

DRAFT

For Public Comment

City of Wilmington

FY 2023-24 Annual Action Plan

for

CDBG and HOME Funds

April 14, 2023 – May 16, 2023

City of Wilmington

City Council

Bill Saffo, Mayor

Margaret Haynes, Mayor Pro-Tem
Neil Anderson
Kevin Spears

Clifford D. Barnett Sr.
Charlie Rivenbark
Luke Waddell

Anthony N. Caudle, City Manager

Community Services

Community Development Administration and Housing

Amy Beatty, Community Services Director

Suzanne E. Rogers, Community Development & Housing Planner

Tanita Wallace, Community Development Analyst, Housing

Chianti Johnson, Community Development Analyst, Compliance

Todd Fiskin, Senior Housing Rehabilitation Specialist

Katana Merrick, Housing Counselor

Brittany Redd, Administrative Support Technician

R.B. Gardner, Lead Hazard Grant Coordinator

Holly Bruhn, Loan and Entitlement Grants Manager

Dawn Coleman, Accountant

City of Wilmington

Community Services/Community Development

305 Chestnut Street

P.O. Box 1810

Wilmington, NC 28402-1810

910-341-7836

City of Wilmington

FY2023-2024 Annual Action Plan

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Executive Summary

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

1. Introduction

The City of Wilmington has been a Community Development Block Grant (CDBG) entitlement community since 1975. Funding comes to the City's Community Development Division, Community Services Department, in the form of an annual block grant administered by the U.S. Department of Housing and Urban Development (HUD). CDBG funds can be used with great flexibility to provide "decent housing, a suitable living environment, and expand economic opportunities principally for persons of low and moderate income". In addition to the CDBG funds, the City receives HOME Investment Partnership Program funds, also funded through HUD. The HOME grant is specifically for affordable housing.

The Annual Action Plan is based upon the 2022-2027 Five-Year Consolidated Plan which identifies an entitlement community's priority housing and community development needs for very low-, low-, and moderate-income residents and neighborhoods within the City of Wilmington. Moreover, the Five-Year Plan establishes goals to address priority needs.

The Annual Action Plan serves as an application for funding from HUD for the CDBG and HOME programs. Additionally, the plan identifies local general funds, program income and other funds that are used to implement the goals and activities described in the plan. On February 28, 2023, HUD posted the allocation for federal fiscal year 2023 CDBG and HOME awards. This Annual Action Plan for the second year of the Five-Year Consolidated Plan allocates \$937,775 CDBG and \$700,820 HOME, representing an 8% reduction in CDBG and 10% in HOME over the prior year. In addition, the plan identifies prior-year funds of \$662,232 CDBG and \$ 1,358,365 HOME that are allocated to program activities in progress as of March 31, 2023. Additionally, the plan recognizes available Program Income and Revolving Loan repayments of \$4,896,534 including General Funds, and \$5,224,143 of loans in the pipeline (estimated future expenditures) as of March 31, 2023. Finally, the plan includes \$772,556 General Funds allocated for human service activities.

This Annual Action Plan identifies goals to address the lack of affordable housing stock and the opportunity for low-to-moderate income people to access housing and other opportunities. To that end, the plan continues existing homeownership mortgage program, Housing Opportunity Pool (HOP), Owner-Occupied Housing Rehabilitation Loan, and Rental Rehabilitation Incentive Loans. Additionally, the increase in local funding helps to leverage other funds to produce new housing units by providing gap financing. Finally, the recently added Housing Counseling program allows the City to better serve low-to-moderate income households to manage an ever-challenging housing market.

The Annual Action Plan establishes a coordinated approach for community development and identifies key stakeholders and partners in delivery of programs and services for low-to-moderate income residents

and neighborhoods. An essential component of the Annual Action Plan is the collaborative effort to create the plan and to implement the plan.

This plan is written in accordance with the HUD provided Template provided in the Integrated Data Information System (IDIS). This is the second year of the Five-Year 2022-2027 Consolidated Plan which included needs assessment, market analysis and goal setting for the five year period.

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

Housing affordability has been deemed a crisis as the shortage of housing affordable to households at all income levels continues to worsen. On a local level, data indicates that housing costs in New Hanover County and the City of Wilmington exceed the state average. U.S. Census American Community Survey (ACS) data reports 44% of NC renters are cost burdened and 21% of homeowners compared to the City of Wilmington where 27% of homeowners and 52% of all renters are cost-burdened. Data presented in the 2022-2027 Five-Year Consolidated Plan shows that 49% of households in the City earn 80% or below the Area Median Income (AMI). Based on existing data, it is evident that housing affordability is an equity and inclusion problem for New Hanover County and the City of Wilmington that needs to be addressed.

The desired outcomes from the implementation of the goals formulated to address the needs as identified in this plan are to improve low-to-moderate income households' access to opportunities to improve the economic, educational, and social wellbeing. Providing enhanced homebuyer education and one-one-one housing counseling to support individuals with financial planning and budgeting to achieve individual and family housing goals. Working in partnership with affordable housing developers to produce new units and to preserve and rehabilitated existing units to maintain Naturally Occurring Affordable Housing, supporting homeless services and shelter programs that seek to successfully rehouse people experiencing homelessness or at-risk of homelessness.

3. Evaluation of past performance

During the period from 2014 through 2022 the City's community development and housing programs have accomplished the following:

- Increase and Maintain Rental Housing – 262units
- Homebuyer Assistance HOP and DPA – 143 households/units
- Homeownership Housing Production for very low & low income – 21 units
- Owner-Occupied Housing Rehabilitation/Repair - 63 households/units
- Emergency Shelter & Services – 10,932 individuals
- Homeless to Permanent Housing – 1,437
- Produce Permanent Supportive Housing – 76 units
- Homeownership Education – 1,183 individuals + 146
- Housing Counseling One-On-One (begin 2023) - 22
- Preserve & maintain public facilities – 11 projects completed

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- Promote workforce development through education, training, job placement – 9,901 (CDBG, GF)
- Support quality youth programs for at-risk youth – 27,351 youth served (GF)
- Support programs assist victims of crime, and provide crime prevention, community safety education and outreach - 3,388 (GF)
- Provide for food security & basic needs for low income HH - estimate 5,708 (GF)

The City's federal funds are invested to benefit the low-income households and to produce and maintain housing for owners and renters. Although the City works to leverage funds and generate program income if appropriate, there are not enough funds to make an impact on the growing housing needs in the City, as indicated by the increasing number of households experiencing cost burden and other housing problems.

Fortunately, City leaders recognize the need for housing that is affordable to working families and provided additional general funds to support the City's Homeownership and Housing Rehabilitation Loan Programs as well as funding to provide gap financing.

4. Summary of citizen participation process and consultation process

This citizen participation process and consultation process builds on the City's on-going participation and collaboration with community-based organizations and City appointed volunteers serving on advisory committees, such as the Community Relations Advisory Committee and the Workforce Housing Advisory Committee. City staff meet with various organizations during scheduled meetings, consulted directly with stakeholders and reviewed plans. In addition, a survey was posted on the City's website and notification was made via email to community partners and with a press release to local media and via social media. Input from engagement with citizens and stakeholders provided guidance to direction to determine the allocation of annual entitlement funds and other resources in accordance with the goals established in the City's Five-Year Consolidated Plan.

5. Summary of public comments

TBD

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

TBD

7. Summary

See Citizen Participation section and attached documents.

The Process

PR-05 Lead & Responsible Agencies 24 CFR 91.200(b)

1. Describe agency/entity responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
CDBG Administrator	Wilmington	Community Services/Community Development & Housing
HOME Administrator	Wilmington	Community Services/Community Development & Housing

Table 1 – Responsible Agencies

Narrative

This document is the Annual Action Plan for the City of Wilmington, NC, a participating jurisdiction in the U.S. Department of Housing and Urban Development (HUD), Community Development Block Grant (CDBG) and HOME Investment Partnership Program. This plan covers the Federal Program Year.

The Community Development & Housing Division of the Community Services Department, is the unit of City government that acts as the primary administrator of the federal CDBG and HOME funds.

Consolidated Plan Public Contact Information

City of Wilmington, North Carolina

Community Services Department

Community Development Division/Community Development & Housing Section

305 Chestnut Street

Post Office Box 1810

Wilmington, NC 28402-1810

910-341-5809

Suzanne.rogers@wilmingtonnc.gov

www.wilmingtonnc.gov

PR-10 Consultation – 91.100, 91.110, 91.200(b), 91.300(b), 91.215(I) and 91.315(I)

1. Introduction

The City of Wilmington staff members collaborate closely with community residents, community-based organizations including non-profits, religious institutions, public institutions, and private sector entities to continuously assess issues as they arise. City community development program staff have direct engagement with applicants and others seeking assistance with homebuying, housing repair, lead-based paint remediation, and rental housing development. Moreover, staff attend community events, such as health fairs, housing fairs, and community festivals to engage with members of the public in low-to-moderate income neighborhoods. Finally, City community development staff members collaborate with many agencies to facilitate the implementation of community development activities and to solicit input and consult on community development initiatives. This plan builds on these relationships and interactions and includes a list of consultations and meetings attended to gather input and guidance from various stakeholders.

Provide a concise summary of the jurisdiction’s activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health, and service agencies (91.215(I)).

Coordination between public and assisted housing providers, and private and governmental health, mental health and services agencies is enhanced through a variety of engagement strategies and actions including, but not limited to, initiating and/or participating in coalitions and partnerships that bring representatives from various public and private entities together to address housing, community development, youth development, community safety, health and mental health and other related issues of concern. A few, not an exhaustive list, examples include participation/membership on the Joint City/County Workforce Housing Advisory Committee (WHAC), Cape Fear Housing Coalition, and the Cape Fear Homeless Continuum of Care.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness

The City of Wilmington provides general funds to support the administrative staff of the Continuum of Care (CFHCoC) through an inter-local agreement with the Cape Fear Council of Governments. The City’s CDBG public services funds are allocated for homeless service and shelter programs. Additionally, City staff representatives serve on the CFHCoC and the CoC board. City staff participate in various committees of the CFHCoC., including the Ranking Committee which reviews, scores, and makes recommendations for projects to be included in the CoC application for funding. Members of the CFHCoC are consulted throughout the year for input in the City’s community development planning including, but not limited to, Consolidated Planning and Annual Action Plans.

Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards and evaluate outcomes, and develop funding, policies, and procedures for the administration of HMIS

Although the City of Wilmington is not the administrator for ESG funds, City community development staff members serve on the CFHCoC which includes agencies receiving ESG funds along with funds from the City's CDBG program. As such, City staff are engaged in the process of evaluating outcomes and developing funding and policies and procedures for the administration of HMIS.

2. Describe Agencies, groups, organizations, and others who participated in the process and describe the jurisdictions consultations with housing, social service agencies and other entities

Table 2 – Agencies, groups, organizations who participated.

1	Agency/Group/Organization	Wilmington Housing Authority
	Agency/Group/Organization Type	PHA
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Public Housing Needs Economic Development Market Analysis Anti-poverty Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Participation in City/County Affordable/Workforce Housing Committee; Survey; Meetings w/WHA Staff & Board members
2	Agency/Group/Organization	NEW HANOVER COUNTY
	Agency/Group/Organization Type	Other government - County
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homelessness Strategy Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Non-Homeless Special Needs Economic Development Market Analysis Anti-poverty Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Meeting with NHC staff members Housing Planning; Participation in City/County Affordable/Workforce Housing Committee; Survey

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3	Agency/Group/Organization	Wilmington
	Agency/Group/Organization Type	Other government - Local Planning, Transportation, Development Department, Grantee Department
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Economic Development Market Analysis Land Use Planning
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Executive Management oversight; City Council direction. Staff and City Council meetings.
4	Agency/Group/Organization	Cape Fear Homeless Continuum of Care
	Agency/Group/Organization Type	Services-homeless
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homelessness Strategy Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth CoC Board
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Meeting with CFHCoC Board; Attendance at CFHCoC Monthly Meetings; City RFP process; Meetings with CFHCoC staff members, Survey
5	Agency/Group/Organization	Cape Fear Housing Coalition
	Agency/Group/Organization Type	Housing Non-Profit Housing Advocacy & Education Organization

Demo

	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homelessness Strategy Economic Development Market Analysis Anti-poverty Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Attendance at Monthly Meetings; Legislative Overview & Update; Participation in City/County Affordable/Workforce Housing Committee; Survey
6	Agency/Group/Organization	Disability Resource Center
	Agency/Group/Organization Type	Services-Persons with Disabilities
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homelessness Strategy Homeless Needs - Chronically homeless Homelessness Needs - Veterans Non-Homeless Special Needs Anti-poverty Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Survey
7	Agency/Group/Organization	Wilmington Regional Assoc REALTORS
	Agency/Group/Organization Type	Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Economic Development Market Analysis

Demo

	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Survey
8	Agency/Group/Organization	Coastal Horizons Inc.
	Agency/Group/Organization Type	Services-Persons with Disabilities Services - Victims Publicly Funded Institution/System of Care
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homelessness Strategy Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Non-Homeless Special Needs Anti-poverty Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Survey
9	Agency/Group/Organization	LINC
	Agency/Group/Organization Type	Housing ReEntry Services
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homelessness Strategy Homelessness Needs - Veterans Non-Homeless Special Needs Economic Development Market Analysis

Demo

	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Survey
10	Agency/Group/Organization	UNCW
	Agency/Group/Organization Type	Services-Education Major Employer
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homelessness Strategy Homeless Needs - Chronically homeless Homeless Needs - Families with children Economic Development Market Analysis Anti-poverty Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Survey
11	Agency/Group/Organization	Blue Ribbon Commission aka Voyage
	Agency/Group/Organization Type	Services-Children Services-Education Services-Employment

Demo

	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homelessness Strategy Homeless Needs - Families with children Homelessness Needs - Unaccompanied youth Non-Homeless Special Needs Economic Development Market Analysis Anti-poverty Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Submission of application for funding; One-on-one interview; Survey
12	Agency/Group/Organization	Ability Gardens
	Agency/Group/Organization Type	Services-Children Services-Persons with Disabilities
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs Anti-poverty Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Submission of application for funding; One-on-one interview; Survey
13	Agency/Group/Organization	Brigade Boys and Girls Club
	Agency/Group/Organization Type	Services-Children
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Submission of application for funding; One-on-one interview; Survey

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14	Agency/Group/Organization	Cape Fear Community Land Trust
	Agency/Group/Organization Type	Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Economic Development Market Analysis Anti-poverty Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Submission of application for funding; One-on-one interview; Survey
15	Agency/Group/Organization	Cape Fear Literacy Center
	Agency/Group/Organization Type	Services-Education
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs Economic Development Market Analysis Anti-poverty Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Submission of application for funding; One-on-one interview; Survey
16	Agency/Group/Organization	Communities In Schools Cape Fear
	Agency/Group/Organization Type	Services-Children Services-Education
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs Economic Development Anti-poverty Strategy

Demo

	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Submission of application for funding; One-on-one interview; Survey
17	Agency/Group/Organization	COMMUNITY BOYS & GIRLS CLUB, INC
	Agency/Group/Organization Type	Services-Children
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs Anti-poverty Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Submission of application for funding; One-on-one interview; Survey
18	Agency/Group/Organization	Comprehensive Care of Wilmington
	Agency/Group/Organization Type	Services-Elderly Persons
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Submission of application for funding; One-on-one interview; Survey
19	Agency/Group/Organization	DOMESTIC VIOLENCE SHELTER & SERVICES, INC
	Agency/Group/Organization Type	Housing Services - Victims
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homelessness Strategy Homeless Needs - Families with children Market Analysis Anti-poverty Strategy

Demo

	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Submission of application for funding; One-on-one interview; Survey
20	Agency/Group/Organization	DREAMS OF WILMINGTON, INC
	Agency/Group/Organization Type	Services-Children
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs Anti-poverty Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Submission of application for funding; One-on-one interview; Survey
21	Agency/Group/Organization	First Fruit Ministries
	Agency/Group/Organization Type	Housing Services - Housing Services-homeless Services - Victims
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homelessness Strategy Homeless Needs - Families with children Anti-poverty Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Submission of application for funding; One-on-one interview; Survey

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22	Agency/Group/Organization	FOOD BANK OF CENTRAL & EASTERN NC
	Agency/Group/Organization Type	Services - Housing Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Persons with HIV/AIDS Services-Victims of Domestic Violence Services-homeless Food Distribution/Food Bank
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Submission of application for funding; One-on-one interview; Survey
23	Agency/Group/Organization	Good Shephard Ministries
	Agency/Group/Organization Type	Housing Services - Housing Services-homeless
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homelessness Strategy Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Economic Development Market Analysis Anti-poverty Strategy

Demo

	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Submission of application for funding; One-on-one interview; Survey
24	Agency/Group/Organization	Kids Making It
	Agency/Group/Organization Type	Services-Children Services-Education Services-Employment
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs Anti-poverty Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Submission of application for funding; One-on-one interview; Survey
25	Agency/Group/Organization	PHOENIX EMPLOYMENT MINISTRIES aka Step-Up Wilmington
	Agency/Group/Organization Type	Services-homeless Services-Employment
	What section of the Plan was addressed by Consultation?	Homelessness Strategy Non-Homeless Special Needs Economic Development Anti-poverty Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Submission of application for funding; One-on-one interview; Survey
26	Agency/Group/Organization	Wilmington Residential Adolescent Achievement Program
	Agency/Group/Organization Type	Services-Children Services-Education

Demo

	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs Anti-poverty Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Submission of application for funding; One-on-one interview; Survey
27	Agency/Group/Organization	YWCA
	Agency/Group/Organization Type	Services-Education Services-Employment
	What section of the Plan was addressed by Consultation?	Economic Development Market Analysis Anti-poverty Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Submission of application for funding; One-on-one interview; Survey
28	Agency/Group/Organization	Wilmington Area Rebuilding Ministry
	Agency/Group/Organization Type	Housing Services - Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homelessness Strategy Market Analysis
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Submission of application for funding; One-on-one interview; Survey
29	Agency/Group/Organization	TRUIST Bank
	Agency/Group/Organization Type	Housing

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	What section of the Plan was addressed by Consultation?	Private Sector Banking / Financing
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Housing Need Assessment
30	Agency/Group/Organization	First Citizens Bank
	Agency/Group/Organization Type	Housing Private Sector Banking / Financing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Economic Development Market Analysis
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Participation in Home Ownership Pool; Meetings; Survey
31	Agency/Group/Organization	BB & T Bank
	Agency/Group/Organization Type	Housing Private Sector Banking / Financing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Economic Development Market Analysis
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Participation in Home Ownership Pool; Meetings; Survey
32	Agency/Group/Organization	Corning Credit Union
	Agency/Group/Organization Type	Housing Private Sector Banking / Financing

Demo

	What section of the Plan was addressed by Consultation?	Housing Need Assessment Economic Development Market Analysis
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Participation in Home Ownership Pool; Meetings; Survey
33	Agency/Group/Organization	North State Bank
	Agency/Group/Organization Type	Housing Private Sector Banking / Financing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Economic Development Market Analysis
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Participation in Home Ownership Pool; Meetings; Survey
34	Agency/Group/Organization	First Tee
	Agency/Group/Organization Type	Services-Children Services-Education
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Submission of application for funding; One-on-one interview; Survey

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35	Agency/Group/Organization	Community Enrichment Initiative
	Agency/Group/Organization Type	Services-Children Services-Education Services-Employment
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs Anti-poverty Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Submission of application for funding; One-on-one interview; Survey
36	Agency/Group/Organization	A Safe Place
	Agency/Group/Organization Type	Housing Services - Housing Services-homeless Services - Victims
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homelessness Strategy Homeless Needs - Families with children
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Submission of application for funding; One-on-one interview; Survey
37	Agency/Group/Organization	Cape Fear Habitat for Humanity
	Agency/Group/Organization Type	Housing Services - Housing Services-homeless

Demo

	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homelessness Strategy Homeless Needs - Families with children Market Analysis Anti-poverty Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Submission of application for funding; One-on-one interview; Survey
38	Agency/Group/Organization	Carousel Center
	Agency/Group/Organization Type	Services-Children Services-Education Services-Employment Services - Victims
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs Anti-poverty Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Submission of application for funding; One-on-one interview; Survey
39	Agency/Group/Organization	Child Development Center
	Agency/Group/Organization Type	Services-Children Services-Education Services-Employment
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs Anti-poverty Strategy

Demo

	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Submission of application for funding; One-on-one interview; Survey
40	Agency/Group/Organization	Nourish NC
	Agency/Group/Organization Type	Services - Housing Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Persons with HIV/AIDS Services-Victims of Domestic Violence Services-homeless Food Distribution/Food Bank
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs Anti-poverty Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Submission of application for funding; One-on-one interview; Survey
41	Agency/Group/Organization	Soaring Eagles Outreach Ministry
	Agency/Group/Organization Type	Services-Children Services-Education Services-Employment
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs Anti-poverty Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Submission of application for funding; One-on-one interview; Survey

Demo

42	Agency/Group/Organization	Young Scientist Academy
	Agency/Group/Organization Type	Services-Children Services-Education Services-Employment
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs Anti-poverty Strategy
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Submission of application for funding; One-on-one interview; Survey

Identify any Agency Types not consulted and provide rationale for not consulting

Not Applicable

Other local/regional/state/federal planning efforts considered when preparing the Plan

Demo

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	Cape Fear Homeless Continuum of Care	Housing First, Permanent Supportive Housing, Coordinated Entry, Homeless Prevention
Five Year Agency Plan	Wilmington Housing Authority	Publicly Assisted Housing Revitalization, Access to Affordable, Quality, Safe Housing
New Hanover County Comprehensive Plan	New Hanover County	Coordinated Growth and Development regarding land use, development, and capital improvement
City of Wilmington Comprehensive Plan	City of Wilmington	Coordinated Growth and Development regarding land use, development, and capital improvement
Analysis of Fair Housing - City of Wilmington/WHA	City of Wilmington	Increase Opportunity and Choice for protected classes to access housing, jobs, education, and other services
New Hanover County/City of Wilmington Housing Needs Assessment.	City of Wilmington/New Hanover County	Identifying housing gap by tenure and income to effectively increase access to affordable housing.

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?

Table 3 – Other local / regional / federal planning efforts

Describe cooperation and coordination with other public entities, including the State and any adjacent units of general local government, in the implementation of the Consolidated Plan (91.215(l))

Coordination with adjacent units of general local government is ongoing including, but not limited to, the City of Wilmington and New Hanover County Workforce Housing Advisory Committee (WHAC) to make recommendations for increasing housing that is affordable within the community; and consultation with the North Carolina Office of Resiliency and Recovery (NCOOR) and the North Carolina Housing Finance Agency (NCHFA) regarding affordable housing initiatives including hurricane recovery, Covid related housing assistance, multifamily development including permanent supportive housing, family and senior housing, and down payment assistance .

Narrative (optional):

PR-15 Citizen Participation – 91.105, 91.115, 91.200(c) and 91.300(c)

**1. Summary of citizen participation process/Efforts made to broaden citizen participation
Summarize citizen participation process and how it impacted goal-setting**

Citizen participation outreach efforts were focused on agencies that represent protected classes and special populations, as well as the general public. CD staff members attended meetings of the joint City of Wilmington/New Hanover County Workforce Housing Advisory Committee (WHAC) regularly scheduled monthly meetings. These committees are comprised of citizens appointed by the elected boards of the City and County to address issues of concern including Fair Housing and workforce and affordable housing. Presentations and solicitation of input have occurred multiple times over the last two years of engagement with the committees and specifically for the preparation of the Five-Year Consolidated Plan and PY2024 Annual Action Plan. Likewise, City Community Development and Housing staff represent the City as a member of the Cape Fear Housing Coalition an education and advocacy non-profit working to increase affordable housing and equitable access to housing in the Cape Fear region. In addition to meeting with citizens and stakeholders at regular scheduled meetings, a public meeting was held and advertised with press release and through email distribution list. A survey was also used to solicit citizen participation.

A survey was distributed through press release, social media, and email distribution list. The survey was available from March 27, 2023, to April 7, 2023. Results TBD

The citizen participation process, including the survey, provided valuable insights and direction for the allocation of PY2023 funds. The goals identified in the Consolidated Plan guide the allocation of resources to activities that meet the needs recognized through citizen participation.

Please see attachments for survey responses.

Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	Public Hearing	Non-targeted/broad community	City Council meeting May 2, 2023 attended by general public and televised	TBD	TBD	http://www.wilmingtonnc.gov/departments/city-council
2	Public Meeting	Key Stakeholders	4/12/23 Wilmington/New Hanover Co. Workforce Housing Advisory Committee (WHAC)	TBD	TBD	
3	Public Monthly Meeting	Homeless Service Providers/Advocates	4/4/23 CFHCOC;	TBD	TBD	
4	Public Monthly Meeting	Non-targeted/broad community Affordable Housing Developers/Services/Advocates	Cape Fear Housing Coalition; 4/13/23	TBD	TBD	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
6	Newspaper Ad	Non-targeted/broad community	Public notice of 30 day public comment period and public hearing date in Wilmington Star News 4/14/23	TBD	TBD	
7	Internet Outreach	Non-targeted/broad community	Public Notice of 30 day comment period and public hearing date posted on City of Wilmington Website w/ link to Draft Consolidated Plan	TBD	TBD	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
8	Email	Community Based Organizations/Non-Profits	Notice of 30 day Public Comment Period and Public Hearing date with link to Draft Consolidated Plan to 150 organization on email distribution list	TBD	TBD	

Table 4 – Citizen Participation Outreach

Expected Resources

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

Introduction

The City plan is based upon an assumption of the same level of General Funds over the Five-Year period covered by the Consolidated Plan. In February 2023 HUD announced allocations of \$937,775 CDBG and \$700,820 HOME a combined decrease of \$159,596 from the prior year. If resources change during this period, amendments will be submitted to adjust programs and funding as required. The expected resources also

include program income which is subject to variances.

Anticipated Resources

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	937,775	600	1,708,355	2,646,730	2,815,125	Primarily directed to HOP Home-buyer 2nd Mortgage; Public Services @ 15% Cap including Homeless Shelter & Services. Includes Administration and Activity Delivery Staff Costs.

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: \$		
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	700,820	301,697	3,347,830	4,350,347	3,007,551	Primarily directed to Owner-Occupied Rehab; Housing Production CHDOs; PSH; Multi-family Rental Gap Financing; Rental Rehab Loan
General Fund	public - local	Admin and Planning Homebuyer assistance Homeowner rehab Public Services	3,175,556	208,636	3,612,938	6,997,130	10,152,576	Gap Financing, Rehab Forgivable Loans, HOP Workforce Housing; Public Services; Housing Repair; Homeless CoC Admin; Youth
Other	private	Homebuyer assistance Housing	900,000	0	0	900,000	2,700,000	Financing provided by private bank partners in HOP

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: \$		
General Fund Balance Assigned	Public Local. Restricted Fund Bal- Designated	Gap Financing						Gap Financing to leverage other funds/financing for production of affordable housing, such as LIHTC MF.

Table 5 - 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 leverage additional local resources to support homeless shelter and services, youth programs, job skills and placement, elder care, etc. City Council commits General Funds at \$775,556 to support the aforementioned. Additionally, City Council appropriates General Funds to the Housing Loan Funds to provide Homebuyer Assistance through the City’s HOP program and forgivable loans in the Housing Rehabilitation Loan Program. Partner banks provide approximately \$1 million annually for homebuyer assistance through the HOP program. HOME funds leverage LIHTC, NCHFA, and private funds for the development of multifamily housing including Permanent Supportive Housing

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

The City of Wilmington is built-out with very limited land available for development. The City has at times surplussed property and facilities that are no longer needed for operations. One such property is the Carolina Beach Road Fire Station. City Council approved conveyance of this property to the Good Shepherd Center for the development of Permanent Supportive Housing. Further, a November 21, 2017, Resolution passed by Council directs that any public/private development projects including residential should include affordable housing if possible. As City owned properties are evaluated for surplus, conveyance for affordable housing is a priority for City Council.

Discussion

The anticipated resources will be amended as the City's budget is developed and program income is received.

Annual Goals and Objectives

AP-20 Annual Goals and Objectives

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Increase Affordable Housing Options	2023	2024	Affordable Housing	NorthSide Southside Sunset/Longleaf City-wide	Disparities in Access to Opportunity Disproportionate Housing Needs; Segregation; R/ECAPs; Public Supported Housing; Fair Housing	CDBG: \$600,000 HOME: \$2,000,000 General Fund: \$1,720,000 Private Bank Partner HOP: \$900,000	Rental units constructed: 6 Household Housing Unit. Homeowner Housing Added: 2 Household Housing Unit. Homeowner Housing Rehabilitated: 10 Household Housing Unit. Direct Financial Assistance to Homebuyers: 12 Households Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
2	Support Public Service Programs	2022	2026	Homeless Non-Homeless Special Needs Non-Housing Community Development	NorthSide Southside Sunset/Longleaf City-wide	Disparities in Access to Opportunity R/ECAPs; Public Supported Housing; Fair Housing	CDBG: \$140,756 General Fund: \$772,556	Public service activities other than Low/Moderate Income Housing Benefit: 1200 Persons Assisted. Homeless Person Overnight Shelter: 600 Persons Assisted Jobs created/retained: 20 Jobs
3	Maintain Existing Affordable Housing	2022	2026	Affordable Housing	NorthSide Southside Sunset/Longleaf City-wide	Disproportionate Housing Needs; Segregation;		Homeowner Housing Rehabilitated: 10 Household Housing Unit
4	Reduce Housing Discrimination Disabled	2022	2026	Fair Housing Education/Outreach/Enforcement	City-wide	Disparities in Access to Opportunity R/ECAPs; Public Supported Housing; Fair Housing		Other: 1 Other

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
5	Expand & Improve Access to Funding Sources for Affordable Housing Development	2022	2026	Affordable Housing	City-wide	Disproportionate Housing Needs; Segregation; R/ECAPs; Public Supported Housing; Fair Housing	\$1,000,000 HOME; \$3,000,000 GF Bal Reserve & GF	Direct Financial Assistance/Gap Financing 214 units
6	Increase Home Ownership	2022	2026	Affordable Housing	City-wide	Disparities in Access to Opportunity R/ECAPs; Public Supported Housing; Fair Housing		Direct Financial Assistance to Homebuyers; 12 Households Assisted
7	Increase Housing Counseling & Financial Literacy	2022	2026	Affordable Housing Access	City-wide	Disparities in Access to Opportunity R/ECAPs; Public Supported Housing; Fair Housing		Housing Counseling 10 HBE; 150 One-One Sessions: 75 clients served
8	AFH 2c - Perception of Affordable Housing	2017	2022	Fair Housing Education/Outreach/Enforcement	NorthSide Southside City-wide	Disparities in Access to Opportunity R/ECAPs; Public Supported Housing; Fair Housing		Other: 1 Other

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
9	Planning & Administration	2022	2026	Planning & Administration				

Table 6 – Goals Summary

Goal Descriptions

1	Goal Name	Increase Affordable Housing Options
	Goal Description	<ul style="list-style-type: none"> • 2 SF Homebuyer units (\$600,000ec CHDO projects HOME) • 10 projects Owner-Occupied Rehabs (2@\$150,000ec + 8@ \$90,000 = \$1,020,000; HOME, GF) • 6 Homebuyer Assistance Loans (avg loan \$200,000ec = \$1,200,000; CDBG, GF) • 6 Down Payment Assistance Loan (avg \$50,000ec = \$300,000; HOME) • 6 units Rental Rehabilitation Incentive Loans - (\$200,000ec = \$1,200,000; HOME; GF) <p>Does not include carry-over projects from FY2023; PY2022</p>
2	Goal Name	Support Public Service Programs
	Goal Description	<ul style="list-style-type: none"> • Support Youth Programs to 75% of youth enrolled will increase scores on end of year test at 80% or more; 90% promotion to next grade level; • At least 400 individuals enrolled annually in Job Training/Job Preparation/Placement program, including residents of R/ECAPs. • Provide annual funding for youth employment program for at least 250 youth to secure employment and supportive services for future career preparation; • Support Homeless Shelter and Programs that serve 600 persons annually.
3	Goal Name	Maintain Existing Affordable Housing
	Goal Description	Substantially rehabilitate and/or repair an average of 10 owner occupied houses per year

4	Goal Name	AFH 2b- Reduce Housing Discrimination
	Goal Description	Conduct at least one workshop annually on fair housing for landlords, lenders, and housing managers to review housing for persons disabilities and reasonable accommodations; create working group of city/WHA staff, disability service providers, landlords, and advocates to discuss responses to recent cases of discrimination; 10% of affordable housing produced with CDBG and HOME participation over the 4 years will be targeted for persons with disabilities.
5	Goal Name	Expand & Improve Access to Funding Sources for Affordable Housing Development
	Goal Description	Provide gap financing to leverage other public and private funding/financing to produce affordable housing, including LIHTC. \$4,000,000 General Fund Balance, General Fund (1 cent), and HOME funds 72 units new multi-family, 60 units new multi-family; 82 units multi-family rehab.
6	Goal Name	Increase Home Ownership
	Goal Description	Provide direct financial assistance to homebuyers 6 second mortgages w/Down Payment Assistance; Provide Down Payment Assistance to 6 homebuyers.
7	Goal Name	Increase Housing Counseling & Financial Literacy
	Goal Description	Provide 10 Homebuyer Education Workshops; Serve 75 individuals/households with on-going one-on-one housing counseling sessions for a total of 100 sessions.
8	Goal Name	Perception of Affordable Housing
	Goal Description	Host at least one fair housing event annually, host or sponsor annual workshops with lenders, real estate professionals and landlords, Fair Housing promotional program annually. Sponsor Cape Fear Housing Coalition Annual Legislative Breakfast

Projects

AP-35 Projects – 91.220(d)

Introduction

Annual Action Plans are required each year of the Five-Year Consolidated Plan. The Annual Action Plan implements the strategies in the Consolidated Plan and addresses the needs for housing, public services, public facility, and other community development needs identified in the Consolidated Plan. The Annual Action Plan identifies the projects and programs/activities for which funds are recommended. And describes the process for accepting applications and proposals for funding. This Action Plan covers July 1, 2023, through June 30, 2024. This is the second year of the City of Wilmington's 2022-2026 Consolidated Plan.

The Annual Action Plan describes the projects and programs/activities that are recommended for CDBG, HOME, and General Funds appropriated for the FY2023-24 budget year. The Annual Plan also describes projects and programs/activities that are underway and have prior year funds available to continue the program or complete the activity. CDBG and HOME funding have timeliness requirements; but are allocated to projects that carry-over into multiple years. Also, the City has used federal funds to leverage other public and private financing for large scale development projects, such as Low-Income Housing Tax Credit, that take several years to complete. Finally, the City's Homeowner Rehabilitation Loan Program (HRLP) and Homebuyer Opportunity Program (HOP) accept applications on an on-going basis and loans may be originated in one program year and closed in another.

In FY2023-24, the City is budgeting CDBG and HOME funds as allocated by HUD per February 2023 HUD announcement and posting on the HUD Exchange. The Annual Action Plan includes a budget of \$937,775 CDBG and \$700,820 HOME, plus estimated CDBG related program income of \$600, and \$301,697 HOME. Prior year funds and Revolving Loan Funds are also available to complete projects or towards on-going programs/activities. As of January 30, 2023, there was \$4,896,534 in Revolving Loan Funds available, along with \$770,036 carry-over in CDBG and \$2,738,949 HOME funds, including CHDO reserves. There was also \$5,224,143 in loans pending closing, pre-qualified, and in process.

FY2024 Funds will be used for the Owner-Occupied Housing Rehabilitation Loan Program (OOHRLP), Rental Rehabilitation Incentive Loan Program (RRIL) and Home Ownership Program (HOP), \$105,123 is set aside for CHDOs. Additional projects will be recommended for funding as proposals are submitted through

the City’s Housing Production Application process.

A detailed description of projects and programs/activities follows herein.

Projects

#	Project Name
1	Planning and Administration
2	Housing
3	Public Services

Table 7 – Project Information

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

Allocation priorities reflect an alignment with the City’s Strategic Plan Focus Areas and priorities, CDBG and HOME objectives and restrictions and the resources, opportunities for leverage and analysis of community needs and markets.

Obstacles to addressing underserved needs include, but are not limited to, lack of resources, historic patterns of concentrated poverty, inequitable access to proficient education, jobs, services, and amenities.

AP-38 Project Summary

Project Summary Information

1	Project Name	Planning and Administration
	Target Area	NorthSide Southside Sunset/Longleaf City-wide
	Goals Supported	Planning & Administration
	Needs Addressed	
	Funding	CDBG: \$187,550 HOME: \$100,252 General Fund: \$475,477 (187,675 CDBG Activity Delivery Direct Costs)
	Description	Planning and Administration for CDBG and HOME
	Target Date	6/30/2024
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	Planning & Administration

2	Project Name	Housing
	Target Area	NorthSide Southside Sunset/Longleaf City-wide
	Goals Supported	Increase Affordable Housing Options Expand & Improve Resources Afford Housing Maintain Existing Affordable Housing Increase Home Ownership Increase Housing Counseling & Financial Literacy
	Needs Addressed	Disparities in Access to Opportunity Disproportionate Housing Needs; Segregation;
	Funding	CDBG: \$422,389 PY23 Entitlement HOME: \$902,265 PY23 Entitlement General Fund: \$1,120,000 General Fund Balance: \$3,000,000 Bank Partner HOP: \$900,000 Carryover & Program Income: \$2,875,376 Includes entitlement. Does not include program income, revolving loan, and carryover funds
	Description	CHDO set-aside; Homebuyer Assistance -HOP, DPA; Owner-Occupied Rehab; Rental Rehab; Housing Production - SF, MF Owner, Rental
	Target Date	6/30/2024

	Estimate the number and type of families that will benefit from the proposed activities	Estimate 10 households will benefit from housing rehabilitation, 6 households Rental Rehab Loans, 2 new production houses, 10 housing acquisition loans, 214 units rental housing (gap)
	Location Description	City-wide, Southside, Northside, Sunset/Longleaf
	Planned Activities	FY23/24: <ul style="list-style-type: none"> • 2 New Construction Single-Family • HOP Loans -6 • Owner-Occupied Rehab Loans – 10 new loans • Down Payment Assistance -6 • Housing Production RFP - 214 • Rental Rehab Incentive Loans – 6
3	Project Name	Public Services/ Public Facilities
	Target Area	NorthSide Southside Sunset/Longleaf City-wide
	Goals Supported	Support Public Service Programs Reduce Housing Discrimination
	Needs Addressed	Disparities in Access to Opportunity R/ECAPs; Public Supported Housing; Fair Housing
	Funding	Public Services CDBG: \$140,756 General Fund: \$772,556 (includes \$65,000 CoC)

Description	After School & Summer Youth Programs; Job Skills & Training, Job Placement, Elder Programs; Re-Entry; Homeless Shelter & Services; Enhanced Homeless Street Outreach; Literacy; Foodbanks and Meals
Target Date	6/30/2024
Estimate the number and type of families that will benefit from the proposed activities	Programs supported through CDBG and General funds will serve at least 2000 youth, elderly, homeless persons and other special populations.
Location Description	City-wide with focus on programs serving the Northside and Southside.
Planned Activities	<p>CDBG:</p> <ul style="list-style-type: none"> • Homeless Shelter and Services <p>General Fund:</p> <p>26 Agencies (see appendix for list)</p>

AP-50 Geographic Distribution – 91.220(f)

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

Assistance will be directed to Northside and Southside areas identified in the AFH as R/ECAPs as well as in areas of opportunity throughout the City to help ensure a balanced approach in the efforts to Affirmatively Further Fair Housing by increasing access to opportunity.

Geographic Distribution

Target Area	Percentage of Funds
NorthSide	25
Southside	25
Sunset/Longleaf	25
City-wide	25

Table 8 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

The Northside, Southside, and Sunset/Longleaf R/ECAPs need investment to aid revitalization and preserve affordable housing and provide low-to-moderate income residents, especially youth, disabled, elderly and homeless in these communities with more opportunities to access jobs, education, transportation, and housing. In addition, renters and homebuyers are seeking to reside in areas within the city that provide access to good jobs, schools, and services. Therefore, the allocation of investments represents a balanced approach to reinvestment and revitalization and equitable access to opportunity.

Discussion

The City of Wilmington does not have a Neighborhood Revitalization Strategy Area at this time. The previous NRSA was the area known as the Northside. Additionally, the city does not have redevelopment areas or target areas selected for CDBG or HOME fund investment. That said, the City identified three Racially and Ethnically Concentrated Areas of Poverty (R/ECAPs) using the Assessment of Fair Housing Mapping Tool (AFH). The City’s goals and strategies identified in this Five-Year Consolidated Plan offer a balanced approach to increase choices for low-to-moderate income persons to access high opportunity neighborhoods and also to invest resources in the revitalization of R/ECAPs to increase opportunities for safe, decent, affordable housing, youth services, jobs, services, and amenities.

Affordable Housing

AP-55 Affordable Housing – 91.220(g)

Introduction

The City of Wilmington's affordable housing goals direct resources to City implemented rehabilitation and homebuyer assistance loan programs, and partnerships with affordable housing developers including CHDOs to support the production and rehabilitation of affordable housing, including permanent supportive housing. In addition, the City continues to support the Continuum of Care and emergency shelters. Housing that is affordable is not readily available within the City, the private housing market is not meeting the demand for affordable housing.

One Year Goals for the Number of Individuals to be Supported	
Homeless	600
Non-Homeless	2400
Special-Needs	45
Total	3,045

Table 9 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	0
The Production of New Units	2 + 132 MF LIHTC
Rehab of Existing Units	10 + 82 MF LIHTC
Acquisition of Existing Units	12
Total	238

Table 10 - One Year Goals for Affordable Housing by Support Type

Discussion

The goal for Homeless households supported reflects the number of persons (600) accessing services, shelter and transitional housing as submitted by homeless services and shelter providers. The City provides CDBG funding to support homeless shelter and service providers to provide emergency shelter, case management and other services to assist homeless people's transition into housing.

Non-homeless households to be supported includes those households that will receive homebuyer assistance including down payment assistance to purchase homes produced with HOME funds or units in the private market. Interest in the Owner-Occupied Rehabilitation Loan Program is strong, thus far in FY2023 there are more applicants than contractors available to rehabilitate the homes. There is continued interest in the Rental Rehabilitation Loan program, however, finding suitable properties to acquire and

rehabilitate to affordable rental is becoming more difficult in the very competitive housing market in Wilmington.

The City does not provide direct rental assistance (TBRA) to individuals; however, the City does support the production of multi-family and scattered site rental units. The goal for acquisition of existing units is 16, this reflects the acquisition of housing by homebuyers' receiving homebuyer assistance, including Down Payment Assistance and vacant homes for rehabilitation and rental. CDBG or HOME funds may be used for the acquisition of existing units for rehabilitation for either ownership or rental. Single-family housing production is a goal for the Cape Fear Community Land Trust, a newly formed CHDO, two units are planned. Additionally, gap financing using HOME and General Funds will leverage 214 Low Income Tax Credit units in multifamily new construction and rehabilitation of existing developments.

AP-60 Public Housing – 91.220(h)

Introduction

The Housing Authority of the City of Wilmington, North Carolina manages Public Housing, Housing Choice Vouchers, and other properties for lower income households. The City works closely with WHA and has provided CDBG and HOME funds for several multi-family rental projects.

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

- As of March 31, 2023, all families displaced due to mold have been returned to a WHA unit, or, for a small number (13), placed into a corporate apartment until a WHA unit is ready. No WHA residents are currently staying in a hotel.
- 40 vouchers have been utilized by eligible displaced families.
- WHA staff has provided individual support to returning families. This includes arranging logistics, ensuring families have the furniture, household items, and resources to move back into a WHA unit or into private housing using a voucher. WHA is grateful to community partners for their assistance in this effort, including the New Hanover County Community Endowment for providing funds to cover furniture needs and Catholic Charities for working with WHA and the Green Chair Project to facilitate the delivery of furniture.
- WHA is providing maintenance training and certifications to staff through CFCC.
- WHA is providing training to Property Management staff in asset management, and compliance.
- Property Management and maintenance staff receive training in recognizing and addressing mold.
- WHA has strengthened a resident hiring program (Section 3).
- WHA is wrapping up the development of a completely new website with more easily accessible information for the public, residents, participants, landlords, partners, and vendors.
- The organization has rolled out a “soft rebrand” focusing on the importance of customer service
- WHA will continue to meet with potential funders and developers to identify partnerships which will ultimately increase affordable housing inventory in the area.

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

- WHA has Resident Organizations at most sites who are represented by their officers as members of the Resident Advisory Board (RAB). The RAB represents concerns of residents and provides feedback on behalf of residents including on the WHA Annual Plan and a variety of other topics.
- Resident Organizations have been mostly inactive since the pandemic. Once officers are elected, the Resident Organizations will resume activities.
- Through various in-house programs such as Family Self-Sufficiency (FSS), Resident Opportunities and Self-Sufficiency (ROSS), Multifamily Elderly Services Grant, and Jobs Plus, alongside our participating service providers, WHA will provide resources and guidance that will assist residents

to work toward self-sufficiency.

- The Housing Choice Voucher (HCV) program will continue landlord outreach efforts.
- Payment standards for vouchers has been increased to 120% of HUD's fair market rent.

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

The Housing Authority of the City of Wilmington, North Carolina is not designated as troubled.

Discussion

WHA has rebuilt an Executive Department and continues to update and streamline processes intended to achieve efficiency and provide excellent customer service.

WHA staff are being trained to recognize mold and take the appropriate next steps. WHA will reinstate pre-occupancy housekeeping training to help residents understand their role in avoiding conditions under their control that are conducive to mold growth, and the importance of reporting suspected mold in their units. This information will also be offered to existing residents. WHA plans to install dehumidifiers in all units once the capital funds to do so are available.

Provided by Wilmington Housing Authority

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

Introduction

The City of Wilmington provides CDBG and General Funds to help support the operations and service delivery of the Good Shepherd, Family Promise, First Fruit Ministries, Domestic Violence Shelter and Services, Leading Into New Communities, Open House Youth Shelter and the Cape Fear Homeless Continuum of Care (CoC).

The Cape Fear Homeless Continuum of Care is the Cape Fear Area's HUD -designated homeless Continuum of Care. The CoC is a collaborative of service providers, local government agencies, and other public interests whose common goal is the reduction and ultimate elimination of homelessness in the Cape Fear Region. The Cape Fear Council of Governments serves as the Lead Agency for the CoC, including Homeless Management Information System (HMIS) Lead, Collaborative Applicant for Federal grants, and Coordinated Entry System (CES) Lead as well as filling the day-to-day administrative duties for the CoC. The CFCOG's staff manages the HMIS database, including data management, data quality review and licensing of users. Staff also act as the centralized entry point for homeless services CES, which is the process of how individuals are moved through the system from homelessness to housing. Every CoC community in the United States is federally mandated to have a CES. Using a standardized assessment tool and scoring process, priority is given to those who are most vulnerable with the highest level of needs.

As part of the administrative function, the staff supports regular meetings of the full Cape Fear Homeless Continuum of Care membership, the Board of Directors, and its sub-committees. In its role as Collaborative Applicant, staff manages the grant application process for both the HUD CoC Grant Competition and the NC Emergency Solution Grants. As the HMIS Lead, staff manages local, state, and federal reporting including the Longitudinal System Analysis (LSA), Housing Inventory Chart (HIC), Emergency Solution Grant CAPER, and System Performance Measures (SysPM); coordinates the annual Point in Time count (PIT) and reporting. Periodically, staff conducts a service gap analysis using system data and other qualitative data collection tools. Staff also facilitates partnerships among traditional and non-traditional homeless service providers; fills the critical role of monitoring grant recipients for compliance, performance, and fiscal responsibility; and represents the CoC community at local, state and national conferences and trainings related to housing and homelessness.

Additionally, City staff participate and represent in the CFHCoC monthly meetings and Continuum of Care Board of Directors bi-monthly meetings. The city will continue these efforts over the next year; the goals and allocation of resources reflect this commitment.

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:

In 2021 and 2022, the CoC took steps to examine and reallocate funding away from projects that did not meet performance, compliance, and fiscal goals. HUD requires CoC to act responsibly to ensure proper management of grant funds. The process created a Tenant-based Rental Assistance (TBRA) Permanent Supportive Housing program which has expanded access to units throughout the community using a community-based model rather than one specific site. First Fruit Ministries and Good Shepherd Center continue to provide day shelter services, which provides unsheltered people with a place to receive meals and store their belongings during the day. Good Shepherd is providing housing retention case management in addition to their previous complement of services to support those moving into permanent housing and ensure participants have the best opportunity for stability and success. The Warming Shelter, a pop-up overnight shelter that operates when temperatures drop below 32° for two consecutive nights, is incorporating into a 501 (c) 3 non-profit to expand services to include a day shelter. In addition to the Vigilant Hope shower trailer, The Warming Shelter also has a shower trailer and this allows both agencies to provide the unsheltered and marginally housed population opportunities to take showers and receive a clean change of clothes each week. Vigilant Hope continues to provide housing needs plans and meals as well. All outreach providers and community partners including Coastal Horizons Center, Good Shepherd Center, The Salvation Army, and other agencies work diligently to make sure individuals experiencing homelessness are linked to the Coordinated Entry System to get placed on the Housing Prioritization List. From there, the CoC ensures administratively that individuals are prioritized while upholding the Fair Housing Act and HUD regulations and placed into appropriate and eligible housing services. In addition, the CoC is beginning a three-year strategic planning process that will inform the city and the collaborative regarding underserved populations, equity concerns, service gaps and in updating community priorities to match current needs in the community. The plan is intended to be a working document that can assist all of the CoC partners in reaching goals to make homelessness in the community rare, brief and non-recurring.

Addressing the emergency shelter and housing needs of persons experiencing homelessness

The community has not fully recovered from Hurricane Florence when the CoVID pandemic created utilization challenges for shelters. Due to the pandemic, including social distancing guidelines, shelters used a non-congregant, motel-based model to continue to meet needs in the community. Though the costs of such programs are higher, the CARES Act funding provided needed dollars to support the effort. Now that CARES Act dollars are largely expended and seasonal use of motels has returned to pre-pandemic levels, the non-congregant motel model of sheltering does not provide the potential for beds as was possible during the height of the pandemic. As the CDC guidelines changed, shelters were able to increase capacity. However, staffing shortages and covid outbreaks made returns to full capacity difficult to achieve. The end of the eviction moratorium also contributed to a spike in the number of people becoming homeless as the lack of affordable rental units on the market rental market and lack of housing

capacity in the area limited the region's ability to absorb those being displaced.

In this environment, the loss of any shelter-beds creates difficulties for the community. In mid-2022, Good Shepherd's shelter was closed for necessary renovations for weeks. This created a situation that increased the number of people experiencing unsheltered homelessness because there was little capacity in the system to meet the need. The Salvation Army shelter is closing in 2023 with the replacement shelter not scheduled to open for at least three years. While other shelter options are in the planning stages as of this writing, the immediate result of the shelter closing will be an increase in the number of unsheltered homeless.

Due to HUD priorities, the low-barrier, Housing First model favoring Permanent Supportive Housing (PSH) has replaced traditional transitional housing options. As a result, there is a need to increase the housing supply that improves functionality of current and future PSH programs. The unaffordable rental market and lack of housing capacity in the area, has continued the utilization of Rapid Re-housing dollars as a bridge between shelter and permanent housing. One of the trending changes nationally is increased attention to homelessness prevention as a way to stabilize those at risk of homelessness and reduce the numbers of people entering homelessness for the first time. This trend will influence future funding decisions locally as we seek to reduce the number of people entering homelessness by targeting funding at prevention and stability programs for the near term and seeking ways to increase housing supply in the longer term.

As previously stated, our housing programs are still facing an unaffordable rental market and difficulty trying to keep currently housed residents in housing even as rents nationally begin to plateau. Understanding the changing utilization, the City of Wilmington will continue to work in partnership with agencies serving homeless to target funds to meet the needs including emergency shelter, rapid re-housing programs, and permanent housing.

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 amount 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:

The CoC formally adopted the housing first, low-barrier service model, which is a national best practice, into our written policies and standards for funding projects. This policy requires each project adhere to Housing First to help the most vulnerable individuals and families experiencing homelessness have increased housing options. The high cost of housing and lack of shelter capacity still create barriers to move families through the crisis response system and into permanent housing quickly. The City continues to provide funding to help support the operation of a Open House Youth Shelter, serving youth ages 7-18, which works toward family reunification and housing for older independent youth. Coastal Horizons Center has opened a maternity housing program for pregnant youth experiencing homelessness that began operation in 2022. Our CoC Veterans Strategy Committee, that includes Veteran Affairs (VA),

County Veterans Service Officers, and other area non-profits, recently receive CoC Board of Directors approval for a strategic plan that supports specific actions for veterans experiencing homelessness who goal is to continue reducing the number of veterans experiencing homelessness and reach functional zero.

The CoC's Coordinated Entry subcommittee is in the process selecting a new Coordinated Entry Assessment tool that will improve the assessment process for our community including improving racial and gender equity. The ViSPDAT assessment tool lacks gender, racial and experiential sensitivity and HUD no longer supports its use.

From January through December 2022, approximately 1605 unique persons sought homeless housing assistance through Coordinated Entry. The total number of unique individuals enrolled in and receiving services through CoC program as of 12/31/22 was 1855. This is a mixture of housed, sheltered, and engaged individuals. As indicated above, we are replacing our coordinated entry tool and using that to refocus the Coordinated Entry process in the community including revising the CoC's written policies and procedures. Approximately 66 percent of those who entered the system remained in the CES awaiting referral to housing programs for 181 days or more. In 2022, 48% our homelessness population entering CES were between the ages of 25 and 54. We had approximately 344 children 17 years of age or younger enter the CES in 2022. Approximately 59% of individuals are reporting a disability of some type including mental health, substance abuse disorder, and physical disabilities. We identified 216 unique individuals or approximately 14% of those entering CES, adults and children, who met the definition of chronically homeless. Recognizing the low percentage of those meeting the chronicity definition relative to the total number, it is clearly important to implement policies that help reduce the number of people cycling into first time homelessness and foster conversations within the community about the housing options and necessary housing capacity. The longer it takes to respond to a family or individual's crisis situation, the greater the risk that family or individual has of becoming chronic based on the length of time and the associated trauma of remaining unhoused.

The CoC staff engages existing and potential partners in the community to find creative solutions for shelter and housing options. In addition, we are seeking partners to step into the grant application process to ensure we have a robust pool of applicants for ESG and CoC grant funding and well as seeking to better leverage and strategically employ local dollars. To ensure effective use of the funds in our community, the City agreed to implement a requirement that agencies serving those experiencing homelessness must participate in the Homeless Management Information System (HMIS) database, except were specifically exempted by the U S Department of Housing and Urban Development (HUD), and in the Coordinated Entry process. This requirement will help the CoC improve data collection in the community as well as help to reduce the potential for duplication of services.

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 best tools in our community to address housing instability for low-income individuals and family include combinations of rapid re-housing, PSH and Housing Choice Vouchers. However, the ability to use these tools quickly and effectively is limited by the lack of housing capacity in the community and barriers when communities have few options to protect the populations named above. Screening barrier, income-type discrimination, and NIMBY reactions from the community. Further, our community is limited in funds specific to helping low-income individuals and families avoid homelessness. In the last 12 months, there has been an increased focus on helping those experiencing housing instability maintain their housing and avoid cycling into homelessness. Through strategic planning, we hope to increase the funding allocated to prevention focused services. Currently the community relies on a patchwork of services, including the Emergency Food and Shelter Program prevention funds administered by the United Way, prevention funding administered by The Salvation Army, New Hanover County Department of Social Services (NHC DSS), The Food Bank of Central & Eastern North Carolina, various faith organizations acting independently, and the Help Hub, which is an interfaith emergency assistance program located in downtown Wilmington.

For utility assistance, our community utilizes the Low-Income Energy Assistance Program, administered through the NHC DSS. Other community prevention funds are also administered through DSS. The disAbility Resource Center is our local Center for Independent Living and assists people with disabilities in accessing income-based housing and other resources. The Cape Fear Housing Coalition has created an affordable housing guide that is widely distributed among community-based organizations to help people who are housing cost burdened access affordable housing units. Leading Into New Communities (LINC) receives funding from the City to provide transitional housing and program services to formerly incarcerated persons. In addition, the CFCOG CES staff refers callers at risk of homelessness to the known providers in the community.

Provided by Continuum of Care

AP-75 Barriers to affordable housing – 91.220(j)

Introduction:

Not In My Back Yard (NIMBY) is an ongoing problem in Wilmington as developable property is limited and the population continues to grow. Affordable housing is perceived in a negative light and often neighboring property owners object to new residential development citing traffic concerns or over development.

Land Development Codes (LDC) that require rezoning to develop property for multi-family or increased residential density hinder and increase the cost of developing affordable housing and open projects up to NIMBY opposition.

The City's service based, lower wage economy, does not align with the price for housing that is driven by population growth in in-migrating retirees. A comparison of median incomes reported by HUD and U.S. Census, reveals that wages in New Hanover County/Wilmington are lower than other NC cities. New development of rental and homebuyer housing responds to this market demand with a limited supply of housing that is affordable to households earning wages in local economy.

African American households are concentrated in three R/ECAPS (racially ethnically concentrated areas of poverty). Households in RECAPS have limited access to proficient schools and employment opportunities. Households in RECAPS are cost burdened. Historic residential racial segregation patterns persist in the City of Wilmington.

State opposition to inclusionary zoning limits local jurisdictions' ability to mandate the inclusion of affordable housing throughout the community.

Rising construction and labor cost due to supply shortages and inflation continue to wreak havoc on affordable housing projects in the pipeline to break ground for construction.

Disagreement about the role of government and the use of tax revenues to address the affordable housing crisis continues to stymie efforts to increase funding available to support development of new housing stock that is affordable to working families.

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

Appropriation of General Fund revenues to the City's Workforce Housing HOP program provide homeownership opportunities for households earning up to 120% AMI. This helps ameliorate the negative effects of income inequity and provides a mobility strategy for low-to-moderate income families. Likewise, City General Funds for the City's Owner-Occupied Housing Rehabilitation Program support housing repair and rehab loans to those earning below 50% AMI. These loans are deferred and

forgivable. This program helps address blight and displacement of lower income households due to economic pressure.

The assignment of General Fund Balance and dedication of one cent of the ad valorem tax by City Council to be used to provide gap financing to leverage other public and private funding for the production of additional housing units target to low-to-moderate income households is a policy action to ameliorate barriers to resources for affordable housing and the shortage of housing that is affordable for working households earning at or below 80% area median income.

Increasing public awareness of housing issues and understanding of the need for housing that is affordable for working families. Dispelling myths about affordable housing and the negative stereotypes associated with affordable housing is recognized as an important strategy to garner more local resources and support for affordable housing.

Updates to the LDC allowing higher density residential development and increased density for projects including affordable housing, in selected areas, have been adopted. Additionally, the new LDC also addresses Accessory Dwelling Units. While these changes are a step in the right direction, most of the City is zoned and developed as single-family residential and increased density and changes to traditional development patterns face opposition from many citizens.

In addition to the production of more affordable housing, the creation of better paying jobs, and wage equity will go a long way towards addressing the City's barriers to affordable housing.

As mentioned above, the City's residential segregation by race and income has created pockets of concentrated poverty where residents don't have equitable access or good choices for decent, affordable housing, education, jobs, amenities, or services. One strategy to address this problem is to disperse affordable housing throughout the community through the development or redevelopment of mixed-income neighborhoods and the revitalization of racial and ethnically concentrated areas of poverty.

Discussion:

City Council has identified workforce/affordable housing as a priority and is engaging the private sector, public sector officials, non-profits, and others in formulating strategies to increase housing that is affordable throughout the city.

AP-85 Other Actions – 91.220(k)

Introduction:

Community development requires a comprehensive multi-faceted approach that recognizes the interrelated impact of housing, jobs, education, health, and equity on the quality of life for all citizens. Addressing the obstacles and factors contributing to inequity, disinvestment, and lack of opportunity benefits all members of the community.

Actions planned to address obstacles to meeting underserved needs

The City will continue funding for programs that address needs for elderly, disabled, homeless, formerly incarcerated, victims of domestic violence, victims of child abuse and other needs. Continued support and work with community agencies working to address the needs of special populations is planned in the FY23/24 City Budget and in this Annual Action Plan.

Actions planned to foster and maintain affordable housing

Recommended actions to increase and foster affordable housing are identified in a Strategic Housing Plan by the Workforce Housing Advisory Committee (WHAC). Additional resources are needed to address the gap in housing. For instance, CARES Act and American Rescue Plan funds allowed both the City and New Hanover County to support affordable housing by providing gap financing and rental assistance. The WHAC Strategic Plan recommends local governments identify other funds to replace the one-time federal Covid funds.

Leveraging existing resources to maximize benefit can be achieved by collaborating with private and community-based efforts to acquire and preserve naturally occurring affordable housing (NOAH). The city's Rental Rehabilitation Loan Program and Housing Production Loan Programs are available to support private investment initiatives.

Finally, as a Housing Counseling Agency the City meets HUD's requirement for HUD funded loans to received housing counseling; and the City will offer housing counseling services that can be expanded to serve homeowners at risk of foreclosure and renters experiencing cost burden. This service can assist citizens with financial literacy, credit repair and developing a feasible housing plan.

Actions planned to reduce lead-based paint hazards

LBP remediation is an integral part of the City's rehab program. All rehabs of owner-occupied homes and homebuyer assistance homes (i.e. HOP) are assessed for LBP and tested and remediated as appropriate in accordance with all state and federal requirements. In 2019, the City successfully applied for a Lead Hazard Control grant from HUD Office of Healthy Homes Lead Hazard Control. This provided an additional \$1.8 million for use in lead hazard reduction and health and safety improvements. The City's Lead Hazard Reduction Program (LHR), although considerably hindered by the Pandemic, remediated 25 units, with

grants of up to \$12,000 for lead hazard mitigation and \$3,000 for healthy home improvements.

As of the writing of this plan the Lead Hazard Control program is in the final phase of implementing key strategies which were postponed due to Covid-19. The program has successfully completed a strategy to partner with Cape Fear Community College to provide training opportunities for area contractors and volunteers in lead-based paint mitigation, as well as Healthy Home assessment. The program is on track to meet revised benchmarks and to close-out by the end of the first quarter of 2023.

A successful application to HUD resulted in the City being notified of a \$1.5 million Healthy Homes Grant. This grant has not started yet, negotiations and execution of a grant agreement are expected before July 1, 2023. Funding from this grant will allow the City to provide grants of up to \$10,000 to address health and safety issues in owner and tenant occupied homes for low-to-moderate income households. Lead-based Paint will be addressed with the Healthy Homes grant in addition to other issues.

Actions planned to reduce the number of poverty-level families

City support for youth enrichment programs, literacy, jobs skills and placement initiatives are all aimed towards reducing poverty by enhancing the education and skills and employment of low-income persons.

Actions planned to develop institutional structure

Continued collaboration with community-based organizations, public and private entities working to address affordable housing and needs of the underserved and protected classes is planned to maintain and improve institutional structure in the community. The City's Community Development and Housing staff, in partnership with other agencies, works to build the capacity of agencies serving lower income households and communities with one-one technical assistance and participation in workshops and trainings, such as Fair Housing Workshop for Homeless Service providers as one example.

The implementation of project management software for Rehab loans and HOP loans is improving project management and efficiency. In addition, the CDAH staff have and continue to participate in professional development including, but not limited to, HUD Homebuyer Counseling, Project Management, and Leadership Development.

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

City community development and housing staff members represent the City on a number of community development organizations such as the Cape Fear Housing Coalition; Cape Fear Homeless Continuum of Care, and the Cape Fear Resiliency Task Force. Additionally, CD staff participate in the City's and the New Hanover County's Comprehensive Planning efforts. In 2024, CD staff will continue support the work of a joint City/County Workforce Housing Advisory Committee comprised of representatives of the non-profit and private sectors to make recommendations to the Wilmington City Council and New Hanover County Commissioners for local policy and other actions. CD staff members attend City Technical Review

Committee meetings when residential projects are being reviewed in order to provide input and learn about upcoming residential development. CD staff will continue to work with non-profit and private housing and social services agencies to implement the goals and recommendations coming out of the aforementioned efforts and plans.

Discussion:

The City of Wilmington City Council has identified affordable/workforce housing as a priority. The City has a long history of working with the community and community-based organizations to identify and address community needs. The community development and housing staff members work to be responsive and engaging with the stakeholders in community development and housing programs.

Program Specific Requirements

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

Introduction:

This section provides requested information on CDBG and HOME funds and policies.

**Community Development Block Grant Program (CDBG)
Reference 24 CFR 91.220(I)(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
 - 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:**

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. 100.00%

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 Wilmington uses HOME funds for home eligible activities. HOME funds are used to support owner-occupied housing rehab, CHDO housing production and when available gap financing for multi-family rental projects using NCHFA LIHTC or PSH funds.

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:

Recapture

The City will use restrictions in the promissory note and deed of trust to enforce the recapture provisions of the HOME program found at 24 CFR 92.254 (a)(5)(ii). In accordance with applicable recapture provisions the City requires the recapture of its HOME-funded homeownership housing assistance from net sales proceeds when the original homebuyer sells the property during the affordability period. Any net proceeds in excess of the original HOME subsidy will go the homeowner. The City will recapture 100 percent of the net proceeds up to the amount of the HOME subsidy. In the case where there are insufficient net proceeds available at sale to recapture the entire direct HOME subsidy provided to the homeowner, the City can only recapture what is available from net proceeds. The City will limit the amount to be recaptured to the net proceeds, as defined herein, available from the sale of the property.

Resale

The City will use Resale provisions as required when HOME funds are used to provide subsidy to the developer that will not result in a Direct HOME subsidy to the homebuyer. "Resale" provisions will be used for HOME funds used for acquisition of land held in a Community Housing Land Trust, which constitutes a developer subsidy. Under the Land Trust model the land acquired with HOME funds will be held in trust and not conveyed to the homebuyer. A long-term ground lease between the Land Trust and Homebuyer will establish long-term affordability of the property, and the distribution of value of improvements between the Land Trust and homebuyer upon sale of the housing unit. The ground lease ensures that the original homeowner receives a fair return on investment and that the property is sold at a price that is affordable to a reasonable range of low-income buyers. In addition, the City will utilize deed restrictions to ensure continued affordability, along with a deferred promissory note and deed of trust, with covenants and deed restrictions as

enforcement mechanism.

The full policy is included in the appendix/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:

For units acquired with HOME funds for homeownership, Deed Restrictions and a Deed of Trust are recorded to the property such that upon the sale of the property, the City would recapture HOME funds if the owner did not remain in the property for the length of the affordability period. It is also written in these documents that the funds are due and payable if the owners are no longer occupying the property as their primary residence.

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 Wilmington does not use HOME funds to refinance existing debt on a multi-family property.

The City implements in-house loan programs for homebuyer assistance and owner-occupied homeowner programs. In addition, the City provides financing, i.e. loans, to CHDOs and other affordable housing developers. Program income may be generated from the repayment of loans; and repayments are utilized for eligible activities under the CDBG & HOME programs. The City uses recapture provisions for compliance with HOME affordability requirements.

In accordance with 24 CFR 92.254 the City of Wilmington uses the following approaches to for qualification of housing as affordable.

The City uses HOME funds for down payment assistance and owner-occupied housing rehabilitation for single-family housing. CDBG funds are used for homebuyer assistance in the City's Homebuyer Opportunity Pool (HOP). All participants/borrowers of CDBG and HOME funds are determined to be income eligible with incomes at or below 80% area median income adjusted for family size. Housing units are determined to be modest as described in 24 CFR 92.254. The City request HUD provide limits for newly constructed housing and existing housing as set out 24 CRR 92.254 (a)(2)(iii).

Appendix

CDBG FY2023-2024

Program Year 2022-2023

CDBG FY2023-2024

	CDBG	
REVENUE SOURCE		
CDBG Entitlement	\$	937,775.00
CDBG FY22 Program Income	\$	600.00
Total	\$	938,375.00
 TOTAL ALL REVENUES		
	\$	938,375.00
 EXPENDITURES		
Planning & Administration	\$	187,555.00
 Housing		
Housing Delivery Costs	\$	187,675.00
Undesignated Housing Programs	\$	422,388.75
 Public Services		
Undesignated Homeless Services & Shelter	\$	140,756.25
 TOTAL ALL EXPENDITURES		
	\$	938,375.00

HOME FY2023-2024
Program Year 2022-2023

HOME FY2023-2024		
HOME		
REVENUE SOURCE		
HOME Entitlement	\$	700,820.00
HOME FY22 Program Income	\$	301,696.61
Total	\$	1,002,516.61
TOTAL ALL REVENUES	\$	1,002,516.61
EXPENDITURES		
Planning & Administration	\$	100,251.66
Housing		
CHDO set aside 15%	\$	105,123.00
Undesignated Housing Programs	\$	797,141.95
	\$	902,264.95
TOTAL ALL EXPENDITURES	\$	1,002,516.61

Community Development Block Grant FY2023 Balance as of January 31, 2023

CDBG Funds						
	Budget Appropriated	Available From Prior Years	Sub-Total Available	Total Expenditures	Total Available	
HOP Loans and DPA 60	\$ -	\$ -	\$ -	\$ 381,325.00	\$ (381,325.00)	
HOP Loans	\$ -	\$ 189,032.17	\$ 189,032.17	\$ -	\$ 189,032.17	
Activity Delivery Costs	\$ 260,473.00	\$ 55,473.00	\$ 315,946.00	\$ -	\$ 315,946.00	
Housing Rehab CW-124 from 714	\$ 152,000.00	\$ -	\$ 152,000.00	\$ 152,000.00	\$ -	
Relocation	\$ -	\$ 11,418.07	\$ 11,418.07	\$ -	\$ 11,418.07	
Limited Assistance Grants	\$ -	\$ 6,930.18	\$ 6,930.18	\$ -	\$ 6,930.18	
Undesignated	\$ 228,656.00	\$ 399,379.00	\$ 628,035.00	\$ -	\$ 628,035.00	
SUBTOTAL	\$ 641,129.00	\$ 662,232.42	\$ 1,303,361.42	\$ 533,325.00	\$ 770,036.42	
Public Service	\$ 153,114.15		\$ 153,114.15	\$ -	\$ 153,114.15	
SUBTOTAL	\$ 153,114.15	\$ -	\$ 153,114.15	\$ -	\$ 153,114.15	
Administration -CDBG	\$ 204,032.00	\$ -	\$ 204,032.00	\$ -	\$ 204,032.00	
SUBTOTAL	\$ 204,032.00	\$ -	\$ 204,032.00	\$ -	\$ 204,032.00	
Grand Total	\$ 998,275.15	\$ 662,232.42	\$ 1,660,507.57	\$ 533,325.00	\$ 1,127,182.57	

HOME Investment Partnership FY2023 Balance as of January 31, 2023

	HOME Funds			CHDO Proceeds			Sub-Total Available	Total Expenditures	Total Available
	Current Year PI & RL	Budget Appropriated	Available From Prior Years	Available	Total Expenditures				
HOME Loans	\$ 177,654.78	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 177,654.78	\$ -	\$ 177,654.78
Housing Rehabilitation	\$ -	\$ -	\$ 483,250.77	\$ -	\$ -	\$ -	\$ 483,250.77	\$ -	\$ 483,250.77
Rental Rehab	\$ -	\$ -	\$ 399,587.64	\$ -	\$ -	\$ -	\$ 399,587.64	\$ -	\$ 399,587.64
Undesignated-HOME	\$ -	\$ 957,434.66	\$ 26,139.93	\$ -	\$ -	\$ -	\$ 983,574.59	\$ -	\$ 983,574.59
Housing Relocation	\$ -	\$ -	\$ 3,066.58	\$ -	\$ -	\$ -	\$ 3,066.58	\$ -	\$ 3,066.58
Non-CHDO Housing - WHFD	\$ -	\$ -	\$ 10,448.08	\$ -	\$ -	\$ -	\$ 10,448.08	\$ -	\$ 10,448.08
Down payment Assistance	\$ -	\$ -	\$ 70,113.00	\$ -	\$ -	\$ -	\$ 70,113.00	\$ -	\$ 70,113.00
CHDO Undesignated	\$ -	\$ 104,026.00	\$ 359,781.00	\$ -	\$ -	\$ -	\$ 463,807.00	\$ -	\$ 463,807.00
CHDO - Proceeds	\$ -	\$ -	\$ -	\$ 161,676.88	\$ 18,479.05	\$ -	\$ 161,676.88	\$ 18,479.05	\$ 143,197.83
CHDO - Proceeds	\$ -	\$ -	\$ -	\$ 7,271.55	\$ 3,023.00	\$ -	\$ 7,271.55	\$ 3,023.00	\$ 4,248.55
SUBTOTAL	\$ 177,654.78	\$ 1,061,460.66	\$ 1,352,387.00	\$ 168,948.43	\$ 21,502.05	\$ -	\$ 2,760,450.87	\$ 21,502.05	\$ 2,738,948.82
GSC-Lakeside Reserve	\$ -	\$ -	\$ 5,978.37	\$ -	\$ -	\$ -	\$ 5,978.37	\$ -	\$ 5,978.37
SUBTOTAL	\$ -	\$ -	\$ 5,978.37	\$ -	\$ -	\$ -	\$ 5,978.37	\$ -	\$ 5,978.37
Administration -HOME	\$ -	\$ 135,070.00	\$ -	\$ -	\$ -	\$ -	\$ 135,070.00	\$ -	\$ 135,070.00
SUBTOTAL	\$ -	\$ 135,070.00	\$ -	\$ -	\$ -	\$ -	\$ 135,070.00	\$ -	\$ 135,070.00
Grand Total	\$ 177,654.78	\$ 1,196,530.66	\$ 1,358,365.37	\$ 168,948.43	\$ 21,502.05	\$ -	\$ 2,901,499.24	\$ 21,502.05	\$ 2,879,997.19

General Funds Revolving Loan Funds as of January 31, 2023

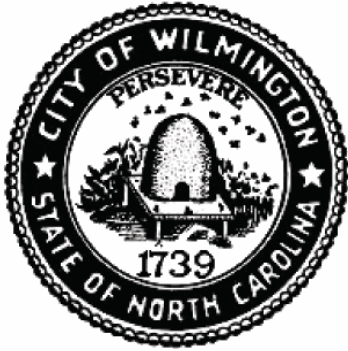
	Fund 80		General Fund					
	General Fund		HOP Revolving/Gap Financing					
	Revolving Rehab and Legal		Loan Fund 76					
	Available	Expenditures	Available	Expenditures	Sub-Total Available	Total Expenditures	Total Available	
HOP/Gap Financing	\$ -	\$ -	\$ 5,079,618.39	\$ 2,082,022.00	\$ 5,079,618.39	\$ 2,082,022.00	\$ 2,997,596.39	
Legal Fees - Activity Delivery	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Rental Rehab			\$ 507,852.00		\$ 507,852.00	\$ -	\$ 507,852.00	
Housing Rehabilitation	\$ 131,864.22	\$ 153,000.00	\$ -	\$ -	\$ 131,864.22	\$ 153,000.00	\$ (21,135.78)	
Legal Fees - Activity Delivery	\$ 130,200.64	\$ 1,575.00	\$ -	\$ -	\$ 130,200.64	\$ 1,575.00	\$ 128,625.64	
Lead Base Paint Removal/Testing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
SUBTOTAL	\$ 262,064.86	\$ 154,575.00	\$ 5,587,470.39	\$ 2,082,022.00	\$ 5,849,535.25	\$ 2,236,597.00	\$ 3,612,938.25	

Revolving Loan Funds 71, 74, 75, 77, FY2023 Balance as of January 31, 2023

	Federally Funded					
	Revolving Loan					
	Funds 71, 74, 75, 77					
	Available	Expenditures		<i>Sub-Total Available</i>	<i>Total Expenditures</i>	<i>Total Available</i>
Rental Rehab	\$ 290,560.46	\$ -	\$	<i>290,560.46</i>	\$ -	\$ <i>290,560.46</i>
Housing Rehab	\$ 342,303.52	\$ -	\$	<i>342,303.52</i>	\$ -	\$ <i>342,303.52</i>
Housing Rehab CW-124 from 714	\$ 65,000.00	\$ 65,000.00	\$	<i>65,000.00</i>	\$ <i>65,000.00</i>	\$ -
Housing Acquisition LINC from 714	\$ 62,293.65	\$ 62,293.65	\$	<i>62,293.65</i>	\$ <i>62,293.65</i>	\$ -
Housing Acquisition LINC from 715	\$ 397,956.35	\$ 397,956.35	\$	<i>397,956.35</i>	\$ <i>397,956.35</i>	\$ -
HOME Loans	\$ 376,650.59	\$ 389,328.00	\$	<i>376,650.59</i>	\$ <i>389,328.00</i>	\$ <i>(12,677.41)</i>
Rental Rehab	\$ 100,412.36		\$	<i>100,412.36</i>	\$ -	\$ <i>100,412.36</i>
Undesignated-HOME	\$ 521,146.44	\$ -	\$	<i>521,146.44</i>	\$ -	\$ <i>521,146.44</i>
	SUBTOTAL	\$ 2,156,323.37	\$	2,156,323.37	\$ 914,578.00	\$ 1,241,745.37
Administration -HOME	\$ 41,850.07	\$ -	\$	<i>41,850.07</i>	\$ -	\$ <i>41,850.07</i>
	SUBTOTAL	\$ 41,850.07	\$	41,850.07	\$ -	\$ 41,850.07
	Grand Total	\$ 2,198,173.44	\$	2,198,173.44	\$ 914,578.00	\$ 1,283,595.44

Estimates Prequalified and Loans in Progress as of March 31, 2023

	Funds Available FY24	FY24 Budget	CarryOver
CDBG FY24	\$ 937,775.00	\$ 600,000.00	\$ 337,775.00
HOME FY24	\$ 700,820.00	\$ 600,000.00	\$ 100,820.00
CDBG PI FY24	\$ 600.00	\$ -	\$ 600.00
HOME PI FY24	\$ 301,697.00	\$ -	\$ 301,697.00
RL FUNDS	\$ 4,896,534.00	\$ 600,000.00	\$ 4,296,534.00
CDBG Carry-Over	\$ 770,036.00	\$ -	\$ 770,036.00
HOME Carry-Over	\$ 2,738,949.00	\$ 2,400,000.00	\$ 338,949.00
GF 1 cent tax	\$ 2,400,000.00	\$ 1,120,000.00	\$ 1,280,000.00
Fund Bal Designated	\$ 3,150,000.00	\$ 3,000,000.00	\$ 150,000.00
FY24 Admin/Staff		\$ 841,916.00	\$ (841,916.00)
Subtotal	\$ 15,896,411.00	\$ 9,161,916.00	\$ 6,734,495.00
Loans In Pipeline FY23			
HOP (16 prequal avg \$116,509 incld DPA)			\$ 1,864,143.00
Owner-Occupied Housing Rehab (18 loans avg \$97,778)			\$ 1,760,000.00
Rental Rehab (8 loans @\$200,000ec)			\$ 1,600,000.00
Subtotal			\$ 5,224,143.00
Adjusted Carry-Over to FY24			\$ 1,510,352.00



CITY of WILMINGTON

North Carolina

P.O. BOX 1810
28402

OFFICE OF THE CITY MANAGER
(910) 341-7810
FAX(910)341-5839
TDD (910)341-7873

10/2/2012

City Council
City Hall
Wilmington, North Carolina 28401

Dear Mayor and Councilmembers:

The City of Wilmington is a participating jurisdiction (PJ) and recipient of funds through the U.S. Department of Housing and Urban Development (HUD) HOME program. HOME funds are used to support acquisition, construction or rehabilitation of rental or homeownership housing, homebuyer assistance, and tenant-based rental assistance. Further, all HOME-assisted homebuyer housing is subject to either resale or recapture provisions as set forth in CFR 92.254.

The purpose of establishing a resale and/or recapture policy is to ensure that housing that is subsidized by the City with HOME funds remains affordable over time, referred to as the affordability period. HUD allows PJs to do this in one of two ways when a subsidized house is sold during the affordability period: 1) the house must be sold to another income-eligible homebuyer- this is addressed in HUD's resale provisions; or 2) the net proceeds from the sale of the house are returned to the PJ for use in another house. Net proceeds are defined as funds remaining from the sale of the property by the original homebuyer less the repayment of the outstanding balance of any superior mortgage and any closing cost. This is addressed in HUD's recapture provisions.

Furthermore, using HUD's rules for recapture, if the seller receives net proceeds in excess of the City's HOME investment, the excess funds go to the seller. If net proceeds are insufficient to cover repayment of HOME funds invested, the City will only receive the amount of net proceeds available from the sale.

The resale or recapture provisions are imposed through a written agreement with the homebuyer, and enforced via lien, deed restrictions, or covenants running with the land. The provisions are triggered by any transfer of title, either voluntary or involuntary, during the established HOME period of affordability.

Each PJ must establish its resale and/or recapture provision in writing and submit the provision to HUD for approval. The City of Wilmington elected to use a Recapture Policy in order to recapture invested HOME funds and submitted it as part of the Annual Action Plan for review and approval by the HUD Field Office. The HUD Field Office recommended changes to the City's Recapture Policy as submitted in the FY2012-13 Annual Action Plan to ensure the City of Wilmington's policy's aligned with the newly issued HUD Community Planning and Development (CPD) Notice issued January 2012, Guidance on Resale and Recapture Provision Requirements under the HOME Program.

A revised Recapture Policy is attached. The revised policy has been approved by HUD and, as noted, is a requirement of the HOME program to ensure long-term affordability of housing for low-income homebuyers and the reinvestment of HOME funds into affordable housing for low-income households. A resolution to adopt this policy is included.

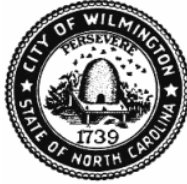
Adoption of the resolution would align with the Council's focus area of Welcoming Neighborhoods and Public Spaces. The consequence of adopting this Recapture Policy would be to put the City in compliance with HUD regulations and would further allow the City the ability to recapture invested HOME funds; the consequence of not adopting the policy would put the City in noncompliance with HUD regulations and leave the City liable to repay HUD for any HOME funds invested in affordable housing without adherence to HUD approved Recapture Policy.

Passage of the attached Resolution is recommended.

Respectfully submitted,

Sterling B. Cheatham,
City Manager

Resolution



City Council
City of Wilmington
North Carolina

Introduced By: Sterling B. Cheatham, City Manager

Date: 10/2/2012

Resolution Adopting Resale/Recapture Policy for HOME Investment Partnership (HOME) program homebuyer projects

LEGISLATIVE INTENT/PURPOSE:

The City of Wilmington is a participating jurisdiction (PJ) and recipient of funds through the U.S. Department of Housing and Urban Development (HUD) HOME program. HOME funds are used to support acquisition, construction or rehabilitation of rental or homeownership housing, homebuyer assistance, and tenant-based rental assistance. Further, all HOME-assisted homebuyer housing is subject to either resale or recapture provisions as set forth in CFR 92.254.

Resale provisions limit the subsequent purchase of HOME-assisted homebuyer property to income-eligible families, provide the owner with a fair return on investment, including any improvements, and ensure that the housing will remain affordable to a reasonable range of low-income homebuyers. Recapture provisions allow for the recapture of the HOME funds invested in the homebuyer property from the available net proceeds in order to assist other HOME-eligible families. The resale or recapture provisions are imposed through a written agreement with the homebuyer, and enforced via lien, deed restrictions, or covenants running with the land. The provisions are triggered by any transfer of title, either voluntary or involuntary, during the established HOME period of affordability.

Each PJ must establish its resale and/or recapture provision in writing and submit the provision to HUD for approval. The City of Wilmington submitted its Recapture Policy as part of the Annual Action Plan for review and approval by the HUD Field Office. The HUD Field Office recommended changes to the City's Recapture Policy as submitted in the FY2012-13 Annual Action Plan to ensure the City of Wilmington's policy's aligned with the newly issued HUD Community Planning and Development (CPD) Notice issued January 2012 *Guidance on Resale and Recapture Provision Requirements under the HOME Program*.

To that end, a draft City of Wilmington Recapture Policy was submitted to HUD for review and approval. The HUD Field Office approved the attached policy entitled *City of Wilmington Community Development Policy for Ensuring Affordability for Low-to-Moderate Income Homebuyers* on August 6, 2012.

THEREFORE, BE IT RESOLVED:

THAT, the City Council hereby adopts the HUD approved Recapture Policy as described in the attached document entitled *City of Wilmington Community Development Policy for Ensuring Affordability for Low-to-Moderate Income Homebuyers*.

Adopted at a _____ meeting
on _____, 2012.

Bill Saffo, Mayor

Attest:

Penelope Spicer-Sidbury, City Clerk

City of Wilmington
Community Development
Policy for

Ensuring Affordability for Low-to-Moderate Income Homebuyers

I. Purpose

When HOME Investment Partnership program funds are used to assist homebuyers, the regulations require that the unit remain affordable regardless of any subsequent resale. The period of affordability is determined by a schedule set forth in 24 CFR 92.254.

Homeownership Assistance HOME amount per unit	Minimum period of affordability in years
Under \$15,000	5
\$15,000 - \$40,000	10
More than \$40,000	15

II. Background

The City of Wilmington (City) is a participating jurisdiction in and recipient of HOME Investment Partnership program funds to be used by the City to expand the supply of decent, safe, sanitary, and affordable housing available to low-income and very low-income residents.

The City has established the Recapture and Resale policies in accordance with HUD guidance provided in CPD Notice 12-003. These policies ensure that properties developed with HOME funds for homebuyers remain affordable to a reasonable range of low-income homebuyers, or that the HOME investment in affordable housing are recaptured upon sale of the property for use in other HOME eligible housing activities.

The City has elected to use “Recapture” as the primary method of ensuring affordability for low-to-moderate income homebuyers; however, “Resale” provisions will be used for HOME funds used for acquisition of land held in a Community Housing Land Trust. That said, with the exception of Community Housing Land Trust, all Community Development Housing Organizations, and sub-recipients receiving City HOME funds and other community development funds to provide affordable housing are required to use “Recapture” provisions to ensure affordability.

The City will use HOME funds to provide direct HOME subsidies to eligible Low-to-Moderate Income homebuyers through the City’s low interest Second Mortgage Purchase Program and through sub-recipients including, but not limited to, Community Development Housing Organizations (CHDO), and other affordable housing developers.

Accepted by HUD 8/6/2012

III. Definitions:

Direct HOME subsidy is the amount of HOME assistance, including any program income that enables the homebuyer to buy the unit. The direct subsidy includes HOME funds used for down payment, closing cost, interest subsidies, or other HOME assistance provided directly to the homebuyer

In addition, direct subsidy includes any assistance that reduced the purchase price from fair market value to an affordable price. If HOME funds are used for the cost of developing the unit and the unit is sold below fair market value the difference between fair market value and the purchase price will be added to the HOME subsidy amount. In such cases, the direct HOME subsidy will be provided to the homebuyer as a forgivable subordinate mortgage lien held by the City.

Purchase price as described herein refers to the amount of the affordable mortgage to be repaid by the eligible low-income homebuyer. The difference between the purchase price and contract sales price or fair market value, whichever is less, will be the direct HOME subsidy to the homebuyer.

Net proceeds are the funds remaining from the sale of the property by the original homebuyer less the repayment of the outstanding balance on any superior mortgage and any closing cost.

Low-income homebuyers are individuals and households that meet the HUD income limits for HOME Investment Partnership Program as published annually. HOME funds are used for households at or below 80 percent of the HUD published area median income (AMI).

Affordable housing is defined by HUD as housing cost that does not exceed 30 percent of household gross income. Generally, for owner-occupied housing it may be characterized as housing that can be purchased for no more than 2.5 to 3 times the total annual household income.

IV. Recapture

The City will use restrictions in the promissory note and deed of trust to enforce the recapture provisions of the HOME program found at 24 CFR 92.254 (a)(5)(ii). In accordance with applicable recapture provisions the City requires the recapture of its HOME-funded homeownership housing assistance from net sales proceeds when the original homebuyer sells the property during the affordability period. Any net proceeds in excess of the original HOME subsidy will go the homeowner. The City will recapture 100 percent of the net proceeds up to the amount of the HOME subsidy. In the case where there are insufficient net proceeds available at sale to recapture the entire direct HOME subsidy provided to the homeowner, the City can

Accepted by HUD 8/6/2012

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C3-6

only recapture what is available from net proceeds. The City will limit the amount to be recaptured to the net proceeds, as defined herein, available from the sale of the property.

V. Resale

The City will use Resale provisions as required when HOME funds are used to provide subsidy to the developer that will not result in a Direct HOME subsidy to the homebuyer. “Resale” provisions will be used for HOME funds used for acquisition of land held in a Community Housing Land Trust, which constitutes a developer subsidy. Under the Land Trust model the land acquired with HOME funds will be held in trust and not conveyed to the homebuyer. A long-term ground lease between the Land Trust and Homebuyer will establish long-term affordability of the property, and the distribution of value of improvements between the Land Trust and homebuyer upon sale of the housing unit. The ground lease ensures that the original homeowner receives a fair return on investment and that the property is sold at a price that is affordable to a reasonable range of low-income buyers. In addition, the City will utilize deed restrictions to ensure continued affordability, along with a deferred promissory note and deed of trust, with covenants and deed restrictions as enforcement mechanism.

The following “Resale” provisions apply for Community Housing Land Trust:

Sale of Improvements to Property held in Land Trust

Homebuyers purchasing homes in a Community Housing Land Trust purchase the improvements and lease the land, therefore these homebuyers are referred to as homebuyer/lessee or homeowner/lessee upon purchase of housing unit.

Improvements include all buildings, structures, fixtures, and other improvements purchased by the homebuyer/lessee or constructed or placed by the homeowner/lessee are the property of the homeowner/lessee.

The homeowner/lessee may transfer interest in the improvements only to the Community Housing Land Trust or another low-income homebuyer/lessee. Upon notice of homeowner/lessee intent to sell, the CHLT has the option to purchase the improvements. This option to purchase is intended to further the purpose of preserving the affordability of the improvements for succeeding low-income homebuyers.

The seller’s resale price shall be determined by the resale formula stipulated in their ground lease. The formula will allow the homeowner/lessee’s to sell their home for their original purchase price, plus 25 percent of the increase in market value of the entire property (land and improvements combined) as determined by appraisal at time of notice of intent to sell minus the initial appraised value at purchase. The appraisal shall meet Federal Housing Administration (FHA) standards.

The CHLT does not recapture the other 75 percent of the increase in market value, but rather this value “remains with the property”, thereby ensuring continued affordability for succeeding homebuyers. This formula allows the homeowner/lessee to receive a fair return on increase in value to the property while maintaining continued affordability for subsequent homebuyers.

Accepted by HUD 8/6/2012

Appraisal is an accepted method for determining value of land and improvements. Appraisal is commonly used by lenders to determine property value in real estate transactions.

Example: A homebuyer/lessee purchases a home in a Community Housing Land Trust (CHLT) for a purchase price of \$80,000. The property is appraised at a market value of \$110,000.. Five years later the homeowner/lessee notifies the CHLT of intent to sell. The improvements are appraised at \$130,000. The homeowner/lessee is entitled resell their home at a price of \$85,000. $((\$80,000) + (.25*(\$130,000-110,000))$.

Resale or Transfer of Improvements

Upon purchase of improvements from the homeowner/lessee the CHLT will re-sell the improvements and lease the land to another low-income homebuyer at purchase price that is affordable to a reasonable range of low-income homebuyers. A reasonable range of low-income homebuyers consists of households earning between 60 and 80 percent of the Area Median Income. The City's original deed restrictions, which run with the land, will require the CHLT to always re-sell the home to buyers earning at or less than 80 percent of the Area Median Income.

The CHLT may provide additional subsidy in the form of down-payment assistance, and /or deferred subordinate mortgage to ensure affordability. The amount of subsidy will be determined by the difference between return on improvements and the fair market value as determined by appraisal at time of resale.