

FY 2024-FY 2025



**Draft Report to the Raleigh Community on  
Housing and Community Development Planned  
Expenditures: July 1, 2024-June 30, 2025**

The City of Raleigh  
Department of Housing and Neighborhoods  
[raleighnc.gov/housing](http://raleighnc.gov/housing)

**Overview**

This document provides a summary of the Fiscal Year FY 2024-2025 Annual Action Plan Draft, which describes how the City of Raleigh intends to allocate housing and community development funds in the upcoming fiscal year. FY 2024-2025 is the fifth and final year of the 2021-2025 Five-Year Consolidated Plan (ConPlan). The City must submit an Annual Action Plan for every year of the ConPlan, describing how that year’s activities will address the long-term housing and community development goals identified in the ConPlan. The Annual Action Plan identifies strategies, resources, and organizations that can help advance key priorities in the coming year.

**Contingency Statement**

The Draft Action Plan uses the FY 2023-2024 grant allocations from the U.S. Department of Housing and Urban Development (HUD) as the FY 2024-2025 grant allocations were not yet available at the time of its publication. As in previous years, there may be slight differences in the amounts provided in Community Development Block Grant (CDBG), HOME Investment Partnership (HOME), and Emergency Solutions Grant (ESG). Upon receipt of the actual allocations, the City will adjust the budget of the federal funds as described below:

	<u>Additional funds to be budgeted to:</u>	<u>Fewer funds to be subtracted from:</u>
CDBG:	Acquisition	Acquisition
HOME:	Rental Development	Rental Development
ESG:	All grants will be reduced or increased by the same proportion, except no increases will be given to Subrecipients who are already fully funded	

**Key Priorities**

The City of Raleigh Community and Small Business Development Division established the following high-level goals and priorities in the 2021-2025 ConPlan with input from the community to address identified barriers to affordable housing in Raleigh. Each priority has multiple strategies associated with it as outlined in the Plan.

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- Increase the supply of affordable housing
- Enhance the homeless to housing continuum
- Increase Services to Build Self-Sufficiency & Sustainability

### Funding

The Annual Action Plan serves as an application to the U.S. Department of Housing and Urban Development (HUD) for federal funding in the form of:

- Community Development Block Grant (CDBG) funds, with current-year funding of approximately \$2.9 million;
- HOME Investment Partnership (HOME) funds, with current year funding of approximately \$1.6 million; and
- Emergency Solutions Grants (ESG) funds, with current year funding of \$255,809.

The City also leverages local funding sources to help carry out the Annual Action Plan and support the development of affordable rental units and strategic land acquisition.

The chart below is a summary budget for FY24-25 that serves as the financial outline of the Action Plan.

FY 2024-2025 Housing and Community Development Budget						
Activity	Funding Source					
Affordable Housing	HOME	CDBG	ESG	General Fund/Bond	Bond Revenue/Program Income	Total
Housing Rehabilitation	\$420,234	\$395,615		\$1,500,000	1,000,000	\$3,315,849
Homebuyer Assistance		\$990,000		\$1,500,000		\$2,490,000
Rental Development	\$1,021,923			\$12,917,000	\$3,548,983	\$17,488,839
Public-Private Partnerships				\$4,000,000		\$4,000,000
Property Maintenance & Repair – City Property					\$500,000	\$500,000
Acquisition/Disposition		\$330,000			\$250,000	\$580,000
Relocation/Demolition		\$70,000				\$70,000
Site Improvements/Infrastructure		\$40,000				\$40,000
Contractual Services (Legal Loan Closings, etc.)					\$500,000	\$500,000
<b>Homeless to Housing Continuum</b>						
Subrecipient Grants			\$255,809			\$255,809
South Wilmington Street		\$100,000				\$100,000
White Flag Shelter		\$100,000				\$100,000
<b>Self-Sufficiency &amp; Sustainability</b>						
Community Enhancement Grants		\$200,000				\$200,000
Homebuyer Counseling		\$60,000				\$60,000

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Program Administration						
Staff	\$160,235	\$558,873				\$719,108
Loan Servicing					\$200,000	\$200,000
Fair Housing Conference		\$5,000				\$5,000
<b>Totals</b>	<b>\$1,602,392</b>	<b>\$2,849,488</b>	<b>\$255,809</b>	<b>\$19,917,933</b>	<b>\$5,998,983</b>	<b>\$30,624,605</b>

The budget above shows the categories of program funding for the next fiscal year (July 2024-June 2025). Some are loans to low- and moderate-income (LMI) individuals, others are to developers for the benefit of LMI households. Many are City costs associated with creating or maintaining affordable housing or public facilities. A portion of the funding outlined in the budget above is awarded to non-profit organizations for the administration of programs that serve LMI households. Several of these awards are made through two grant programs, the Emergency Solutions Grants and the Community Enhancement Grant, which are outlined in the Annual Action Plan Draft. Funding recommendations for nonprofit grant awards are taken to the City Council for consideration as part of the Annual Action Plan process.

## Addressing Key Priorities

The Annual Action Plan outlines how available federal and local funds will support programs that address the ConPlan’s broad goals and make progress toward increasing the supply of affordable housing, enhancing the homeless-to-housing continuum, and increasing services to build self-sufficiency and sustainability. The Annual Action Plan outlines specific goals for progress that are anticipated in FY 2024-2025 within those three areas.

### Increasing the Supply of Affordable Housing

Four programs in the Annual Action Plan increase the supply of affordable housing for low- and moderate-income households earning 60-80% of the area median income (AMI) and below.

Affordable Housing Production	
Program	Number of Units
Rental Development	450
Assistance to Homebuyers	39
Homeowner Rehabilitation	61
<b>TOTAL</b>	<b>550</b>

The City partners with non-profit and for-profit developers to leverage local and Federal dollars for the construction and renovation of affordable rental housing. The City offers \$2 million annually for gap financing from local bond proceeds and various City-owned building sites via long-term land leases to support affordable rental housing development through the Small-Scale Rental Development Program (Small-Scale Program). The Small-Scale Program requires at least one third of the total units in the development to be set aside at up to 30% AMI. Most large rental projects are developed through the Low-Income Housing Tax Credit (LIHTC) program. Typically, twice per year, the City puts out a Notice of Funding Availability (NOFA) to solicit applications for LIHTC projects. Federal guidelines require that the properties must be maintained and rented to households who meet income requirements (<60% AMI). New for this year’s LIHTC NOFA, optional bonus points are being offered to encourage deeper income targeting. 9% and/or 4% LIHTC NOFA applications that set aside a minimum of 5% of the total units at up to 20% AMI will be eligible to receive additional bonus points. In the coming year, approximately \$8.1 million from the City’s General Fund will help fund the creation and/or preservation of affordable housing. These funds will be combined with \$8.8 million in local bond funds to help generate commitments for approximately 450 affordable rental units. In addition, the City continues to own and maintain a portfolio of affordable rental units that house LMI households.

Homeownership is another priority identified in the ConPlan due to its ability to help LMI households build wealth while providing affordable housing. Multiple homeownership programs are offered through the City and its partners. In FY 2024-2025, the City will continue working to identify homeownership building opportunities on city-owned land.

The City also provides homebuyer assistance to LMI first time homebuyers to assist in financing a home purchase. Funds can be used for down payment assistance or closing costs, and the loan balance is reduced on a set schedule and forgiven after 20

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years of owner-occupancy. The Annual Action Plan includes funding to serve 39 or more eligible households in FY 2024-2025.

Rehabilitating or repairing older homes owned by LMI households is an additional strategy to maintain affordable housing and keep residents in their current neighborhoods. The City has three owner-occupied home rehabilitation programs for low-income households— the Raleigh Home Revitalization Program, the Substantial Rehabilitation Program for homes in need of repair to three or more major systems, and a Limited Repair Program designed to address one or two urgent system repairs. Loans are deferred and forgiven after the stipulated duration of continued owner occupancy. The Annual Action Plan includes funding to serve up to 61 eligible households between the three programs in FY 2024-2025.

In addition to these four programs administered by the City, the Action Plan also funds a homebuyer training program that is administered by a local nonprofit (currently DHIC). The program provides homebuyer counseling for 200 potential homebuyers a year on topics such as credit repair, qualifying for a mortgage, and the steps of buying a home.

### ***Enhance the Homeless to Housing Continuum***

In addition to increasing the amount of affordable housing as noted above, this priority area is primarily addressed through nonprofit grant programs designed to help those experiencing or at risk of homelessness secure housing. The City will use ESG dollars to fund the following agencies/activities in FY 2024-2025: [rapid rehousing](#) and [HMIS](#) (Homeless Management Information System) administration. In addition, the City provides local funding to Catholic Charities to rehouse families experiencing homelessness and Oak City Cares to provide weekend and holiday meal distribution. An additional 400 persons experiencing homelessness will be helped through Wake County’s emergency men’s shelter, which is supported in part by CDBG funds to help cover operating expenses. White flag shelter support will also provide emergency shelter for 635 individuals, given the need for additional space as a result of reduced capacity at area shelters due to COVID-19.

The following nonprofit organizations were approved for funding from the City’s anticipated Emergency Solutions Grants (ESG) awards.

City of Raleigh Emergency Solutions Grant- Combined RFP, Year Two		
Agency	Award	Program Description
Triangle Family Services	\$179,309	Rapid Rehousing
Wake County CoC HMIS Admin	\$76,500	HMIS Administration
<b>TOTAL</b>	<b>\$255,809</b>	

### ***Increase Services to Build Self-Sufficiency & Sustainability***

The City also funds public services with CDBG dollars. Mostly these are distributed through an annual Request for Proposal process called the Community Enhancement Grant (CEG). The following nonprofits are recommended by staff for CDBG public service funding for FY 2024-2025 through the CEG.

City of Raleigh Community Enhancement Grant- RFP FY 2024-2025		
Agency	Recommended Award	Program Description
Urban Ministries	\$50,000	Workforce Development for guests at the Helen Wright Women’s Shelter
The Hope Center at Pullen	\$50,000	Expanding Housing Support for Former Foster Youth
Healing Transitions	\$50,000	Support for connecting men experiencing homelessness with supportive services

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Boys and Girls Club Serving Wake County	\$50,000	Project Great Futures Out-Of-School Program for Underserved Youth in Southeast Raleigh
<b>TOTAL</b>	<b>\$200,000</b>	

Homebuyer training, job training, and operational support for Wake County’s emergency shelter for men will also be funded with CDBG dollars. Neighborhood revitalization programs are centered in the neighborhoods surrounding downtown. The City’s neighborhood revitalization efforts emphasize current residents and the built environment. Neighborhoods near the core of the city are transitioning from historically LMI households to those with greater incomes as sales prices of homes in these neighborhoods escalate. Mitigating the adverse effects of neighborhood change and ensuring that current residents have opportunities to remain in place is a high priority of the City.

### Geographic Focus Areas

In FY 2024-2025, the City will focus on these areas: College Park Neighborhood Revitalization Strategy Area (NRSA), Downtown Neighborhoods, Citywide. Below are several specific subareas of Downtown Neighborhoods where progress continues to be made on several long-term City projects.

Geographic Focus Area Programs	
Program	Number
Demolition	1-2 sites
Site Improvements & Public Works	NRSA benefit
Owner-occupied Rehabilitation	61

**Neighborhood Revitalization Strategy Area:** The College Park NRSA is located about one mile from downtown as is along a major transit corridor. Within the NRSA, the City is facilitating the construction of approximately 98 single-family homes and townhomes. Upgraded infrastructure was installed to accommodate the new home construction. It is anticipated that construction on the first townhomes will begin in 2025.

The NRSA focuses on homeownership and affordable rental development. As noted above, the homeownership component of the plan is underway, and the rental component is also progressing. The City’s affordable rental development partner in the NRSA is DHIC. They have completed construction on the Villages of Washington Terrace, an affordable, 162-unit family development and Booker Park North, a 72-unit affordable senior development. DHIC is currently building 58 townhomes adjacent to these sites inside the NRSA. These projects are providing upgraded replacement housing and additional new affordable units. Moreover, DHIC has included amenities such as open space, playgrounds, and a daycare facility. DHIC is investigating achieving additional density on the remaining sites, potentially utilizing the bonus density provided by the Transit-Oriented Development (TOD) Zoning Overlay that was enacted by City Council in late 2021.

**South Park/Garner Road Area:** Like Martin-Haywood, the South Park/Garner Road focus area has been a city priority for years and is less than a mile from downtown. In partnership with a multi-family developer, the City is facilitating the construction of affordable rental units on city-owned land along Sawyer Road. Over 150 affordable units are currently being constructed on the site. In addition, the City is also collaborating with Passage Home to redevelop the Brown Birch apartment site to go from 60 units to 200 affordable rental units. Both developments received funding from the federal Low-Income Housing Tax Credit (LIHTC) program.

**West Idlewild Area:** The City is in the process of selling its final 1.1-acre site in this area through a public land disposition process to the Raleigh Area Land Trust (RALT). RALT is currently in the site plan process and will likely close on the property in FY 2024-2025.

**Questions? Please call (919) 996-4330 or e-mail: [cd.info@raleighnc.gov](mailto:cd.info@raleighnc.gov)**