

# Consolidated Housing and Community Development Plan 2025-2026 Annual Plan

Winston-Salem/Forsyth County Housing Consortium  
June 30, 2025



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# 2025-2026 ANNUAL ACTION PLAN

## 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), Emergency Solutions Grant (ESG), and Housing Opportunities for Persons with AIDS (HOPWA) funds and the combined city-county Winston-Salem/Forsyth Housing Consortium receives HOME Investment Partnership (HOME) funds from the U.S. Department of Housing and Urban Development (HUD).

The annual action plan 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 allocate resources addressing physical and support needs of the homeless and populations with special needs along the "continuum of care."
- To integrate planning and implementation of related needs – infrastructure, environmental protection, fair housing, supportive services and economic growth coordinated with human development.
- To facilitate "bottom-up" planning, collaboration, and public-private community partnerships.
- To improve accountability and 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, ESG, and HOPWA for local entitlement communities and the HOME program for

Consortia. It is also consistent with the Consolidated Plan template in the Integrated Disbursement and Information System (IDIS).

The Winston-Salem/Forsyth Housing Consortium was formed in 1992 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 2025. The Consortium consists of the City of Winston-Salem, Forsyth County, and the cooperating municipalities of Bethania, Clemmons, Kernersville, Lewisville, Rural Hall, and Tobaccoville. The Town of Walkertown continues to not participate in the Consortium.

The 2025-2026 Annual Plan represents the third year of the 2024-2028 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 as well as incorporating recommendations in the Assessment of Fair Housing submitted to HUD on October 4, 2017. The Assessment was approved by HUD on November 21, 2017.

## Highlights of the 2025-2026 Annual Plan

The City’s allocation of CDBG grant funds is \$2,029,462, an \$8,131 increase; \$1,229,981.53 in HOME funds, a \$22,376.78 increase; \$177,650 in ESG funds, a \$477 decrease; and \$850,721 in HOPWA funds, a \$4,337 increase; for an overall allocation increase of 0.8%. The City will receive \$1,008,981.53 of the HOME funds, and the County \$221,000.00. The City will receive an additional \$2,746,359 in Continuum of Care funds on behalf of local agencies providing homeless program services beginning in April 2026. The City also expects to receive \$204,421 in additional ESG funds from the State of North Carolina during FY26.



Level funding in CDBG, ESG, HOME, and HOPWA entitlement funds still provide opportunities for funding projects. The results are: 1) consistent funding for public service and homeless programs; 2) maintaining services to persons living with HIV/AIDS; and 3) adequate funding to meet single-family production, homebuyer assistance, and multifamily housing commitments. The budget provides appropriations for the rehabilitation program and for financial and technical assistance to small businesses. Special project and financing commitments for FY26 are

summarized as follows:

- Choice Neighborhoods Initiative (CNI) - The City has committed \$500,000 in CDBG funds per year for six years, and FY26 is the sixth year of the commitment. The City will also provide additional CDBG funds for Phases CNI 2 and 3 to help cover a financing gap. Funds will be used for publicly owned infrastructure in support of the development of affordable rental housing.
- The City has committed \$1,500,000 in HOME-ARP funds to Family Services, Inc. toward replacement of its congregate emergency shelter for victims and survivors of domestic violence with a non-congregate shelter.

Multifamily housing production and programs for the homeless have become forefront categories of program activity relative to allocation of funds. Financing is in place to meet homeowner rehabilitation and first-time homebuyer demand as well as activity projected to take place in scattered site infill locations to be developed by Habitat for Humanity and other approved community development corporations (CDCs) and developers.

The City has identified contingency projects that could use CDBG funds if other projects are unable to proceed. These may include essential rehab of rental housing previously assisted with HOME funds, equipment for City recreation centers and parks, streets and sidewalks in low- and moderate-income residential neighborhoods, and additional funding for the homeowner rehab and small business loan programs.

## AVAILABLE RESOURCES

Identified financial resources include:

- CDBG, HOME, ESG, and HOPWA Program grants from HUD;
- CDBG and HOME program and investment income, which are generated primarily by loan repayments;
- Continuum of Care funds from HUD;
- ESG funds through the State of North Carolina;
- Remaining balance of CDBG funds under the Coronavirus Aid, Relief and Economic Security Act (CARES Act);
- Remaining balance of HOME-ARP funds;
- Remaining balance of Rapid Unsheltered Survivor Housing (RUSH) funds; and
- Remaining balance of general obligation bonds approved in 2014 and 2018 and Housing Finance Funds (local).

Program income projections are based on recent experience as reasonably anticipated to be available. The following table, FY26 Activity and Funding Sources, identifies the projected expenditure of these resources during FY26 in general program categories.



FY26 Activity and Funding Sources							
ACTIVITY	TOTAL	FEDERAL SOURCES (New Appropriations)				LOCAL	Prior Year Funds
		CDBG/PI	HOME/ PI	ESG/CoC	HOPWA	HFF	
Housing Rehab and Operations	2,456,864	1,504,082	367,781.53			165,000	420,000
Neighborhood Dev: Acq- Clearance	178,662	77,740				100,922	
Housing Production/ Infrastructure	688,400		688,400				
Homebuyer Assistance	48,900		48,900				
Economic Dev/Self-Sufficiency	162,000	162,000					
Public Services/Homeless Assist	6,194,291	379,140	240,000	3,128,907	850,721	36,000	1,560,000
Planning/Training, Capacity/Other	421,400	381,500	34,900			5,000	
<b>TOTAL</b>	<b>10,150,517</b>	<b>2,504,462</b>	<b>1,379,981.53</b>	<b>3,128,430</b>	<b>850,721</b>	<b>306,922</b>	<b>1,980,000</b>

HUD encourages grantees to address the potential use of grant funds in the event of a disaster. In the event of a disaster, the Winston-Salem/Forsyth Housing Consortium could use CDBG, HOME, ESG or HOPWA funds for housing rehabilitation, housing construction or reconstruction, homebuyer assistance, acquisition of housing or other property, infrastructure improvements, demolition of buildings, reconstruction, replacement or repair of public facilities, small business grants and loans, relocation assistance, emergency shelter, rapid rehousing, financial assistance, and public services. In these situations, the City may temporarily modify its rating and review process and make targeted grant awards to subgrantees to meet immediate needs.

## OBJECTIVES AND OUTCOMES

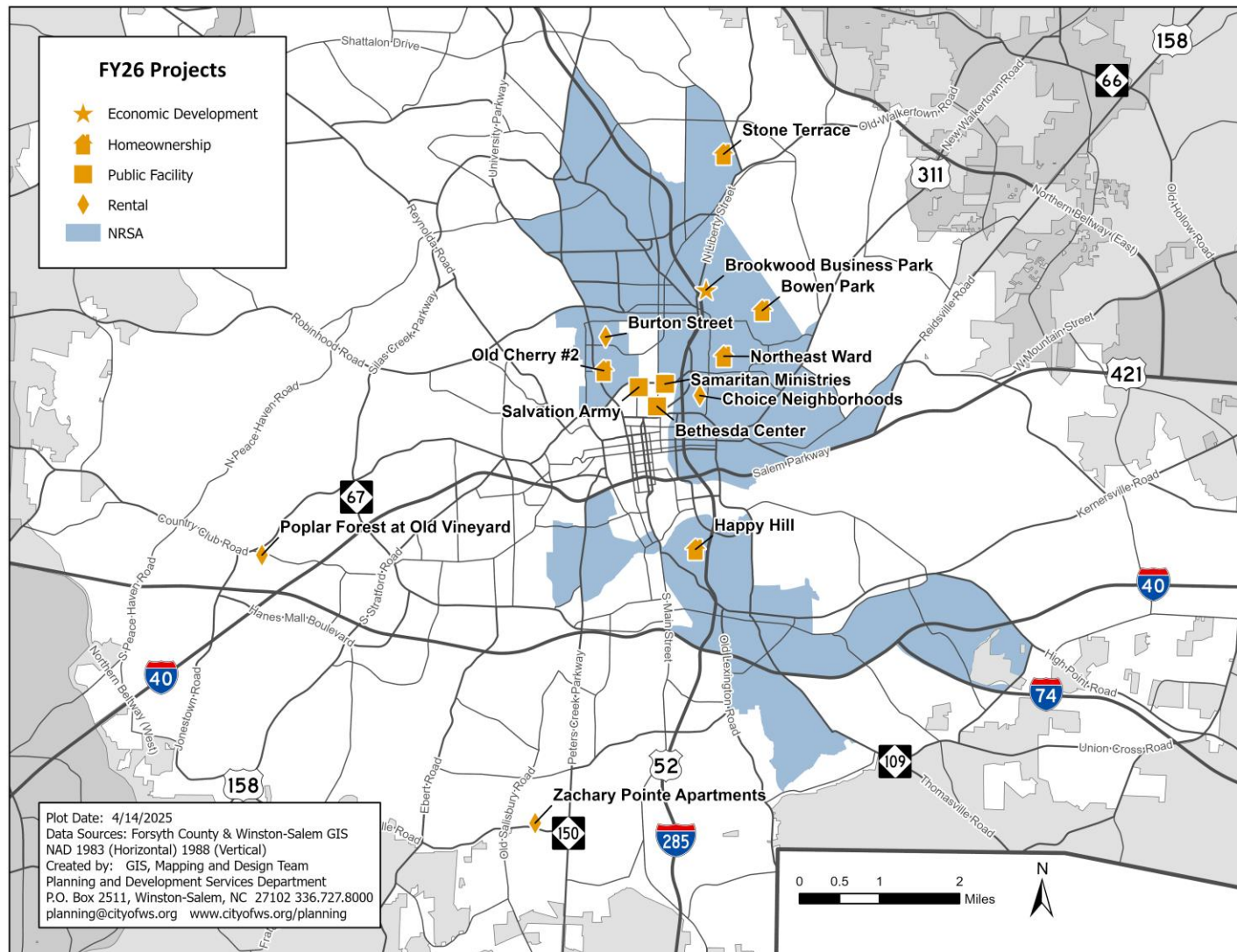
The strategy for meeting the performance and investment goals identified in the Five-Year and Annual Plans centers on five community goals, each with supporting strategies and programs.

The goals are:

- Neighborhood Revitalization and Housing Conservation,
- Housing Production and Neighborhood Development,
- Expanding Access and Opportunities,
- Expanding Economic Opportunities, and
- Expanding Coordination and Accountability.

FY26 Summary of Housing Completions			
Objective/Outcomes			
		Obj.	# Units
New Construction	Owner	DH-2	31
	Rental	DH-2	0
Rehab/Repair	Owner	DH-2	62
	Rental	DH-2	1
Existing	Owner	DH-2	17
	Rental	DH-2	260
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).			

A summary of the proposed objectives and outcomes of completed housing units in FY26 is provided in the table, FY26 Summary of Housing Completions. The map, FY26 Projects, reflects location-specific activities. Activities not shown in the map reflect programs for which the locations are not known in advance.



## HE DEVELOPMENT PROCESS AND CITIZEN INPUT

The Consolidated Plan encompasses the goals, objectives and operating plans of a wide range of agencies, coordinating entities and advisory boards as well as recommendations from the Assessment of Fair Housing and housing assessments. The Annual Plan reflects implementation of adopted neighborhood plans and recommendations that have been generated by a range of groups and organizations, including the Continuum of Care and its Continuum of Care Council, Housing Authority of Winston-Salem, and non-profit housing developers. The process is ongoing and evolving as elements are often refined in implementation.

A 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 Continuum of Care Council, 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.

This Annual Plan was prepared with public input, relative to needs, obtained through public hearings on January 10, 2025 and April 23, 2025 and an ongoing series of consultations with supportive service providers, advocacy groups and coordinating bodies. The Consolidated Housing and Community Development Plan was adopted by the City Council on June 5, 2025 and submitted to HUD by June 30, 2025.

Notices for all meetings were published in the Winston-Salem Chronicle and the Winston-Salem Journal and, with assistance from the City's Marketing and Communications Department, advertised on WSTV 13 and social media platforms, and posted on the City's web site. Subsequent to public notice, copies of the proposed Plan were available on the City's web site for public review and comment for 30 days beginning May 22, 2025 and ending June 20, 2025. Comments may be submitted to [hcsd@cityofws.org](mailto:hcsd@cityofws.org).

Appendix D also contains a list of agency consultations that extend beyond the homeless supportive housing needs and the general housing needs assessment which preceded the development of this plan. Staff in the Neighborhood Services 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.



Community Input Meeting

## PART A: 2025-2026 STRATEGY IMPLEMENTATION

This 2025-2026 Action Plan represents the third year of the five-year planning period of the 2024-2028 Consolidated Plan. The budgets contained herein reflect Federal Fiscal Year (FFY) 2025 grant allocations for the CDBG, HOME, ESG, and HOPWA programs and projected program income for

CDBG and HOME. HOME funds are allocated to the Winston-Salem/Forsyth Housing Consortium.

<b>Exhibit 1 FY26 HUD Entitlement Programs</b>			
	Amount	Amount Change	% Change
<b>Entitlement Funds</b>			
CDBG	\$2,029,462	\$8,131	0.4%
HOME	\$1,229,981.53	\$22,376.78	1.9%
ESG	\$177,650	\$-477	-0.3%
HOPWA	\$850,721	\$4,337	0.5%
Total Entitlement	\$4,287,814.53	\$34,367.78	0.8%
<b>Program Income</b>			
CDBG	\$475,000	\$0	0%
HOME	\$150,000	\$0	0%

Estimated level funding in CDBG, ESG, HOME, and HOPWA entitlement funds still provide opportunities for funding projects. The results are: 1) consistent funding for public service and homeless programs; 2) maintaining services to persons living with HIV/AIDS; and 3) adequate funding for single-family production, homebuyer assistance, and multifamily housing commitments.

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, rapid re-housing, and street outreach during FY26.

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 FY26 by goal. Exhibit 2, which follows this section, outlines the strategies and implementing programs to be undertaken during FY26, including the source of funds and projected accomplishments.

### **Goal 1: Neighborhood Revitalization and Housing Conservation**

*Continue Choice Neighborhoods Implementation (CNI) grant initiative; rehabilitate single-family and multi-family housing; target neighborhood services; provide physical improvements in neighborhoods; and use vacant and abandoned properties for affordable housing.*

The Housing Authority of the City of Winston-Salem (HAWs) and the City have been awarded a HUD 2019 Choice Neighborhoods Implementation (CNI) Grant. The City is committing \$500,000 in CDBG funds per year for six years. Funds would be used in an area bounded by East 25<sup>th</sup> Street, Patterson Avenue, East 3<sup>rd</sup> Street, and Cleveland Avenue, File Street, Dunleith Avenue and Jackson Avenue. Funds may be used for single-family and multifamily housing, small business development, streets and infrastructure. Demolition in Phases 2 and 3, the first section of Cleveland Avenue Homes to be redeveloped, is complete, however, a financing gap has delayed the start of construction.



Construction will start as soon as financing is secured. The City may commit additional CDBG funds. A homeowners façade improvement program is under way in the CNI area.

Single-family, owner-occupied rehab and emergency repair will play a limited role. The City will continue the Transforming Urban Residential Neighborhoods (TURN) Program in designated neighborhoods by providing financing from general obligation bonds approved in November 2014 and November 2018 to owner-occupants and investor-owners. Forsyth County will operate a homeowner rehab program in the Winston-Salem city limits. Habitat for Humanity will continue neighborhood revitalization initiatives in the Bowen Park, Northeast Ward, and Boston Thurmond areas to include purchasing vacant lots to construct houses for sale to eligible homeowners. It is also assisting the Housing Authority of Winston-Salem to complete the Happy Hill Gardens HOPE VI project by constructing 13 single-family homes in the project area. Historic preservation is included.



CNI Phases 2&3 Demolition Complete

In March 2024, the City purchased the Burton Street non-congregate emergency shelter from Experiment in Self-Reliance and is rehabilitating the ten units for permanent supportive rental housing. The project will be completed during FY26.

## **Goal 2: Housing Production and Neighborhood Development**

*Support home ownership by lower income households; subsidize single- and multi-family housing production for lower income households and persons with special housing needs.*

The City's focus on affordable housing will increase both single-family and multi-family housing production in 2025-26. Infill development will continue in the Northeast Ward. In addition to serving as its own lender, Habitat for Humanity's partnership with the City has allowed it to maintain its level of production. Habitat will continue construction in the Stone Terrace subdivision and continue to work in the Northeast Ward and Bowen Park/Dreamland area. The City will continue to pursue development of land it has acquired and in City-assisted subdivisions as economic conditions permit. Additionally, the Individual Development Account (IDA) program is ongoing.

Homebuyer assistance programs to increase access to affordable housing, by providing down payment and closing costs for lower-income, first-time home buyers, are available through the County, as the City program is currently inactive. 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. The increase in home sales prices has resulted in increased subsidy needed to purchase a home.



Habitat for Humanity House Under Construction

The City has committed HOME funds to three multifamily rental developments. The City has approved \$500,000 in HOME funds for Phase 2 of the Choice Neighborhoods Initiative, which will consist of 72 units of multifamily rental housing for families. In order to realize cost savings, reduce construction time, and meet the CNI Grant deadlines, development of Phases 2 and 3 will be undertaken at the same time. This will add 42 units for families. Construction of Phases 2 and 3 face a significant financing gap, which has delayed the project.

The City has committed \$2,000,000 in HOME funds for the construction of Poplar Forest at Old Vineyard, consisting of 60 units of rental housing for families. Construction is expected to begin in late Spring and be completed in Summer 2026. The City has also committed \$2,000,000 in HOME funds for the construction of Zachary Pointe Apartments, consisting of 60 units of rental housing for families.

Construction is expected to begin in late Summer and be completed in late 2026. Both projects were awarded 2024 Low Income Housing Tax Credits.

### Goal 3: Expanding Access and Opportunities

*Meet the housing and service needs of homeless individuals and families; coordinate the community's efforts to meet the needs of the homeless; expand equal access to housing for all members of the community; 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 permanent supportive housing, rapid re-housing activities and coordinated intake and assessment. The Continuum of Care (CoC) process continues to be refined in light of HEARTH, with an assessment of the Continuum of Care system completed in FY23 as the strategic guidance for decision-making. FY26 resources include one-year renewal funds from the Continuum of Care Federal FFY24 grant on behalf of agencies serving the homeless, operations and renovations of emergency shelters and rental assistance using the Emergency Solutions Grant (ESG) funds, and support of the coordinated entry system (CES). RUSH funds to provide rapid rehousing in response to Hurricane Helene are also included.

The City will use CDBG funds under the CARES Act (CDBG-CV funds) to supplement ongoing communitywide efforts to provide emergency shelter for individuals and families experiencing homelessness. These include emergency motel vouchers, warming centers during frigid weather, increasing street outreach services, and the feasibility of using temporary collapsable structures. The CDBG-CV program will end in June 2026.

The City became a Housing Opportunities for Persons with AIDS (HOPWA) entitlement grantee effective July 1, 2021. Program funds are being used to provide health care and housing services to clients who are living with HIV.

The City has been awarded \$4,887,567 in HOME-ARP funds to provide housing, services, and shelter to individuals experiencing homelessness and other vulnerable populations. Their use will focus on rental housing, including permanent supportive housing, non-congregate shelter, and supportive services. The City has committed \$1,500,000 to Family Services, Inc. toward the replacement of its emergency shelter for victims and survivors of domestic violence with a non-congregate shelter.

#### **Goal 4: Expanding Economic Opportunities**

*Expand entrepreneurial development; foster employment training opportunities; encourage revitalization of neighborhood commercial areas.*

Objectives for FY26 are: (1) to approve four new small business loans leading to job creation and investment in the Neighborhood Revitalization Strategy Area (NRSA) and low- to moderate- income areas; (2) to approve four new loans to commercial property owners in eligible areas to improve aesthetics or building code compliance issues; (3) to expand marketing efforts and partnering opportunities of gap financing with local commercial lenders; (4) to expand technical assistance and follow-up efforts offered to entrepreneurs, entrepreneurial networks, and existing businesses; and (5) to work with small business owners and community development corporations in the NRSA and low- to moderate-income areas 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.



Enterprise Center

Brookwood Business Park currently has three tenants: (1) a city-county joint firearms training facility, (2) Precision for Medicine, and (3) Coombs Wholesale Produce Company. Precision for Medicine, a biogenetics company, purchased a City-built spec building, and Coombs purchased two lots from the City to build a warehouse and distribution facility. Each created jobs and additional capital investment in the NRSA. A site plan of the next phase of development has been completed. Continued focus of FY26 will be directed toward marketing of the business park as well as exploring the development of additional sites. S.G. Atkins CDC has secured funding to increase the size of the Enterprise Center shared-use, licensed commercial kitchen.

Small business development activities include: 1) continue subcontractor opportunities in city construction projects and federally funded housing programs, 2) conduct the Small Business Training program, 3) conduct another round of a Business Plan Contest, and 4) continue involvement in the entrepreneurial ecosystem supporting enterprises.

## **Goal 5: Expanding Coordination and Accountability**

*Coordinate with local and regional planning bodies, and local stakeholders to implement local housing assessments; systematically evaluate and assess the impact of public programs and policies on an ongoing basis.*

The strategies within this priority area focus on working with stakeholders to review and implement recommendations in the Assessment of Fair Housing, Housing Study and Needs Assessment, Center for Community Progress assessment, ForEveryoneHome assessment, the HomeBase assessment of the Continuum of Care, and Forward 2045, the City/County comprehensive plan. It also includes improving coordination with local and regional coordinating bodies in the community.

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## PART B: SUMMARY OF SPECIFIC ANNUAL OBJECTIVES

The following table identifies the activities to be undertaken and sources of funds to be appropriated in FY26. Fund Sources are Community Development Block Grant (CDBG), HOME Investment Partnership (HOME), Emergency Solutions Grant (ESG), Continuum of Care (CoC), Housing Opportunities for Persons with AIDS (HOPWA), Local, such as Housing Finance Fund and General Obligation Bonds, and Other Federal, such as other federal grants received by the City or County. OBJ are 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).

<b>Exhibit 2: WINSTON-SALEM/FORSYTH HOUSING CONSORTIUM FY26 ANNUAL PLAN A SUMMARY OF SPECIFIC ANNUAL OBJECTIVES FOR DIRECT-BENEFIT ACTIVITIES</b>					
STRATEGY/ PROGRAM	DESCRIPTION	OBJ	FUND SOURCE	# UNITS	TYPE UNITS
<b>GOAL 1: NEIGHBORHOOD REVITALIZATION AND HOUSING CONSERVATION</b>					
Strategy 1.1	Implement Choice Neighborhoods Implementation (CNI) Grant Initiative				
Programs:	Pre-development, Site Preparation, Housing Construction	DH-3	CDBG, HOME, Other Federal	1	Public Fac./Imp.
Strategy 1.2	Rehabilitate Single-Family Homes Owned by Lower-Income Households				
Programs:	Neighborhood Revitalization Strategy Area (NRSA) Rehabilitation	DH-2	CDBG, HOME, Local	12	Housing Units
	Citywide Rehabilitation	DH-2	HOME, Local	10	Housing Units
	Emergency Repair/Urgent Repair	DH-2	CDBG	20	Housing Units
	Physical Accessibility	DH-2	CDBG, HOME	5	Housing Units
	Hazard Reduction and Interim Controls	DH-2	CDBG, HOME	10	Housing Units
	County Rehabilitation	DH-2	HOME, Other Federal	20	Housing Units
Strategy 1.3	Rehabilitate Multi-Family and Single-Family Substandard Rental Housing				
Programs:	Rental/Investor Rehabilitation, including hazard reduction	DH-2	CDBG	1	Housing Units
	Large-Scale Multi-Family Rental Rehabilitation, including hazard reduction	DH-2	CDBG, HOME, Local	0	Housing Units
Strategy 1.4	Neighborhood Services	SL-3	CDBG	0	Persons
Strategy 1.5	Provide Physical Improvements to Neighborhoods				
Programs:	Public Improvements	SL-1	Local	0	Public Fac./Imp.
	Public Facilities	SL-1	Local, CDBG	1	Public Fac./Imp.

Strategy 1.6	Use Vacant and Abandoned Properties for Infill Development of Affordable Housing				
Programs:	Infill Redevelopment, Purchase-Rehab Revolving Loan Program	DH-1	N/A	2	Housing Units
<b>GOAL 2: HOUSING PRODUCTION AND NEIGHBORHOOD DEVELOPMENT</b>					
Strategy 2.1	Subsidize Home Ownership Acquisition				
Programs:	Homebuyer Assistance Programs	DH-2	HOME, Local	30	Households
	Individual Development Accounts (IDA)	DH-2	Other Federal	5	Households
Strategy 2.2	Subsidize Single-Family Housing Production				
Programs:	Construction Loan Program	DH-2	Local	4	Housing Units
	Homeownership Development Assistance	DH-2	Local	2	Housing Units
	Self-Help/Sweat Equity Programs	DH-2	HOME, Local	10	Housing Units
	Land Acquisition, Housing Development	DH-2	Local	2	Housing Units
Strategy 2.3	Subsidize Affordable Rental Housing Production				
	Rental Housing Production	DH-2	HOME, Local	0	Housing Units
	Permanent Supportive Housing Production	DH-2	CDBG, CoC, Local	10	Housing Units
<b>GOAL 3: EXPANDING ACCESS AND OPPORTUNITIES</b>					
Strategy 3.1	Meet the Housing and Service Needs of Homeless Persons				
Programs:	Rental Assistance	DH-2	HOME, HOPWA	260	Households
	Supportive Services	SL-1	CDBG, CoC	0	Persons
	Coordinated Intake	SL-1	CDBG, CoC	200	Persons
	Emergency and Transitional Shelter Facilities	SL-1	ESG, CDBG	1,800	Persons
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, UDO Reasonable Accommodation	N/A	N/A	N/A	N/A
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, HOPWA, Other Public Services	SL-1	CDBG, HOPWA, Local	2,405	Persons
<b>GOAL 4: EXPANDING ECONOMIC OPPORTUNITIES</b>					

Strategy 4.1	Expand Entrepreneurial Development				
Programs:	Small Business Loan Program	EO-1	CDBG	8	Jobs
	Technical Assistance to Small Businesses	EO-1	CDBG	50	Businesses
	Business Training Program	EO-1	CDBG	25	Persons
Strategy 4.2	Expand Employment Training Opportunities				
Programs:	Summer Youth Employment Program	EO-1	Local	0	Persons
Strategy 4.3	Revitalize Neighborhood Commercial Areas				
Programs:	NRSA Building Rehabilitation Program	EO-3	Local	1	Businesses
	Revitalizing Commercial Areas (RCA)	EO-3	Local	1	Businesses
<b>GOAL 5: EXPAND COORDINATION AND ACCOUNTABILITY</b>					
	Implement Needs Assessments, Strengthen Coordination, Partnerships, and Strengthen Accountability	N/A	N/A	N/A	N/A

# PART C: PROJECTED REVENUES AND EXPENDITURES

## PROJECTED REVENUES/FUND RESOURCES

### FY26 Budget Appropriations

2,029,462	Community Development Block Grant (CDBG)
475,000	Entitlement Grant B-25-MC
	Program Income: Loan Repayments/Interest
2,504,462	Sub-Total CDBG Funds
1,229,981.53	HOME Investment Partnership Program (HOME)
150,000	Entitlement Grant M-25-DC
	Program Income
1,379,981.53	Sub-Total HOME Funds
306,922	Other Program Funds
177,650	General Fund HFF Program Income/Fund Balance
2,950,780	Emergency Solutions Grant Program E-25-MC
850,721	Continuum of Care/State ESG
	Housing Opportunities for Persons with AIDS (HOPWA) NCH25F
4,286,073	Sub-Total Other Program Funds
8,170,516.53	Total FY26 Budget Appropriations

### Prior Year Fund Budget Commitments

	PRIOR-YEAR FUNDS
40,000	CDBG
80,000	HOME
60,000	CDBG-CV
1,500,000	HOME-ARP
0	Housing Finance Fund
300,000	G.O. Bonds
1,980,000	Sub-Total Prior Year Appropriations
10,150,516.53	Total FY26 Programmatic Resources



## PROJECTED EXPENDITURES/COMMITMENTS (SPEND PLAN)

2,456,863.53	RESIDENTIAL REHABILITATION
995,543.53	Rehabilitation
200,000	Emergency Repair
10,000	Architect. Barrier Removal/Physical Accessibility
0	Investor/Multi-Family Rehab
20,000	Rehab Hazard Reduction
1,231,320	Program Operations
737,300	HOUSING PRODUCTION/HOMEOWNERSHIP
0	Acquisition-Rehab Loans
48,900	Home Buyer Assistance
0	Single-Family Production
496,000	Multi-Family Production
0	Infrastructure Improvements
192,400	HOME CHDO Activities
6,091,291	HOMELESS/TRANSITIONAL HOUSING
240,000	Tenant Based Rental Assistance
4,822,920	Transitional Housing/Supportive Services
177,650	Homeless Shelter Improvements/Prevention
850,721	HOPWA
162,000	ECONOMIC SELF SUFFICIENCY
162,000	Business/Commercial Loans
0	Business/Contractor Education
178,662	Property Maintenance/Disposition
0	Redevelopment Acquisition/Clearance
103,000	Public Service/Subrecipient Activity
30,000	Planning, Training, Program Admin/Non-Profit Capacity Dev
391,400	Cost Allocation/GF Admin Reimbursement
10,150,516.53	TOTAL PROJECTED USE OF FUNDS

EXHIBIT 3 HOUSING AND COMMUNITY DEVELOPMENT REVENUE AND EXPENDITURE ALLOCATIONS: FY 2025-2026 (CDY 51)										
DESCRIPTION	FY26 Spend Plan	FY26 Budget Appropriation	FFY25 CDBG	CDBG Prog Inc	FFY25 HOME	HOME Prog Inc	FFY25 HOPWA	CoC/FFY 25 ESG	HFF Prog Inc	Prior-Year
RESIDENTIAL REHAB										
NRSA: Owner, TURN	445,543.53	145,543.53	94,862		5,681.53	45,000				300,000
Citywide Rehab: Owner	50,00	50,00			50,000					
Emergency Repair	200,000	200,000	100,000	100,000						
Physical Accessibility	10,000	10,000	5,000		5,000					
Multi-Family/Investor Rehab	0	0								
Rehab Hazard Reduction	20,000	20,000	10,000		10,000					
Program Operations	1,059,220	939,220	624,220	70,000	80,000				165,000	120,000
Forsyth County Rehab/Operations	672,100	672,100	350,000	150,000	172,100					
HOUSING STIMULATION/ HOME OWNERSHIP										
Home Buyer Assistance	48,900	48,900			48,900					
Acquisition-Rehab	0	0								
Single-Family Production	0	0								
Multi-Family Production	496,000	496,000			496,000					
Infrastructure Improvements	0	0								
HOME CHDO Activities	192,400	192,400			192,400					
ECONOMIC SELF-SUFFICIENCY										
Business Loans	162,000	162,000	98,200	63,800						
Business Training	0	0								
OTHER ACTIVITIES										
Property Maintenance/Disposition	178,662	178,662	16,540	61,200					100,922	
Redevelopment Acquisition/Clearance/CNI	0	0								
Public Service Activities	103,000	103,000	67,000						36,000	
Homeless: ESG/Transitional/TBRA	6,091,291	4,531,291	297,140	15,000	185,000	55,000	850,721	3,128,430		1,560,000
Non-Profit Capacity Dev/Training	0	0								
Planning/Training/ Administration	30,000	30,000	10,000		15,000				5,000	
Cost Allocation/GF Admin Reimbursement	391,400	391,400	356,500	15,000	19,900					
TOTAL ALLOCATION	10,150,517	8,170,517	2,029,462	475,000	1,229,981.53	150,000	850,721	3,128,430	306,922	1,980,000

# PART D: CDBG, HOME, ESG, AND HOPWA 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 Exhibit 3, CDBG funds will be used for the following programs and activities:

- Rehabilitation in the Neighborhood Revitalization Strategy Areas (NRSA), including physical 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, case management and other public services
- Planning and administration
- Choice Neighborhoods Implementation Grant activities.

The City will continue to use CDBG-CV funds to assist low- and moderate-income persons to prepare for, prevent, and respond to coronavirus.

### 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 HUD Secretary with adjustments for smaller and larger families. Expenditures for planning and administration and repayment of Section 108 loans are excluded from the calculation, since they are considered to benefit low- and moderate-income persons. Expenditures for planning and administration are projected to be 15.8% of the grant plus projected program income. Expenditures for public services are projected to be 13.9% of the grant plus projected prior-year program income. The only activity the City funds that does not benefit low- and moderate-income persons is property maintenance and disposition.

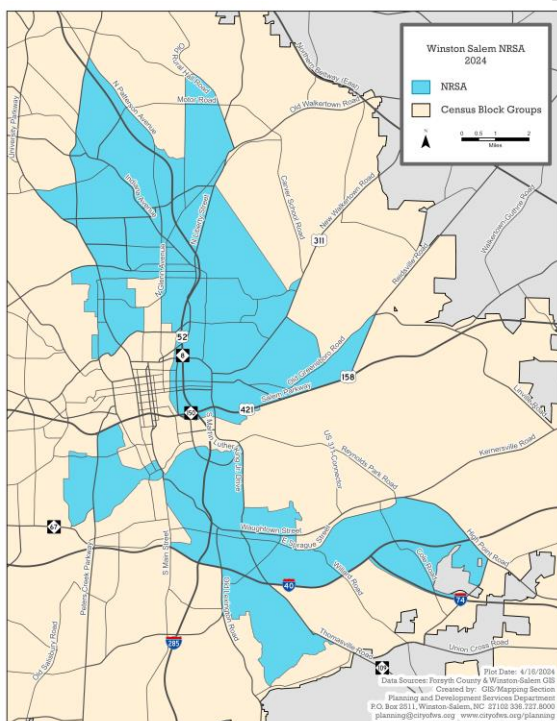
#### Calculation of Estimated Low and Moderate Income Benefit

• Projected Expenditures Subject to Program Benefit Rules	2,162,962
• Project Expenditures Principally Benefiting Low- and Moderate-Income Persons	2,085,222
• Projected Percent Benefit to Low- and Moderate-Income Persons (which exceeds the 70% minimum CDBG requirement)	96.4%

## Neighborhood Revitalization Strategy Area (NRSA)

The Neighborhood Revitalization Strategy submitted pursuant to Notice CPD-96-01 was approved by HUD on July 17, 2000 and recertified in FY 2004, FY 2009, and FY 2016. Pursuant to HUD Notice CPD-16-16, the City of Winston-Salem submitted a new NRSA as part of the 2019-2023 Consolidated Plan. While waiting for HUD to review and approve the new NRSA, HUD released new low- and moderate-income summary data (LMISD) in February 2019. The City submitted two Revitalization Strategies that comply with the new data, and HUD approved them on July 2, 2019. Since they expire on July 2, 2024, the City submitted the two Revitalization Strategies with minor additions to the areas using LMISD data released by HUD in July 2023 and updating the information. Each Revitalization Strategy accomplishes or facilitates accomplishment of several objectives directed toward the goals of housing and economic opportunities, including:

- Designation of an area widely regarded as in need of revitalization and investment;
- Promote the area's economic progress by focusing on housing and economic opportunities;
- Greater equity in housing service provision -- ability to serve households over 80% of area median income through aggregation of housing units to meet a national objective;
- 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.



Each Revitalization Strategy Area is a contiguous area, primarily residential in character, and contains at least the required minimum percentage of low- and moderate-income residents as defined by the CDBG regulations and reflected in the accompanying map.

The City of Winston-Salem submitted the two Revitalization Strategies, updating the information and with minor additions to the areas using LMISD data released by HUD in July 2023, for HUD review and approval. Goals and objectives for each NRSA are outlined in the strategies for NRSA-North and NRSA-South.



## 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 the cooperating municipalities of the County consisting of Bethania, Clemmons, Kernersville, Lewisville, Rural Hall, and Tobaccoville. The Consortium has been renewed every three years, most recently in spring 2025. The Town of Walkertown continues to not participate. 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 \$1,207,604.75 of new grant funds, \$221,000.00 is allocated to Forsyth County, in accordance with the provisions of the Consortium Agreement, and \$1,008,981.53 is allocated to the City of Winston-Salem with an additional \$150,000 in program income. The amount of program income, repayments, and recaptured funds in the HOME local account on the submission date is \$388,793.70 in program income. The program activities and expenditures to be derived from FFY25 HOME funds, prior year carryover/reprogrammed funds, and program income, are as follows:

	<u>City</u>
275,681.53	Rehab: Owner, Rental and Hazard Reduction
0	First-Time Homebuyer Assistance/Construction
496,000	Multi-Family Production
240,000	Tenant-Based Rental Assistance
<u>192,400</u>	CHDO Set-Aside: New Construction (15.6% FFY 25 Grant)
1,204,081.53	Sub-Total City Program Activities
	<u>County</u>
150,000	Single-Family Owner Rehab
<u>48,900</u>	First-Time Homebuyer Assistance
198,900	Sub-Total County Program Activities
	<u>Administration</u>
22,100	County Program Admin (10% County Allocation)
<u>34,900</u>	City Training, Admin, and Indirect Cost (3.5% City Allocation)
57,000	Sub-Total (4.6% of FFY 25 Grant)
1,459,981.53	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, from unrecouped private sector contributions to one

Community Housing Development Organization (CHDO) for home ownership units, and from City funds for homeowner rehabilitation in designated TURN areas. HOME match funds for FY26 are projected to total \$49,412 from Forsyth County and participating municipalities, \$50,000 from general obligation bonds for the TURN program, and \$300,000 from private sector contributions.

As HOME program funding will be used to leverage and complement ongoing housing program activities funded from other sources, generally 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 applications and other information by contacting a loan officer at the City or County.

### **Single-Family Rehab**

The City provides direct and forgivable 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, currently \$257,000 for existing housing and \$290,000 for newly constructed housing. The City projects to assist up to 5 homeowners during FY26.

### **First-Time Homebuyer Assistance**

The City provides a down payment and second mortgage assistance program for the purchase of newly constructed or existing units citywide to applicants with total household incomes below 80% of area median income and who qualify as first-time home buyers. This assistance is provided in conjunction with fixed-rate, 15- to 30-year first mortgage loans and is forgivable after ten consecutive years of owner-occupancy. The program is funded with local and HOME funds. The program is currently inactive; however, approximately 5 homebuyers purchasing homes in City-assisted subdivisions during FY26 may receive assistance through the County. Program policies are included in Appendix C.

### **CHDO Set-Aside**

The FFY25 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.

### **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



House in Happy Hill

affordability restrictions; however, proposals may be reviewed on a case-by-case basis. Two new construction developments, each containing 60 units, are projected to be under construction during FY26.

## **Forsyth County Programs**

The County's mission is to provide affordable housing opportunities for eligible low to moderate-income Forsyth County residents by effectively utilizing 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 Area 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) Community Partners Loan Pool (CPLP) funds, and private bank fund contributions. The assistance will be in the form of deferred repayment down payment loans, and funds under the IDA program will be provided as a \$2,000 grant to match the required savings of \$1,000 by the home buyer. The County's HOME loans and the NCHFA/CPLP loans are deferred until the first mortgage is paid in full, due upon sale of the property, when there is a cash-out refinance, or when the home is no longer occupied by the HOME-assisted buyer as their principal residence. It is estimated that each household will be provided with an average of \$20,000 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 during the "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
• \$15,000 and \$40,000	10 years
• Over \$40,000	15 years

### **Single-Family Owner Rehab**

The County anticipates having \$1,251,730.00 in HOME funds available for use in rehabilitating approximately 20 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 instances where rehabilitation assistance exceeds

\$25,000, and the borrower shows some ability to repay the loans, the funds may be amortized at 0% interest for the amount above the \$25,000 threshold. The HOME funded projects for comprehensive rehab are expected to have an average funding of \$60,000 per household.

The County's Community and Economic Development Department will include other rehabilitation funds as they become available, including locally derived municipal/county match, NCHFA Essential Single-Family Rehabilitation (ESFR), and NCHFA Urgent Repair Program (URP) funding. Qualifying households are located in cooperating municipalities outside of the Winston-Salem city limits, as well as in the unincorporated areas of the County. Households residing in the city limits of Winston-Salem with household incomes below 30% of median income, and in extenuating circumstances, up to 50% of median income, may be eligible for rehabilitation services with URP funding. Owner occupants under URP will be provided with a deferred, forgiven loan up to \$12,000 for the repair of items at risk of immediately harming or displacing the household, as well as for the installation of accessibility and mobility modifications. Households located outside of the Winston Salem city limits, with annual incomes up to 80% of area median income, may be eligible for services through ESFR funding, with up to \$70,000 available in assistance per eligible household.

### **Matching Funds**

It is anticipated that the County will provide up to \$39,412 in local matching funds with \$10,000 derived from county cooperating municipalities.

### **Code Enforcement**

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

### **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 who demonstrate housing instability in obtaining housing stability. The program serves approximately 45 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 community goals on ending homelessness.

### **HOME American Rescue Plan (HOME-ARP)**

The Winston-Salem/Forsyth County Housing Consortium was awarded \$4,887,567 in HOME Investment Partnership funds through the American Rescue Plan (HOME-ARP funds) to provide housing, services, and shelter to individuals experiencing homelessness and other vulnerable populations. The HOME-ARP Allocation Plan was submitted September 30, 2022 and has been accepted by HUD. The plan priorities are permanent housing, including permanent supportive housing, and supportive services attached to housing. The estimated total number of HOME-ARP units in rental housing through the grant period is 48, and the estimated number of HOME-ARP TBRA units is six units. The City will provide funds to Family Services to replace its existing shelter for victims and survivors of domestic violence with a non-congregate shelter.



## 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 \$177,650 will be used to provide for the operational needs of five emergency shelters (52.2% of funds) and for rapid re-housing and data management in a homeless management information system (HMIS) (47.8% of funds). No funds will be used for administration. State ESG funds will be used for shelter operations at four emergency shelters, street outreach, 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. The required 100% match will be provided by the subrecipient agencies.



Samaritan Ministries Shelter

## HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA) PROGRAM

The City of Winston-Salem became an entitlement grantee of the HOPWA program effective July 1, 2021, covering Forsyth, Davie, Davidson, Stokes, and Yadkin Counties. HOPWA provides housing assistance and related supportive services to meet the housing needs of low-income persons and their families living with HIV/AIDS. Housing services are to include tenant based rental assistance, which provides an eligible client with a unit that is subsidized, and short-term rental assistance, which is assistance paid to a landlord or utility company to prevent an individual from becoming homeless. Housing programs will consist of housing referrals, tenant counseling, and costs associated with locating housing, including application fees, credit check expenses, and first month's rent.

HOPWA entitlement funds in the amount of \$850,721 will be used to provide short-term rent, mortgage, and utility assistance payments, tenant-based rental assistance, associated housing programs, and administration. No funds will be used to provide permanent or transitional housing developed, leased, or operated with HOPWA funds. A Project Sponsor to carry out these activities was selected through the City's annual request for proposal process, which was



open to community and faith-based organizations. The program is expected to serve approximately 60 clients with tenant-based rental assistance, 25 clients with short-term rent, mortgage and utility assistance, and 100 clients with supportive services.

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## PART E: OTHER ACTIONS

### PUBLIC HOUSING

The Housing Authority of the City of Winston-Salem (HAWS) currently manages and/or provides operating subsidies to 1,446 units of public housing in 16 conventional public housing and HOPE VI developments. The stock consists of three towers – Healy Towers, Sunrise Towers, Crystal Towers – that serve primarily the elderly and disabled; two fairly dense and aging traditional public housing communities; five 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 addition to these public housing developments, HAWS operates Drayton Pines, a 44-unit project-based property.

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-opportunity areas; 3) de-concentration of poverty in traditionally underserved areas; and 4) catalyzing economic development in marginalized neighborhoods through public-private partnerships. Assets and programs include the following:

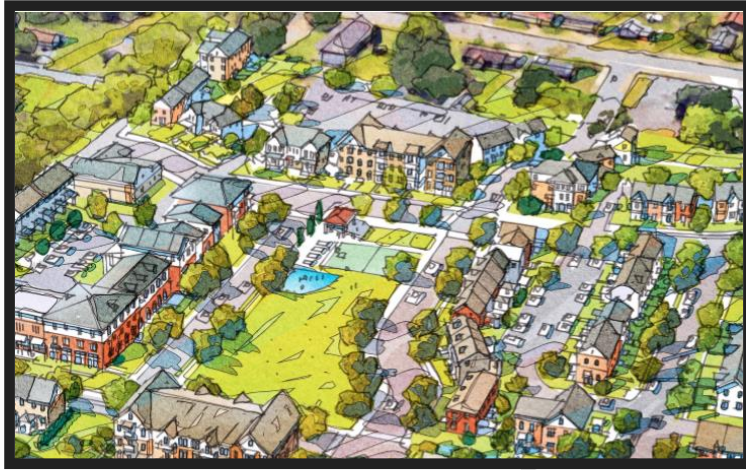
- HAWS has partnered with Habitat for Humanity of Forsyth County and the City of Winston-Salem to kick-start development of the former Happy Hill Gardens site through the construction of 13 single-family detached affordable homes. HAWS will continue to evaluate all options for completing the remaining phases of the development.



- **Choice Neighborhoods.** One tool the Housing Authority is currently utilizing to revitalize one of its communities – Cleveland Avenue Homes – is the Choice Neighborhoods Implementation grant. The Winston-Salem Choice Neighborhood Initiative (CNI) is a partnership between the City of Winston-Salem and the Housing Authority that facilitates community-wide transformation using a \$30 million grant from the United States Department of Housing and Urban Development (HUD), supplemented to a total of \$35 million. The project seeks to remove 244 units of distressed public housing and, through a combination of new housing construction, neighborhood improvements,



and intensive individual case management services, transform the Cleveland Avenue community, bringing to the neighborhood over 400 units of new mixed-income housing, a wide array of supportive services, and much needed neighborhood reinvestments. The CNI effort is already underway, with Phase I completed in the spring of 2024. Demolition of Phases 2 and 3 was completed in 2024.



Artist's Concept of the Redevelopment of Cleveland Avenue Homes

The City of Winston-Salem has committed \$3,000,000 in CDBG funds and \$3,000,000 in General Obligation bond funds to the grant efforts. In addition, the City provided \$500,000 in HOME funds toward construction in Phase 1 at the Brown School site. In total, the investment of \$30 million in HUD CNI funding in Winston-Salem will leverage upwards of \$600 million in public and private sector resources and services over the course of the six-year project effort.

Winston-Salem continues to help families achieve stable housing and work towards self-sufficiency. The Engagement Team and the Resident Opportunities and Self-Sufficiency (ROSS) program identify residents needs and implement services that improve the overall quality of life. HAWS received a ROSS Grant for FY 2024 to help families become more self-sufficient. The ROSS program incorporates PATH (People Achieving Their Highest) as an opportunity for families to reduce or eliminate dependence on government support and length of stay in public housing. Families work with the ROSS Coordinators and the Engagement Team to develop goals that promote opportunities for improved health and well-being, financial education, trade skills and higher learning, which is crucial for participating in a competitive labor market and for earning higher wages. Job aides such as employability workshops, hiring events, wellness fairs and financial workshops are held quarterly at public housing developments. Employment leads and other resources are available to assist with acquiring and retaining employment. Quarterly meetings are held with program partners to assess the impact of services and measure the effectiveness of program activities. HAWS is currently partnering with the Forsyth County Health Department to help individuals with mental/behavioral health, substance abuse, and other health related issues as well as with Veterans Bridge Home to help veterans apply and utilize their military benefits. HAWS has a new partnership with Connecting Communities. This organization provides rental assistance, food, mental/behavioral health counseling, cellular devices, as well as transportation to appointments. HAWS continues to establish partnerships that promote educational enhancement, job creation and employment, health and wellness and financial independence.

- The Housing Authority of

- The Housing Authority operates a Housing Choice Voucher Program (HCV) consisting of 4,537 tenant-based vouchers, 278 Mainstream vouchers, 144 VASH vouchers, and 371 project-based vouchers. In addition, the Housing Authority administers approximately 239 special use vouchers for other agencies, such as Continuum of Care Permanent Supportive Housing, HOME Tenant-Based Rental Assistance, and Housing Opportunity for Persons with AIDS vouchers. The waiting list for the HCV tenant-based program has approximately 5,368 families and was open from April 2, 2024 to April 4, 2024. The waiting list is currently closed. 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 32 HCV homeownership vouchers. The total annual budget authority for the Housing Choice Voucher Program is approximately \$32 million.
- HAWS anticipates making the following capital improvements to its public housing properties:
  - Installation of Automatic Suppression Fire stops (All Properties)
  - Kitchen Improvements at Healy Towers
  - Courtyard Improvements at Crystal Towers.
  - Fencing Installation Crystal Towers
  - Roof Replacement at Stoney Glen.
  - Appliance Replacement various properties
  - Improvements to Security Office of Crystal Towers
  - Building Exterior Painting at The Oaks at Tenth
  - Building Exterior Painting at Camden Station
  - Replacement of Basketball Court Piedmont Park
  - HVAC replacement at Piedmont Park
  - Comprehensive site assessment of Crystal Towers
  - Electrical upgrades to damp locations Healy Towers
  - Renovations at King Building.

**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. HAWS participates in development of the jurisdiction's Consolidated Plan, including participation in public meetings. Collaboration between the jurisdiction and HAWS ensures that the Comprehensive Grant annual statement is consistent with the jurisdiction's assessment of low-income housing needs as evidenced in the Consolidated Plan. The Housing Authority participates in the City of Winston-Salem's New Horizon Fair & Affordable Housing Committee to promote fair and affordable housing activities during fair housing month and throughout the year.

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.

## HOMELESS AND OTHER SPECIAL NEEDS ACTIVITIES

### Outreach

Street Outreach is a critical component of the homeless delivery system that seeks to establish and provide services on the streets and not at site-based facilities. Street-based teams can help to establish supportive relationships and enhance the possibility that individuals will access the necessary services and supports that will help them move off the streets. Street Outreach aims to locate, identify, and build relationships with individuals experiencing homelessness who are unsheltered/street-based to engage them to provide immediate support, linkages to services, and connections with housing navigation resources aimed at ending homelessness. ESG funds supporting street outreach have increased.

### Emergency Shelter and Transitional Housing

Interim housing, emergency shelter, is short term, 24-hour emergency housing for persons experiencing homelessness. The intention of emergency housing is to provide participants with a safe place to reside while they are quickly assessed and connected to more permanent and supportive housing resources. Resource referral and case management are primary interventions that are available to all participants. ESG funds support emergency shelter (operation, services, and renovation), and rapid re-housing. In addition, CoC funds support case management and housing programs to support the transition from homelessness to permanent housing. CDBG funds support transitional housing for homeless male veterans.

### Permanent Housing

Permanent housing includes rapid re-housing, permanent supportive housing, and housing stabilization services. Rapid re-housing and permanent supportive housing programs are housing first, low barrier and crisis response programs focused on quickly resolving the crisis of homelessness for eligible participants and assisting them with rapidly moving into a permanent housing situation without any preconditions. Consistent with the HEARTH Act and regulations for the Emergency Solutions Grant and Continuum of Care grant, the community utilizes a housing first approach. Rapid Re-housing case managers help program participants rapidly obtain and stabilize in permanent housing in the private rental market as it is available. Rapid re-housing services include housing identification, rent, utility and move-in assistance, and ongoing case management and supportive services. Veterans and their families may be eligible for Supportive Services for Veterans Families (SSVF), which is a form of rapid re-housing for veterans and their families.

Households needing longer-term supports, including chronically homeless and/or disabled individuals and families, are referred to Permanent Supportive Housing. Permanent supportive housing combines housing and supportive case management to help vulnerable households live more stable and productive lives. Supportive housing services include life skills training, case management, job training, linkage to educational programs and community support services, and health care services. Veterans and their families may be eligible for Veterans Affairs Supported Housing (VASH), which is a form of permanent supportive housing for veterans and their families.



## Homelessness Prevention

Coordinated intake and assessment uses a problem solving and diversion approach designed to prevent homelessness. The goal of the diversion and prevention program is to stabilize individuals into permanent housing resources before the onset of a homeless occurrence.

Diversion is a strategy that prevents homelessness at the front door of the homeless response system by helping people identify immediate alternative housing arrangements. Outreach and intake workers have on-going conversations to assist individuals in self-resolving their housing crisis or to make reasonable efforts to re-connect with supportive family or friends who could temporarily or permanently house the participant, rather than residing in an emergency housing program. Limited resources such as temporary motel vouchers, Greyhound bus tickets to family members, and basic needs financial assistance (food, utility, rental assistance) are available. Individuals who are seeking emergency shelter services are screened for diversion in order to determine if it is possible for the individual to access other housing options and remain in housing or be re-housed temporarily or permanently.

The community has a strong history in prevention of evictions through emergency financial assistance. During the last three years, assistance has averaged over \$15.5 million per year with over 14,000 instances of assistance per year. The assistance was provided by agencies including Crisis Control Ministry, Experiment in Self-Reliance, The Salvation Army, Sunnyside Ministry, Financial Pathways of the Piedmont, the City of Winston-Salem, the Forsyth County Department of Social Services, and many churches and other faith-based organizations. This amount is a substantial increase over previous years due to one-time federal funding to prepare for, prevent, and respond to the effects of the COVID-19 pandemic.

The plan goals support linkages to mainstream supportive services. The Community Intake Center, which opened in 2013, will continue to 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 include strategies to utilize appropriate mainstream services to assist households with locating and retaining housing and with resources around local supportive services.

With respect to special needs of the non-homeless, HOPWA funding will be provided to Positive Wellness Alliance to provide housing and supportive services to individuals who are HIV-positive.

## LEAD-BASED PAINT

**Overview:** The Neighborhood Services Department 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 Lending 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.

**Annual Activities:** Projected activities in 2025-2026 will be to test units built before 1978, provide treatment to units that test positive, and continue education and poison prevention. Training and state certification programs for staff and contractors will continue as required. The

paint inspections on properties will be conducted through the use of outside lead consultants. Typically, the properties are single-family homes but may also be multi-family apartments.

**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 are necessary to reduce hazards safely and effectively. Regulated yearly training and refresher courses will continue to expand the capacity and education of staff. 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.

**Education and Prevention:** City of Winston-Salem staff will utilize an outreach strategy to promote the principles of Environmental Justice. The Neighborhood Services Department, through its Collaborative Outreach Revitalization and Engagement program (“C.O.R.E”), will educate and disseminate information regarding lead-based paint. In addition to the department’s work with neighborhood associations which provides educational opportunities, lead safety education will also take place as part of the C.O.R.E. program.

**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 Renovation, Repair and Painting (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 Neighborhood Services Lending 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 Winston-Salem/Forsyth County Planning Board adopted *Forward 2045*, the new comprehensive plan to serve as the official document guiding future growth and development in the community on November 18, 2024. Housing, equity, livability, and economic development are key concepts incorporated in the policies and recommendations.

On June 22, 2022, the Winston-Salem City Council adopted an ordinance governing the sale or lease of City-owned property for affordable housing purposes to increase the supply of affordable housing and established the City of Winston-Salem Housing Justice Act to reduce barriers to housing, such as criminal convictions and source of income. The City has received proposals from for-profit and non-profit developers to purchase City-owned parcels to construct single-family and multi-family housing. The projects that are under way do not use federal funds.

The City of Winston-Salem is reviewing the Unified Development Ordinances for opportunities to reduce barriers to affordable housing. One recommendation in the Assessment of Fair Housing is to improve the process in the Unified Development Ordinance adopted by Winston-Salem and Forsyth County for people with disabilities to request reasonable accommodations.

## INSTITUTIONAL STRUCTURE AND COORDINATION

The City's Neighborhood Services 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 is the lead entity for the Winston-Salem/Forsyth Housing Consortium. The City will continue to maintain and improve these relationships.

The City of Winston-Salem created the Winston-Salem Affordable Housing Coalition in October 2018. The purpose of the Coalition is to identify and recommend strategies that expand affordable housing opportunities, engage supporters of and advocates for affordable housing, coordinate and secure sustainable resources for affordable housing, and advise the Winston-Salem City Council on the use of City funds to support affordable housing development.

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 CHCD Plan goals will lie with these coordinating bodies and collaborative networks for their respective service areas and through the broader citizen participation process.

## ASSESSMENT OF FAIR HOUSING

The City of Winston-Salem, Forsyth County, and the Housing Authority of Winston-Salem (HAWs) completed an Assessment of Fair Housing (AFH) in October 2017 to comply with their obligation to affirmatively further fair housing. HUD accepted the AFH on November 21, 2017. The AFH studied patterns of integration and segregation; racially and ethnically concentrated areas of poverty; disparities in access to opportunity; disproportionate housing needs; locations, occupancy, and policies for publicly supported housing; disability and access; and fair housing enforcement and outreach resources and activities. Based on the findings of this research, the AFH proposed fair and affordable housing strategies to overcome the identified fair housing issues. The AFH goals and planned actions in FY25 are as follows:

Goal 1 – Implement place-based community investment strategies to increase opportunity measures in R/ECAPs

- Habitat for Humanity to complete 6 single-family houses in the Northeast Ward and Bowen Park areas
- Phase 2&3 implementation of the Choice Neighborhoods Implementation Grant will continue

Goal 2 – Focus new construction of affordable housing in neighborhoods that offer greater access to opportunities

- Poplar Forest at Old Vineyard to be under construction

- Zachary Pointe Apartments to be under construction

Goal 3 – Improve mobility for low- and moderate-income residents

- 5 households receiving Forsyth County homebuyer assistance to be Individual Development Account (IDA) participants

Goal 4 – Expand homeownership opportunities

- County to provide homebuyer assistance to 30 households
- City funds to provide home-buyer assistance to 0 households
- Habitat for Humanity and CDCs to construct 10 houses
- HAWS to increase utilization of Homeownership Housing Choice Vouchers

Goal 5 – Protect existing housing stock

- City to complete 42 homeowner rehabilitation cases
- County to complete 20 homeowner rehabilitation cases

Goal 6 – Improve existing reasonable accommodation processes

- HAWS to continue to update its Admissions and Occupancy Policies and Procedures as regulations are promulgated
- City/County Planning Board to review the process in the Unified Development Ordinance adopted by Winston-Salem and Forsyth County for people with disabilities to request reasonable accommodations

Goal 7 – Support fair housing education and enforcement efforts

- City to explore fair housing enforcement through a variety of channels like testing and direct outreach
- City to continue its education and community outreach activities
- City to enhance Limited English Proficiency efforts to the Hispanic and other international communities
- City to have the subcommittee of the Human Relations Commission focus on one or a related group of the 17 protected classes of persons under the non-discrimination ordinance to enhance the department's enforcement efforts

Goal 8 – Implement strategies to decrease homelessness

- Use HUD System Performance Measures, the HUD Longitudinal Systems Analysis (LSA) data, and the HUD Stella tool to guide decision-making for the Continuum of Care
- City to continue to support emergency shelter facilities and programs, rapid rehousing, and community intake, assisting about 1,800 persons
- City to implement recommendations of the assessment of the Continuum of Care system that was completed in FY24
- City to complete rehabilitation at Burton Street apartments as permanent supportive housing
- Family Services to begin replacement of its shelter for victims and survivors of domestic violence with a non-congregate shelter

## 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.

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## 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.

**Uniform Relocation Act and 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, (42 U.S.C. 4601-4655) and implementing regulations at 49 CFR Part 24. It has in effect and is following a residential anti-displacement and relocation assistance plan required under 24 CFR Part 42 in connection with any activity assisted with funding under the Community Development Block Grant 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 Community Development Block Grant, HOME, Emergency Solutions Grant, and Housing Opportunities for Persons With AIDS funds are consistent with the strategic plan in the jurisdiction's consolidated plan.

**Section 3 --** It will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and implementing regulations at 24 CFR Part 75.

\_\_\_\_\_  
Signature/Authorized Official

\_\_\_\_\_  
Date

W. Patrick Pate, City Manager  
Title

## Specific Community Development Block Grant 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 plan identifies community development and housing needs and specifies both short-term and long-term community development objectives that have been developed in accordance with the primary objective of the CDBG program (i.e., the development of viable urban communities, by providing decent housing and expanding economic opportunities, primarily for persons of low and moderate income) and requirements of 24 CFR Parts 91 and 570.

**Following a Plan --** It is following a current consolidated plan 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 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 CDBG-assisted activities which the grantee certifies are designed to meet other community development needs having 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 (see Optional CDBG Certification).

2. Overall Benefit. The aggregate use of CDBG funds including Section 108 guaranteed loans during program year(s) FFY23, FFY24 and FFY25 (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.

In addition, 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.

\_\_\_\_\_  
Signature/Authorized Official

\_\_\_\_\_  
Date

W. Patrick Pate, City Manager  
Title

### Specific HOME Certifications

The HOME participating jurisdiction certifies that:

**Tenant Based Rental Assistance --** If it plans to provide tenant-based rental assistance, the tenant-based rental assistance is an essential element of its consolidated plan.

**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.

**Subsidy Layering --** 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.

\_\_\_\_\_  
Signature/Authorized Official

\_\_\_\_\_  
Date

W. Patrick Pate, City Manager  
Title

## Emergency Solutions Grants Certifications

The Emergency Solutions Grants Program recipient certifies that:

**Major rehabilitation/conversion/renovation** – If an emergency shelter’s rehabilitation costs exceed 75 percent of the value of the building before rehabilitation, the recipient 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 recipient 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 recipient 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 recipient 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 recipient 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 recipient 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 these individuals.

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

**Confidentiality** – The recipient 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 recipient 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 recipient undertakes with assistance under ESG are consistent with its consolidated plan.



**Discharge Policy** – The recipient 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.

\_\_\_\_\_  
Signature/Authorized Official

\_\_\_\_\_  
Date

W. Patrick Pate, City Manager  
Title

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## **Housing Opportunities for Persons With AIDS Certifications**

The HOPWA grantee certifies that:

**Activities** -- Activities funded under the program will meet urgent needs that are not being met by available public and private sources.

**Building** -- Any building or structure assisted under that program shall be operated for the purpose specified in the consolidated plan:

1. For a period of not less than 10 years in the case of assistance involving new construction, substantial rehabilitation, or acquisition of a facility,
2. For a period of not less than 3 years in the case of assistance involving non-substantial rehabilitation or repair of a building or structure.

\_\_\_\_\_  
Signature of Authorized Official

\_\_\_\_\_  
Date

W. Patrick Pate, City Manager  
Title

## **APPENDIX TO CERTIFICATIONS**

### **INSTRUCTIONS CONCERNING LOBBYING CERTIFICATION:**

#### **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.

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**MONITORING PLAN AND SCHEDULE, 2025-2026  
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 2025-2026
Subrecipient Funding Sources Covered: HOME, CDBG, ESG, Continuum of Care, HOPWA, CDBG-CV, HOME-ARP
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), 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:**

<i><b>Relative Risk Category</b></i>	<i><b>Frequency &amp; Type of Monitoring</b></i>
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 alternate 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 2 CFR 200 compliance requirements; subrecipients with low quality documentation; subrecipients with unexplained decrease or increase in productivity; failure to resolve findings or concerns from prior monitoring.

**B. Ranking:**

*i. High Risk:*

- 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 (change in goals or direction of agency; multiple CoC and ESG rapid re-housing)
- Bethesda Center – high risk (ESG and CoC programs; turnover in administrative staff; timeliness; renovation project with new fund source)
- Habitat for Humanity – high risk (large funding amounts–HOME; special HOME CHDO requirements; special lender requirements e.g. truth-in-lending)
- Positive Wellness Alliance – high risk (subrecipient with new management; HOPWA-multi-county; failure to submit timely reports)

*ii. Moderate Risk*

- City with Dwellings - moderate risk (relatively new subrecipient)
- Experiment in Self-Reliance – moderate risk (change in leadership, goals or direction of agency; one HFF grant)
- Forsyth County Housing– moderate risk (multiple activities; new fund source–CDBG)
- The Salvation Army – moderate risk (staff turnover; program changes)
- The Dwelling WS – moderate risk (new subrecipient)

*iii. Low Risk*

- Family Services – low risk (case management staff expenses)
- Financial Pathways of the Piedmont (Center for Homeownership) – low risk (limited activities and single funding source–CDBG)
- Samaritan Ministries – low risk (limited activities-shelter operations)
- Veterans Helping Veterans Heal - low risk (small operational grant and single funding source-CDBG)

**VII. 2025-2026 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 on the following schedule. TBRA

units are inspected upon initial occupancy and annually as a part of the recertification process.

<b>HOME Rental and TBRA Project Inspections</b>					
<i>Project Name</i>	<i>Agency</i>	<i>Location</i>	<i>HOME/Total Units</i>	<i>Project Type</i>	<i>Frequency</i>
HAWS TBRA	HAWS	Scattered Units	50/50	TBRA	Annually
Gladstone Apartments	Community Management	1301 Brookstown Ave.	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
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	MVAH Partners	Shattalon Dr. & Bethania Station Rd.	6/68	New Const.	Annually
Rockwood at Oliver's Crossing	Bradley Development	1630 Rockwood Crossing	8/64	New Const.	Annually
Abbingtion Gardens	Rea Ventures	300 Noel Drive	6/96	New Const.	Annually
Enclave II	MVAH Partners	4101 Bethania Station Rd	7/96	New Const.	Annually
Southgate Apartments	Beacon Management	980 East Second St.	10/108	Rehab	Annually

## **HOMEOWNERSHIP AND HOME PROGRAM PROCEDURES**

### **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. Homebuyer Assistance Program**

The City of Winston-Salem's Homebuyer Assistance Program provides financial and technical assistance to 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 cash or other barriers to ownership.

The Homebuyer Assistance Program is administered by the Community Development Department of the City of Winston-Salem. Homebuyer education services are provided by the Center for Homeownership. The program is comprised of the following steps:

**Pre-Qualification & 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. Any potential homebuyer who is ready to move forward towards their goal of homeownership is encouraged to reach out to a lender. 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 financial assistance is provided in conjunction with fixed-rate, 15-30 year Conventional, FNMA, FHA or VA first mortgage loans. Adjustable Rate Mortgages (ARM), Balloon and non-conforming high interest rate and fee loans are not acceptable forms of financing for participants of the program. Lender or seller paid 2:1 buy-downs are acceptable, but City funds may not be used for buy-downs.

Homebuyer assistance funds may be utilized for first mortgage reduction (to achieve affordability at acceptable housing expense and long-term debt ratios), down payment, closing costs (including pre-paid items) and up to 1% discount points; it cannot be used for buy-downs. The City assistance will be in the form of a no-interest second mortgage that is forgivable after the Buyer remains an owner-occupant for a period of ten (10) consecutive years. Repayment of all of the second mortgage will be required if the property is sold, transferred, or ceases to remain in owner/family occupancy at any point during the term of the City loan.

<b>Household Size and Income Limits</b>	
<b><i>Household Size</i></b>	<b>80%</b>
1	\$45,850
2	\$52,400
3	\$58,950
4	\$65,500
5	\$70,750
6	\$76,000
7	\$81,250
8	\$86,500
<i>Effective 6/1/24, Subject to Change</i>	

The maximum second mortgage amount is \$14,500 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 costs, the City's assistance is 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. The City's second mortgage is in second-lien holder position, and any lower lien position is considered on a case-by-case basis.

### **Underwriting and Property Criteria**

The following are the underwriting guidelines used when determining if an application is eligible and to what level of assistance is needed.

**Income** - The 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:

- total money earnings received for work performed as an employee before deductions, including wages, salary, recurrent overtime, commissions, fees, tips and bonuses;
- net self-employment income;
- net cash income from the operation of real property;
- interest, dividends, and other investment income;
- the full amount of recurrent periodic payments received from Social Security, pensions, insurance policies, or other similar annuities;
- 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).

**Income/Debt Ratios** - Although conventional loan underwriting criteria vary within FNMA/FHA/VA/Freddie Mac guidelines, the following reflect acceptable ratios and maximum limits for homebuyer 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 a current satisfactory payment arrangement.

**Reserves** - Homebuyer is required to retain the amount of one house payment in their savings or checking account. Reserves must be verified 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** - Includes new, existing or rehabilitated single-family detached, attached or condominium homes with purchase price not to exceed \$150,000. 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 homebuyer assistance. The Buyer must select an inspector who is a member of the NC Licensed Home Inspectors. For a list of inspectors, see <http://nclhia.com/find-an-inspector/>. Since Federal monies are used, a lead inspection and an Environmental Review will be required.

**Loan Approval/Processing** - Eligible homebuyers must submit an executed sales contract and obtain first mortgage financing from a lender to receive approval of a Homebuyer Assistance second mortgage. The Buyer, primary lender or Buyer's agent must submit to the City a completed application packet for consideration and approval. Applications must be submitted no later than 21 days prior to the intended closing date. If there are property inspection delays or impediments, additional time may be required.

While closings can be held Monday-Friday, the closing date must be approved by the City to ensure a representative is available to attend closing. The lender must deliver its loan package to the attorney's office no later than 7 business days prior to closing. The City reserves the right to select the closing attorney.

**Asset Limit** - Assets must not exceed \$10,000, with the exception of retirement accounts that cannot be accessed prior to a qualifying retirement age (such as an IRA or 401k) without penalty.

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

**Homeowners Insurance** – The Buyer must maintain homeowner's insurance on the property during the term of the City loan. The Loss Payee clause should read as “*City of Winston-Salem Revenue Department, P.O. Box 2756, Winston-Salem, NC 27102.*”

**Residency** – Proof of U.S. Residency Status is required.



### **Terms and Conditions of the City Loan**

- a. Use of Second Mortgage Assistance: City provided assistance may be used to meet down payment and closing costs requirements, up to 1% discount points, or for principal reduction to increase buyer affordability. City assistance cannot pay buy-downs, or MCC's expenses.
- b. The second mortgage assistance is in the form of a no-interest forgivable second mortgage loan secured by a deed of trust and evidenced by a promissory note.
- c. The term of the loan shall be ten (10) years at zero percent (0%) interest, and shall be forgivable after the Buyer remains an owner-occupant for a period of ten (10) consecutive years and keeps the home insured and up to minimum housing code during the entire term of the loan.
- d. 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 Homebuyer Assistance subsidy loan. Should the sales price of the home not be sufficient to pay off the first mortgage loan and closing costs, the amount of funds subject to repayment will be limited to the net proceeds (the amount left after paying the first mortgage and closing costs).
- e. Assumption of the City's Homebuyer Assistance loan requires City underwriting approval of the mortgagee prior to the transfer of the property to another owner, and the City reserves all right to deny the Assumption request.
- f. If the homeowner applies to refinance the first mortgage, the City will consider subordination of the City loan to the new first mortgage on a case-by-case basis. Generally, the purpose of the refinance will be to lower the monthly house payment by lowering the interest rate. The new first mortgage must have a fixed interest rate and responsible terms, and the homeowner cannot take cash out.

### **HOME-Specific Requirements**

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. (The period of affordability for assistance of \$14,500 or less is five years.)

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. Housing Construction Program**

The housing construction program provides financial assistance for first-time homebuyers. 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. This program is for the purchase of new or rehabilitated homes in the City of Winston-Salem. These homes are not eligible for Homebuyer Assistance Program funds.

Financial assistance is provided through HOME Investment Partnership and local funds and is administered by the Community Development Department of the City of Winston-Salem. 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, Homebuyer and Homeowner Maintenance Education** – Applicant must interview with the Center for Homeownership to determine readiness for a mortgage loan. Deficiencies are identified and resolution counseling provided. Any potential homebuyer who is ready to move forward towards their goal of homeownership is encouraged to reach out to a lender. 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 financial assistance is provided in conjunction with fixed-rate, 15-30 year Conventional, FNMA, FHA or VA first mortgage loans. Adjustable Rate Mortgages (ARM), Balloon and non-conforming high interest rate and fee loans are not acceptable forms of financing for participants of the program. Lender or seller paid 2:1 buy-downs are acceptable, but City funds may not be used for buy-downs.

Homebuyer assistance funds may be utilized for first mortgage reduction (to achieve affordability at acceptable housing expense and long-term debt ratios), down payment, closing costs (including pre-paid items) and up to 1% discount points; it cannot be used for buy-downs. The City assistance will be in the form of a no-interest second mortgage that is forgivable after the Buyer remains an owner-occupant for a period of ten (10) consecutive years. Repayment of all of the second mortgage will be required if the property is sold, transferred, or ceases to remain in owner/family occupancy at any point during the term of the City loan.

A. Household Income and Subsidy Limits

The maximum amount of financial assistance is \$14,800 for homebuyers with incomes up to 80% of area median income (AMI), adjusted by household size, and \$10,000 for households over 80% AMI. Homebuyers with excellent credit, defined as a FICO score of 661 or higher, may be eligible to receive the maximum amount of financial assistance of \$14,800 or \$10,000, respectively. Homebuyers with good credit, defined as a FICO score of 620-660, may be eligible to receive an additional amount of financial assisted calculated as one-half of the difference between the maximum amount and the amount for household size. For example, a 3-person household HOME homebuyer may be eligible to receive \$13,400  $((14,800 - 12,000)/2 + 12,000 = 13,400)$ . 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. The City reserves the right to adjust down payment assistance amounts for debt ratios that exceed program guidelines.

<b>HOUSING CONSTURCTION PROGRAM DOWN PAYMENT ASSISTANCE PROGRAM</b>		
Household Size	HOME - 80% or Below	Local - Over 80%
1	\$10,500	\$7,000
2	\$11,300	\$7,600
3	\$12,000	\$8,200
4	\$13,000	\$8,800
5	\$13,800	\$9,400
6+	\$14,800	\$10,000

**Underwriting and Property Criteria**

The following are the underwriting guidelines used when determining if an application is eligible and to what level of assistance is needed.

**Income** - The 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:
  - total money earnings received for work performed as an employee before deductions, including wages, salary, recurrent overtime, commissions, fees, tips and bonuses;
  - net self-employment income;
  - net cash income from the operation of real property;
  - interest, dividends, and other investment income;

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

**Income/Debt Ratios** - Although conventional loan underwriting criteria vary within FNMA/FHA/VA/Freddie Mac guidelines, the following reflect acceptable ratios and maximum limits for homebuyer 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 a current satisfactory payment arrangement.

**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 single-family detached or attached homes with purchase price not to exceed \$150,000. Properties must be located within the City of Winston-Salem and are not eligible for Homebuyer Assistance Program funds.

**Loan Approval/Processing** - Eligible homebuyers must submit an executed sales contract and obtain first mortgage financing from a lender to receive approval of a Homebuyer Assistance second mortgage. The Buyer, primary lender or Buyer's agent must submit to the City a completed application packet for consideration and approval. Applications must be submitted no later than 21 days prior to the intended closing date. If there are property inspection delays or impediments, additional time may be required.

While closings can be held Monday-Friday, the closing date must be approved by the City to ensure a representative is available to attend closing. The lender must deliver its loan package to the attorney's office no later than 7 business days prior to closing. The City reserves the right to select the closing attorney.

**Asset Limit** - Assets must not exceed \$10,000, with the exception of retirement accounts that cannot be accessed prior to a qualifying retirement age (such as an IRA or 401k) without penalty.

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

**Homeowners Insurance** – The Buyer must maintain homeowner’s insurance on the property during the term of the City loan. The Loss Payee clause should read as “*City of Winston-Salem Revenue Department, P.O. Box 2756, Winston-Salem, NC 27102.*”

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**Terms and Conditions of the City Loan**

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- b. The second mortgage assistance is in the form of a no-interest forgivable second mortgage loan secured by a deed of trust and evidenced by a promissory note.
- c. The term of the loan shall be ten (10) years at zero percent (0%) interest, and shall be forgivable after the Buyer remains an owner-occupant for a period of ten (10) consecutive years and keeps the home insured and up to minimum housing code during the entire term of the loan.
- d. 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 Homebuyer Assistance subsidy loan. Should the sales price of the home not be sufficient to pay off the first mortgage loan and closing costs, the amount of funds subject to repayment will be limited to the net proceeds (the amount left after paying the first mortgage and closing costs).
- e. Assumption of the City’s Homebuyer Assistance loan requires City underwriting approval of the mortgagee prior to the transfer of the property to another owner, and the City reserves all right to deny the Assumption request.
- f. If the homeowner applies to refinance the first mortgage, the City will consider subordination of the City loan to the new first mortgage on a case-by-case basis. Generally, the purpose of the refinance will be to lower the monthly house payment by lowering the interest rate. The new first mortgage must have a fixed interest rate and responsible terms, and the homeowner cannot take cash out.

**HOME-Specific Requirements**

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. (The period of affordability for assistance of \$14,500 or less is five years.)

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. Second Mortgage Assistance (70/30) Program**

The City of Winston-Salem Community 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 rate of the average 30-year fixed mortgage rate minus two percentage points (but not less than 0%) for a term of approximately five years, and interest accrual does not begin until the sixteenth year. 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.



#### **IV. 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. 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 Community 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 costs, 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 Community 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.

## **V. 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 forgivable after the Buyer remains an owner-occupant for a period of ten (10) consecutive years. The amount of HOME assistance is 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 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 Winston-Salem/Forsyth County Asset Building Coalition. 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 Partners Behavioral Health.

Coordination also occurs within the Continuum of Care in an effort to address the needs of homeless persons. Populations receiving focus include chronically homeless individuals and families, families with children, veterans, and unaccompanied youth, as well as persons at risk of homelessness. The Winston-Salem/Forsyth County Continuum of Care (CoC) is designated by HUD as Continuum of Care NC-500.

The lead decision-making group of the CoC is the Winston-Salem/Forsyth County Continuum of Care (CoC), of which the City is a member and a member of the Continuum of Care Council. It meets monthly. The CoC includes all provider agencies, consumers and other stakeholders and interested parties, with a total of 45 agency members as well as other individual members. The CoC also includes a Homeless Caucus comprised of homeless and formerly homeless persons. The city/county Commission on Ending Homelessness also works closely with the CoC, sharing several members with the CoC Continuum of Care Council. The Commission meets monthly.

For both Continuum of Care and ESG funding, a Rating Panel appointed by the CoC Continuum of Care Council develops funding recommendations, which are reviewed by the Continuum of Care Council and Commission on Ending Homelessness. The CoC Continuum of Care Council is the primary entity developing other policies, including those related to HMIS and performance standards.

In 2018, the City Council created the Winston-Salem Affordable Housing Coalition to identify and recommend strategies that expand affordable housing opportunities, engage supporters of and advocates for affordable housing, coordinate and secure sustainable resources for affordable housing, and advise the Winston-Salem City Council on the use of City funds to support affordable housing development. Eleven members meet monthly.

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. The table below lists a broad spectrum of consultations from which input was derived for Plan development.

<b>Table D-1: Summary of Consultations</b>			
<b>Name</b>	<b>Type</b>	<b>Con Plan Section</b>	<b>Nature of Consultation</b>
Catholic Charities	Services – Children	Homeless Needs – Unaccompanied Youth	Development of reports for Runaway and Homeless Youth grants
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.
City Budget & Performance Management Department	Grantee Department	Other – Annual Plan	Discussions related to local funds available for Plan activities
City Finance Department	Grantee Department	Other – Annual Plan	Discussions related to closing out grant years and other finance issues
City Business Inclusion and Advancement Department	Grantee Department	Non-Housing Community Development Strategy	Discussions related to Small Business Loan Program and NRSA
City Human Relations Department	Grantee Department Services – Fair Housing	Other – Fair Housing	Discussions related to fair housing program
City/County Planning Board	Grantee Department	Other – Barriers to Affordable Housing	Discussions related to environmental review, historic preservation, and the Unified Development Ordinance
Commission on Ending Homelessness	Other Government – County	Homeless Needs – Chronically homeless, Families with Children, Veterans, Unaccompanied Youth Homelessness Strategy	Implement Continuum of Care Strategic Plan
Coordinated Entry System Team	Services – Homeless	Homeless Needs – Chronically homeless, Families with Children, Veterans	Review individual cases for ESG Rapid Re-Housing program
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	Homeless Needs – Families with Children Homelessness Strategy	Members of Continuum of Care planning group identifying needs and providing recommendations for strategies and programs
Forsyth County Aging Services Planning Committee	Services – Elderly Persons	Non-Homeless Special Needs	Planning for an aging-friendly community
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



<b>Table D-1: Summary of Consultations</b>			
<b>Name</b>	<b>Type</b>	<b>Con Plan Section</b>	<b>Nature of Consultation</b>
Goodwill Industries of Northwest North Carolina	Services – Homeless Services – Employment Services – Other-Re-entry	Homeless Needs – Chronically Homeless Anti-Poverty Strategy	Discussion of issues faced by extremely low-income individuals, especially chronically homeless and formerly incarcerated persons
Habitat for Humanity of Forsyth County, Inc.	Housing	Housing Needs Assessment	Discuss project issues and potential projects, including neighborhood redevelopment
HMIS Data Committee	Planning Organization	Homelessness Strategy	Planning committee for local participation in statewide HMIS
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 Needs Assessment	Meetings sponsored by Housing Authority to discuss HOME TBRA and CoC Permanent Supportive Housing issues with referral agencies
Housing Authority of Winston-Salem	PHA	Public Housing Needs	Regular discussions regarding Choice Neighborhoods Implementation grant. Discussion regarding capital investment and access to rental housing.
IDA Working Group	Other – Services-Housing	Anti-poverty Strategy	Group coordinating assistance to Individual Development Account program participants
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	Housing Needs Assessment Non-homeless Special Needs Homeless Needs - Veterans	Partner assisting in implementation of housing element of Plan to End Chronic Homelessness; developer of housing for elderly and disabled
Partners Behavioral Health	Services-Persons with Disabilities	Homelessness Strategy Non-Homeless Special Needs	Identification of needs; strategy recommendations
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.
Positive Wellness Alliance	Services-Persons with HIV/AIDS	Homelessness Strategy Non-Homeless Special Needs HOPWA Strategy	HOPWA Project Sponsor. Assistance with HIV/AIDS-specific data sources, identification of needs and resources; strategy recommendations.
S.G. Atkins CDC	Other – Community Development Corporation	Non-housing Community Development Strategy	Discuss project issues and potential projects, including neighborhood revitalization

<b>Table D-1: Summary of Consultations</b>			
<b>Name</b>	<b>Type</b>	<b>Con Plan Section</b>	<b>Nature of Consultation</b>
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.
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
United Way of Forsyth County	Planning Organization Civic Leaders Foundation	Homeless Strategy Anti-Poverty Strategy	Along with City, staff the Continuum of Care. Participate in financial stability planning group.
Winston-Salem Affordable Housing Coalition	Civic Leaders	Housing Needs Assessment	Recommendations to expand affordable housing, coordinate and secure sustainable resources, advise City Council on use of City funds
Winston-Salem/Forsyth County Asset Building Coalition	Foundation Private Sector Banking/Financing Other Government – County Other Government - Local	Market Analysis Housing Need Assessment Anti-Poverty Strategy	Address the problem of asset poverty in the community
WSFC Continuum of Care and committees	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	Planning committee for point-in-time count of youth providing information on needs and recommendations; Department of Social Services is a key partner in this initiative.
Atrium Health Wake Forest Baptist Medical Center	Publicly Funded Institution/System of Care Major Employer	Homeless Needs – Chronically Homeless	Collaborative participation in process to map needs of high system users in hospitals and jail; member of Coordinated Entry Assessment Team; provider of street outreach for the CoC
Legal Aid of North Carolina, Winston-Salem Office	Services – Fair Housing	Housing Need Assessment Public Housing Need	Provided detailed comments on the Assessment of Fair Housing
City/County Emergency Management	Grantee Department Other Government – County	Non-housing Community Development Strategy	Coordinate mitigation, preparedness, response, and recovery of natural and manmade disasters

In addition to the organizations listed above, City staff continues to work with residents and neighborhood associations to ensure effective delivery of city services. There are seven Community Assistance staff persons who serve as 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. Staff in Neighborhood Services work with citizens and neighborhood associations throughout the City on neighborhood improvement projects. In 2020, Neighborhood Services initiated Collaborative, Outreach, Revitalization and Engagement (C.O.R.E.) to promote neighborhood engagement and provide resources and general guidance to neighborhood associations.

### **Relation to Other Plans**

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

The Strategic Plan is consistent with **Forward 2045**, the community's comprehensive plan, for which the lead organization is the City-County Planning Board. The Winston-Salem City Council adopted **Forward 2045** on November 18, 2024. It covers topics such as housing and neighborhoods, economic development, amenities and entertainment options, community appearance, and land preservation. Concepts consistent with the Strategic Plan include accessibility, livability, sustainability, and equity.

The Strategic Plan also reflects consistency with the **2023 Downtown Winston-Salem Plan** by the Downtown Winston-Salem Partnership. The 2023 Downtown Plan focuses on strategies related to growth, connectivity, and appearance. These are reflected in the Strategic Plan through promotion of small businesses, more diverse and affordable housing options, and support of the adaptive reuse of vacant and underutilized buildings.

The CoC has developed a new CoC strategic plan to continue the work of ending homelessness begun with the Ten Year Plan to End Chronic Homelessness, which was completed in 2016. The CoC has participated in the development of the Consolidated Plan as well as in development of the subsequent CoC strategic plan. Goals, strategies and programs of the two plans will be consistent. The CoC 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*  
**2025-2026 Annual Planning Process**  
(Questions and Comments in *bold italics*)

***What is the situation with HAWS rental assistance? Will families lose their housing?***

On December 17, 2024, HAWS was notified by HUD that its Housing Choice Voucher (HCV) program was in Shortfall status. This essentially means that the Housing Assistance Payment (HAP) funds allocated to HAWS are insufficient to cover all voucher participants. The HCV shortfall is primarily caused by a combination of rising rental costs, insufficient federal funding, and increased demand for vouchers. HAWS, like many public housing authorities across the country, struggles to keep up with market fluctuations, especially when rental prices rise faster than HUD's Fair Market Rent (FMR) adjustments. While in Shortfall status, HAWS must:

- Continue to suspend issuing new vouchers to applicants until it receives notice, in writing, from HUD that it can do so.
- Continue to not accept vouchers issued by other housing authorities when the voucher participant wants to move to Winston-Salem until otherwise instructed by HUD.
- Continue any cost savings measures required by HUD.

HAWS is working with HUD to adhere to these terms and resolve the situation.

## **Emergency Solutions Grants (ESG) Policies and Procedures**

In accordance with Title 24 of the Code of Federal Regulations (24 CFR) 91.220(l)(4)(i) and 567.400(e)(1), the City of Winston-Salem (City) and the Winston-Salem Forsyth County Continuum of Care (CoC) have developed the following written standards for the provision and prioritization of Emergency Solutions Grant (ESG) funding. The following standards are intended as basic, minimum standards to which individual ESG applicants and/or subrecipients can add additional and more stringent standards applicable only to their own projects. These required standards help to ensure that the ESG program is administered fairly and methodically. The City and the CoC will continue to build upon and refine this document.

The City of Winston-Salem is awarded Federal ESG funds annually from the Department of Housing and Urban Development (HUD) as part of the Annual Action Plan Process. These funds are designed to identify sheltered and unsheltered homeless persons, as well as those at risk of homelessness, and provide the services necessary to help those persons quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness. The City's responsibility is to award and administer City and State ESG funds to eligible service providers for ESG eligible activities in the CoC service area. ESG funds eligible activities, including rapidly re-housing individuals and families, preventing families and individuals from becoming homeless, engaging homeless individuals and families living on the street, and operating homeless shelters and providing essential services to shelter residents.

The ESG program allows the City to set priorities based on the needs of the community. These standards outline the specific guidelines and priorities that will be used by the City in awarding and administering ESG funding. Currently, eligible program components that are prioritized under the City's ESG program are Emergency Shelter, Street Outreach, Rapid Re-Housing, Administrative Costs, Homeless Management Information System (HMIS), and Homelessness Prevention. ESG Assistance to Participants.

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

All ESG-funded projects will ensure that all program participants meet the applicable eligibility requirements for the project. At a minimum, this includes:

- An initial evaluation, conducted in accordance with the CES Policies and Procedures, these written standards to determine:
  - Eligibility of each household for ESG assistance; AND
  - The amount and types of assistance needed to (re)gain stability in permanent housing; AND
  - The household must meet the requirements of eligible category under the definition of at risk of homelessness or definition of homelessness as established by HUD.
- For Homelessness Prevention assistance:
  - The household income must be below 30% area median income (AMI).
  - The household has not identified any subsequent housing options.
  - The household lacks the financial resources and support networks necessary to retain immediate housing or remain in their existing housing without ESG assistance.
- For Rapid Re-housing assistance:
  - The household has not identified any subsequent housing options.
  - The household lacks the financial resources and support networks needed to obtain immediate housing.

Housing status and annual income must be verified through recordkeeping and documentation procedures outlined by HUD in 24 CFR part 576. Additionally, the evidence relied upon to establish and verify homeless or at risk for homelessness status and annual income must be included in the program HMIS participant record sufficient to demonstrate compliance with the program regulations.

Policies and procedures of subrecipient agencies must include steps and criteria for admission as well as policies on discharge, descriptions of any limits on length of stay, and descriptions of safeguards to meet the safety and shelter needs of special populations such as victims of domestic violence. Admission criteria of shelters shall include standards for assessing and prioritizing individuals and families who have the highest barriers to housing and who are likely to be homeless the longest.

Funded projects under the street outreach component provide outreach and engagement to all people experiencing homelessness regardless of subpopulation. Outreach efforts are focused on those individuals/families who are least likely to access services on their own and are determined to be vulnerable. Outreach and emergency shelter participants must be homeless based on HUD's definition of homelessness. Projects can use funds for costs to provide essential services necessary to reach out to unsheltered homeless people to connect them with emergency shelter, housing or critical services; and provide urgent, non-facility-based care to unsheltered homeless people who are unwilling or unable to access emergency shelter, housing, or an appropriate facility.

**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 coordination among the emergency shelters, homelessness prevention, rapid re-housing, homeless assistance and mainstream service providers will be completed via the CES. Matches to housing interventions under the rapid re-housing program will be reviewed by a multi-agency team. 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 shall participate in a Homeless Management Information System (HMIS) to be coordinated by the City or for domestic violence organizations, a comparable database in accordance with HUD's standards. Policies required for system operation will be approved by the Continuum of Care.

**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.**

System-wide prioritization of limited supportive housing resources, including rapid re-housing (RRH), is accomplished through the coordinated entry process.

To be eligible for homeless prevention services under ESG, the household must:

- Meet the requirements of either the definition of "At Risk of Homelessness" OR categories 2 or 4 under the definition of definition "Homeless" as established by HUD at 24 CFR§576.2 OR Household is living in a motel, using own resources;
- Have an annual household income below 30% of area median income;
- Meet one of the following prevention targets:
  - Severe housing cost burden (55% to 75% rent to gross monthly income ratio);
  - Fixed income is TANF, Pension, SSI, VA benefits;
  - Sudden and significant loss of source of income; or



- Had a onetime financial incident and a onetime gap payment will end the housing crisis; AND
- Demonstrate at least one of the following risk factors:
  - Household left primary residence within past 3 months and is currently staying with family/friends;
  - Residency in housing that has been condemned by housing officials and is no longer meant for human habitation.
  - Eviction within 2 weeks from a private dwelling;
  - Imminent foreclosure of rental housing can be confirmed;
  - Discharge within 2 weeks from an institution in which person has been a resident for more than 180 days;
  - Credit problems or history of eviction that preclude obtaining of housing;
  - Physical disabilities and other chronic health issues which are barriers to employment;
  - Recent traumatic life event that has prevented the household from meeting its financial responsibilities;
  - Homeless in last 12 months
  - Incidence of domestic violence; and/or
  - Program participant has exhausted all other sources of public benefits.

Rapid Re-housing resources will be targeted to individuals and families who meet the following guidelines:

- Household must be literally homeless, as defined by HUD; AND
- No appropriate subsequent housing options have been identified; AND
- Household lacks the financial resources and support networks needed to obtain immediate housing.

RRH projects may establish a maximum amount or percentage of rental assistance that a program participant may need, maximum number of months that a program participant may receive rental assistance, and maximum number of times that a program participant may receive rental assistance.

Program participant's eligibility and the types and amounts of assistance the program participant needs must be re-evaluated not less than once every three months for program participants receiving homelessness prevention assistance, and not less than once annually for program participants receiving rapid re-housing assistance. At a minimum, each re-evaluation of eligibility must establish that: (i) The program participant does not have an annual income that exceeds 30 percent of median family income for the area, as determined by HUD; and (ii) The program participant lacks sufficient resources and support networks necessary to retain housing without ESG assistance. All programs operating in the CoC CIC system must operate with a Housing First, Harm Reduction, Low Barrier and Trauma-Informed Care approach.

Case managers will collaborate with participants to develop a plan to assist the program participant in retaining 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.

Supportive services are limited to housing relocation and stabilization services. Housing stability case management may not exceed 30 days during the period in which the program participant is seeking permanent housing and may not exceed 24 months during the period in which the program participant is living in permanent housing. Program participants must be offered monthly case management meetings.

If prevention funds are available, referral to homelessness prevention programs by the CIC and its participating agencies will be provided to individuals and families who have documentation to show that they are at imminent risk of eviction. Prevention assistance will be prioritized based on prior history of homelessness, including frequency and length of time homeless.

**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.**

Temporary Financial Assistance (TFA) for housing related expenses shall only be provided when the household's income is insufficient to cover their basic living expenses as determined during case management assessments. While receiving temporary financial assistance, the head of household will receive case management services and work a housing stabilization plan developed in collaboration with the case manager.

When a household is accepted into the rapid re-housing program the household shall be eligible for temporary financial assistance covering up to 100% of housing related expenses (rent, utilities and related deposits), for no more than 90 days after program entry and subject to funding availability utilizing a progressive engagement assistance approach. This approach seeks to provide only the amount of assistance necessary to assist each participant reach housing stability, not more. Progressive Assistance starts when staff first meet their participant and begins the process of assessing the person's strengths and housing barriers. Staff should continually assess how much a participant can do on their own at every meeting.

Households receiving Rapid Re-housing assistance or Homelessness Prevention will be reevaluated every three months to determine if the household maintains program needs and eligibility. Household rental assistance should not exceed 12 months in a three-year period.

Staff will find that the stability may go up and down depending on what the participant is experiencing. There may be months where a participant needs less assistance from case management. If this decrease in Case management occurs, that is fine, but it shall not fall below the minimum standard of one (1) face-to-face meeting a month including home visits once the participant has moved into permanent housing. For financial assistance, the staff should assess the household's ability to pay part of the rent (and how much of the rent) every month and discuss with them any changes that staff feels is appropriate to occur. If need decreases the amount of assistance decreases, and if need increases the amount of financial assistance would also increase.

If the Rapid Re-housing Case Manager determines that the household needs additional temporary financial assistance to achieve housing stability due to household barriers, they can obtain an exception through the Director of Rapid Re-housing to increase financial assistance.

These caps may be subject to change, based on availability of funds, if approved by the Continuum of Care.

**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 may be provided and how it may be adjusted over time. As noted in part (d), the Continuum of Care will set caps on amounts of overall financial assistance for each participant. The amount of the caps, and the amount of funds used for eligible financial assistance other than rental assistance, will impact the length of time that each participant will be provided with

rental assistance. However, no RRH participant shall receive more than 24 months of services or financial assistance within a three-year period.

**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.**

The type of housing stabilization and/or relocation services a household receives will be determined at the time of initial assessment, and at each re-evaluation. Households will be assessed for the lowest amount of need for housing stabilization. The projects will retain flexibility to promote improved outcomes among a population with diverse and individualized needs. In accordance with the interim rule, no household will receive more than 24 months housing stabilization and/or relocation services in a three-year period.

For each household determined ineligible to receive ESG assistance, the household's record must include documentation of the reason for that determination.

#### **g. Performance Standards**

Performance in the Continuum of Care system will be evaluated based on factors which may include but not be limited to locations from which participants enter programs, rate of exit to permanent housing, average length of stay, bed utilization and expenditure of funds.

#### **h. Termination and Grievance Processes**

The City of Winston-Salem will monitor policies and procedures of subrecipient agencies, including agency policies on termination and grievances. For RRH programs, the agency's policies must include the formal process for terminating a program participant that includes: 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 participant is given the opportunity to present written or oral objections before a person other than the person who made or approved the termination decision; and 3) prompt written notice of the final decision to the program participant. Included shall be language stating that termination does not bar the program participant from receiving assistance at a later date if the issue that caused the termination is resolved. Grievance and termination policies and procedures must be reviewed with participant during intake, as well as given a copy of the policy and procedures. Copies of these policies and procedures must be made freely available for all program participants upon request. Upon termination of a participant, agencies must refer the participant to another housing resource if possible. Unanticipated events may cause limitations to this requirement such as situations that necessitate first responders, police, or fire department in which it would not be possible to coordinate a post exit plan.

#### **Coordinated Entry**

The Winston-Salem/Forsyth County Continuum of Care (CoC) Community Intake Center Policy and Procedure Manual describes policies and procedures for coordinated entry. The coordinated entry process meets the requirements (below) established by the CoC Program interim rule.

- CES covers the entire geographic area claimed by the CoC.
- CES is easily accessed by individuals and families seeking housing or services.

- CES is well-advertised.
- CES includes a comprehensive and standardized assessment tool(s).
- CES provides an initial, comprehensive assessment of individuals and families for housing and services.
- CES includes a specific policy to guide the operation of the centralized or coordinated assessment system to address the needs of individuals and families who are fleeing, or attempting to flee, Domestic Violence / Victim Service Provider, dating violence, sexual assault, or stalking, but who are seeking shelter or services from non-victim specific providers.

### **Consultation**

The Winston-Salem/Forsyth County Continuum of Care (CoC) is designated by HUD as Continuum of Care NC-500. The CoC has monthly Continuum of Care Council 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.