



Draft Annual Action Plan

FY2021-2022

Housing and Neighborhoods Department
Community Development Division
Email: cd.info@raleighnc.gov
Phone: 919-996-4330

City of Raleigh

FY 2021-2022

DRAFT Annual Action Plan

Revised March 26, 2021

AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

1. Introduction

The FY 2021-2022 Annual Action Plan: Year 2 of the 2021-2025 Five-Year Consolidated Plan

The Consolidated Plan serves as a five-year road map with comprehensive goals and coordinated strategies to address housing and community needs of low-and-moderate-income residents. This unified, coordinated vision is a result of input from citizens, community development partners, and extensive research to determine needs. The City partners with the Continuum of Care (CoC), nonprofit and for-profit organizations, neighborhood groups, and other local governments to undertake specific actions with the strategies developed. The Community Development Division of the City of Raleigh Housing and Neighborhoods Department administers and supports the City's ongoing community development programs.

This **2021-2022 Annual Action Plan** (AAP) represents the second year of the City of Raleigh's 2021-2025 ConPlan. The AAP is required by the U.S. Department of Housing and Urban Development (HUD), and serves as the City of Raleigh's application for federal funding. The plan identifies an entitlement community's priorities in terms of housing and community development needs for very low-, low-, and moderate-income city residents. Also, the plan identifies strategies, resources, and networks the community has developed to address those needs.

The AAP is an application for the following grants from HUD:

- Community Development Block Grant (CDBG)
- HOME Investment Partnership (HOME)
- Emergency Solutions Grant (ESG)

In addition to these federal funding sources, local funding is also used to implement the City of Raleigh's Five-Year ConPlan. For example, over six million dollars is provided by the City's General Fund. The Community Development Division of the City of Raleigh Housing and Neighborhoods Department (Community Development) will focus on location-based projects for neighborhood revitalization and affordable housing in the coming year. Community Development created a Neighborhood Revitalization Strategy Area (NRSA) when the 2016-2020 ConPlan was adopted in 2015, and the NRSA Plan was amended 2020 and included in the 2021-2025 ConPlan. Community Development activities are being focused within the NRSA, and the NRSA includes several neighborhood areas. College Park is an NSRA neighborhood where single-family homes are being built, and townhome construction is set to begin in East College Park. Within the northern part of the NRSA, the Village at Washington Terrace (162 units) Booker Park South (72 units for seniors) have been completed. In south Raleigh, the relocation of existing residents and demolition of buildings was completed at the former Brown Birch apartment complex to prepare for future rental development. Nearby on Sawyer Road, city-owned lots were sold for affordable rental apartments.

A key element of the ConPlan and each Annual Action Plan is the collaborative nature of the process. For the recent ConPlan process, the City of Raleigh gathered input from citizens, consulted its community development partners such as the CoC, and conducted extensive research to determine housing and community development needs for 2021-2025.

2. Summary of the objectives and outcomes identified in the Plan Needs Assessment Overview

Unmet Affordable Housing Need

There are substantial unmet needs for affordable rental housing even though incomes are improving. The unmet need for decent, safe, and affordable rental housing continues to outpace the ability of federal, state, and local governments to supply housing assistance and facilitate affordable housing production. (Worst Case Housing Needs: 2017 Report to Congress, U.S. Department of Housing and Urban Development)

The primary housing challenge for Raleigh's low- and moderate-income residents remains housing affordability. Raleigh is one of the fastest growing cities in the nation, and with this rapid growth has come rising land values and increased housing costs. Concurrently, incomes for lower-wage earners have failed to keep pace, with very-low (50% AMI) and extremely-low (30% AMI) income households being most affected.

Raleigh's continued rapid growth throughout the city has resulted in increased land prices, especially near downtown. The majority of the new private market residential developments are "luxury" rentals. These trends have increased the cost of housing for all households with incomes <80% of AMI, particularly renters. Developers also continue to acquire older, modest private sector rental communities throughout the city to redevelop as upscale apartments. This both removes affordable units and contributes to the upward pressure on rents.

Rising Housing Costs Outpacing Income Increases

According to the 2020 Wake County Analysis of Impediments to Fair Housing Choice, “Housing costs have continued to increase at a faster rate than household incomes. Many Wake County residents are financially burdened by the cost of housing, especially in Raleigh.” The AI highlights when the cost of quality housing is high, low-income and marginalized populations have more of a chance of becoming cost-burdened.

The primary housing challenge for Raleigh’s low- and moderate-income residents is housing cost (see NA-05 in the 2021-2025 ConPlan). Cost burden remains the most common housing problem. A household is “cost burdened” when it expends more than 30% of its gross monthly income on housing costs: for homeowners that includes principle, interest, taxes, and insurance; for renters that includes rent plus utilities. A household is “severely cost burdened” when it expends more than 50% of its gross monthly income on housing costs. Of Raleigh’s 170,375 households, 32.7% or 55,755 households are either cost or severely cost burdened. Racial and ethnic minorities, most notably African Americans, are disproportionately affected compared to Whites.

Five-Year Priorities

The Consolidated Plan for the five years covered through June 30, 2025 will focus on three priorities:

- (1) Increasing the supply of affordable housing
- (2) Enhancing the homeless to housing continuum
- (3) Increase Services to Build Self-Sufficiency & Sustainability

While most programs will be available to residents based on need and income citywide, there will be a geographic focus to the priorities listed above: (1) College Park NRSA; (2) Citywide; and (3) Downtown Neighborhoods

Strategies & Outcomes

Performance measurement is a process for determining how effectively programs are being implemented and meeting community needs. Each year, the City establishes measurable objectives for each program by which to measure end benefit and determine program effectiveness. Data is gathered to make this assessment to determine if programmatic activities could be improved and limited resources directed more effectively.

Strategies

- **Connecting transit to housing**

The City of Raleigh is making the connection between affordable housing and transit a priority in the current five-year ConPlan period. A cross-departmental group continues to work on identifying potential sites for housing along transit corridors and creating funding strategies and incentives to develop affordable housing at those locations. Additionally, affordable housing and transit is being prioritized by setting affordable housing

goals along transit corridors and developing transit overlay districts for compatible development along transit lines. The City places a priority for tax credit funded affordable housing developments to be within walking distance of a transit stop. Starting in FY 2021-2022 the City will begin using the new \$80 million housing bond in part to acquire land near transit for affordable housing development.

- **Focusing on producing more affordable housing**

As the area experiences unmet affordable housing need and housing costs outpacing income increases, the City of Raleigh is prioritizing creating additional affordable housing and preserving existing affordable housing with almost \$10.5 million budgeted for rental development in FY 2021-2022. The focus of affordable housing creation will be on rental to allow more units to be created and ensure long-term affordability.

- **Zoning & regulatory changes to improve housing choice and affordability:**

City Council in 2020 and 2021 is exploring regulatory changes throughout the City that could be made relatively quickly and that would have the effect of improving housing choice and affordability. One area of emphasis is on "missing middle" housing types such as duplexes, triplexes, townhouses, and similar housing that are common in older neighborhoods but are often prohibited or made impractical by current zoning. In 2020, City Council allowed the expansion of the Accessory Dwelling Unit (ADU, or second dwelling units on a property with a single primary dwelling) concept to use-by-right in residential districts and permitting tiny homes (typically 400 square ft or less). Both alternative housing types could contribute to providing additional housing affordability in the City.

- **New Workforce Development Training Program**

Staff received a lot of input in the 2020 Consolidated Plan public meetings. One topic staff noted on several occasions was that there is a need for many different types of job training programs. Attendees suggested that there needs to be training for white-collar, tech, and apprenticeship jobs. From this, the new Workforce Development Training Program was created. The new grant program will be continued for FY 2021-2022.

- **Addressing Homelessness through Partnerships**

The City will continue its partnerships with the Continuum of Care, Wake County Housing, Oak City Cares, and local nonprofits in addressing both the on-going needs of the City's homeless population, as well as those created during the COVID-19 pandemic. The City and County both have received additional federal funding to provide assistance to those impacted by the pandemic and struggling to maintain or find affordable housing.

- **NEW Affordable Housing Bond**

An affordable housing bond was approved by the voters in November 2020. The \$80 million bond will fund

existing programs such as rental development, homebuyer assistance, and will also be a funding mechanism for developing affordable housing along transit lines and other public-private partnerships.

3. Evaluation of past performance.

The most recent summary of the City's past performance in its housing and community development programs is included in the FY 2019-2020 Consolidated Annual Performance and Evaluation Report (CAPER).

FY 2019-2020: Results At-A-Glance	
Activity	Quantity Served
Infill houses built and sold	36
Substantial housing rehab	44
Limited repair	16
New or preserved affordable rental units	685
Home-buying counseling	266
Homebuyer Assistance	131
Benefit from Community Enhancement Grants	500
Job training	15
Emergency shelter	2,769
Rapid rehousing	21
Homeless Prevention	3

The chart above represents significant impact on the needs identified in the previous ConPlan. With additional federal and local resources available in the upcoming years, the City expects a significant increase in quantifiable impacts on the needs identified in the 2021-2025 ConPlan.

4. Summary of Citizen Participation Process and consultation process

The Planning Process

The number of public hearing attendees and comments gathered during the public input process (including public hearing comment transcripts, and comments submitted to Community Development) is included in the attachments.

Public Hearings

Participation of the general public, public organizations, and private organizations is important to the development of this Annual Action Plan (AAP). Citizen participation events included two virtual public hearings (December 1, 2020 and April 6, 2021). All citizen participation events were advertised in local newspapers at least 12-16 days in advance. As part of the 2021-2025 Consolidated Plan process, the City also gathered input from partner agencies in the community development field. The input from partner agencies helps identify and prioritize community needs, develop strategies to address the needs, identify available community resources, and promote the coordination of resources. Public Participation events are advertised through flyers posted in low-income neighborhoods at public gathering spaces (i.e. libraries, community centers, and churches). In addition, these events were also advertised to non-profit organizations, on the City of Raleigh website, the Raleigh Affordable Housing website, postings on City of Raleigh Twitter page which

has over 99,000 followers, postings on City of Raleigh Facebook page which has over 11,000 followers, and through the City of Raleigh Community Development email distribution list which has over 4,000 recipients.

Lead Agency: The Community Development Division within Raleigh's Housing and Neighborhoods Department acts as the primary liaison with local public agencies, nonprofit agencies, and for-profit agencies such as lenders, realtors, developers, builders, and city residents. Other agencies engaged in implementing this plan include the federal Department of Housing and Urban Development (HUD), the North Carolina Housing Finance Agency, Wake County Human Services, the Continuum of Care, and the Raleigh Housing Authority.

5. Summary of public comments:

All comments will be added to the final AAP as an attachment. The final day to submit written public comments will be April 5, 2021. On April 6, 2021, the City will hold a Public Hearing to receive public comments on the Draft AAP. The Public Hearing will be the final opportunity for citizens to submit public comments on the Draft AAP.

6. Summary of comments or views not accepted and the reasons for not accepting them

TBD.

7. Summary

Due to the COVID-19 pandemic, there were no in-person Annual Action Plan meetings this year. The City held two virtual public Annual Action Plan Hearings on December 1, 2020 and April 6, 2021. Both public hearings were advertised in newspaper announcements. A digital copy of the AAP as well as AAP summaries are available on the City website and paper copies are available upon request.

AP-15 Expected Resources – 91.220(c)(1,2)

Introduction

The City of Raleigh expects to have over \$39 million in the upcoming year in federal and local funding sources for housing and community development, which is twice as much as in previous years. Most of this increase is due to the \$80 million housing bond approved by voters in the November 2020 election. Programs that will continue to be funded include rental development, homeowner rehabilitation, and homebuyer assistance. Working toward increasing and preserving the supply of affordable housing will include future site development and infrastructure improvements relating to affordable housing development. Site development for single-family and townhomes will continue as the City continues to sponsor the construction of affordable houses. Public service grants funded by the Community Development Block Grant (CDBG) will include Community Enhancement Grants, South Wilmington Street Center, Homebuyer Counseling, and a workforce training grant. ESG funds will continue to fund rapid rehousing, emergency shelter, homelessness prevention, and HMIS support. CDBG funding will also go toward funding economic development programs.

In addition to federal funding sources, local funding is also used to implement the City's Annual Action Plan. Over six million dollars is provided annually through the City's General Fund. The General Fund funds are used for Community Development priorities and play a role in the City of Raleigh's strategic plan, which includes the key focus areas of "Safe, Healthy and Vibrant Communities". The Safe, Healthy, and Vibrant Communities focus area includes initiatives that establish partnerships to provide services to homeless individuals and implement affordable housing strategies. Another bond for Affordable Housing was proposed and approved by voters in November 2020 to fund existing programs such as rental development, homebuyer assistance, and will act as a funding mechanism for developing affordable housing along transit lines. The City's administration shows continued support for housing and community development by providing increased local funding for programs and establishing strategic plan initiatives focused on affordable housing and addressing homelessness.

Priority Table

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 2				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition, Admin and Planning, Economic Development, Housing, Public Improvements, Public Services, Overnight shelter	\$3,073,196	\$620,000	0	\$3,693,196	\$11,079,588	homeowner rehab assistance; public services (grants to subrecipients, homebuyer training, job training, grant to South Wilmington Street Men's Shelter); site improvements for park; homebuyer assistance.
HOME	public - federal	Admin and Planning, Homeowner rehab, CHDO	\$1,448,216	\$100,000	0	\$1,548,216	\$4,644,648	homeowner rehab assistance; assistance to Community Housing Development Organization (CHDO)

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 2				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
ESG	public - federal	Overnight shelter, Rapid re-housing (rental assistance), HMIS	\$272,266	0	0	\$272,266	\$816,798	Grants to Subrecipients for provision of homeless assistance
Other-Bond	public - local	Rental development, transit-oriented site acquisition, public-private partnerships. Maintenance of city owned units, bond administration	\$26,255,000	0	0	\$26,255,000	\$46,400,000	City issued \$80 million general obligation bond to pay for affordable housing activities.
Other-General Fund for Housing	Public-local	Rental development loans, tenant relocation	\$6,363,000	0	0	0	\$28,452,000	Multifamily rental new construction, Multifamily rental rehab, relocation

TABLE 1 - EXPECTED RESOURCES – PRIORITY TABLE

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

Federal funds will be used to leverage other funds in the following ways:

- Community Enhancement Grant (CEG) funds are awarded to nonprofit programs and can be used to cover up to 50% of the program costs. Nonprofit awardees must match 50% or more of the program funding with funding from other sources.
- Affordable housing development activities include loans to private developers that build or preserve affordable rental units. The City provides funding to developers that receive federal Low-Income Housing Tax Credits (LIHTC) for rental development projects. The city loans serve as gap financing and cover any financing gaps that developers couldn't borrow from commercial lenders or obtain through other financing options. In this way, the loans provided by the City leverage both private dollars from developers in the form of equity, market rate loans, and public dollars from the LIHTC program. Some rental development projects may receive funding other government entities, such as the North Carolina Housing Finance Agency (NCHFA) and Wake County.

- ESG funds leverage funding for programs that assist homeless individuals and families. ESG requires dollar-for-dollar match – either from the City or from local Subrecipients. The City partners with Wake County to issue a joint RFP for the ESG program, and Wake County provides local funds for Homelessness Prevention. The contribution from Wake County is projected to be more than \$825,000.
- CDBG and HOME funds can be used to provide homebuyer assistance and leverage private financing obtained by homebuyers. CDBG funds are also used to fund activities associated with the construction of new housing units that provide homeownership opportunities. These CDBG and HOME funds leverage investments from private developers. Local funds will provide a match for HOME funds.
- Buyers of infill housing sponsored by the City use private lenders for first mortgage loans and often supplement the first mortgage with homebuyer assistance funding provided by the City. The homebuyer assistance funding can be used to cover down-payment costs associated with purchasing a home.
- An affordable housing bond was approved by voters in the election in November 2020. The bond will help fund existing programs such as rehab, rental development, homebuyer assistance, and could also be a funding mechanism for developing affordable housing along transit lines. This local investment represents a significant local leveraging of the federal grants the City receives.

If appropriate, describe publicly owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

East College Park: Single-Family construction is the first component of the East College Park development. The second component is the construction and sale of townhomes. The developer Evergreen Construction Company has been selected through an RFP process to build townhomes in East College Park. Overall, there will be up to 51 townhomes constructed in East College Park. In collaboration with the Parks, Recreation, and Cultural Resources Department, a new park will be developed within the 2021-2022 fiscal year.

South Park/Garner Road Area: Over the past decade, the City has invested both federal and local dollars in the South Park/Garner Road area. The City is partnering with a multi-family developer to build affordable rental units on 5.7 acres of city-owned land along Sawyer Road and in the Brown Birch Apartment site. The developer was awarded funding for two 4% tax credit from the federal Low-Income Housing Tax Credit (LIHTC) program and will receive additional gap financing from the City. The development will provide approximately 354 affordable units in an area that is witnessing heavy private investment.

West Idlewild: The West Idlewild area has been a focus area for many years. The City is in the process of selling its final 1.1-acre site in this area through a public land disposition process in 2021.

Downtown East: The Downtown East area has also been a focus area for City redevelopment for years. The City will dispose of several properties in the area through a Request for Proposal (RFP) process. It is projected that these properties will produce affordable multifamily housing in FY 2021-2022.

Martin-Haywood: The City selected a builder to complete construction of affordable (LMI homebuyers) single-family homes on the remaining 10 lots. All houses will be built and sold by June 30, 2022 or the following year.

Strategic acquisition to prioritize affordable housing adjacent to transit: A new \$80 million bond will provide funding, in part, to allow the City to secure ownership interest in parcels near future bus rapid transit stations and routes to guarantee housing opportunities for low- and moderate-income households, providing access to jobs, medical facilities, schools, and public amenities throughout the City.

Discussion

Funds will be used for activities that support the priorities of the Consolidated Plan:

1. Increase & Preserve the Supply of Affordable Housing
2. Enhance the Homeless to Housing Continuum
3. Increase Services to Build Self-Sufficiency & Sustainability

The City has significantly increased the local contribution to increasing or improving affordable housing opportunities within its borders, and land acquired by the City is being made available to support infill affordable housing in neighborhoods near downtown. The new \$80 million affordable housing bond will be applied to the City's affordable housing programs beginning in FY 2021-2022.

AP-20 Annual Goals and Objectives

1 Year Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	1-Year Funding	1-Year Goal Outcome Indicator
1	Increase and preserve the supply of affordable housing	2021	2022	Affordable Housing	CITYWIDE COLLEGE PARK DOWNTOWN NEIGHBORHOODS	Supply of Affordable Housing Co-locate Affordable Housing & Transit Affordable housing connected to public amenities	HOME: \$1,548,216 CDBG: \$1,458,863 Local: \$ 355,000 City of Raleigh Affordable Housing Bond: \$24,800,000 City of Raleigh GF Affordable Housing: \$6,363,000	Loans for construction of rental units: 650 Household Housing Units Homeowner Housing Rehabilitated: 42 Household Housing Units City -owned rental repairs Direct Financial Assistance to Homebuyers: 50 Households Assisted Buildings Demolished: 1-2 Buildings Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 1,131 Persons Assisted Acquisition of Existing Units: 1 Unit
2	Enhance the homeless to housing continuum	2021	2022	Homelessness	CITYWIDE	Enhance the Homelessness & Low-Income population to Housing Continuum Increase Services to Vulnerable Populations	ESG: \$ 272,266 CDBG: \$ 100,000 Local: \$68,000	Rapid Rehousing: 11 Households Assisted Homeless Person Overnight Shelter: 1,650 Support Circles Rapid Rehousing: 12 households assisted
3	Increase Services to Build Self-Sufficiency & Sustainability	2021	2022	Non-Housing Community Development Non-Homeless Special Needs	CITYWIDE	Increase Services to Vulnerable Populations	CDBG: \$1,458,133	Public service activities other than Low/Moderate Income Housing Benefit: 1,585 Persons Assisted Park site improvements Business assistance: 1-2 businesses assisted

TABLE 2 – GOALS SUMMARY

Goal Descriptions

1	Goal Name	Increase and preserve the supply of affordable housing
	Goal Description	As the area experiences unmet affordable housing need and housing costs outpacing income increases, the City of Raleigh is prioritizing creating additional affordable housing and preserving existing affordable housing with local funds that include an annual \$6 million General Fund contribution and a new \$80 million affordable housing bond. The focus of affordable housing creation will be on rental to allow more units to be created and ensure long-term affordability. Preserving affordable housing will focus on homeowner rehabilitation, homebuyer assistance, and possibly the acquisition and rehabilitation of existing affordable units. The sources of funds that will be used are federal HOME Investment Partnership, the Community Development Block Grant, local General Fund dollars, and local bond money. The City will use the following programs to increase the number of affordable housing units: new construction and rehabilitation of rental units, rehabilitation of homeownership units, homebuyer assistance for down payments and second mortgages, and activities that support the development of affordable housing (public works/site improvements, acquisition, demolition, and relocation). Equitable development near transit will be one of several goals prioritized in the next five years.
2	Goal Name	Enhance the homeless to housing continuum
	Goal Description	This goal addresses enhancing the continuum from shelter to permanent housing for persons who are homeless. The source of funds will be the federal Emergency Solutions Grant. The City provides \$100,000 CDBG each year to support the men's shelter that Wake County owns and operates in the city.
3	Goal Name	Increase Services to Build Self-Sufficiency & Sustainability
	Goal Description	Through meeting needs of those in the community through services and resources, the City of Raleigh seeks to help build self-sufficiency and sustainability in people's lives through funding non-profit programs, housing counseling, workforce development training, a new park in East College Park, and economic development. The source of funds will be the Community Development Block Grant.

AP-35 Projects – 91.220(d)

Introduction

An Annual Action Plan (AAP) is required for each year of the Five-Year Consolidated Plan (ConPlan). This AAP covers July 1, 2021, through June 30, 2022 and is the second year of the City's 2021-2025 ConPlan. The AAP implements strategies outlined in the ConPlan by addressing the housing needs of very low-, low-, and moderate-income citizens of Raleigh. The AAP enables investors, nonprofit organizations, program administrators, elected officials, and concerned citizens to work with the City to develop affordable housing and community development programs.

In FY 2021-22, the City anticipates a budget for housing and community development of over \$ 39 million from federal and local resources. This money will be used to increase and preserve the supply of affordable housing through the homeowner rehabilitation program, homebuyer assistance (for down payment assistance and second mortgages), and the development of affordable rental units. Supporting the production of affordable housing are site improvements which help with activities such as updating infrastructure, the acquisition of land and housing, the demolition of buildings, and relocation.

From shelter operations to finding stable housing, the federal Emergency Solutions Grant helps fund non-profits serving

people experiencing homelessness. In the coming year, the City of Raleigh will fund rapid rehousing, emergency shelter, and the administration of the Homeless Management Information System (HMIS). HMIS is a central database used to collect data on homeless service clients and data on housing and other services provided to each client.

The following organizations were selected for funding from the City's Emergency Solutions Grant (ESG) allocation [see table 1].

Agency	Approximate Award (year 1)	Use of the Funds
Healing Transitions	\$132,715	Emergency Shelter
Passage Home	\$63,051	Rapid Re-Housing
Raleigh Wake Partnership to End & Prevent Homelessness	\$76,500	HMIS
Total City ESG Funding	\$272,266	

Table 1 - Combined RFP for FY 2021-2022, First Year (of Two): City of Raleigh ESG

With the goal of increasing services to build self-sufficiency and sustainability, the City will fund homebuying counseling, new workforce development training, operating costs of the South Wilmington Street Center, economic development (through the Façade Improvement Grant and the Building Upfit Grant), and the Community Enhancement Grant. The CEG funds are awarded to local agencies that support neighborhood improvements or innovative services for low-income persons or “special populations” such as disabled, elderly, homeless, etc.

The following nonprofits were selected for funding for CDBG public service funding through the CEG program for FY 2021-22 [See table 2].

Agency	Recommended Award	Use of the Funds
Loaves and Fishes	\$24,500	Out-of-School Tutoring and Youth Engagement
CORRAL	\$58,500	Riding Academy for At-Risk Girls
SouthLight	\$57,000	Expansion of Opioid Treatment Program
Triangle Family Services	\$47,500	Street Outreach
Habitat Wake	\$12,500	New Beginnings

Table 2 - Community Enhancement Grant, FY 2021-2022: Selections for Funding

The projects listed below are funded with only federal funds or a combination of federal and local funds in the Annual Action Plan year.

Projects

#	Project Name
1	Housing Rehab- 21/22
2	Homebuyer Assistance- 21/22
3	Rental Dev- 21/22
4	Pub Works/Site Imprv – 21/22
5	Acquisition – 21/22
6	Relocation – 21/22
7	Demolition – 21/22

#	Project Name
8	Admin– 21/22
9	HESG- 21/22
10	Public Service – 21/22
11	Economic Development- 21/22

TABLE 3 – PROJECT INFORMATION

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

All allocation priorities support the overall priorities of the Consolidated Plan and address underserved needs of lack of affordable housing, homeless services and housing, supportive housing, and services to build self-sufficiency. The main obstacle in addressing underserved needs is that the needs of the community outweigh the funding available to address the needs.

1	Project Name	Housing Rehab-21/22
	Target Area	CITYWIDE
	Goals Supported	Increase & Preserve the Supply of Affordable Housing
	Needs Addressed	Supply of Affordable Housing
	Funding	HOME: \$1,176,162 (single family rehab loans) CDBG: \$991,307 Local: \$ 355,000 (City rental repairs)
	Description	Rehabilitation of substandard housing. The City has two types of owner-occupied home rehabilitation programs – substantial and limited repair. \$64,703 CDBG will also be spent on rehab-related Activity Delivery Costs. The City will also spend \$937,160 (CDBG and local) funds to make improvements to City-owned rentals.
	Target Date	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	Approximately 15 low and moderate-income homeowners will benefit from substantial rehabilitation and 27 low-income homeowners will benefit from limited repair.
	Location Description	Citywide
	Planned Activities	Approximately 42 housing units to be rehabilitated.
2	Project Name	Homebuyer Assistance- 21/22
	Target Area	CITYWIDE
	Goals Supported	Increase & Preserve the Supply of Affordable Housing
	Needs Addressed	Supply of Affordable Housing
	Funding	CDBG: \$500,000
	Description	Down payment assistance and second mortgages to low-and-moderate-income homebuyers.
	Target Date	6/30/2022

	Estimate the number and type of families that will benefit from the proposed activities	25 low-and-moderate-income homebuyers will benefit from homebuyer assistance.
	Location Description	Citywide
	Planned Activities	25 households will receive down payment assistance and second mortgages through homebuyer assistance.
3	Project Name	Rental Dev- 21/22
	Target Area	CITYWIDE DOWNTOWN NEIGHBORHOODS
	Goals Supported	Increase & Preserve the Supply of Affordable Housing
	Needs Addressed	Supply of Affordable Housing Co-locate Affordable Housing & Transit Affordable housing connected to public amenities
	Funding	Local General Fund: \$5,663,000 Housing Bond: \$4,800,000 CDBG: \$1,000
	Description	Funding of the development/production of affordable rental housing.
	Target Date	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	Approximately 650 housing units will be constructed to benefit low-to-moderate income households.
	Location Description	Citywide Downtown Neighborhoods
	Planned Activities	Financial assistance to create affordable housing units over several years. Out of the HOME funding total, \$219,648 will be provided for Community Housing Development Organization (CHDO) activities.
4	Project Name	Pub Works/Site Improvements – 21/22
	Target Area	COLLEGE PARK NRSA
	Goals Supported	Increase & Preserve the Supply of Affordable Housing
	Needs Addressed	Supply of Affordable Housing Affordable housing connected to public amenities
	Funding	CDBG: \$1,069,133
	Description	Design/Planning Contracts, Environmental Assessments, Street Infrastructure, Site Improvements. An additional \$69,133 CDBG will be spent on Activity Delivery Costs.
	Target Date	6/30/2022

	Estimate the number and type of families that will benefit from the proposed activities	The site improvements in the upcoming year are expected to have an area-wide benefit in the NRSA, particularly the East College Park portion.
	Location Description	Proposed area: East College Park
	Planned Activities	This year a park at Fisher/Pender Streets in East College Park within the NRSA will be developed.
5	Project Name	Acquisition – 21/22
	Target Area	CITYWIDE
	Goals Supported	Increase & Preserve the Supply of Affordable Housing
	Needs Addressed	Supply of Affordable Housing Co-locate Affordable Housing & Transit Affordable housing connected to public amenities
	Funding	Bond: \$8,000,000 CDBG: \$1,000
	Description	Acquisition of property to benefit Low/Mod Renters.
	Target Date	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	Future acquisition will support LMI housing benefit.
	Location Description	Citywide
	Planned Activities	Targeted acquisition to support ongoing projects through a Request for Letters of Interest process.
6	Project Name	Relocation – 21/22
	Target Area	CITYWIDE DOWNTOWN NEIGHBORHOODS
	Goals Supported	Increase & Preserve the Supply of Affordable Housing
	Needs Addressed	Supply of Affordable Housing
	Funding	Local General Fund: \$700,000 CDBG: \$ 1,000
	Description	Provision of moving expenses and relocation costs for existing occupants of units to be demolished. Relocation Assistance provided to Low/Mod Beneficiaries.
	Target Date	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	Payments to 28 LMI families affected by City-sponsored redevelopment at a site on New Bern Avenue.
	Location Description	Downtown Neighborhoods
	Planned Activities	Relocation from redevelopment.
7	Project Name	Demolition – 21/22

	Target Area	CITYWIDE
	Goals Supported	Increase & Preserve the Supply of Affordable Housing
	Needs Addressed	Supply of Affordable Housing
	Funding	CDBG: \$25,000
	Description	Demolition of blighted properties.
	Target Date	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	Area-wide benefit
	Location Description	Citywide
	Planned Activities	Approximately 2 sites are planned for demolition.
8	Project Name	Admin– 21/22
	Target Area	CITYWIDE
	Goals Supported	Increase & Preserve the Supply of Affordable Housing
	Needs Addressed	Increase & Preserve the Supply of Affordable Housing Homelessness & Low-Income to Housing Continuum Increase Services to Vulnerable Populations
	Funding	Local: \$1,000,000 CDBG: \$635,756 HOME: \$154,822
	Description	Administration Costs for Program Year 2021-2022, including admin for a new bond. Funding includes \$80,000 in program income.
	Target Date	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	These are administrative costs which allow the City to carry out activities proposed in this plan.
	Location Description	Citywide
	Planned Activities	Eligible costs to administer federal grants and locally-funded housing initiatives.
9	Project Name	HESG- 21/22
	Target Area	CITYWIDE
	Goals Supported	Enhance the homeless to housing continuum
	Needs Addressed	Homelessness & Low-Income to Housing Continuum Increase Services to Vulnerable Populations
	Funding	ESG: \$272,266

	Description	HESG funds will be used to provide: (1) emergency shelter to homeless individuals and families; (2) rapid re-housing; and (3) funds to support the Homelessness Management Information System (HMIS) for the Continuum of Care (CoC) area.
	Target Date	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	Approximately 450 individuals will receive overnight emergency shelter and 11 households will receive rapid re-housing assistance.
	Location Description	Citywide
	Planned Activities	To be updated by March 19, 2021
10	Project Name	Public Service – 21/22
	Target Area	CITYWIDE
	Goals Supported	Increase Services to Build Self-Sufficiency & Sustainability
	Needs Addressed	Increase Services to Vulnerable Populations Homelessness & Low-Income to Housing Continuum
	Funding	CDBG: \$440,000
	Description	Public Service Activities - Community Enhancement Grants – Non-Profit Support
	Target Date	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	Approximately 185 low- and moderate-income individuals will benefit from public services through the Community Enhancement Grant. The Workforce Training Program will provide funding to non-profits to serve approximately 30 people. Homebuyer counseling will assist approximately 250 people. The men's shelter will assist approximately 1,200 people.
	Location Description	Citywide
	Planned Activities	Federal funding will go toward Homebuyer Counseling (DHIC, \$60,000); Wilmington St. Men's Shelter Operations (\$100,000); the Community Enhancement Grant agency funding recommendations; and the Workforce Development training funding recommendations- Fathers Forever (\$52,000) and Passage Home (\$28,000).
11	Project Name	Economic Development- 21/22
	Target Area	College Park NRSA
	Goals Supported	Increase Services to Build Self-Sufficiency & Sustainability
	Needs Addressed	Increase Services to Vulnerable Populations
	Funding	CDBG: \$2,000

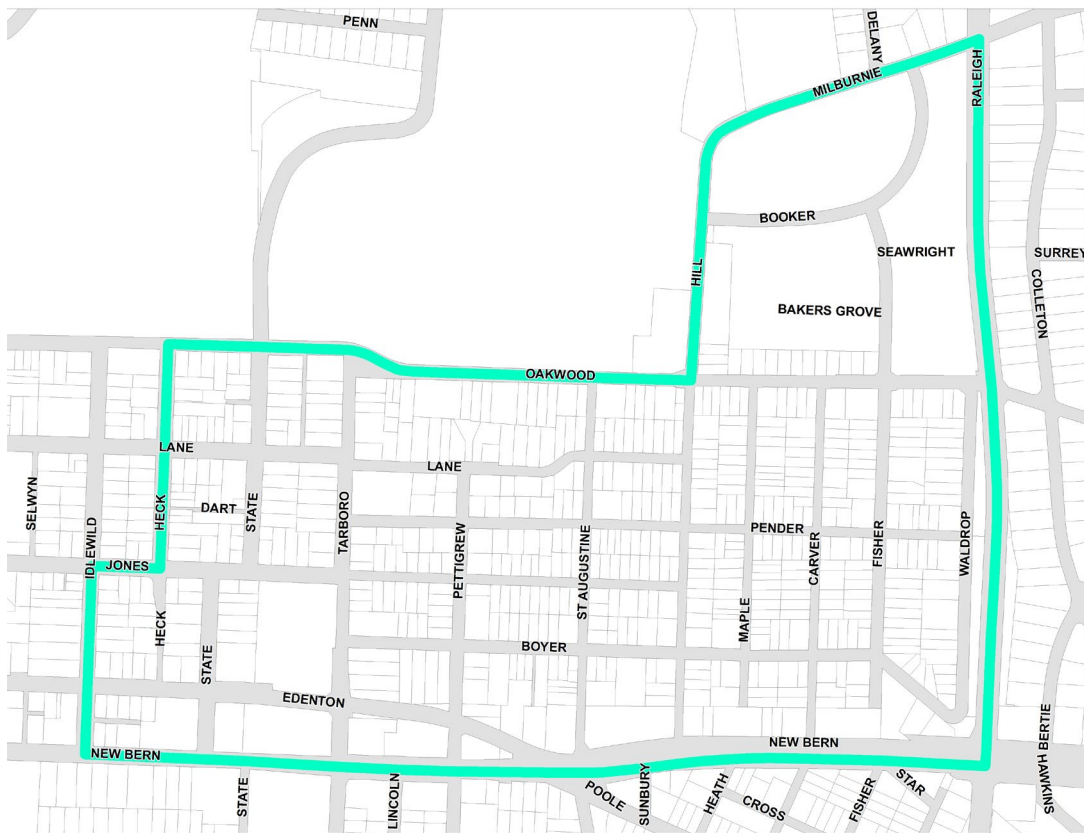
	Description	Existing City economic development programs to address commercial blight and assist businesses with interior improvements.
	Target Date	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	Business Upfit: Approximately 1 Business rehabilitated.
	Location Description	College Park NRSA
	Planned Activities	Assistance to business for building up-fit.

AP- 50 Geographic Distribution

Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed.

College Park NRSA:

East College Park is part of the Neighborhood Revitalization and Strategy Area (NRSA). The City sought the NRSA designation for many reasons, including helping to mitigate the rising cost of housing in the area due to market forces. Once the plan was approved, the City began to undertake the largest infrastructure project it's ever implemented with CDBG funds. The construction began in Spring of 2016 with project costs over \$5 million. The City is focusing on building infill housing on lots purchased with previous investments. These investments are providing citizens with a range of incomes access to homeownership. In East College Park, the City is managing a mix of 60% of homebuyers under 80% of the Area Median Income and 40% of homebuyers unrestricted by income limits. The mixed pricing strategy is being used to establish a diverse mixed-income community.



College Park Neighborhood Revitalization Strategy Area

East College Park: Single-Family construction is the first component of the East College Park development. The second component is the construction and sale of townhomes. The developer Evergreen Construction Company has been selected through an RFP process to build townhomes. Overall, there will be up to 51 townhomes constructed in East College Park. In collaboration with the Parks, Recreation, and Cultural Resources Department, a park will be developed in the second-fiscal year of the Consolidated Plan.

Washington Terrace: The northern portion of the NRSA will provide affordable rental opportunities for both families and seniors. The redevelopment of Washington Terrace is being facilitated by DHIC. In the coming year, two new Low-Income Tax Credit projects will come online on the old Washington Terrace site. These developments will provide over 230 units of affordable rental. The Villages of Washington Terrace is a 162-unit family development and Booker Park North is a 72-unit senior housing development were completed. Due to a high demand of senior housing, another senior development has been proposed on the old Washington Terrace site.

Downtown Neighborhoods:

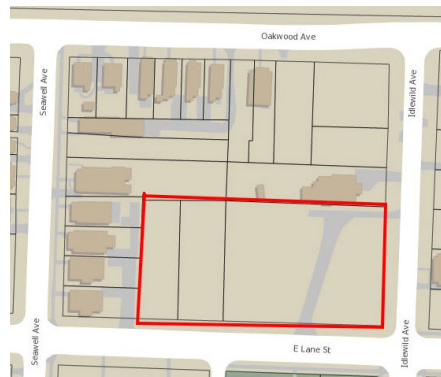
South Park/Garner Road Area: Over the past decade, the City has invested both federal and local dollars in the South Park/Garner Road area, which is witnessing heavy private investment. The City is partnering with a multi-family developer to build affordable rental units on 5.7 acres of city-owned land along Sawyer Road. The developer was awarded 4% tax credit funding from the federal Low-Income Housing Tax Credit (LIHTC) program and will receive additional gap financing from the City. The development will provide approximately 154 affordable units. The same developer is working with Passage Home, a non-profit and a multi-family developer will build additional affordable rental units in the adjacent area as well with LIHTC. The City of Raleigh will assist in the financing of approximately 200

apartments units that are being proposed on the Brown Birch apartment site.

West Idlewild: The West Idlewild area has been a focus area for many years. It is the intent that City will sell its 1.1-acre Lane/Idlewild site in the area through a Request for Proposals process. The recommendation for a developer for affordable infill housing on that site will take place by June/July 2021, with construction beginning in FY 2022-2023.

Downtown East: The Downtown East area has also been a focus area for years. It is the intent that City will dispose of several properties in the area through a Request for Proposal (RFP) process. It is projected that these properties will produce higher density affordable rental housing.

Martin-Haywood (23 City-owned lots): The City selected a builder to complete construction of affordable (LMI homebuyers) single-family homes on the remaining 10 lots. All houses will be built and sold by June 30, 2022 or the following year.



Target Area	Percentage of Funds
COLLEGE PARK NRSA	21

TABLE 4 - GEOGRAPHIC DISTRIBUTION

Rationale for the priorities for allocating investments geographically

Historically, the City of Raleigh has invested Community Development Block Grant (CDBG) funds in its Redevelopment Areas. Redevelopment Areas were created in “blighted” neighborhoods and served as target areas for neighborhood revitalization programs. The City remains active in redeveloping blighted areas and created a Neighborhood Revitalization Strategy Area (NRSA) and the geographic priority area of “Downtown Neighborhoods” to serve as a target area for investment. Within the NRSA, East College Park is being developed with affordable single-family housing and townhomes. The Downtown Neighborhoods area encompasses many different redevelopment areas, including South Park, Garner Road, West Idlewild, Downtown East, and Thompson Hunter (Martin-Haywood). In the next four years the primary City action in Downtown Neighborhoods will be *sale* of lots acquired in the past (i.e., revenue, not expenditure), thus the “0” above reflects only that new federal funds will not be significantly spent in Downtown Neighborhoods in FY 2021-2022.

In recent years, a greater percentage of federal funding (CDBG, HOME) has been allocated to affordable rental development and rehab. The affordable apartment development is not isolated to the NRSA and may occur in any area throughout the city. Therefore, the “Citywide” designation has grown as a percentage of geographic distribution. ESG funds are used to serve a population that is not tied to any specific area and are considered “Citywide.”

Discussion

The City of Raleigh has been successful in its geographic allocation of housing and community development investments. Investment activities have been focused in target areas within the NRSA, such as the NRSA and the East College Park Neighborhood. Over the years, the City has removed blight and created new affordable housing opportunities. The South Park and Garner Road areas have been focus areas for several years. In both target areas, the City is working with developers to create new affordable infill housing.

There has been a shift since 2016 to sponsor new affordable rentals citywide outside of redevelopment areas. This has caused the percentage of funds in the Citywide target area to expand. The Affordable Housing Improvement Plan focuses on the need for affordable rental and a constant funding source. Subsequently, a General Fund source fund was created and the City began soliciting 4% bond deals along with the 9% tax credit deals. This strategy has allowed the City to participate in additional affordable housing developments, many along transit corridors and in areas that had never had affordable housing investment.

AP- 60 Public Housing

Actions planned during the next year to address the needs to public housing

The ability to serve families in need of subsidized housing depends on federal appropriations. Budgetary constraints on the federal level directly impact the Raleigh Housing Authority. RHA operates one conventional public housing waiting list and four incentive public housing waiting lists. Individuals interested in applying are encouraged to submit applications for all programs in which they wish to participate as this provides the greatest number of options to the family. Public housing waiting lists have a one-in, one-out process, which means that in order to house a family from the waiting list, another family must first vacate the home. Wait times for public housing is pending the rate of turnover, and varies based on family size and need. Currently, the typical Wake County family will wait between one and five years.

RHA receives HUD funding through the Capital Fund Program (CFP) to assist with unit modernization, development, and maintenance costs of public housing units community-wide. The following Capital Fund work items are either underway or recently completed:

- Installation of security cameras throughout sites as needs are identified.
- Replacement of outdated plumbing in a 60-unit development as units are turned during vacancies.
- Asbestos abatement portfolio wide.
- Installation of new luxury vinyl-plank flooring during vacancy turns.
- Roof removal and replacement at 14-story senior building Glenwood Towers.
- Emergency façade repair at Glenwood Towers and Carriage House.
- Planning new fire alarm system installation at Carriage House.
- Lintel repair and replacement at Glenwood Towers.
- Planning abatement and new flooring of first floor common areas at Carriage House.
- Lead based paint testing at all pre-1978 multifamily developments.
- Radon testing a percentage of first floor units at vacancy turn.

Actions to encourage public housing residents to become more involved in management and participate in homeownership

RHA recognizes the benefit of having its residents be involved with the communities while working towards a greater level of self-sufficiency. RHA regularly shares and promotes opportunities to achieve this with residents. RHA promotes the following programs for residents:

a. **Homeownership:** RHA offers an Incentive Public Housing program that helps ready families for homeownership. The families that qualify for these homes based on a working preference are required to attend and complete home buyer's training classes annually. RHA continues to offer or provide referrals to workshops on money management and homebuyer education to assist in future homeownership. This program works with families to establish and/or improve credit, save for down payments, shop for financing, and select houses. The residents of this program have a ten-year rental program opportunity to prepare and achieve their goals.

b. **Supportive Services:** RHA has developed Memoranda of Understanding with several community partners to better serve the needs of families of public housing. Communities In Schools of Wake County (CIS Wake) continues to be a crucial partner in the delivery of services in public housing. CIS Wake operates after-school and summer programs in several public housing communities. The children attend these centers at no cost to their families. In partnership with AT&T and Google Fiber, free internet service and digital literacy classes are offered in some of the public housing communities. Partnerships such as these provide a plethora of resources and benefits to residents that would otherwise not be possible due to lack of additional funding for supportive services.

c. **Community Involvement:** RHA continues to coordinate services with other agencies in the Raleigh area; including the Police Department, City Inspections, Community Development, and Parks and Recreation Department. In addition to the CIS centers, RHA provides space to a daycare center, Meals on Wheels, Inter-Community Council office, St. Saviour's Outreach Center, and Arts Together. The RHA staff is actively involved with coordinating programs with many community agencies; including Wake County Human Services, Communities-In Schools of Wake County, Inter-Act, Coordinated Entry, and Alliance Health. The faith community is involved in the public housing communities, and many churches take an active role in programs in various communities.

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

The Raleigh Housing Authority continues to be rated as a high performer by the U. S. Department of Housing and Urban Development's management assessment system. RHA's Housing Choice Voucher program maintains high usage percentages and is highly rated by HUD. RHA is not designated as troubled by HUD and remains committed to its mission to provide safe, quality, affordable housing to low- and moderate-income families in the greater Raleigh community. RHA also promotes personal responsibility and self-sufficiency of residents while maintaining the fiscal integrity of the agency.

Discussion

As a federally-funded agency, RHA is impacted by budget decisions made by HUD. HUD provides guidance that funding for public housing will remain less than 100% of eligibility, so funds are not available to serve 100% of eligible families. Housing authorities are encouraged to find alternative means to modernize public housing units and use operating capabilities for activities that depend less on federal subsidies. RHA is investigating options to preserve and enhance its housing inventory through means beyond federal funding. RHA works with supportive services and other agencies to promote employment and personal responsibility for residents. RHA intends to provide residents with a pathway to financial stability and self-sufficiency. RHA will work to maintain a quality portfolio of affordable housing despite proposed changes to regulations and declining federal funding.

AP-65 Homeless and Other Special Needs Activities - 91.220(i)

Introduction

The information in this section discusses the current state of homeless services in Raleigh and Wake County. This section also discusses activities that the City of Raleigh, Wake County Government, and the Continuum of Care (CoC) work together to complete. All partners are working toward full incorporation of HEARTH Act fundamentals in service delivery to homeless households and consistent services and programs across the CoC.

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including:

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs:

Outreach to homeless persons is done in a variety of ways:

1. Oak City Cares is a non-profit and multi-services center that connects individuals and families at risk of, or currently experiencing, homelessness to coordinated services. Through partnerships with more than 20 community providers the Center serves as an entry point for accessing programs operated by local partner agencies. The property for Oak City Cares was acquired by Wake County in March 29, 2017, and the City contributed \$3.14 Million toward the property purchase and construction costs. The County and City were the primary funding sources for acquisition and construction. Oak City Cares is located next to the South Wilmington Street Center, which is the single men's homeless shelter owned and operated by the County. Oak City Cares provides an integrated set of homelessness prevention, assessment, case management, advocacy, access, and referral services and resources targeted to:
 - Reduce the number of contacts people experiencing homelessness must make before finding crisis housing or services;
 - Reduce new entries into homelessness through coordinated, system wide diversion and prevention efforts;
 - Prevent people experiencing homelessness from entering and exiting multiple programs before getting their needs met;
 - Minimize the need for individual provider wait lists for services;
 - Foster increased collaboration between homelessness assistance providers;
 - Improve a community's ability to perform well on Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH Act) outcomes and make progress on ending and reducing homelessness;
 - Make efficient use of system resources, ensuring persons receive services appropriate to their level of need; and
 - Support a Housing First approach and will work to connect households with the appropriate permanent housing opportunity, as well as any necessary supportive services to help maintain housing, as quickly as possible.
2. The Raleigh Wake Partnership to End and Prevent Homelessness (Partnership), the Raleigh Wake CoC's lead agency, administers the Housing Wake! Access Hub, the CoC's Coordinated Entry System, which includes Access Sites and a Call Center. The Partnership also administers HMIS and facilitates twice weekly calls for the CoC, which allows representatives from the City, County, and service providers to give updates and discuss pertinent issues.
3. Wake County Human Services' McKinney Team offers behavioral health support to persons who are mentally ill and homeless. Through a HUD grant, the team provides outreach, assessment, assistance with housing access, and on-going support to maintain housing through medication management, therapy, and case management.

4. The Wake County Human Services Department operates Cornerstone, a day shelter for individuals who are homeless. Cornerstone provides case management, counseling services, food, showers, laundry services, employment services, mental health assessment, and medication management services. Cornerstone works with clients on progressive engagement and assists those who want to become housed with access to housing. Cornerstone offers a Permanent Supportive housing program and other housing programs.

5. The South Wilmington Street Center is a men's shelter run by the Wake County Human Services Department. The Center offers emergency beds to men through a lottery system. Staff encourages men at the Center to become part of the housing program because the program provides a path to permanent housing. If men participate in the housing program, they are guaranteed a bed each night as they work toward permanent housing.

Addressing the emergency shelter and transitional housing needs of homeless persons

The emergency and transitional housing needs of homeless persons will be addressed through emergency shelter, rapid rehousing, and tenancy support/care coordination. The following initiatives provide more detail:

- Targeting High Needs Clients - The Raleigh-Wake Continuum of Care implemented and is continuing to refine a process to improve the delivery of housing and crisis response services and to assist people experiencing homelessness or at imminent risk of homelessness by refining the community's process for access, assessment, eligibility determination and referrals across the Continuum. This process, the Coordinated Entry System (aka Housing Wake! Access Hub), institutes consistent and uniform access, assessment, prioritization, and referral processes to determine the most appropriate response to each person's immediate housing needs. Coordinated Entry is recognized nationally as a best practice which can improve efficiency, provide clarity for people experiencing homelessness, and can help serve more people more quickly and efficiently with assistance targeted to address their housing needs. Coordinated Entry has established a protocol for prioritizing higher needs clients presenting for emergency shelter and transitional housing.
- Shelter and Supportive Services - The City of Raleigh and Wake County partnered to release a combined Request for Proposals to fund emergency shelter, rapid re-housing, homelessness prevention, street outreach, and the Homeless Management Information System. This combined funding process simplifies the application for providers, streamlines the contracting and reimbursement process, and enables agencies to provide consistent services to consumers. The result is more efficiency in working toward a seamless safety net for households who are homeless or at-risk of becoming homeless.
- Emergency Shelter for Singles - In Wake County, there is an insufficient number of emergency overnight shelter beds for unaccompanied single men and women experiencing homelessness. Wake County currently contracts with Urban Ministries of Wake county and Healing Transitions of Wake county to provide emergency overnight and program beds for women. The City has also provided ESG funding to Healing Transitions to operate their shelter. South Wilmington Street Center, operated by Wake County, provides emergency shelter for single men. The City has and continues to fund the South Wilmington Street Center with CDBG funds.

The 8 other emergency shelter providers serve single women, families, and/or domestic violence survivors. The CoC has three transitional housing providers: The Caring Place, Family Promise, and South Wilmington Street, who have limited beds reserved. Cornerstone, a day center for those experiencing homelessness, is currently (2021) closed for renovation. Oak City Cares has taken over their day center services.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

1. Since 2015, the City of Raleigh and Wake County have partnered on funding ESG-eligible activities by issuing a Combined Request for Proposals (RFP) with a two-year funding cycle. The Combined RFP for Fiscal Years 2021-22 and 2022-23 was issued January 19, 2021 and is funded with the City's ESG entitlement and the County's local Homeless Funds. The funds for this Combined RFP will total approximately \$1,100,000 and will fund the following ESG-eligible activities: Emergency Shelter, Street Outreach, Rapid Re-housing, Homelessness Prevention, and Homeless Management Information System (HMIS). This combined funding process streamlines the process and enables the CoC to provide consistent services according to adopted communitywide standards for consumers. The City, County, and CoC meet regularly and continue to work with grant recipients and help them adapt to the Combined RFP approach.

2. Shortening shelter stays: The Combined RFP requires all shelter providers to have at least one MOU with a Rapid Re-Housing provider. These purposeful connections are intended to decrease the number of days involved in an average shelter stay. Rapid Re-Housing programs are expected to operate on a Housing First model, where clients are placed in housing first and provided with the support services appropriate to their need. The Housing First model should eventually result in shorter stays at shelters and increase access to Rapid Re-Housing programs and permanent housing. The communitywide standard is no more than 45 days in shelter before being rehoused.

3. Access to housing units: One priority in the City of Raleigh Consolidated Plan (ConPlan) is to "Enhance the Homeless to Housing Continuum." One strategy for achieving this goal is through increasing the production of affordable and permanent supportive housing. Additional affordable and permanent supportive housing will make more units available to persons in Rapid Re-housing programs.

4. Preventing homeless from becoming homeless again: The goal is to help individuals avoid becoming homeless after being discharged from a publicly funded institution or system of care. Alliance Behavioral Healthcare assures that services are provided to persons who are being discharged from mental health care facilities.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address

housing, health, social services, employment, education, or youth needs.

The City/County Combined Request for Proposals (RFP) will focus on Homeless Management Information System (HMIS), Emergency Shelter, Street Outreach, Rapid Re-Housing, and Homelessness Prevention.

For FY 2021-22, the City will fund with ESG dollars the following agencies / activities:

Agency	Approximate Award (year 1)	Use of the Funds
Healing Transitions	\$132,715	Emergency Shelter
Passage Home	\$63,051	Rapid Re-Housing
Raleigh Wake Partnership to End & Prevent Homelessness	\$76,500	HMIS
Total City ESG Funding	\$272,266	

In addition, the City of Raleigh works to prevent low-income individuals and families from becoming homeless in various ways. The efforts below are included in the City strategy:

- Providing CDBG-funded public service grants to nonprofits that provide services to homeless subpopulations.
- City support for Support Circles, a Rapid Re-housing program managed by Catholic Charities
- City administrative support for Passage Home, a nonprofit that works to find housing for ex-offenders and homeless veterans.
- Partnerships with community agencies that provide case management, budget counseling, employment training, and financial assistance to help households who are at risk of homelessness.
- Homebuyer counseling and training for potential first time homebuyers (through a grant to DHIC, Inc.).

Discussion

The City of Raleigh, Wake County, and the Continuum of Care (CoC) are working closely together to address homelessness in our community and region. The actions outlined above are designed to improve the movement of homeless citizens from shelter to stable, permanent housing as well as ensuring those housed remain housed. The actions are also intended to reduce the length of time individuals and families are homeless; create a communitywide coordinated intake / assessment process (Coordinated Entry), establish a tool for compiling a comprehensive list of prioritized persons needing permanent supportive housing (the By-Name List), and reduce the average number of nights spent by anyone at a shelter. The goal is to make homelessness rare, brief, and nonrecurring.

AP-75 Action Plan Barriers to Affordable Housing - 91.220(j)

Introduction:

The U.S. Census Bureau estimates that between 2010-2018 Raleigh experienced a 17.4% population growth, adding 70,177 residents to Raleigh over the 9-year period. With this rapid growth, affordable housing continues to be a primary

need for the low- and moderate- income residents, with approximately a third of residents being severely cost burdened. To help address housing affordability, in 2016 the City established an aspirational goal to create 570 affordable housing units per year for 10 years, with a grand total of 5,700 additional affordable housing units by 2026. The new \$80 million affordable housing bond will aid significantly in the meeting of this goal, as will several local land use policy changes.

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment:

The Raleigh City Council in recent years has directed staff to reduce the regulatory barriers to the production of denser housing in residential zoning districts, such as Accessory Dwelling Units, duplexes, triplexes, and townhouses. Most of this will occur during the ConPlan period and involve amending the City's Unified Development Ordinance.

Many of the planned housing initiatives center around the planned Bus Rapid Transit (BRT) routes and encouraging equitable development around transit stations. The City is exploring adapting the existing Transit Overlay District (TOD) to achieve this end. Other regulatory changes include expanding existing residential zoning districts to allow denser housing types (townhouses, duplexes, triplexes) by right, density bonuses, etc.

In the Summer of 2020, the City published the Equitable Development Around Transit (EDAT) Guidebook. The Guidebook represents phase one of the City's EDAT process. That process established a community vision for how much of the city's growth should be accommodated near Bus Rapid Transit (BRT) and set goals for locating affordable housing near BRT. It determined that a substantial share of new housing and jobs should be accommodated near BRT stations and it is critical to ensure that affordable housing at multiple income levels exists along the corridors. The Guidebook will guide station area planning in all BRT corridors in Raleigh.

The second EDAT phase, currently underway, will involve more specific station-area planning work. While the EDAT Guidebook establishes Raleigh's philosophy and vision for EDAT, the Station Area Planning process will provide location- or parcel-specific implementation actions, such as city-initiated rezoning, affordable housing investments, and capital projects for first mile/last mile safety interventions.

The City also works to reduce barriers to affordable housing by using its housing subsidy programs to help achieve the 10-year goal of 5,700 units by 2026.

For homeownership, the City offers a down payment assistance loan of up to \$20,000 for low- to moderate-income first-time homebuyers. When this loan is paired with other first-time homebuyer loans available through other agencies, like the North Carolina Housing Finance Agency, a first-time homebuyer is able to increase their purchase power and create an affordable mortgage. One requirement of this loan is that the buyer must take a first-time homebuyer course and the City provides grant funding to a local non-profit to provide these courses to the homebuyers. This program is available to any home located within the City Limits. The City anticipates being able to provide the down payment assistance to 25 homebuyers a year.

To assist with home retention and the ability to make necessary repairs to homes, the City has a limited repair and

substantial repair program. Both programs are City wide and limited to low- to moderate incomes homeowners who resided in the homes for at a minimum of 5 years, and must continue to reside in home upon completion of the repairs. It is anticipated that funding will allow the City to continue to complete up to 50 home rehabilitations a year.

The lack of affordable lots for builders to acquire for building within the City limits, especially near the center of downtown, is causing builders to lose the ability to provide affordable housing options. To help with land costs, the City has been partnering with local builders to build single family and townhomes near downtown core areas that are available for purchase at or below the HUD housing price limit. In these areas, the City funded and completed infrastructure and storm water improvements and provided lots for purchase at a reduced cost. To help with the lot purchase, the builders are also provided a 0% interest loan that requires no monthly payment but requires payment at the time the builder sells the home to the homeowner. During the 2016-2020 Consolidated Plan, the City began on three projects: East College Park, Martin/Haywood and Idlewild/Jones. All three infill developments will be completed during the 2021-2025 Consolidated Plan. All homes that are constructed through this partnership are limited for homeownership and cannot become a rental investment property. Also, there is a 10-year equity sharing deed restriction that is recorded with the deed at the time the homeowner purchases that property. This 10-year restriction helps to ensure that the buyers will live in the homes, create a community, building personal wealth through this homeownership opportunity.

Assisting in joint ventures to provide gap financing for low-income housing tax credit (LIHTC) developments in the City has provided another avenue that the City is using to help increase the number of affordable rental units. Through the City's ability to provide gap financing, developers were able to preserve the Sir Walter Apartments located in downtown. This complex is an all affordable complex for senior citizens. The City's use of gap financing is key to allowing the preservation and production of affordable developments to move forward. A \$80 million local bond will significantly increase to City's ability to be a partner in preserving existing affordable rental communities, as well as creating new ones.

Discussion:

As the population in Raleigh continues to grow, along with the increasing value of land and the expense of building, the City is going to look at multiple methods to provide affordable housing in areas where it is most needed. With the possibility of a Bus Rapid Transit, it will be important to look towards those corridors and promote the development of affordable housing options along those lines. A few methods that can be considered is leveraging land value in developing small scale rental opportunities and a land trust option to help develop affordable housing options. Partnering with Wake County to identify affordable rental units that are about to "age out of" HUD requirements is also going to be key. Early identification of these properties will allow the City and County to join forces to discuss ways to preserve the units with the developer before the option to sell to a market developer becomes available. By continuing the strategies above and looking for opportunities to create avenues for affordable housing, the City will be able to meet the goal of creating 5,700 units by 2026.

AP-85 - Other Actions

The actions below describe the City of Raleigh's planned actions to carry out the following:

- Increase & preserve the supply of affordable housing
- Increase services to build self-sufficiency & sustainability
- Enhance the homelessness to housing continuum

Actions planned to address obstacles to meeting underserved needs

Every year the City uses its ESG and CDBG funds to offer grant programs to help address needs of underserved populations:

The City partners with the County to award ESG funds to help aid the multiple areas of need for the homelessness populations. The City and Wake County jointly issue a competitive RFP every two years that is funded with ESG funds. This combined application seeks to create a streamlined application for nonprofits and also allows the City and County an opportunity to combine its resources to address homelessness. The City currently provides funding for emergency shelter, rapid rehousing, and the administration of the Homeless Management Information System (HMIS).

The City also provides Subrecipient grants to nonprofits through RFPs to address community needs. The first is the Community Enhancement Grant (CEG) program. This is an annual grant that is awarded through a competitive RFP process. The programs that are awarded the funds must provide direct client assistance to an underserved population within the City limits. The City is going to continue to offer this grant and focus on non-profits that have programs targeting at-risk populations.

The second is a workforce training program. Raleigh has an expanding workforce and other occupational skills are in demand. To help meet the needs of the growing diverse workforce, this grant will provide funds to training organizations to assist low-income persons become equipped to compete in a competitive job market.

Finally, low-income families wanting to purchase their first home will receive training through a local nonprofit.

Actions planned to foster and maintain affordable housing

Affordability with rental and homeownership options is becoming a major concern within Raleigh. Land is rapidly increasing in value and construction materials continue to rise making housing options more and more expensive.

To continue the development of rental units, the City will continue to provide gap-financing to developers that have been awarded housing tax credits. The Housing and Neighborhoods Department will also be looking at leveraging the value of City owned lots to help produce smaller rental developments like duplexes, cottages or quads. Funds will also

be available to developers seeking to preserve affordable units through rehabilitation.

As housing prices speedily rise, the need for housing assistance will continue to increase. For those looking to purchase a home, the City provides newly constructed affordable homes and mortgage assistance. The East College Park area is a partnership with local builders to provide newly constructed homes. Over the next 5 years, 60% of the units will be sold to low to moderate households. By the end of the project over 90 homes, and 50 townhomes, will have been built, with 60% of the homes being sold to household with incomes under 80% HUD AMI. The City will also continue to provide direct financial assistance in the form of a 0% interest forgivable second mortgage. This loan is offered to first-time homebuyers that have a qualifying household income. Funds will also continue to be made available for first time homebuyer housing counseling services.

In the next five years it is going to be important to continue to look for other means to provide affordable housing options that will connect citizens to public amenities like parks and transit. Throughout this ConPlan period, the City is planning to have the first section of the Bus Rapid Transit (BRT) completed. It will be important for our department to forge partnerships that will help develop affordable rental units and affordable homeownership options.

Actions planned to reduce lead-based paint hazards

LBP remediation is an integral part of CD's rehab program. All rehabs of owner-occupied homes are tested for lead-based paint and any LBP found is appropriately remediated.

Actions planned to reduce the number of poverty-level families

The City will continue to work with multiple partners to provide services to help alleviate poverty. We provide funds yearly to non-profits to assist with shelter needs, meals and basic needs for those who are in need. The CEG grants will continue to focus on providing funds for non-profits to provide direct services to clients with services or programs that will help reduce barriers for housing and employment related needs. The Workforce Development grant will be provided yearly to provide an in-demand employment skill to those looking to receive training for a better employment opportunity.

Actions planned to develop institutional structure

Efforts have continued to create collaborative and efficient processes between funding sources, such as the City/County Combined RFP for homeless and housing services. The Combined RFP has a two-year funding cycle and that will begin this coming year (FY2021-FY2023). The City also works closely with the Raleigh/Wake Partnership to End and Prevent Homelessness (Partnership) and Oak City Cares (OCC). The Partnership is the CoC's lead agency and administers House Wake! Access Hub (Coordinated Entry System), HMIS, as well as facilitates trainings and twice-weekly continuum of Care (CoC) conference calls. OCC serves as an access site for connecting homeless individuals and families to a network of

support services offered by local organizations. OCC utilizes community collaborations with government, non-profit and faith-based organizations to strengthen the pathways to these life rebuilding services for its clients by providing the following services on-site: coordinated entry & assessment; urgent care health clinic; behavioral healthcare; Veterans Services; street outreach; homeless prevention & diversion; domestic violence services; Medicaid & SNAP application assistance; and employment readiness. On-site service partners include: Advance Community Health; Haven House Services; InterAct; Monarch Behavioral Health; SNAP; StepUp Ministry; Durham VA Health Care System; Raleigh/Wake Partnership to End Homelessness; Triangle Family Services; WakeMed; Wake County Public Health and Human services; Alliance Behavioral Health; NC FIT; SouthLight; Project CATCH; and Church in the Woods. The purpose of providing COORDINATED SERVICES in one location is to make homelessness RARE, BRIEF AND NON-RECURRING for the people served.

Actions planned to enhance coordination between public and private housing and social service agencies

The City collaborated with the Partnership to End and Prevent Homelessness and Catholic Charities to build on the success of its Oak City Outreach Center. These three agencies partnered with Wake County to buy and retrofit a building into a multi-purpose center, Oak City Cares, to serve the homeless population with a new coordinated entry facility, which opened in April 2019. The City also works with nonprofit developers to construct and preserve affordable rental housing. Some of the nonprofit developers have public service programs, such as homebuyer training, financial counseling, and job training, included as a component of their housing programs. The City has also issued Requests for Proposals (RFP) to sell and convert city-owned land into affordable housing units feature scoring criteria seeking creative use of City land to include partnerships with nonprofits providing social services within City-sponsored rental housing development (e.g., Sawyer Road). The City also provides operational grant funding to local nonprofits involved in affordable housing development and provision of public services.

Discussion:

The City of Raleigh will continue its long-term partnerships with the Raleigh Housing Authority, Wake County, the CoC, and private nonprofit in addressing needs that do not stop at the City border. The City will continue the coordination to include significant investments in land and development of affordable housing options – as well as changes to local land use regulations - in areas that will help connect lower-income residents to transit.

AP-90 Program Specific Requirements – 91.220(l)(1,2,4)

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.220(l)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The

following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	0
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
Total Program Income:	0

Other CDBG Requirements

1. The amount of urgent need activities	0
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	93.85%

HOME Investment Partnership Program (HOME) Reference 24 CFR 91.220(l)(2)

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:

The City of Raleigh uses HOME funds to assist existing owner-occupants with the rehabilitation of their homes, to finance the acquisition of homes for homebuyers by providing down payment and closing cost assistance and/or gap financing, and to assist developers with the acquisition, new construction, or rehabilitation of affordable rental housing. The City of Raleigh invests these HOME funds as interest- and non-interest bearing loans and deferred payment loans, both forgivable and non-forgivable.

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer

activities as required in 92.254, is as follows:

The City of Raleigh uses the recapture provision to secure long-term affordability. Under this mechanism, the City of Raleigh recaptures a portion of the direct subsidy if the HOME recipient sells the house within the 20-year loan term, which is 10 years beyond the required affordability period. The recipient's HOME direct subsidy is discounted (reduced) 25% on the fifth, tenth, and fifteenth anniversary of the Note and then forgiven in its entirety at 20 years. The City of Raleigh also has a provision for excess proceeds and shared appreciation. Both provisions are outlined in the HOME agreement (in the Attachments) with the HOME recipient and in Deed Restrictions (in the Attachments).

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

The recipient of a direct HOME subsidy is required to execute a HOME written agreement, which explains the recapture provision as well as the excess proceeds and shared appreciation provision, prior to sale. Furthermore, deed restrictions that run with the land are recorded to enforce the provisions.

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

The City of Raleigh does not use HOME funds to refinance existing debt on a property.

**Emergency Solutions Grant (ESG)
Reference 91.220(l)(4)**

1. Include written standards for providing ESG assistance (may include as attachment)

See Attachment "ESG Written Standards," Coordinated Entry System Policies and Procedures Manual.

2. If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.

The Raleigh/Wake Partnership to End and Prevent Homelessness is the Local System Administrator (LSA) for NC 507's coordinated assessment system – the House Wake! Access Hub. The House Wake! Access Hub, which includes Access Sites and the Call Center, is the entry point for connecting individuals and families experiencing a housing crisis to appropriate programs. The coordinated assessment system was developed with input from service providers to ensure.

Access Point meetings and trainings are regularly offered and well attended. The Operations Manual has been reviewed by the Quality Improvement Committee (QI), a committee of service providers. Staff from the service providers who work on this committee are licensed users of HMIS and use the Vi-SPDAT as the assessment tool to determine acuity for the by-name list. This improvement process has continued and is ongoing.

Other meetings of service providers continue, as well, to make ongoing improvements to the coordinated entry system:

1. The Raleigh/Wake Partnership to End and Prevent Homelessness (CoC lead agency) facilitates the NOFA process with homeless services within NC 507, the official designation for the CoC.
2. Regular biweekly meetings of all agencies providing shelter, street outreach, rapid re-housing, and/or prevention services, as well as City and County staff, are held to coordinate how issues are addressed in a consistent way across all agencies as they arise.
3. A formal partnership was formed between the CoC, the City, the County, and Catholic Charities to develop the Oak City Cares, a new access point for coordinating entry, which also provides a variety of services, housing options, and training opportunities for homeless individuals and families.

3. Identify the process for making sub-awards and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations).

Since 2015, the City of Raleigh has conducted a “Combined Request for Proposals (RFP)” with Wake County. This change increased efficiency, reduced administrative burdens on the homeless service providers, and increased standardized practice among homeless service providers communitywide. Contracts have been awarded as 2-year contracts, as noted in the RFP. For the providers that met performance metrics at the end of the first year, as specified in their contract, contracts were extended for the second year using new ESG allocations, which were distributed proportionally among the subgrantees based on their first-year awards.

A new combined RFP is issued every two years. The fourth Combined RFP was issued in mid-January 2021 for the period July 1, 2021—June 30, 2023. For the fiscal year beginning July 1, 2021, the staff is recommending grants to TBD.

4. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG.

The Raleigh/Wake Partnership to End and Prevent Homelessness (the Partnership) is the Continuum of Care lead agency in Wake County. The Partnership is a 501(c)3. The Partnership’s Bylaws reserve a few seats on the Board, one of which is for an individual who is currently or has in the past experienced homelessness.

5. Describe performance standards for evaluating ESG.

The following performance standards are used to evaluate ESG. These are applicable to all project types and are tracked by HUD and the CoC to measure the efficacy of the system.

- Length of Time Homeless
- Number of exits to Permanent Housing (rental or ownership)
- Number of Returns into Homelessness

As shown in the answers to Questions 1-5 above, the City of Raleigh works closely with its CoC and Wake County to address homelessness in the City and County in a comprehensive fashion.