total Units*	*Project Type*	*Frequency*
HAWS TBRA	HAWS	Scattered Units	50/50	TBRA	Annually
Gladstone Apartments	Community Management	1301 Brookstown Ave.	12/12	Rehab	Every 2 years
Hunt Park	Community Management	5100 Hunt Park Court	8/60	New Const.	Every 2 years
Griffith Commons	Community Management	Griffith Rd & Burke Mill Rd	3/74	New Const.	Annually
University Court	Community Management	Third & Dunleith Ave.	12/12	New Const.	Annually
Fifth Street	Experiment in Self-Reliance	1225 East Fifth Street	12/12	Rehab	Annually
Goler Manor	NCHSM	601 N. Chestnut Street	79/79	New Constr.	Annually
Alders Point	Community Management	Mock Street	11/100	New Const.	Annually
Providence Place	Community Management	Gilcrest Street	8/56	New Const.	Annually
Arbor Oaks	Community Management	Hope Lane	35/72	New Const.	Annually
Burton Street	ESR	635-639 Burton St.	4/10	Rehab	Annually
Hunters Hill	NCHSM	1067 Hutton St.	12/12	New Const.	Annually
Orchard Creek	Bradley Development	2810 Orchard Creek Ln.	8/64	New Const	Annually
Fifth Street Apartments II	NCHSM	473 Dunleith Ave.	4/8	New Const	Annually
The Enclave	Miller-Valentine Group	Shattalon Dr. & Bethania Station	6/68	New Const	Annually

HOMEOWNERSHIP AND HOME PROGRAM PROCEDURES

First-Time Homebuyer Assistance Component

The City provides permanent and subordinate mortgage financing through HOME funds and local funds to increase the affordability of newly constructed and existing units in the City of Winston-Salem. These programs are described below.

I. HOME Subsidy Assistance Program

The HOME subsidy program provides homebuyer counseling, education and financial assistance for first-time homebuyers with incomes less than 80% of area median, adjusted by household size. The goal of the program is to facilitate the attainment of home ownership by individuals and families that have the income to afford a mortgage, but may have information, cash or other barriers to ownership.

The program is administered by the Community and Business Development Department of the City of Winston-Salem. Homebuyer education services are provided by the Center for Homeownership. Administrative goals of the program are to provide assistance, assure eligibility and compliance, but minimize unnecessary red tape and bureaucracy. The program is comprised of the following steps:

Pre-Qualification and Homebuyer Education – Applicant must interview with The Center for Homeownership (336.773.0286 x101) to determine readiness for a mortgage loan. Deficiencies are identified and resolution counseling provided. Once the applicant is determined eligible, they will be referred to a local lender for pre-approval. All applicants must enroll in a six-hour homebuyer education course through The Center for Homeownership. Completion is mandatory before loan closing.

Financial Assistance - The supplemental down payment and second mortgage assistance will be provided in conjunction with fixed-rate, 15 to 30 year conventional, FNMA or FHA first mortgage loans. Lender or seller paid 2:1 buy-downs will be accepted; however, City subsidies will not be approved in conjunction with ARM or Balloon first mortgage financing. Non-conforming, high interest rate and fee loans are also not acceptable.

Funds may be used for first mortgage reduction (to achieve affordability at acceptable housing expense and long-term debt ratios), downpayment, and/or closing cost; but cannot be used to pay discount points, buy-downs or pre-paids. The subsidy will be in the form of a deferred second mortgage. Repayment is deferred until the property is sold or transferred, the property ceases to be owner-occupied, or the first mortgage is paid in full. The term of deferral of the second mortgage shall be the same as the first mortgage loan and upon payout of the first mortgage loan, shall begin amortization, at the same payment level as the first mortgage for the term required to pay out the second mortgage loan at a zero percent (0%) interest rate.

The assistance levels shown below by income category are an "up to" amount and not an absolute. In instances where a borrower has multiple sources for closing cost, the City's assistance will be reduced by the amount of "excess" subsidy, i.e. an amount that would result in the Buyer receiving "cash out" on a closing statement, when ratios are in an acceptable range. In addition, the amount of HOME subsidy assistance provided to New Century IDA program graduates will be reduced by $2,000.

A. Household Income and Subsidy Limits

HOME SUBSIDY ASSISTANCE PROGRAM						
Household Size	Very Low <50%	City Subsidy	Low 51-65%	City Subsidy	Moderate 66-80%	City Subsidy
1	$19,650	$8,500	$25,530	$7,500	$31,450	$6,500
2	22,460	9,100	29,170	8,000	35,950	7,000
3	25,250	9,700	32,820	8,600	40,450	7,500
4	28,050	10,500	36,470	9,200	44,900	8,000
5	30,300	11,200	39,380	9,800	48,500	8,500
6+	32,550	12,000	42,300	10,500	52,100	9,200

B. Down Payment and Cash Requirement

Underwriting guidelines of the applicable loan type used will govern most underwriting criteria. The following is only intended to highlight key program requirements.

Income/Debt Ratios - Although conventional loan underwriting criteria vary within FNMA/FHA/Freddie Mac guidelines, the following reflect acceptable ratios and maximum limits for HOME assistance:

- Housing expense ratio ranging from 25% to 33% of gross income
- Housing and Long-term debt ratio up to 41% of gross income

Credit - ALL delinquent non-medical obligations (collections, judgments, charge-offs) must be paid in full. Medical collections with a cumulative total of $1,000 or under must be paid in full. Medical collections with a cumulative total exceeding $1,000 require documentation of payment arrangements.

Reserves - Homebuyer is required to retain the amount of one house payment in their savings or checking account. Reserves must be verified by lender.

Contribution - Purchasers must contribute $1,000 of their own funds. In order to reduce hardship, the monies paid toward earnest money, appraisal, and inspections are counted toward this contribution.

Eligible Properties – Eligible properties include new, existing or rehabilitated single-family detached homes with purchase price not to exceed $130,000. Properties must be located within the city limits and must meet housing code standards. A home inspection is required for all existing homes, the cost of which can be included in the HOME assistance.

Loan Approval/Processing - Eligible home buyers must submit an executed sales contract and obtain first mortgage financing from a participating lender to receive approval of a HOME second mortgage. A five business day turnaround time, from receipt of a complete package, is required for approval of a HOME second mortgage. If there are property inspections issues,

additional time may be required. Additionally, the City of Winston-Salem reserves the right to select the closing attorney and may have specific days of the week in which closings can be held. Documents (i.e. HUD1 and Insurance showing evidence of City of Winston-Salem as Loss Payee) will required in advance of closing.

Asset Limit: Assets must not exceed $10,000.

C. Other HOME Program Terms and Conditions

1. The HOME program will use the IRS Income definition. Additionally, the following two income tests will be required to be utilized:

2.a) Program Eligibility - For purposes of determining program eligibility, income shall be based on all sources of household gross, annualized income for the twelve month period ending on the date of mortgage loan closing, and shall include:

(1) total money earnings received for work performed as an employee before deductions, including wages, salary, recurrent overtime, commissions, fees, tips and bonuses;

(2) net self-employment income;

(3) net cash income from the operation of real property;

(4) interest, dividends, and other investment income;

(5) the full amount of recurrent periodic payments received from Social Security, pensions, insurance policies, or other similar annuities;

(6) the full amount of periodic public assistance payments, alimony, and other payments or contributions which are received on a recurrent basis and which may reasonably be expected to continue.

b) “Qualifying Mortgage Loan Income" is the gross monthly income of the borrower(s), projected for a one-year period from the date of mortgage loan application; including wages (and other recurrent, stable and verifiable income which can be reasonably expected to continue for a three-year period).

3. The appraised value and sales price of assisted units shall not exceed FHA mortgage limits, whether the mortgage is FHA insured or not.

4. City Review and Approval: Upon attainment and receipt of loan processing documentation and verifications (including mortgage credit report, employment, landlord and deposit verifications) and prior to issuance of a mortgage commitment; originating lender will provide copies of the application and loan documentation for review and approval of City assistance. Documentation must also include copies of federal income tax returns for prior three years.

5. City requires a copy of the Homeowner’s Insurance Policy listing the City of Winston-Salem as a loss payee AND a copy of the HUD-1 for review prior to closing.

6. Proof of permanent U.S. residency is required.

7. Use of Second Mortgage Subsidy: City provided assistance may be used to meet down payment and closing cost requirements and to reduce the first mortgage principal to a level that makes the first mortgage affordable. City subsidy assistance will not be used to pay discount points, buy-downs, Mortgage Credit Certificates (MCCs) or pre-paid expenses.

8. HOME Affordability Requirements: The Consortium has selected the recapture method. The HOME Affordability Period shall be the minimum period of affordability required in §92.254(a)(4) based on the amount of HOME assistance per unit.

9. HOME Terms and Conditions: As HOME program funds will be utilized in providing subsidy assistance, HOME program regulations and guidelines will govern program eligibility and implementation. These requirements include, but are not limited to, the following provisions:

a) Mortgage assistance will be provided in the form of a deferred second mortgage loan secured by a deed of trust and evidenced by a written agreement and promissory note to be executed in conjunction with the first mortgage loan.

b) During the affordability period, the City will recapture the entire amount of the HOME direct subsidy if the property is sold, transferred or ceases to remain the principal residence of the owner/family.

c) During the affordability period, should the sales price of a HOME-assisted unit not be sufficient to pay off the first mortgage loan and closing costs, the amount of HOME funds subject to recapture will be limited to the net proceeds (the amount left after paying the first mortgage and closing costs).

d) During the affordability period, the recapture of the second mortgage will be suspended upon foreclosure by a lender or other transferor in lieu of foreclosure, if such foreclosure recognizes any contractual or legal rights of public agencies, non-profit sponsors or others to take actions that would avoid termination of low-income affordability.

e) Assumption of a HOME loan requires City underwriting approval of the mortgagee prior to the transfer of the property to another owner.

II. Supplemental Downpayment Assistance

The Supplemental Downpayment Assistance program provides a subordinate mortgage forgivable loan that can be used for either or a combination of down payment/closing cost and/or principal reduction to facilitate affordability of the first mortgage loan payment by lower income families in the purchase of newly constructed homes or existing homes not requiring rehabilitation. The loan will be forgiven at a rate of 10% yearly to be forgiven over a period of 10 years. Repayment is required only if the home is sold, transferred, or ceases to be occupied as the primary residence during the term of the first mortgage. Subsidy is summarized below:

A. Subsidy Limits

Households Receiving Other Federal, Local or State Homebuyer Assistance Subsidies

- Incomes less than 40% of Median Income - Eligible to receive downpayment assistance of $5,000 or 6% of the property purchase price whichever is less.
- Incomes from 41% to 60% of Median Income - Eligible to receive downpayment assistance of $4,500 or 6% of the property purchase price whichever is less
- Incomes from 61% to 80% Median Income - Eligible to receive downpayment assistance of $3,500 or 6% of the property purchase price whichever is less

Households **Not** Receiving Other Direct Homebuyer Assistance Subsidies. (Lot subsidies tied to specific subdivision locations are not considered “direct” subsidy assistance).

- Incomes less than 50% of Median Income - Eligible to receive downpayment assistance of $6,000 or 6% of the property purchase price whichever is less.
- Incomes from 51% to 80% Median Income - Eligible to receive downpayment assistance of $4,500 or 6% of the property purchase price whichever is less

Contribution: $1,000 (including earnest money, inspections, appraisal and credit reports)

Collections: ALL delinquent non-medical obligations (collections, judgments, charge-offs) must be paid in full. Medical collections with a cumulative total of $1,000 or under must be paid in full. Medical collections with a cumulative total exceeding $1,000 require documentation of payment arrangements.

Ratios: Front-end: 33%, Back-end: 41%

Asset Limit: $10,000

Proof of permanent U.S. residency is required for ALL programs.

B. Other HOME Program Terms and Conditions

1. The HOME program will use the IRS Income definition. Additionally, the following two income tests will be required to be utilized:

   a) Program Eligibility - For purposes of determining program eligibility, income shall be based on all sources of household gross, annualized income for the twelve month period ending on the date of mortgage loan closing, and shall include:

   (1) total money earnings received for work performed as an employee before deductions, including wages, salary, recurrent overtime, commissions, fees, tips and bonuses;

   (2) net self-employment income;

   (3) net cash income from the operation of real property;

   (4) interest, dividends, and other investment income;

   (5) the full amount of recurrent periodic payments received from Social Security, pensions, insurance policies, or other similar annuities;

   (6) the full amount of periodic public assistance payments, alimony, and other payments or contributions which are received on a recurrent basis and which may reasonably be expected to continue.

   b) “Qualifying Mortgage Loan Income" is the gross monthly income of the borrower(s), projected for a one-year period from the date of mortgage loan application; including wages (and other recurrent, stable and verifiable income which can be reasonably expected to continue for a three-year period).

2. The appraised value and sales price of assisted units shall not exceed FHA mortgage limits, whether the mortgage is FHA insured or not.

3. City Review and Approval: Upon attainment and receipt of loan processing documentation and verifications (including mortgage credit report, employment, landlord and deposit verifications) and prior to issuance of a mortgage commitment; originating lender will provide copies of the application and loan documentation for review and approval of City assistance. Documentation must also include copies of federal income tax returns for prior three years.

4. City requires a copy of the Homeowner's Insurance Policy listing the City of Winston-Salem as a loss payee AND a copy of the HUD-1 for review prior to closing.
5. Proof of permanent U.S. residency is required.
6. Use of Second Mortgage Subsidy: City provided assistance may be used to meet down payment and closing cost requirements and to reduce the first mortgage principal to a level that makes the first mortgage affordable. City subsidy assistance will not be used to pay discount points, buy-downs, Mortgage Credit Certificates (MCCs) or pre-paid expenses.
7. HOME Affordability Requirements: The Consortium has selected the recapture method. The HOME Affordability Period shall be the minimum period of affordability required in §92.254(a)(4) based on the amount of HOME assistance per unit.
8. HOME Terms and Conditions: As HOME program funds will be utilized in providing subsidy assistance, HOME program regulations and guidelines will govern program eligibility and implementation. These requirements include, but are not limited to, the following provisions:

a) Mortgage assistance will be provided in the form of a deferred second mortgage loan secured by a deed of trust and evidenced by a written agreement and promissory note to be executed in conjunction with the first mortgage loan.
b) During the affordability period, the City will recapture the entire amount of the HOME direct subsidy if the property is sold, transferred or ceases to remain the principal residence of the owner/family.
c) During the affordability period, should the sales price of a HOME-assisted unit not be sufficient to pay off the first mortgage loan and closing costs, the amount of HOME funds subject to recapture will be limited to the net proceeds (the amount left after paying the first mortgage and closing costs).
d) During the affordability period, the recapture of the second mortgage will be suspended upon foreclosure by a lender or other transferor in lieu of foreclosure, if such foreclosure recognizes any contractual or legal rights of public agencies, non-profit sponsors or others to take actions that would avoid termination of low-income affordability.
e) Assumption of a HOME loan requires City underwriting approval of the mortgagee prior to the transfer of the property to another owner.

III. Citywide Homeownership Assistance Program (C-HAP)

The Citywide Homeownership Assistance Program (C-HAP) provides homebuyer counseling, education and financial assistance for first-time homebuyers with incomes 80% or less than the area median, adjusted by household size. The goal of the program is to facilitate the attainment of home ownership by individuals and families that have the income to afford a mortgage, but may have information, cash or other barriers to ownership.

C-HAP is administered by the Community and Business Development Department of the City of Winston-Salem. Homebuyer education services are provided by the Center for Homeownership. An administrative goal of the program is to provide assistance, assure eligibility and compliance, but minimize unnecessary red tape and bureaucracy. The program is comprised of the following steps:

Pre-Qualification and Homebuyer Education – Applicant must interview with The Center for Homeownership (336.773.0286) to determine readiness for a mortgage loan. Deficiencies are identified and resolution counseling provided. Once the applicant is determined eligible, they will be referred to a local lender for pre-approval. All applicants must enroll in a six-hour homebuyer education course through The Center for Homeownership. Completion is mandatory before loan closing.

Financial Assistance - The supplemental down payment and second mortgage assistance will be provided in conjunction with fixed-rate, 15 to 30 year conventional, FNMA or FHA first mortgage loans. Lender or seller paid 2:1 buy-downs will be accepted, however, City subsidies will not be approved in conjunction with ARM or Balloon first mortgage financing. Non-conforming, high interest rate and fee loans are also not acceptable.

Funds may be used for first mortgage reduction, downpayment, and/or closing cost. It can be used toward pre-paids and discount points or pre-paids and origination fees. It cannot, however, be used for buy-downs. The City subsidy will be in the form of a deferred, no-interest second mortgage. Repayment is deferred until the property is sold, transferred, or refinanced; if the home ceases to be owner-occupied, or the first mortgage is paid in full.

Household Size and Income Limits

Household Size	Income Limit
1	$31,450
2	35,950
3	40,450
4	44,900
5	48,500
6+	52,100

The maximum second mortgage amount is $12,000 or 20% of the sales price, whichever is less. This assistance is an *up to* amount and not an absolute. In instances where a borrower has multiple sources for closing cost, the City's assistance will be reduced by the amount of excess subsidy. The City must be in second lien-holder position.

Down Payment and Cash Requirement

Underwriting guidelines of the applicable loan type used will govern most underwriting criteria. The following is only intended to highlight key program requirements.

Income/Debt Ratios - Although conventional loan underwriting criteria vary within FNMA/FHA/Freddie Mac guidelines, the following reflect acceptable ratios and maximum limits for C-HAP assistance:

- Housing expense ratio ranging 20% to 33% of gross income
- Housing and long-term debt ratio up to 41% of gross income

Credit - ALL delinquent non-medical obligations (collections, judgments, charge-offs) must be paid in full. Medical collections with a cumulative total of $1,000 or under must be paid in full. Medical collections with a cumulative total exceeding $1,000 require documentation of payment arrangements.

Reserves - Homebuyer is required to retain the amount of one house payment in their savings or checking account. Reserves must be verified by lender.

Contribution - Purchasers must contribute 1% of the sales price with a minimum contribution of $1,000. This must come from their own funds. In order to reduce hardship, the monies paid toward Earnest Money, Appraisal, and Inspections are counted toward this contribution.

Eligible Properties - Includes new, existing or rehabilitated single-family detached homes with purchase price not to exceed $140,000. Properties must be located within the city limits and must meet housing code standards. A home inspection and a termite inspection are required for **all** existing homes, the cost of which can be included in the C-HAP assistance.

Loan Approval/Processing - Eligible home buyers must submit an executed sales contract and obtain first mortgage financing from a participating lender to receive approval of a C-HAP second mortgage. A five (5) business day turnaround time, from receipt of a complete package, is required for approval of a C-HAP loan. If there are property inspections issues, additional time may be required. Additionally, the City of Winston-Salem reserves the right to select the closing attorney and may have specific days of the week in which closings can be held. Documents (i.e. HUD1 and Insurance showing evidence of City of Winston-Salem as Loss Payee) may be required in advance of closing.

Asset Limit: Assets must not exceed $10,000.

Other Terms and Conditions

1. The appraised value and sales price of assisted units shall not exceed FHA mortgage limits, whether the mortgage is FHA insured or not.

2. City Review and Approval: Upon attainment and receipt of loan processing documentation and verifications (including mortgage credit report, employment, landlord and deposit verifications) and prior to issuance of a mortgage commitment; originating lender will provide copies of the application and loan documentation for review and approval of City assistance. Documentation must also include copies of federal income tax returns for prior three years.

3. The Loss Payee clause should read as "*City of Winston-Salem, Revenue Department, PO Box 2756, Winston-Salem, NC 27102".*

4. Use of Second Mortgage Subsidy: City provided assistance may be used to meet down payment and closing cost requirements and for principal reduction to increase buyer affordability. City subsidy assistance will not be used to pay discount points, buy-downs, or MCC's expenses.

5. Proof of U.S. Residency Status is required.

6. Terms and Conditions of Second Mortgage Subsidy:

7. The second mortgage assistance will be provided in the form of a no-interest deferred second mortgage loan secured by a deed of trust and evidenced by a promissory note.

8. The term of deferral of the second mortgage shall be the same as the first mortgage loan, with a minimum of fifteen (15) years and a maximum of thirty (30) years. Upon payout of the first mortgage loan, the second mortgage shall begin amortization, at the same payment level as the first mortgage for the term required to pay-out the second mortgage loan at a zero percent (0%) interest rate.

9. Repayment of all of the second mortgage will be required if the property is sold, transferred or ceases to remain in owner/family occupancy during the term of the primary mortgage loan.

10. Assumption of a C-HAP loan requires City underwriting approval of the mortgagee prior to the transfer of the property to another owner.

Application packages must be complete, and may be submitted by the Lender.

The program is funded with locally derived funds.

IV. Second Mortgage Assistance (70/30) Program

The City of Winston-Salem Community and Business Development offers financial assistance to first-time homeowners by providing below-market financing for the purchase of newly constructed homes in redevelopment areas. The borrower must have not had an ownership interest in a principal residence for the prior three tax years. Home owners displaced by local government action are exempt from this requirement. The City Second Mortgage Assistance programs combine two low-interest mortgage loans to make the purchase of a house in City redevelopment areas affordable for moderate income households. Seventy percent (70%) is borrowed from a lender at a fixed rate for 15 years. Thirty percent (30%) is borrowed from the City at a 5% rate for a term of approximately five years. The monthly house payment to the City is based on the amount of the first mortgage and does not begin until the sixteenth year. The maximum household income should not exceed 120% Area Median Income (AMI).

Contribution: $1,000 (which includes amounts paid for earnest money, inspections, appraisal and credit reports). In addition, applicants exceeding 80% AMI are required to contribute a minimum 1% downpayment. Downpayment monies paid toward obtaining the first mortgage will be considered as a part of this contribution.

Collections: ALL delinquent non-medical obligations (collections, judgments, charge-offs) must be paid in full. Medical collections with a cumulative total of $1,000 or under must be paid in full. Medical collections with a cumulative total exceeding $1,000 require documentation of payment arrangements.

Ratios: Front-end: 33%, Back-end: 41%

Inspections: The mortgagee reserves the option to inspect/evaluate the property annually throughout the term of the loan to ensure the property is owner-occupied.

Asset Limit: $10,000

The program is funded with locally derived funds.

V. Section 8 Homeownership

The U.S. Department of Housing and Urban Development (HUD) authorizes funds for local Public Housing Authorities (PHA) to supplement low-to-moderate income families with monthly housing assistance. These funds are paid directly to the landlord. Within the last few years HUD has authorized these funds to be used toward the purchase of a home, and the monthly housing payment can be applied toward a mortgage. For applicants that are in need of additional assistance the City of Winston-Salem's Housing/Neighborhood Development Department offers a second mortgage program specifically designed for Section 8 participants.

The maximum City Second Mortgage amount is based on the loan amount that can be supported by the Section 8 subsidy for a maximum term of 30 years up to $20,000 at an interest rate of 0%. The monthly Housing Assistance Payment (HAP) is forwarded to the City of Winston-Salem and is applied toward the Second Mortgage. The following guidelines will apply:

1. Debt Ratios: 33% - 41%.

2. For program eligibility, "Total" family income will be reviewed, and it must not exceed 80% AMI depending upon the family size.

3. The maximum asset limit is $10,000.

4. Must be a permanent U.S. resident.

5. The term of the loan will be identical to the term of the HAP subsidy.

6. The Section 8 check will be endorsed and mailed to the City's Revenue collector on a monthly basis. Late fees incurred as a result of a lack of timely payment will be the buyer's responsibility. Buyer must sign the "Section 8 Voucher Rider" if receiving this type of Second Mortgage.

7. Buyer must present a copy of 30-day notice to landlord for evacuating.

8. Applicant must provide the signed "Purchase Contract" along with the "Addendum to Residential Purchase Agreement".

9. Applicant/Buyer must submit a letter (on company letterhead) of approval from HAWS indicating mortgage readiness.

10. A copy of the "Section 8 Homeownership Voucher" indicating the anticipated HAP payment.

11. The following loan requirements apply:
    a. Interest rate less than 1% over the prevailing interest.
    b. Origination fee no more than 1%.
    c. Must not charge any form of associated cost, fees for providing a loan.
    c. All loans must be a fixed rate for the entire life (30 year max) of the loan.
    d. All mortgage payments must include escrows for Taxes and Insurance.

12. Applicant/Buyer must attend Housing Counseling and take homeownership classes offered by Center for Homeownership or as designated by City of Winston-Salem Housing/Neighborhood Development Department.

13. If an applicant's income/debt does not justify utilizing this program, applications for other homeownership programs will be reviewed on a case-by-case basis.

The program is funded with locally derived funds.

VI. CHDO Homeownership Development

The City provides HOME funds to a Community Housing Development Organization (CHDO) to develop single-family housing for sale to owner-occupants. Units may be newly constructed units or the purchase and rehabilitation of existing vacant units.

Pre-qualification, homebuyer education, and loan underwriting are conducted by the CHDO in accordance with HOME regulations and its own standards. The financing is structured as a subordinate mortgage to the homebuyer from the City equal to the amount of HOME assistance for the unit. The subordinate mortgage is recorded by a deferred Note and Deed of Trust that is due on sale or transfer of the property or when the home no longer remains owner-occupied by the initial purchasers. The amount of HOME assistance is a set amount based on the City's funding priorities and the needs of the CHDO, in compliance with HOME subsidy limit requirements. Approval by the City is required before any said deferred Note and Deed of Trust may be assumed upon transfer of property to another owner. The City requires a copy of the homeowner's insurance policy listing the City of Winston-Salem as a loss payee. Permanent U.S. residency is required.

HOME Affordability Requirements: The Consortium has selected the recapture method. The HOME Affordability Period shall be the minimum period of affordability required in §92.254(a)(4) based on the amount of HOME assistance per unit.

HOME Terms and Conditions: As HOME program funds will be utilized in providing subsidy assistance, HOME program regulations and guidelines will govern program eligibility and implementation. These requirements include, but are not limited to, the following provisions:

a) Mortgage assistance will be provided in the form of a deferred second mortgage loan secured by a deed of trust and evidenced by a written agreement and promissory note to be executed in conjunction with the first mortgage loan.
b) During the affordability period, the City will recapture the entire amount of the HOME direct subsidy if the property is sold, transferred or ceases to remain the principal residence of the owner/family.
c) During the affordability period, should the sales price of a HOME-assisted unit not be sufficient to pay off the first mortgage loan and closing costs, the amount of HOME funds subject to recapture will be limited to the net proceeds (the amount left after paying the first mortgage and closing costs).
d) During the affordability period, the recapture of the second mortgage will be suspended upon foreclosure by a lender or other transferor in lieu of foreclosure, if such foreclosure recognizes any contractual or legal rights of public agencies, non-profit sponsors or others to take actions that would avoid termination of low-income affordability.
e) Assumption of a HOME loan requires City underwriting approval of the mortgagee prior to the transfer of the property to another owner.

Tenant-Based Rental Assistance (TBRA) Component

The program shall follow the guidelines of the Administrative Plan for the Housing Choice Voucher Program of the Housing Authority of the City of Winston-Salem (HAWS) unless otherwise specified in the agreement with HAWS.

A. Program Goal

The program's goal is to help participants achieve housing stability. The City of Winston-Salem will contract with the Housing Authority of the City of Winston-Salem (HAWS) to administer HOME funds for tenant-based rental assistance for formerly homeless persons, persons with special needs or other populations needing rental assistance. Local service providers (agencies) will serve as referral and service coordination agencies.

B. Selection Procedures and Criteria

Agencies initially will screen and refer applicants to HAWS. Pursuant to the HOME regulations at 24 CFR 92.209, tenant-based rental assistance may only be provided to very low- and low-income families, adjusted for household size. However, to ensure compliance with HOME regulations at 24 CFR 92.216, households accepted into the program must have incomes below 60% of area median income.

HOME funds are allocated 1) to facilitate transition of homeless and formerly homeless persons or families to permanent housing and self-sufficiency, 2) to assist persons who are disabled, and 3) to assist the "working poor," i.e., persons or families at or below fifty percent (50%) of Area Median Income and who are employed at the time assistance is committed. To assure the likelihood of continued residential stability, all homeless, formerly homeless and disabled tenants who are referred by service providers may be offered an opportunity to participate in a case management program or receive supportive services from the referring agency. All other tenants must remain employed or be receiving unemployment compensation.

Participation in the HOME TBRA Program cannot preclude a household from applying for or participating in other programs or forms of assistance, such as the Housing Choice Voucher Program. HOME TBRA tenants should be strongly encouraged to apply for other assistance as needed; however, HOME TBRA tenants must relinquish HOME assistance in order to accept other rental assistance.

C. Rental Assistance Administration

HAWS will administer the rental coupon system. The referring agency will assist participants in locating standard, affordable housing. HAWS will pay the HOME TBRA assistance to the owner. The participant will be responsible for paying the balance of rent to the owner. Leases must not contain any of the prohibited lease terms described under 24 CFR 92.253(b).

HAWS shall complete and submit to the City a project set-up form at the time each lease is executed. The format of the project set-up form shall be provided by the City. The City must be notified monthly of changes in the amounts of monthly assistance to participants, and an amended project set-up report form must be submitted by HAWS to the City for such participants.

D. Income Limits and Amounts of Assistance

Households accepted into the program must have incomes below 60% of area median income. New HOME income limits will become effective annually on July 1, or on HUD's effective date if median decreases. HAWS and the referring agency shall obtain new income limits each year from the City for

the purpose of determining eligibility of participants. Each referring agency will screen for income eligibility. HAWS shall verify and calculate annual incomes, adjusted incomes, and assistance amounts. The Housing Choice Voucher Program definition of income shall be used. Income recertifications will be effective on each participant's anniversary date. Assistance amounts, payment standards and minimum contribution to rent will be based on the the Housing Authority's Administrative Plan in compliance with the regulations for the Housing Choice Voucher Program

E. Termination of Assistance

Participants who are homeless and who are referred through the Continuum of Care's coordinated entry process will be served based on the Housing First model. Therefore, the Housing Authority and referral agencies will not place preconditions or eligibility requirements beyond HUD's HOME eligibility requirements and will not require participants to participate in supportive services or make other rules such as sobriety as a condition of housing. However, all homeless applicants referred for HOME assistance through the coordinated entry system will be offered an appropriate level of services as determined by the referral agency.

Non-homeless, non-disabled participants who are working must maintain employment or be receiving unemployment compensation from the North Carolina Employment Security Commission (NCESC). Failure to meet this requirement will result in termination from the program. If laid off, the participant must provide documentation to HAWS of application for unemployment compensation and the NCESC decision. Non-homeless, disabled participants may be assisted without a requirement to participate in services.

Assistance to participants whose incomes rise above 80% of area median income must be terminated after HAWS gives reasonable notice to the tenant. All assistance for any participant may be terminated after one year of participation in the program, regardless of income. Pursuant to 24 CFR 92.209, HAWS may propose to renew assistance to a tenant up to a total of 24 months of assistance. Assistance beyond the initial 24 months must be approved by the City, based on a request from HAWS

F. Other Issues

HOME Program requirements are addressed by the HOME Program Rule at 24 CFR 92.

Affirmative Marketing

HOME Programs are marketed affirmatively to attract prospective buyers or tenants of all minority and non-minority groups in the housing market area regardless of race, color, religion, sex, national origin, disability, or familial status. The purpose of affirmative marketing is to ensure that any group(s) of persons normally not likely to apply for the housing without special outreach efforts know about the housing, feel welcome to apply and have the opportunity to buy or rent. Affirmative marketing efforts include distribution of brochures to neighborhood groups and other organizations, participation in community events using banners, brochures and one-on-one advertising, television announcements, web page information, cross-training on program information with other housing-related organizations, and coordination with public information efforts of other city and county departments. Program materials will display the Equal Opportunity logo. Minority-owned and/or minority-operated media will be used as part of the marketing program.

SUMMARY OF CONSULTATIONS AND NEIGHBORHOOD MEETINGS

Within Forsyth County, the collaboration process is on-going and year-around. The City participates in key umbrella groups, including the Continuum of Care and the HUD-funded regional planning consortium now known as Piedmont Together, which is coordinated by the Piedmont Authority for Regional Transportation. This consortium includes work groups on housing, economic and workforce development, infrastructure, healthy communities and other key development areas. The City is a member of the Asset Building Coalition to help build financial stability and reduce poverty in the community, and has participated with banks, foundations, government, and other interested parties on this initiative. Through these collaborative groups, the City receives regular input on plans and initiatives. Other partners participating in these groups include the Housing Authority of Winston-Salem, United Way of Forsyth County, foundations, Forsyth County government agencies and CenterPoint Human Services**.**

The Winston-Salem/Forsyth County Continuum of Care (CoC) is designated by HUD as Continuum of Care NC-500. The CoC now operates under a Governance Charter with participation at three levels: a Commission on Ending Homelessness, an Operating Cabinet, and general Continuum of Care membership. The Continuum of Care provides input to assist the jurisdiction in determining how to allocate ESG and Continuum of Care funds, develop performance standards, evaluate outcomes, and develop funding, poppolicies and procedures for the administration of HMIS.

The Plan reflects partnerships among all levels of government and the private sector, including for-profit and non-profit organizations. The community consultation process is ongoing and evolves as new partners emerge to address community needs. Table D-1 lists a broad spectrum of consultations from which input was derived for Plan development.

Table D-1: Summary of Consultations

Name	Type	Con Plan Section	Nature of Consultation
AIDS Care Service	Services-Persons with HIV/AIDS	Homelessness Strategy Non-Homeless Special Needs HOPWA Strategy	Assistance with HIV/AIDS-specific data sources, identification of needs and resources; strategy recommendations
Michigan Coalition Against Homelessness; NC HMIS Governance Committee	Planning Organizations	Homelessness Strategy	Member of governance board of statewide homeless information system
Center for Homeownership	Other – Services-Housing	Housing Needs Assessment	Advisory Board to address issues impacting the Center, addressing homebuyer concerns and housing counseling and promoting special events.
CenterPoint Human Services	Services-Persons with Disabilities	Homelessness Strategy Non-Homeless Special Needs	Identification of needs; strategy recommendations
City Budget Department	Grantee Department	Other – Annual Plan	Discussions related to the subgrantee application process and to local funds available for Plan activities

Table D-1: Summary of Consultations			
Name	**Type**	**Con Plan Section**	**Nature of Consultation**
City/County Planning Board	Grantee Department	Other – Barriers to Affordable Housing	Discussions related to environmental review, historic preservation, and the Unified Development Ordinance
City Finance Department	Grantee Department	Other – Annual Plan	Discussions related to closing out grant years and other finance issues
City Human Relations Department	Grantee Department Services – Fair Housing	Other – Fair Housing	Discussions related to Analysis of Impediments and fair housing program
Coordinated Assessment Team	Services – Homeless	Homelessness Strategy	Reviews cases for referral of homeless households to rapid rehousing, permanent supportive housing and services
ECHO Council	Foundation	Non-Housing Community Development Strategy	Everyone Can Help Out leadership initiative of Winston-Salem Foundation
Fair Housing Summit	Business Leaders	Market Analysis	Planning group with city staff, lenders and realtors for annual Fair Housing month events
Family Services; Next Step Ministry	Services-Victims of Domestic Violence	Homelessness Strategy	Members of Continuum of Care planning group identifying needs and providing recommendations for strategies and programs
Forsyth Futures	Planning Organization	Non-Housing Community Development Strategy	Community collaboration to address issues in civic engagement, economic stability, education, health and safety, particularly related to performance outcomes.
Forsyth Lead Hazard Reduction Coalition	Services – Children Services – Health Health Agency	Lead-Based Paint Strategy	Discuss prevention of lead poisoning; Health Department is a key partner
Forsyth Working Families Advisory Board	Services - Children	Non-Housing Community Development Strategy	Discussion of issues faced by working families in Forsyth County
Habitat for Humanity of Forsyth County, Inc.	Housing	Housing Needs Assessment	Discuss project issues and potential projects, including neighborhood redevelopment
HOME Cooperating Units	Other Government – Local	Market Analysis	Forsyth County discussions with municipalities regarding operation of the HOME program and selection of rehab clients
HOME TBRA Committee	PHA	Housing Need Assessment	Meetings sponsored by Housing Authority to discuss HOME TBRA and Continuum of Care rental assistance issues with referral agencies
Housing Authority of Winston-Salem	PHA	Public Housing Needs	Regular consultations regarding capital investment, access to rental housing, HAWS' Choice Neighborhoods Grant
IDA Working Group	Other – Services-Housing	Anti-poverty Strategy	Group coordinating assistance to Individual Development Account program participants
Municipal Economic Opportunity Profile	Regional Organization	Anti-poverty Strategy	Committee meeting to assess community wealth and poverty analysis

Table D-1: Summary of Consultations			
Name	**Type**	**Con Plan Section**	**Nature of Consultation**
NC Coalition to End Homelessness	Other – Advocacy	Homelessness Strategy	Member of statewide membership nonprofit created to secure resources, encourage public dialogue, and advocate for public policy change to end homelessness.
NC Department of Commerce, Division of Community Assistance	Other Government – State	Non-housing Community Development Strategy	Forsyth County discussions regarding availability of funds and program operations
NC Housing Foundation	Housing Services – Persons with Disabilities Services - Elderly	Housing Needs Assessment Non-homeless Special Needs	Partner assisting in implementation of housing element of Ten Year Plan to End Chronic Homelessness; developer of housing for elderly and disabled
Neighborhood Stabilization Program	Other Government – County	Housing Need Assessment	Discuss project issues with Forsyth County and opportunity for future funds
Piedmont Triad Regional Council	Regional Organization Services – Employment Publicly Funded Institution-System of Care3	Non-housing Community Development Strategy; Anti-Poverty Strategy	Council of governments working on workforce development and criminal justice, among other issues; Project Re-Entry intervenes in prison discharge system.
Housing and Health (H2) Work Group	Services – Homeless	Non-housing Community Development Strategy	Group developing linkages between housing and healthcare
S.G. Atkins CDC	Other – Community Development Corporation	Non-housing Community Development Strategy	Advisory Board meetings
Small Business Loan Committee	Private Sector Banking/Finance	Anti-poverty Strategy	Review of economic development loan applications
Subgrantee Consultations	Housing	Non-homeless Special Needs Housing Need Assessment	Provide consultation upon request to potential funding applicants.
Commission on Ending Homelessness	Other Government – County	Homelessness Strategy	Implement Ten-Year Plan to End Chronic Homelessness
United Way Impact Council	Foundation	Non-housing Community Development Strategy	Make recommendations on resource allocations in community impact areas
U.S. Department of Veterans Affairs	Other government - Federal	Homelessness Strategy	VA staff as member of Continuum of Care group to help identify needs and develop recommendations
WSFC Continuum of Care	Continuum of Care	Homeless Needs – Chronically homeless, Families with Children, Veterans	Local collaboration and shelter and service coordination; Executive Board membership
WSFC Schools	Services – Education	Homelessness Strategy	Recommendations on meeting education requirements of the HEARTH Act
Youth in Transition	Child Welfare Agency	Homelessness Strategy	Organization committed to improving outcomes for youth leaving foster care.

In addition to the organizations listed above, City staff continues to work with the 58 active neighborhood associations currently identified within the city, serving as liaisons between the associations and the city relative to the effective delivery of city services. One Community and Business Development staff person is assigned to work with citizens throughout the City on neighborhood improvement projects. There are six Community Assistance Specialist positions that have been created to be liaisons between City government and citizens. Each Community Assistance Liaison is responsible for an area of the city that corresponds to one or two wards. Liaisons proactively identify citizen issues and concerns, and respond directly to citizens rather than acting as a referral service, or work with City departments to resolve them. As a result, ongoing information about needs in the community is provided to the jurisdiction by citizens.

Relation to Other Plans

The Strategic Plan is consistent with other plans impacting the jurisdiction, as follows:

The Strategic Plan is consistent with **Legacy 2030**, the community's comprehensive plan, for which the lead organization is the City-County Planning Board. Areas of consistency include regional cooperation in planning, a vital and diverse economy, concern for the environment balanced with economic development, downtown as a focal point of the community, livable neighborhoods, communities with special character and identities, high quality of life and active citizenship.

The Strategic Plan also reflects consistency with the **Downtown Plan**. The Downtown Plan focuses on creating a vibrant center city that encourages creativity, social equality and opportunity. This focus is also evidenced in the emphasis in the Strategic Plan on activities in the Neighborhood Revitalization Strategy Area.

The Strategic Plan also is reflective of the **Piedmont Together** regional sustainability planning process. The regional housing plan under development will focus on meeting future housing needs by promoting fair housing, livability, sustainability, equity, and affordability, themes which are also reflected in the Strategic Plan. The Consolidated Plan reflects cooperation and coordination with other public entities, including the State and adjacent units of general local government. Piedmont Together has provided an additional venue for cooperation and coordination.

The goals of the Strategic plan related to homelessness are based on the major goals of the **Continuum of Care Action Plan** developed in 2012 to implement provisions of the HEARTH Act. Also, the goals of the Strategic Plan include strategies consistent with the **Ten Year Plan to End Chronic Homelessness**, such as provision of permanent supportive housing and improvement of the system for all homeless persons. The Strategic Plan reflects themes consistent with **Opening Doors: the Federal Strategic Plan To Prevent and End Homelessness**, including increasing stable and affordable housing, increasing economic security, and retooling the homeless crisis response system.

A Summary of Citizen Comments and Responses
2016-2017 Annual Planning Process
(Questions and Comments in ***bold italics***)

Is there a program for seniors in need of housing repairs?

The Community and Business Development Department operates a homeowner rehabilitation program that provides funding to bring single-family homes up to Minimum Housing Code. The program includes full rehab, emergency repair, hazard reduction (lead-based paint), and removal or architectural barriers, also known as handicap assistance. Handicap assistance is often piggy-backed on other types of assistance.

What is going to happen to the duplex on Cherry Street?

The City acquired the duplex at 1605 North Cherry Street as part of the Old Cherry No. 2 Redevelopment Plan and has authorized Habitat for Humanity of Forsyth County to purchase it. Financing for rehabilitation is still being arranged. Habitat plans to convert the duplex into a single-family home and sell it to a Habitat homebuyer.

Emergency Solutions Grants (ESG) Policies and Procedures

ESG Assistance to Participants

a. Standard policies and procedures for evaluating individuals' and families' eligibility for assistance under ESG.

- Rapid Re-housing Program participants must be homeless as defined by HUD with a priority given to those who are currently either in shelter or living in a place not fit for human habitation.
- Rapid re-housing and prevention program participants must have an annual income below 30 percent of median family income for the area, as determined by HUD. Outreach and shelter participants are not subject to an income limit.
- The participant is subject to an initial assessment prior to assistance.
- Participants must agree to meet with a case manager not less than once per month to assist the program participant in ensuring long-term housing stability, unless prohibited by the Violence Against Women Act of 1994 or the Family Violence Prevention and Services Act.
- Participants must agree to participate with the subrecipient in developing a plan to assist the program participant to retain permanent housing after the ESG assistance ends, taking into account all relevant considerations, such as the program participant's current or expected income and expenses; other public or private assistance for which the program participant will be eligible and likely to receive; and the relative affordability of available housing in the area.

b. Policies and procedures for coordination among emergency shelter providers, essential service providers, homelessness prevention and rapid re-housing assistance providers, other homeless assistance providers, and mainstream service and housing providers.

The Continuum of Care system will use coordinated intake and assessment, which will apply to all persons entering shelter. Rapid re-housing cases will be reviewed by a multi-agency team prior to acceptance. Participants in each case will be assessed for needs and assisted in accessing all mainstream services they need and for which they are eligible. All ESG subrecipients must enter data into the Homeless Management Information System (HMIS), which facilitates coordination of services. Program policies and progress will be reported to the Council on Services for the Homeless and the Ten Year Plan Commission on Homelessness.

c. Policies and procedures for determining and prioritizing which eligible families and individuals will receive homelessness prevention assistance and which eligible families and individuals will receive rapid re-housing assistance.

Rapid re-housing assistance will be targeted to persons in Category 1: Literally Homeless. However, persons fleeing or attempting to flee domestic violence also will be eligible for rapid re-housing assistance, in cases where the individual or family also meets the criteria for Category 1. Persons served in emergency shelters under ESG may come from any of the four eligibility categories. Prevention assistance will not be funded with ESG funds this year.

Rapid re-housing (RRH) assistance will be available to those who are literally homeless (in shelter or on the streets) or who are victims of violence. Housing assistance shall be prioritized based on a needs assessment of each case. Participants entering the grantee's program will be experiencing varying degrees of housing instability, from those who require temporary support in getting through a difficult period to those who require long-term support in overcoming a combination of challenges. As such, case managers will gather as much information as possible about the participant's health, income, eligibility for public benefits, employment skills, background, family relationships and support, and living situation in order to identify and coordinate those services that will be most effective and acceptable to the participant in improving housing stability. Under the local coordinated intake and assessment system, the Vulnerability Index & Service Prioritization Decision Assistance Tool (VI--SPDAT) is used to determine priority for housing interventions available in the community. Very high scores indicate the most need for permanent supportive housing, which is not available under the ESG program. Mid-range scores are most indicative of ESG RRH as an appropriate intervention.

An income and barrier assessment will be used to determine whether persons and families have other resources and support systems to move them from homelessness. The program will assist only those for whom the assessment determines that they will continue to be homeless without the ESG re-housing assistance. Documentation of homeless eligibility for ESG services and assistance will be accomplished using forms provided by the North Carolina Department of Health and Human Services, or substantially equivalent forms.

d. Standards for determining the share of rent and utilities costs that each program participant must pay, if any, while receiving homelessness prevention or rapid re-housing assistance.

Each case will be evaluated for feasibility, based on program resources. Upon program entry, program assistance may cover the costs of up-front assistance for rental application fees, moving and storage, rental and utility arrears and rental and utility deposits. ESG funds may pay for the rental housing application fee that is charged by the owner to all applicants. ESG funds may pay for a security deposit that is equal to no more than 2 months' rent. If necessary to obtain housing for a program participant, the last month's rent may be paid from ESG funds to the owner of that housing at the time the owner is paid the security deposit and the first month's rent. This assistance must not exceed one month's rent and must be included in calculating the program participant's total rental assistance, which cannot exceed 24 months during any 3-year period.

ESG funds may pay for up to 24 months of utility payments per program participant, per service, including up to 6 months of utility payments in arrears, per service. A partial payment of a utility bill counts as one month. This assistance may only be provided if the program participant or a member of the same household has an account in his or her name with a utility company or proof of responsibility to make utility payments. Eligible utility services are gas, electric, water, and sewage. No program participant shall receive more than 24 months of utility assistance (per utility) within any 3-year period. ESG funds may pay for a standard utility deposit required by the utility company for all customers.

ESG funds may pay for moving costs, such as truck rental or hiring a moving company. This assistance may include payment of temporary storage fees for up to 3 months, provided that the fees are accrued after the date the program participant begins receiving housing location assistance and/or housing stability case management under the program and before the program participant moves into permanent housing. Payment of temporary storage fees in arrears is not eligible.

When a household is accepted into the RRH program the household shall be eligible for up to six months of temporary financial assistance covering 100% of housing related expenses (rent, utilities and related deposits) depending on funding availability. If the Rapid Re-Housing Case Manager determines that after six months of rapid re-housing assistance the household needs additional temporary financial assistance to achieve housing stability, they must obtain an extension of service authorization from the Director of the Coordinated Intake and Forsyth Rapid Re-housing Collaborative or their designee. If the household needs more than nine months of temporary financial assistance for housing expenses, the case manager must obtain an extension of service authorization from the Coordinated Assessment Team. If a household cannot achieve housing stability within this time frame they must be re-assessed by the Coordinated Assessment Team for additional services..

The rental assistance paid by the program must be based on an amount of rent that does not exceed HUD's Fair Market rents, adjusted for bedroom size.

For participants facing eviction for not paying their share of rent and/or utilities while in the program, the housing stability plan must be re-evaluated. Any participant who does not make progress on their housing stability plan may be terminated from the program, subject to following the termination procedures described below.

If a program participant violates program requirements, the program may terminate the assistance in accordance with the formal process to be established for the program. The program must exercise judgment and examine all extenuating circumstances in determining when violations warrant termination so that a program participant's assistance is terminated only in the most severe cases.

To terminate rental assistance or housing relocation and stabilization services to a program participant, the required formal process, at a minimum, will consist of: (1) Written notice to the program participant containing a clear statement of the reasons for termination; (2) A review of the decision, in which the program participant is given the opportunity to present written or oral objections before a person other than the person (or a subordinate of that person) who made or approved the termination decision; and (3) Prompt written notice of the final decision to the program participant. (c) Termination under this section does not bar the program from providing further assistance at a later date to the same family or individual.

e. Standards for determining how long a particular program participant will be provided with rental assistance and whether and how the amount of that assistance will be adjusted over time.

Section (d) above describes how long assistance will be provided and how it may be adjusted over time.

f. Standards for determining the type, amount, and duration of housing stabilization and/or relocation services to provide a program participant, including the limits, if any, on the homelessness prevention or rapid re-housing assistance that each program participant may receive, such as the maximum amount of assistance, maximum number of months the program participants receives assistance; or the maximum number of times the program participants may receive assistance.

Section (d) above describes how long assistance will be provided and how it may be adjusted over time.

Performance Standards

Performance in the Continuum of Care system will be evaluated based on length of stay, returns to homelessness and new incidences of homelessness. Specific projects are expected to be evaluated based on placement of participants into permanent housing, housing stability and increases in overall income of participants. Standards will be modified as necessary as HUD publishes reporting requirements for the ESG Program.

Consultation

The Winston-Salem/Forsyth County Continuum of Care (CoC) is designated by HUD as Continuum of Care NC-500. The CoC has monthly Operating Cabinet meetings, as well as monthly meetings of the Commission on Ending Homelessness, both of which serve key rolls under the CoC's Governance Charter. The CoC's general membership includes all provider agencies, consumers and other stakeholders and interested parties, with a total of 45 agency members as well as other individual members. It also includes a Homeless Caucus comprised of homeless and formerly homeless persons. The City conducts an ongoing consultative process regarding ESG and CoC policies and procedures through the COC and its committees.

HOUSING AND COMMUNITY DEVELOPMENT CITIZEN PARTICIPATION PLAN

(Effective July 1, 2016)

Winston-Salem/Forsyth Housing Consortium

City of Winston-Salem
Community and Business Development Department
100 East First Street, Suite 423
Winston-Salem, NC 27101
(336) 727-8000

Forsyth County
Department of Housing and Community Development
201 North Chestnut Street
Winston-Salem, NC 27101
(336) 703-2680

Rev 4/15/16

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I. INTRODUCTION

Citizen Participation (CP) is viewed basically as a communication process in which a beneficial exchange of ideas will occur among citizens, their Council Member, and City staff. The following plan outlines the Citizen Participation process in Winston-Salem's Consolidated Plan process in implementation of the Community Development Block Grant (CDBG), HOME Investment Partnership, Emergency Solutions Grant, and overall housing programs.

The Consolidated Plan is the basis of eligibility for federally funded entitlement and competitive programs designed to address the needs of the respective community and, as stated in the Housing and Community Development Act of 1974, to obtain "...viable urban communities, by providing decent housing and suitable living environment and expanding economic opportunities, principally for persons of low and moderate income."

Since the early 1980s, the City of Winston-Salem has provided local funds to supplement federal resources in implementation of redevelopment activities and housing stimulation programs. In 2015, the U.S. Department of Housing and Urban Development (HUD) added an obligation to affirmatively further fair housing. The scope and focus of priority activities continue to be in the areas of:

- Neighborhood Redevelopment - including acquisition, relocation, clearance
- Neighborhood Revitalization and Housing Development
- Housing Rehabilitation
- Economic Development
- Homelessness

II. GOALS OF THE CITIZEN PARTICIPATION PLAN

A. To provide for continuous involvement of citizens in all aspects of the Housing and Community Development (CD) program, including identification of community development needs, review of proposed activities, and assessment of program performance.

B. To enable the City to respond to the needs of its citizens through Housing and Community Development programs, policies, and plans.

C. To encourage citizens, particularly low and moderate income persons, residents of blighted neighborhoods, and members of minority groups to submit their comments, questions and proposals regarding the City’s Housing and Community Development program.

D. To help City residents to become better informed about and more involved in the Housing and Community Development program and City government as a whole.

III. THE PARTICIPATION PROCESS

A. Two Levels

The citizen participation process is conducted at two levels: community-wide and in neighborhoods where development activity is proposed or underway. The community-wide process centers around official public hearings before the annual submission statement is adopted, and citywide forums for citizens and City officials to discuss community development and housing issues at various stages of the program.

The neighborhood process involves citizens through organized neighborhood associations, where they exist, and periodic neighborhood meetings where there is no organization. Neighborhood associations give citizens a stronger, collective voice and provide a democratic, on-going body to participate in advising the City's programs.

B. Advisory Role of Participation Process

The role of the citizens and organizations in the process is advisory to staff and the City Council. This includes activities such as working with staff to develop neighborhood plans, monitoring and assisting in implementation, evaluating program results, and participating in neighborhood meetings.

The fundamental policy-setting and decision-making role in Housing and Community Development, as in any other City activity, lies with the City Council. Through the participation process, citizens advise and inform the staff; the staff, in turn, takes citizens' views, statements, proposals, and opinions, applies these to its own analysis of problems, issues, and needs, and recommends a program of activities and projects. In essence, the staff advises the City Council on the program that best addresses the community's needs as perceived by citizens and as derived from an examination of data and trends. Ultimately, the participation process is a political process involving citizens with their elected officials, since the Council makes the final decisions.

C. The Citizen Participation Process Cycle

Although much involvement occurs around the preparation of the City's Consolidated Housing and Community Development Plan for funds from the U. S. Department of Housing and Urban Development (HUD), the planning process is a continuous cycle. Soon after the beginning of each program year in July, the preliminary planning for the following year begins with the review process, which is a continuous cycle with participation encouraged in all stages. Agency consultations are also a part of the ongoing process that includes service providers, advocacy groups and coordinating bodies responsible for providing services, especially to populations with special housing needs.

The CP Process cycle includes involvement of citizens in:

1. Identification of the community development and housing needs of the City. As the initial step in the development of the Consolidated Plan, this shall include at least one public hearing, which will be advertised at least two weeks prior to the hearing.

2. Development of the annual Consolidated Housing and Community Development Plan as an overall strategy, and the setting of priorities for funding.

3. Planning the City's annual Housing and Community Development Program.

4. Preparing project plans and budgets.

5. Implementation of the Housing and Community Development Program's projects and activities.

6. Assessment of the City's performance on the program.

7. Creating new proposals and programs.

8. Refining the Citizen Participation process and updating the CD Plan.

D. Neighborhood Participation

1. General Planning Input

The Community and Business Development (CBD) staff will work with existing and potential CD project neighborhoods through neighborhood associations where such organizations exist. In project neighborhoods without a formal association, the staff will encourage residents, owners, and businesses to form an organization. The Community Services Division of CBD and Neighbors for Better Neighborhoods will assist residents in forming an organization.

The City may hold periodic neighborhood meetings to involve area residents in the funded program and to hear their views and proposals. Here again, the main lines of communication with elected officials and City staff will be open. The City's operating staff will hear views, criticisms, and opinions whenever they are in the neighborhood working with individual citizens.

The concentration of neighborhood-level participation efforts on CD project neighborhoods should achieve the objective of involving people most likely to be affected by the program and low and moderate income people.

2. Community and Business Development Department – Support of Neighborhoods

Community and Business Development and Community Assistance Liaison staff continues to work with the 111 neighborhood associations currently identified within the city, serving as liaisons between the associations and the city relative to the effective delivery of city services. One Community and Business Development staff person is assigned to work with citizens throughout the City on neighborhood improvement projects. There are five Community Assistance Specialist positions that have been created to be liaisons between City government and citizens. Each Community Assistance Liaison is responsible for a quadrant of the city that corresponds to two wards. Liaisons proactively identify citizen issues and concerns, and respond directly to citizens rather than acting as a referral service, or work with City departments to resolve them.

Most of the associations hold regularly scheduled monthly meetings during which concerns are expressed and addressed by staff. If resolutions are not immediately reached, referrals are made by staff to the appropriate city department and are followed up on to insure that the concern is addressed. The association requests to have a response to said concern that either resolves the issue or explains why it cannot be resolved immediately or within the ten-day time frame. This insures that an association receives a response within a reasonable amount of time. On those issues that cannot be resolved immediately, staff is responsible for monitoring the department, agency or organization to insure that the concern is not forgotten and that it is resolved at some point.

Various city departments are invited to attend the meetings, particularly if a concern is in their area of expertise. Community and Business Development and Community Assistance Liaison has particularly developed a close working relationship with the Police Department. Several neighborhoods have expressed concerns regarding residences being used for illegal purposes (sale of drugs, disturbances, etc.). These property addresses are relayed to the Police Department to be monitored and appropriate action taken. In addition, staff has aggressively pursued code enforcement as a means to address vacant properties which have become problem spots within neighborhoods. The Community and Business Development Department resolves many concerns relating to the environment, housing, and abandoned vehicle issues as neighborhoods request.

They attend these meetings, recording concerns expressed and providing follow up to insure the concerns are addressed. Often the concerns that cannot be addressed by existing programs or services become the basis for program development and are used as input indices of community needs. The use of regularly scheduled neighborhood meetings is additionally utilized to provide program information, status reports of projects in process (or not in process and the reasons or circumstances); and receive input from citizens regarding city proposal for programs and activities. The number of residents who are reached through this process substantially far exceeds the number that are

generally attracted to citywide meetings.

Community and Business Development Department will feature a Neighborhood News page consisting of information submitted from various neighborhoods on their activities, successes, or problems they face. Current distribution is state-wide (over 300 copy circulation), thus the public is kept informed about neighborhoods and their activities (networking).

The local television station is used to promote and advertise upcoming events and staff has appeared as guests of neighborhood associations on programs discussing topics relating to city services and the city's overall efforts to provide good customer service.

E. Citywide Participation

The citywide process consists of public hearings and information forums, over and above the other available lines of communication.

1. Public hearings will be held at two points within each budget preparation cycle.

   a. At the beginning of the budget preparation cycle, a hearing will be held to review past program performance, to obtain citizens' views on community development and housing needs and general strategic priorities for funding and gather citizens' views on the City's program achievements.

      All comments received will be considered in the preparation of the Plan, and a summary of such comments and the City's response will be included in the final submission document.

   b. After staff has drafted the proposed Annual Plan, a second public hearing will be scheduled for Plan consideration by the City Council and submission to HUD. The draft plan will be available for public review and comment for thirty (30) days prior to submission.

      All public hearings will be advertised in local newspapers of general and minority community circulation at least two (2) weeks prior to the scheduled date, on the City Government Information television channel, WSTV-13, and on the City's website.

      All public hearings will be held at locations providing accessibility for the mobility handicapped. All requests for appropriate auxiliary aids and services, such as an interpreter for the hearing impaired, must be made 48 hours prior to the public hearing. Persons requiring TDD service may call 1-800-735-8262 for Voice to TDD or 1-800-735-2962 for TDD to Voice. City staff will provide a translator for non-English speaking

residents should the need arise and if notified 48 hours prior to the hearing. The CBD and Human Relations Departments have bilingual English-Spanish staff.

2. Agency Consultation Process

Community and Business Development staff regularly meets with a number of local, regional and statewide housing, social service, business, educational, economic development, and faith-based agencies to determine the housing and community development needs of specific populations and groups. Staff also provides technical assistance, where needed, and serves as a liaison between these agencies and other city departments. Periodically, the City will convene agencies to share information, develop more effective programs, and increase collaboration.

3. Continuum of Care

As the Collaborative Applicant for the Winston-Salem/Forsyth County Continuum of Care, CBD staff regularly meets with homeless service providers and other entities that address issues related to homelessness to discuss use of Continuum of Care and Emergency Solutions Grant funds. Staff also works with the Ten-Year Plan Commission to End Homelessness.

4. Public Housing Residents

The Community and Business Development Department works closely with the local Housing Authority to define and address the housing needs of its residents. Staff encourages the involvement of public housing residents in the citizen participation process through the provision of technical assistance to tenant associations and conducting special neighborhood meetings within each public housing development to assure that residents are aware of the Housing and Community Development Program's planned activities and benefits.

5. Informal Discussions

Community and Business Development staff is continually involved in community-wide meetings throughout the year and may hold informal discussion groups to review CD and housing questions. The views expressed at these discussions are considered when planning occurs.

Although such discussions are valuable, the Community and Business Development Department is most interested in planning and sharing ideas at the neighborhood level. We encourage each neighborhood interested in Housing and Community Development to discuss their needs and ideas with us at any time. Also, Community and Business Development staff is available to provide technical assistance to neighborhoods upon request.

6. Affirmatively Further Fair Housing

The requirement to affirmatively further fair housing requires the completion of an Assessment of Fair Housing prior to the completion of the Five-Year Consolidated Plan. The community participation efforts will be similar to those described for the Annual Plan.

7. Annual Performance Report

The Consolidated Annual Performance and Evaluation Report (CAPER) is a summary of Community Development Block Grant, HOME, and Emergency Solutions Grant program accomplishments for the past fiscal year.

Prior to its submission to HUD, citizens will have an opportunity to review and comment on the CAPER. A public notice advertising the availability of the CAPER will be published in local newspapers of general and minority community circulation at least fifteen (15) days prior to submission of the CAPER. Copies of the draft document will be provided for public review at the offices of the Community and Business Development Department and posted on the City's website. Written comments must be addressed to Director, Community and Business Development, P.O. Box 2511, 100 E. First Street, Suite 423, Winston-Salem, NC 27102. Staff will respond to written comments within ten days of receipt. A summary of all comments and responses will be attached as a part of the final CAPER submission to HUD.

F. Amendments to Consolidated Plan

From time to time, it is necessary to amend portions of the Consolidated Plan. Funds may be moved between budget line items within an authorized program/project with approval of the City Manager and Budget Office, i.e. moving Rehabilitation program funds between citywide and emergency repair. Funds that are moved between programs and/or projects for activities that are included in the approved Annual Plan are subject to authorization by the City Council through an ordinance of the Budget Office, for example, between infrastructure and rehabilitation. Amendments to fund programs and/or projects for activities that are not in the approved Annual Plan, to change the purpose, scope location or beneficiaries of an activity, or cumulative amendments that exceed 10% of the Housing and Community Development Budget for the Year are substantial amendments and require a Program Amendment process that includes public notice, a public hearing, approval of the City Council and submission to the U. S. Department of Housing and Urban Development.

G. Displacement Policy

Minimizing displacement is inherent in the Conservation and Neighborhood Revitalization goals and strategies of the current and prior Five-Year Consolidated Plans. The objective is attained through the community planning and review

process through which projected displacement requires justification and incorporation as an element of project feasibility assessment. Some Housing and Community Development activities require the displacement, or relocation, of a person or household. Displacement is generally permanent (but may occur on a temporary basis on rehabilitation projects); and may be generated by concentrated code enforcement activity, the rehabilitation of property, or acquisition and clearance of substandard property for redevelopment projects. Any person or household displaced as a result of Community Development or HOME program activity will receive a full range of relocation services, including housing counseling, in compliance with the Uniform Relocation Act (URA) and Section 104(d) Barney Frank regulations, as applicable.

As code is a locally funded "general purpose" government activity, with no support from federal funds, any displacement generated by enforcement activities is funded with locally generated revenues and subject to the City's Local Relocation Policy.

1. Concentrated Code Enforcement: Families and individuals may be displaced by code enforcement if:

    a. they reside in a dwelling unit found unfit for human habitation and which has been ordered to be removed or vacated and closed by the City Council; or

    b. they reside in a dwelling unit found unfit for human habitation in which conditions are so severe as to warrant the initiation, by CBD staff, of procedures to assist the resident to relocate to housing not unfit for human habitation in advance of Council action.

    The local relocation policy provides for a combined Residential Moving Expense and Dislocation Allowance Payment based on a schedule determined by the Department of Transportation (DOT) and published annually in the Federal Register.

2. Acquisition, Rehabilitation and Demolition

    All persons (families, individuals, businesses and non-profit organizations) displaced as a direct result of acquisition, rehabilitation, or demolition under a federally assisted project are entitled to relocation payments and other assistance under the Uniform Relocation Act or Section 104(d) of the Housing and Community Development Act of 1974, as amended.

    All persons (families, individuals, businesses and non-profit organizations) displaced as a direct result of acquisition, rehabilitation, or demolition under a locally assisted project are entitled to relocation payments and other assistance under the Local Relocation Policy of the City.

In actual practice, few families are displaced or relocated due to rehabilitation of single-family owner or tenant-occupied detached units because work is scheduled such that families may remain in their homes. For large rehabilitation projects, vacant units are rehabilitated first, allowing families to move to those units during rehabilitation of the remaining units. For smaller projects, such as detached houses and duplexes, rehabilitation is conducted while units are vacant or with households remaining in the unit during rehabilitation and relocation is not required.

To minimize displacement due to health, safety or welfare, code enforcement is coordinated with rehabilitation and repair programs.

H. Availability of Documents

Documents such as the Citizen Participation Plan, evaluation reports, applications to HUD, and other pertinent data will be posted on the City's website and available at the following locations:

1. City of Winston-Salem

   a. Community and Business Development Department
      Stuart Municipal Building, Suite 423, 100 East First Street

   b. City Secretary's Office
      Room 140, City Hall, 101 N. Main Street

2. Forsyth County Library Branches:

   a. Central Library
      660 West Fifth Street

   b. Malloy Jordan East Winston Heritage Center
      1110 East Seventh Street

   c. Reynolda Manor Library
      2839 Fairlawn Drive

   d. Southside Library
      3185 Buchanan Street

   e. Mazie Woodruff Center Library
      4915 Lansing Drive

I. Responding to Questions, Comments and Complaints

City staff is required to respond to comments. Responses to all views and comments will be as follows:

1. Verbal responses will be given at all public hearings whenever possible.

2. The City will provide a written response to all written comments within ten working days of receipt of the comment.

3. Draft plans will be available for public review and comment for thirty (30) days prior to submission, and draft performance reports will be available for public review and comment for fifteen (15) days prior to submission.

J. Providing Timely Information

At the beginning of the planning cycle for each year, the City will provide to neighborhood organizations and interested citizens the following information:

1. the amount of funds available from HUD;
2. the range of activities permissible and the types of activities previously funded;
3. the type of activities excluded by law;
4. the process to be followed in developing and approving the local application and a schedule of meetings and hearings;
5. the ways citizens can participate; and
6. a summary of other requirements.

K. Technical Assistance

During planning and implementation, information and technical assistance will be provided to citizens through:

1. Media - radio, TV, newspapers, City website;
2. Neighborhood association meetings;
3. Public hearings to which all citizens will be invited;
4. Documents on file at convenient locations throughout the City;
5. Monitoring and evaluation reports to neighborhood associations and the Council.

Community and Business Development staff will provide information and technical assistance to neighborhood groups that request it. Examples of assistance include information on the CD law, neighborhood planning, review of accomplishments, briefings on CD requirements and opportunities, development of neighborhood goals and objectives, and design of neighborhood proposals.

L. Implementing the CP Plan

During the course of the life of the various program activities, the Community and Business Development staff will work closely with neighborhood-based citizen groups and other interested groups. This on-going involvement in the program will

insure that activities and program performance are consistent with neighborhood plans. Throughout the program, the staff will turn to organized groups for citizen views on priorities and changing situations.

Program amendments and details regarding neighborhood plans will be brought to the neighborhood organization for their comment, if initiated by staff. Ideas, suggestions, and revisions to adopted plans may also be developed by citizen groups and presented to the Housing Development Administrator, Mellin L. Parker, at 336/727-8000.

Where citizen groups do not exist, residents are encouraged to express their views and opinions to the program staff working in the area or to the Community and Business Development Director.

M. Amending the CP Plan

The Citizen Participation Plan will be reviewed annually after each planning cycle is completed to identify any areas where the participation process can be improved. If formal revisions are needed, they will be made by the City Council. Minor changes can be made by the Community and Business Development Director.