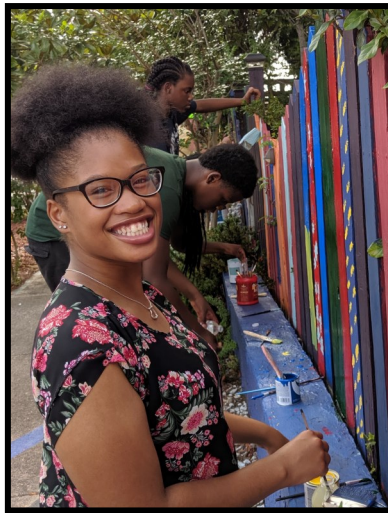




CITY OF WILMINGTON NORTH CAROLINA

2018-2019 Consolidated Annual Performance and Evaluation Report for CDBG and HOME Programs Year Ending June 30, 2019

Draft Submitted to the Citizens of Wilmington
September 13, 2019



CR-05 - Goals and Outcomes

Progress the jurisdiction has made in carrying out its strategic plan and its action plan. 91.520(a)

This could be an overview that includes major initiatives and highlights that were proposed and executed throughout the program year.

The City's Five-Year Consolidated Plan (Strategic Plan) incorporates priority needs identified in the City's Assessment of Fair Housing (AFH). The AFH serves as the framework for formulating five year and annual goals and objectives. The Consolidated Plan will focus on the following priorities:

- **Foster access to opportunities** including, but not limited to, jobs, education, and housing for low-to-moderate income persons, protected classes and special populations.
- **Increase the supply of and access to decent, safe affordable housing** throughout the community through production and preservation of owner and rental housing.
- **Promote a suitable living environment** by supporting initiatives to transform racially/ethnically concentrated areas of poverty into areas of opportunity

Within the goals are a number of programs aimed at addressing the priority needs utilizing CDBG, HOME and General Funds. In order to accomplish these goals the City works in partnership with community-based agencies, non-profits, banks, and non-profit and for-profit affordable housing developers.

During FY2018-19, affordable housing partners focused their attention on pre-construction activities and construction of new built homebuyer projects, minor home repairs, completing work on major rehabilitation of historic and affordable multi-family rental properties and new construction of multi-family permanent supportive housing. That said, the following accomplishments are presented in this report: Cape Fear Regional CDC completed the rehabilitation of a historic property into two rental units. AMEZ Housing CDC completed construction of a single-family house for sale to an eligible homebuyer. Moreover, twenty-four loans were closed through the City's Homeownership Opportunities Program (HOP); this represents a significant increase from prior years and can be attributed to the addition of forgivable down payment assistance to enable low-to-moderate income homebuyers to afford the available supply of housing. Four homeowners received loans for the rehabilitation of their homes to allow them to continue residence in safe, decent housing; two of the four borrowers qualified for forgivable loans due to low income below 50% of the Area Median Income. One thousand, two hundred seventy two (1,272) homeless individuals, including victims of domestic violence, youth and ex-offenders, benefited from funding to local homeless shelters and programs serving the homeless. Finally, CDBG and general funds were used to support the activities of 26 community-based nonprofits providing services to address unemployment, child abuse, at-risk youth, hunger, illiteracy, at-risk and victims of abuse and crime, elder care and homelessness. As a result of this funding 2,997 youth, 280 elderly, and 993 at-risk and low-skilled adults were served.

Comparison of the proposed versus actual outcomes for each outcome measure submitted with the consolidated plan and explain, if applicable, why progress was not made toward meeting goals and objectives. 91.520(g)

Categories, priority levels, funding sources and amounts, outcomes/objectives, goal outcome indicators, units of measure, targets, actual outcomes/outputs, and percentage completed for each of the grantee's program year goals.

Goal	Category	Source / Amount	Indicator	Unit of Measure	Expected – Strategic Plan	Actual – Strategic Plan	Percent Complete	Expected – Program Year	Actual – Program Year	Percent Complete
AFH 1 - Increase Affordable Housing Options	Affordable Housing	CDBG: \$ / HOME: \$ / General Fund: \$ / Private Bank Partner HOP: \$	Rental units constructed	Household Housing Unit	100	41	41.00%	24	0	0.00%

AFH 1 - Increase Affordable Housing Options	Affordable Housing	CDBG: \$ / HOME: \$ / General Fund: \$ / Private Bank Partner HOP: \$	Rental units rehabilitated	Household Housing Unit	0	5	0.00%	4	5	125.00%
AFH 1 - Increase Affordable Housing Options	Affordable Housing	CDBG: \$ / HOME: \$ / General Fund: \$ / Private Bank Partner HOP: \$	Homeowner Housing Added	Household Housing Unit	5	0	0.00%	5	0	0.00%
AFH 1 - Increase Affordable Housing Options	Affordable Housing	CDBG: \$ / HOME: \$ / General Fund: \$ / Private Bank Partner HOP: \$	Homeowner Housing Rehabilitated	Household Housing Unit	50	12	24.00%	15	4	26.00%

AFH 1 - Increase Affordable Housing Options	Affordable Housing	CDBG: \$ / HOME: \$ / General Fund: \$ / Private Bank Partner HOP: \$	Direct Financial Assistance to Homebuyers	Households Assisted	70	38	54.00%	10	24	240.00%
AFH 1a- Maintain Existing Affordable Housing	Affordable Housing		Homeowner Housing Rehabilitated	Household Housing Unit	50	12	24.00%	15	4	26.00%
AFH 1b - Increase Home Ownership	Affordable Housing		Direct Financial Assistance to Homebuyers	Households Assisted	50	33	66.00%	10	24	240.00%
AFH 1c- Land Use & Planning	Affordable Housing Land Use Policy		Other	Other	1	0	0.00%	1	0	0.00%
AFH 2 - Fair Housing Awareness & Enforcement	Affordable Housing Fair Housing Education/Outreach/Enforcement	General Fund: \$	Other	Other	5	2	40.00%	1	1	100.00%
AFH 2a- Increase local Housing Enforcement Efforts	Fair Housing Education/Outreach/Enforcement		Other	Other	5	2	40.00%	1	1	100.00%

AFH 2b- Reduce Housing Discrimination Disabled	Fair Housing Education/Outreach/Enforcement		Other	Other	5	2	40.00%	1	1	100.00%
AFH 2c - Perception of Affordable Housing	Fair Housing Education/Outreach/Enforcement		Other	Other	5	2	40.00%	1	1	0.00%
AFH 3 -Expand & Improve Resources Afford Housing	Affordable Housing	General Fund: \$	Other \$60K for Housing Study	Other	4	2	50.00%	1	1	100.00%
AFH 4- Support Public Service Programs	Homeless Non-Homeless Special Needs Non-Housing Community Development	CDBG: \$ / General Fund: \$ / US DOJ/BJA SCA: \$	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	1200	10,999	916.58%	1935	5080	262.00%
AFH 4- Support Public Service Programs	Homeless Non-Homeless Special Needs Non-Housing Community Development	CDBG: \$ / General Fund: \$ / US DOJ/BJA SCA: \$	Homeless Person Overnight Shelter	Persons Assisted	1200	3589	300.0%	920	1272	138.00%

AFH 4- Support Public Service Programs	Homeless Non-Homeless Special Needs Non-Housing Community Development	CDBG: \$ / General Fund: \$ / US DOJ/BJA SCA: \$	Jobs created/retained	Jobs	20	72	360.00%	50	32	156.00%
AFH 4a- Education Supportive Services	Non-Homeless Special Needs Non-Housing Community Development	CDBG: \$84000 / General Fund: \$631242	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	0	328	0.00%	535	298	56.00%
AFH 4a- Education Supportive Services	Non-Homeless Special Needs Non-Housing Community Development	CDBG: \$84000 / General Fund: \$631242	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	1200	8669	722.00%	4645	5080	109.00%
AFH 4b - Employment Training	Non-Housing Community Development		Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	750	3669	475.00%	650	1473	227.00%

AFH 4c - Employment Opportunities	Non-Housing Community Development		Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	100	279	279.00%	40	239	590.00%
AFH 4c - Employment Opportunities	Non-Housing Community Development		Jobs created/retained	Jobs	20	72	360.00%	50	32	64.00%
AFH 4d- Access to Public Transportation	Non-Housing Community Development		Other	Other	1	1	100.00%	1	1	100.00%

Table 1 - Accomplishments – Program Year & Strategic Plan to Date

Assess how the jurisdiction’s use of funds, particularly CDBG, addresses the priorities and specific objectives identified in the plan, giving special attention to the highest priority activities identified.

The City’s Five-Year Consolidated Plan (Strategic Plan) incorporates priority needs as identified in the City’s Assessment of Fair Housing (AFH). The AFH serves as the framework for formulating five year and annual goals and objectives. The Consolidated Plan will focus on the following priorities:

- **Foster access to opportunities** including, but not limited to, jobs, education, and housing for low-to-moderate income persons, protected classes and special populations.
- **Increase the supply of and access to decent, safe affordable housing** throughout the community through production and preservation of owner and rental housing.
- **Promote a suitable living environment** by supporting initiatives to transform racially/ethnically concentrated areas of poverty into areas of opportunity.

CDBG funds totaling \$1,280,281 were used for homebuyer assistance for HOP second mortgages to assist low-to-moderate income homebuyers purchase homes within the City of Wilmington. HOP enables low-to-moderate income homebuyers to search the Wilmington housing market to find a home that meets their needs including, but not limited to, access to jobs,

good schools, and amenities. Unfortunately, the Wilmington housing market has a limited supply of homes available that are affordable to most HOP buyers; therefore, the HOP guidelines were revised to provide a forgivable down payment assistance in addition to the zero percent second mortgage. As a result of adding down payment assistance HOP homebuyers were able to find homes within the available inventory. This allowed the City to expend CDBG funds in a timely fashion meeting the 1.5 CDBG requirement.

In addition to homebuyer assistance, \$175,000 CDBG funds were used to support emergency shelter and services for homeless persons including victims of domestic violence and families with children. Access to homeless services supports these individuals and families to secure permanent housing and employment if possible or other benefits, such as SSI disability if eligible.

Finally, \$84,000 CDBG funds were encumbered to improve the Child Development Center by replacing the HVAC and improvements to facilities of the Cape Fear Literacy Center including parking lots and building. Both organizations provide education and literacy services to children, including disabled children, and adults, the majority of whom reside in Racially and Ethnically Concentrated Areas of Poverty. Access to these programs provide at-risk children with additional resiliency factors to overcome the risk associated with living in poverty stricken neighborhoods.

General funds support the efforts of 23 community-based organizations to provide programs for at-risk youth, elderly, disabled, homeless, victims of abuse, formerly incarcerated, food insecure, low skilled individuals and others serving over 5,080 persons; thereby promoting a suitable living environment.

HOME funds totaling \$363,217 supported the completion of a substantial rehabilitation of a vacant, dilapidated historic home into a duplex for affordable rental. Projects near close-out at year-end include the expenditure of \$283,892.61 for the construction of 24 units of permanent housing ; and \$74,474.50 for construction of one single-family house for sale to an eligible buyer.

CR-10 - Racial and Ethnic composition of families assisted

Describe the families assisted (including the racial and ethnic status of families assisted).

91.520(a)

	CDBG	HOME
White	587	37
Black or African American	447	85
Asian	5	0
American Indian or American Native	13	4
Native Hawaiian or Other Pacific Islander	2	0
Total	1,054	126
Hispanic	22	6
Not Hispanic	1,032	120

Table 2 – Table of assistance to racial and ethnic populations by source of funds

Narrative

Below are tables showing the racial and ethnic status as well as the income of families assisted with CDBG, HOME and General Funds in community development activities including homebuyer assistance, homeowner assistance, housing production, public services and public facility improvements. The data reported is compiled from in-house data collection for HOP, Homeowner Rehabilitation, and Rental Rehabilitation Loan programs, and data provided by sub-recipients providing program services and activities for low-to-moderate income families.

Race & Ethnicity by Funding Source	CDBG	HOME	GENERAL FUND	Total
White	551	148	1,341	2,040
Black or African American	400	293	2,174	2,867
Asian	8	-	51	59
American Indian or American Native	13	1	28	42
Native Hawaiian or Other Pacific Islander	2	2	3	7
2 or more Races	77	6	188	271
Refused or Other	18	12	199	229
Totals	1,069	462	3,982	5,513
Hispanic	51	15	412	478
Not Hispanic	1,018	447	3,570	5,035

Household Income by Funding Source	CDBG	HOME	GENERAL FUND	Total
Household income 0-30%	1,019	262	2,135	3,416
Household income 31-50%	23	117	575	715
Household income 51-80%	17	72	490	579
Household income >80%	1	3	190	194
Totals	1,060	454	3,390	4,904

CR-15 - Resources and Investments 91.520(a)

Identify the resources made available

Source of Funds	Source	Resources Made Available	Amount Expended During Program Year
CDBG	public - federal	3,420,629.64	2,569,951.59
HOME	public - federal	2,778,304.84	362,726.98
General Fund	public - local	2,778,304.84	1,864,578.06
Other	private	2,019,291.00	2,019,291.00

Table 3 - Resources Made Available

Narrative

Resources made available include FY18.19 CDBG and HOME entitlement awards, plus prior year entitlement carry-over and Revolving Loan income. General Funds available and expended include Revolving Loan income as well as FY18.19 appropriations to HOP, Rehab and Public Service expenditures. For more detail please see appendix for budget spreadsheets.

Identify the geographic distribution and location of investments

Target Area	Planned Percentage of Allocation	Actual Percentage of Allocation	Narrative Description
City-wide	30	85	City-wide area of opportunity, equitable access to opportunities throughout the city
NorthSide	30	5	
Southside	40	13	

Table 4 – Identify the geographic distribution and location of investments

Narrative

Geographic distribution of investments does not include General Fund public service investments. The calculation is based on location of homeownership assistance loans (HOP), general fund and federal funded rehab loans, and production of new housing or substantial rehabilitation projects. A total of 40 projects were analyzed by location of investment. Of the 40 projects two are located in the Northside RECAP and eight in the Southside RECAP.

It should be noted that a majority of persons served through public services programs funded by general funds are residents of the RECAPs; however, data is not collected on addresses of participants.

See map in appendix for location of investments.

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Leveraging

Explain how federal funds leveraged additional resources (private, state and local funds), including a description of how matching requirements were satisfied, as well as how any publicly owned land or property located within the jurisdiction that were used to address the needs identified in the plan.

Working in partnership with community agencies, non-profits, public institutions and businesses the City seeks to leverage CDBG and HOME funds. The City allocates \$612,453 general funds to support public service programs benefiting low-to-moderate income households with a focus on youth development and youth violence prevention and intervention. In addition, the City's Homeownership Opportunities Program (HOP) is offered in partnership with three banks, First Citizens, BB&T, Corning Credit Union, which pledge up to \$900,000 each to provide first mortgages to low-to-moderate homebuyers. The City budgeted \$450,000 to support HOP second mortgages for workforce homebuyers, and forgivable homeowner rehabilitation loans for households with incomes below 50% Area Median Income. City CDBG and HOME funds are used to provide gap financing for housing production/rehabilitation utilizing North Carolina Housing Finance Agency Permanent Supportive Housing program and other public and private financing.

An analysis of funds leveraged reveals that for every \$1 in CDBG/HOME funds expended leveraged \$6.14 in other funds.

Ratios			
	Expenditures	Leverage	Ratios
CDBG	\$ 1,505,175.00	\$ 11,145,259.00	7.404626705
HOME	\$ 283,893.00	\$ 160,896.00	0.56674874
Total	\$ 1,789,068.00	\$ 11,306,155.00	6.319578127

Fiscal Year Summary – HOME Match	
1. Excess match from prior Federal fiscal year	
2. Match contributed during current Federal fiscal year	
3. Total match available for current Federal fiscal year (Line 1 plus Line 2)	
4. Match liability for current Federal fiscal year	
5. Excess match carried over to next Federal fiscal year (Line 3 minus Line 4)	

Table 5 – Fiscal Year Summary - HOME Match Report

Match Contribution for the Federal Fiscal Year								
Project No. or Other ID	Date of Contribution	Cash (non-Federal sources)	Foregone Taxes, Fees, Charges	Appraised Land/Real Property	Required Infrastructure	Site Preparation, Construction Materials, Donated labor	Bond Financing	Total Match

Table 6 – Match Contribution for the Federal Fiscal Year

HOME MBE/WBE report

Program Income – Enter the program amounts for the reporting period				
Balance on hand at beginning of reporting period \$	Amount received during reporting period \$	Total amount expended during reporting period \$	Amount expended for TBRA \$	Balance on hand at end of reporting period \$

Table 7 – Program Income

Minority Business Enterprises and Women Business Enterprises – Indicate the number and dollar value of contracts for HOME projects completed during the reporting period						
	Total	Minority Business Enterprises				White Non-Hispanic
		Alaskan Native or American Indian	Asian or Pacific Islander	Black Non-Hispanic	Hispanic	
Contracts						
Number						
Dollar Amount						
Sub-Contracts						
Number						
Dollar Amount						
	Total	Women Business Enterprises	Male			
Contracts						
Number						
Dollar Amount						
Sub-Contracts						
Number						
Dollar Amount						

Table 8 - Minority Business and Women Business Enterprises

Minority Owners of Rental Property – Indicate the number of HOME assisted rental property owners and the total amount of HOME funds in these rental properties assisted						
	Total	Minority Property Owners				White Non-Hispanic
		Alaskan Native or American Indian	Asian or Pacific Islander	Black Non-Hispanic	Hispanic	
Number						
Dollar Amount						

Table 9 – Minority Owners of Rental Property

Relocation and Real Property Acquisition – Indicate the number of persons displaced, the cost of relocation payments, the number of parcels acquired, and the cost of acquisition						
Parcels Acquired						
Businesses Displaced						
Nonprofit Organizations Displaced						
Households Temporarily Relocated, not Displaced						
Households Displaced	Total	Minority Property Enterprises				White Non-Hispanic
		Alaskan Native or American Indian	Asian or Pacific Islander	Black Non-Hispanic	Hispanic	
Number						
Cost						

Table 10 – Relocation and Real Property Acquisition

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CR-20 - Affordable Housing 91.520(b)

Evaluation of the jurisdiction's progress in providing affordable housing, including the number and types of families served, the number of extremely low-income, low-income, moderate-income, and middle-income persons served.

	One-Year Goal	Actual
Number of Homeless households to be provided affordable housing units	24 1,935	0
Number of Non-Homeless households to be provided affordable housing units	19 5,249	24+3
Number of Special-Needs households to be provided affordable housing units	4 409	4
Total	47 7,593	31

Table 11 – Number of Households

Strike through HUD populated numbers because these are not accurate and are not the goals established, seems to be technical error. Replaced with correct goals for FY19 and entered actual accomplished data. It appears that HUD populated numbers are individuals served through public service programs – emergency shelter, youth programs, special needs programs, etc. not housing. See page 41 Goal Descriptions in FY18.19 Annual Action Plan for source.

	One-Year Goal	Actual
Number of households supported through Rental Assistance (TBRA)	0	0
Number of households supported through The Production of New Units	29	0
Number of households supported through Rehab of Existing Units	19	11
Number of households supported through Acquisition of Existing Units	14	24
Total	61	35

Table 12 – Number of Households Supported

Discuss the difference between goals and outcomes and problems encountered in meeting these goals.

The difference between goals and outcomes is primarily the result of timing and delays, some of which may be attributed to Hurricane Florence. It was anticipated that 24 units of Permanent Supportive Housing would be completed as part of the Lakeside Reserve project. The project construction was completed in FY18.19, however, the project closeout will not be complete until FY19.20; therefore the number of units will not be reported for FY19. The same holds true for AMEZ and Cape Fear Community Housing Trust single-family new construction projects on Grace St. and Marsdon Alley. The FY18.19 Annual Action Plan also established a goal of 15 owner-occupied rehabs and only four were approved and loans closed in FY19. The lack of contractors to bid on projects is a major obstacle to meeting the goal for owner-occupied rehabs, as well as the cost of rehabs exceeding the program limits. While these challenges are not entirely due to Hurricane Florence, the hurricane did exacerbate them. Staff is evaluating the program to find solutions to these issues. Although only three of four predicted Rental Rehab (RR) Incentive Loans closed in FY19, three RR loans were in the pipeline at year-end and demand for the program is increasing. A goal of four down-payment assistance loans was not met, due to the lack of demand for DPA loans by non-profit partners, such as Habitat for Humanity. However, the City far exceeded the goal for 10 homebuyer assistance loans (aka HOP) by closing 24 loans in FY19.

Discuss how these outcomes will impact future annual action plans.

As a result of changes to the homebuyer assistance program HOP to include downpayment assistance the City met the required 1.5 expenditure for CDBG. In future years the City will not have revolving loan repayments accumulated from the HOP program to support the same level of HOP loan production. An increase in funding will be required to continue the HOP program at the same level as prior five years of approximately 10-15 loans per year.

Lack of capacity and funding limits the ability of community non-profit housing developers, including CHDOs, to produce new affordable housing units. The City’s HOME entitlement funds are not sufficient to continue to support 100% financing for construction of new housing requiring a substantial subsidy to sell to eligible homebuyers. Other sources of funds are needed and HOME funds are best used as gap financing. The Wilmington market housing values continue to increase, thereby increasing the amount required for development and homebuyer subsidy to make units affordable. Additionally, a shortage of construction workers and the increasing cost of construction are barriers to housing production and rehabilitation.

Include the number of extremely low-income, low-income, and moderate-income persons served by each activity where information on income by family size is required to determine the eligibility of the activity.

Number of Households Served	CDBG Actual	HOME Actual
Extremely Low-income	1019	262
Low-income	40	189
Moderate-income	1	3
Total	1060	454

Table 13 – Number of Households Served

Narrative Information

Below is a table depicting household income of beneficiaries by funding source, including General Funds

Household Income by Funding Source	CDBG	HOME	GENERAL FUND	Total
Household income 0-30%	1,019	262	2,135	3,416
Household income 31-50%	23	117	575	715
Household income 51-80%	17	72	490	579
Household income >80%	1	3	190	194
Totals	1,060	454	3,390	4,904

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CR-25 - Homeless and Other Special Needs 91.220(d, e); 91.320(d, e); 91.520(c)

Evaluate the jurisdiction's progress in meeting its specific objectives for reducing and ending homelessness through:

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

The Homeless Continuum of Care (CoC) serves an estimated 1200 homeless individuals in a year for the region of Brunswick, New Hanover and Pender Counties. This number has reduced slightly each year since 2010. During the annual Point In Time Count (PIT) in January 2019 the sheltered count increased by 70, and due to additional outreach and regional coverage, the unsheltered count increased by 35 people. The CoC coordinates outreach with multiple member organizations. The Veterans Administration Outreach Social Worker, Vigilant Hope Ministry, SOAR Program and First Fruit Ministry all conduct street outreach within the City of Wilmington. Outreach is focused on people who are unsheltered within the jurisdiction with the goal of helping people access shelter and housing. The CoC prioritizes individuals according to their level of need and type of housing intervention that would support housing security. The CoC funds street outreach to the unsheltered homeless through the NC Emergency Solutions Grant administered through the NC Department of Health and Human Services and contracts with First Fruit Ministry to provide outreach services. Services focus on meeting basic needs such as food, clothing, and medical care. Additional resources and assistance with housing referral are offered based on the willingness of the person to engage with the outreach staff. Currently, there are 104 individuals enrolled in outreach, which is the average number of unsheltered individuals on any given day in the region. This indicates that outreach is providing full coverage of the region and is effective at engaging street homeless people at a level where case management can be provided. Outreach programs present on their efforts at CoC meetings, which are attended by over 30 organizations per month. This supports widespread knowledge of outreach activities and how to connect the street homeless population to outreach.

Addressing the emergency shelter and transitional housing needs of homeless persons

The CoC has sufficient emergency shelter and transitional housing beds to meet the needs of the homeless population at any given time. Currently, the shelter and transitional housing bed inventory is 398. The annual PIT count of sheltered and unsheltered people in the region on January 30, 2019, was 431 people.

There were significant increases for the 2019 PIT for the sheltered and unsheltered populations. The CoC changed the collection and data quality methodology for this year which produced a more accurate count. We used recommended technology, ArcGIS, from HUD this year to increase accuracy of the count. We used our HMIS in conjunction with this technology to help deduplication and have a more accurate count. Last year the count was done with pen, paper and clipboard and compiling the official report was done by hand by previous CoC staff. In addition, we had pop up emergency shelters this year that were zero barrier that were coordinated by our local churches who specifically outreach to individuals experiencing homelessness. Our typical shelters were at capacity and do have barriers that limit vulnerable populations from getting in. Pop up shelters were created because it was expected to be extremely cold the last few days in January as well as filling a gap in services because the pop-up shelters were zero barrier entry.

Our area and every population is continuing to be directly and indirectly effected by Hurricane Florence. Housing opportunities along with affordable housing opportunities have significantly and drastically decreased, therefore making it extremely difficult to house homeless individuals. Even the general population (not homeless) is finding it exceptionally difficult to find housing. In addition, there are still individuals from Hurricane Florence that are experiencing homelessness, we are still receiving calls from individuals seeking aid who are displaced from Hurricane Florence. Considering all of the improvements to data collection, a significant natural disaster and lack of affordable housing, our area saw an increase in our homelessness population. In order to address the growing homelessness epidemic, the CoC implemented a new Coordinated Entry System, to systemically decrease overall homelessness numbers and utilize financial resources.

The CoC has encouraged shelters and transitional housing providers to reduce barriers to entry and shorten the length of stay in their facilities to only what is necessary to create and accomplish a housing plan. This has led to increased utilization of emergency shelter beds and a reduction in length of stay in shelter by an average of 2 days. Length of stay in transitional housing has increased by approximately two weeks, due to transitional housing serving those with more complex needs and requiring longer lengths of stay to address those needs and find adequate housing.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: likely to become homeless after 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); and, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs

The CoC has implemented a system of Coordinated Entry, which includes a diversion and shelter screening before admitting people into shelter and a housing assessment to prioritize people for housing resources according to their level of need. The diversion screening includes questions related to an individual or households ability to stay housed where they are, or move to another housing opportunity and avoid utilizing the homeless service system altogether. In 2018, the CoC has determined, using HMIS data, that 25% of all people staying in emergency shelter were housed on the night before they arrived. The CoC also identified at least 10% of all people accessing shelter as having sufficient financial resources upon arrival to access market rate housing. Using this data, the CoC plans to increase training around diversion strategies to prevent more people from becoming homeless.

On June 6th 2019, the CoC implemented a new “Coordinated Entry System”, which is the process individuals move through to move from homelessness to housing. The new system was implemented to better match individuals to services they are eligible for and to make sure as a community we are utilizing every dollar with our grants. In addition, the new system increases transparency, communication and collaboration among community partners. It gives clear information to individuals on where they can start to get help. The new system gives us enhanced data as we are utilizing our database system to track individuals. Since implementation, 158 assessments have been conducted, 82 singles, 32 family adults and 44 children (23 families). The average age for single individuals is between 51 and 61, indicating that

we have an aging homelessness population, furthering the need for super affordable, low income, senior housing in the area. Most individuals report a physical disability and most individuals stayed at a shelter the night before taking the assessment. Furthermore, food stamps and SSI/SSDI are the highest report income sources at time of assessment.

The CoC works closely with the justice system and hospital system to prevent individuals from being released from institutions into homelessness. This includes a collaboration with a homeless ministry, center for independent living, and county hospital that funds a Recuperative Care Program for individuals leaving the hospital to homelessness and who need a separate setting from shelter to fully recover and move into housing. CoC members who coordinate monthly include: hospital social workers, county DSS, city community development staff, Sherriff's office, re-entry council, center for independent living, Medicaid Managed Care Organization, employment services, youth shelter, victims service providers, shelter, transitional and permanent supportive housing providers, veteran service organizations, and outreach programs. Shelter and housing providers receive information at CoC meetings about mainstream resources that are available to assist their clients in improving employment opportunities, increasing non-cash benefits, gaining access to disability benefits, improving health care, and accessing transportation. This allows service providers to work with their homeless clients to increase their self-sufficiency.

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

The CoC's Coordinated Entry System (CES) utilizes a common needs assessment to identify areas of vulnerability and determine an approximate level of housing support a person will need to become stable upon exiting homelessness. All individuals who are assessed are placed on a list that is used to prioritize the CoC's housing resources so that the people who are most in need are given access to resources first and offered housing choice whenever possible. CoC data shows that approximately 40% of our homeless population self-resolve their homelessness with only some case management assistance. Permanent housing supports, such as Rapid Re-Housing (RRH) financial assistance and Permanent Supportive Housing (PSH), are utilized for those individuals who would not otherwise be able to self-resolve. The Coordinated Entry Committee meets weekly to case conference those on the housing list and prioritize those who are most in need for permanent supportive housing openings or short term financial assistance. Both RRH and PSH come with case management support, which helps provide housing stability and works with people to avoid returns to homelessness. The CoC system performance measures show that the majority of individuals placed in housing lose their housing within the first 6 months. The CoC encourages a more intense case management service during this crucial time to focus on securing additional financial and community supports and developing a crisis plan to avoid homelessness. Diversion screening allows those who were recently placed in housing to be re-directed to the last agency who served them for assistance in staying housed. The CoC works with

emergency assistance providers, such as Help Hub, Catholic Charities, The Salvation Army, DSS and First In Families, to secure prevention funds when needed. The average length of time in shelter is 40 days, which is a reduction of 11 days since 2015. In summer 2018 the CoC partnered with the North Carolina Coalition to End Homelessness on a risk mitigation pilot project to recruit more landlords to rent to the homeless population. This has allowed CoC member agencies to expand their network of local landlords and reduce barriers to housing, such as requiring 2-3 times the amount of rent in monthly income, and relaxing background check and credit check requirements. This provides homeless individuals and households access to more affordable and stable housing, which will increase their likelihood of housing retention.

DRAFT

CR-30 - Public Housing 91.220(h); 91.320(j)

Actions taken to address the needs of public housing

- Dawson Lofts is the first new construction of affordable housing by WHA in 8 years. This will consist of 24 one and two-bedroom units.
- The Authority has instituted a multi-site, multi-million dollar, multi-year modernization initiative using capital funds. The purpose is to improve conditions across public housing sites by addressing issues inside units caused by damage or simply age. This includes tearing out and replacement of walls, floors, ceilings, cabinets and any other internal components as needed.
- Following Hurricane Florence, all sites will have had or are about to have some form of roof repair ranging from total roof upgrade and replacement at Solomon Towers to the replacement of a few shingles at Woodbridge and everything in between. Some, not all, of this work is in response to damage done by the hurricane.
- WHA has continuously actively sought to purchase property in areas of opportunity.
- Construction of additional parking at Houston Moore to enhance emergency vehicle access to the apartment community is currently in permitting stages.
- New computer software is in the final stages of implementation across all departments in the organization. This will enable residents to access and update their information online, as well as, allow for applications to be taken on-line. This new software will greatly increase efficiency for staff and residents alike.
- WHA contracts with the Wilmington Police Department to ensure full-time police officers are assigned to work exclusively in and around WHA neighborhoods. Not only has this continued to decrease crime on the sites, but has helped strengthen the relationship between law enforcement and the community through various events and activities.

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

- WHA received a Public Housing & Housing Choice Voucher Family Self Sufficiency grant from the Department of Housing and Urban Development (HUD). It is used to continue to fund the salary of 2 full-time Family Self-Sufficiency Coordinators for both Public Housing and Housing Choice Voucher participants. As of July, 2018, there are 58 families enrolled.
- WHA was awarded the Resident and Opportunities and Self-Sufficiency (ROSS) Grant in \$476,038. This grant pays for two full-time staff over three years. Currently, this program, along with our community partners, provides resources and guidance for residents to work towards self-sufficiency.

Actions taken to provide assistance to troubled PHAs

Wilmington Housing Authority is not designated as a troubled PHA

(source: Wilmington Housing Authority)

DRAFT

CR-35 - Other Actions 91.220(j)-(k); 91.320(i)-(j)

Actions taken 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. 91.220 (j); 91.320 (i)

The City of Wilmington and New Hanover County Council established a joint Workforce Housing Committee to examine barriers to affordable housing and recommend actions to increase workforce/affordable housing. The committee was formed in response to recommendations from a previous ad hoc Joint Housing Committee presented in April 2017. The permanent committee members are being selected in accordance with an interlocal agreement approved by the boards of the City and County on June 18, 2019. It is anticipated that the committee will oversee a comprehensive housing study which will, among other things, provide recommendations to address public policy changes to help ameliorate negative effects of existing policy on the development of affordable housing.

As of the drafting of this CAPER, both the City of Wilmington and New Hanover County are drafting revised Land Use/Zoning Codes that are anticipated to include changes to Accessory Dwelling Units (ADU), Density and Height regulations and requirements that will remove existing barriers within the current Land Development Codes.

Actions taken to address obstacles to meeting underserved needs. 91.220(k); 91.320(j)

Obstacles to addressing underserved needs are complex and long-standing. The City's Analysis of Fair Housing identified a number of factors such as displacement due to economic pressure, community opposition to diversity of housing types, private discrimination, and lack of safe, decent housing as contributing to underserved needs. The AFH identified neighborhoods within the City with limited access to opportunity and disproportionate rates of housing cost burden, low wealth, and low performing schools.

The City Council appropriates funds to support community-based efforts to address underserved needs, with a focus on youth development and violence prevention including job skills development and youth jobs program. In FY2018.19 \$662,453 City General Funds supported 23 agencies serving low-to-moderate income persons. Please see appendix for a list of agencies funded. In addition, \$175,000 CDBG funds were allocated for three public service programs that provide services and emergency shelter for victims of domestic violence and homeless persons.

City housing programs include homeowner housing rehabilitation, homebuyer assistance, affordable housing production, and rental rehabilitation. CDBG and HOME funds coupled with a \$450,000 General Fund appropriation support these programs. In FY2018.19, Community Development and Housing staff increased social media and other forms of out-reach to better inform low-to-moderate income citizens and other stakeholders about the availability of City housing programs. Changes to the City's Homebuyer Assistance program (HOP) increased the number of successful applicants from 8, in the prior year, to 24 in FY2018.19.

Actions taken to reduce lead-based paint hazards. 91.220(k); 91.320(j)

All target housing, homes constructed before 1978, which receive federal assistance through the city's housing programs are required to be evaluated for lead based paint hazards and the following actions taken.

For all properties

- Provide owner or occupant with information pamphlet(s) 1. Protect your family from lead in your home –EPA, 2. The lead-safe certified guide to renovate right – EPA.
- Require paint testing for surfaces to be disturbed, or presume Lead based paint present.
- Notice to occupants.

For properties receiving less than or equal to \$5000.00 per unit

- Safe work practices during rehab (certified RRP Contractor).
- Repair/stabilize disturbed paint.
- Passing clearance exam of the worksite.

For properties receiving more than \$5000.00 and up to \$25,000.00 per unit

- LBP testing / Risk assessment.
- Interim controls (certified RRP Contractor).
- Passing clearance exam of the worksite.

For properties receiving more than \$25,000.00 per unit

- LBP testing / Risk assessment.
- Abatement of LBP hazards (licensed abatement contractor).
- Passing clearance exam of the worksite.

Actions taken to reduce the number of poverty-level families. 91.220(k); 91.320(j)

City support for programs that increase skills of youth, underemployed, homeless and others experiencing poverty. Programs supported include: after-school programs, tutoring, job skills, job placement, and adult literacy. Please see appendix for full list of agencies supported. According to reports submitted by funded non-profits and City loan data, at least 5,824 participated in programs supported by City funds, including CDBG and HOME.

Below are some examples of actions taken to improve job skills and placement:

StepUp Wilmington served 419 participants in their jobs programs and placed 239 in jobs in 2018-19 fiscal year. The organization offered Jobs Week, a 32-hour week long Employment Training Workshop. During Jobs Week participants learn job search strategies such as networking, resume writing, how to dress appropriately, time management, communication skills, how to address criminal history and employment gaps, and interview preparation. The goal is to teach individuals the skills needed to gain

employment and thereby secure an income. Once employed with steady income participants can begin “Step 2”, a 9-month Life Skills program. The program, for working adults and their children, is designed in three, twelve week phases. Phase I focuses on personal development, Phase II focuses solely on financial literacy and by Phase III participants are working towards achieving their goals, have established a budget, and are managing their finances better.

The Blue Ribbon Commission on the Prevention of Youth Violence’s Voyage Summer Employment Program is an 8 week summer jobs program that provides in- depth workforce development for 16-19 year old students facing barriers to employment through individualized job skills training, financial literacy classes, career readiness certification, ongoing mentoring, and paid work experiences. The program is located within the designated Northside R/ECAP. There are 7 weeks of paid work experience where participants are placed at over 15 partnering host sites. Participants will attend three-hour paid training sessions and work for a total of 24 hours per week. In 2018- 2019, 33 youth participated in the program.

Kids Making It served 478 youth in their wood working and construction skills program. Offering at-risk youth an opportunity to learn skills in wood working, construction trades and other related fields while connecting with mentors. Youth produce products for sale and retain their profits. Additionally, KMI works with area businesses to place participants in jobs.

Actions taken to develop institutional structure. 91.220(k); 91.320(j)

Institutional structure is developed by process of continuous process improvement and collaboration with the City organization and with community stakeholders. To that end, City community development staff members attend Planning and Development Review Technical Review Committee meetings for residential projects. Further, CD staff members work in collaboration with City Planning, Attorney and Budget staff to explore policy changes that support development of affordable housing.

Improvements to Community Development program management, data collection and reporting have improved with the first full year of implementation of a new software system for loan program activities.

Finally, collaboration with community-based organizations, banks, Cape Fear REALTORS, Tri-County Homeless Initiative Council and others is essential to addressing the needs within the community. CDBG and General Funds are invested in efforts to address homelessness, blight, job skill development, youth development, services to disabled and elderly. In addition, working in partnership with area banks and affordable housing developers the City works to provide homeownership, rental and housing preservation programs.

Actions taken to enhance coordination between public and private housing and social service agencies. 91.220(k); 91.320(j)

City community development and housing staff members represent the City on a number of community development organizations such as the Cape Fear Housing Coalition; TRI HIC – Tri County Homeless Interagency Council, and RESET Re-Entry and Treatment for Formerly Incarcerated. Additionally, CD staff participate in events hosted by the CF REALTORS and CF HOMEBUILDERS representing the private housing agencies. Likewise, the City works in partnership with three area banks to provide financing for

homebuyers through the City’s Homeownership Opportunities Pool (HOP). Finally, City Council appoints private sector representatives as volunteers to serve on the Loan Review Board, members represent the banking, insurance, social services, executive management, legal and accounting sectors

Identify actions taken to overcome the effects of any impediments identified in the jurisdictions analysis of impediments to fair housing choice. 91.520(a)

The City of Wilmington/Wilmington Housing Authority submitted an Assessment of Fair Housing to HUD in October 2016, under the requirements of the July 16, 2015 Final Rule on Affirmatively Furthering Fair Housing. The Final Rule AFFH required an analysis of data provided by HUD and for submitting entities to establish goals to address significant disparities in housing needs and access to opportunity, replace segregation with truly integrated and balanced living patterns, and transform racially/ethnically concentrated area of poverty into areas of opportunity.

1	Goal Name	AFH 1 -Increase Affordable Housing Options	Actions FY2018.19
	<p>Goal Description</p>	<ul style="list-style-type: none"> • Increase production of rental housing including Permanent Supportive Rental housing, and other rental housing for elderly, victims of domestic violence, disabled, and others; • Locate newly constructed housing in areas of opportunity to increase choices for low-to-moderate income households; produce housing in R/ECAPs as part of a strategy to transform the areas to areas of opportunity; • Preserve affordable housing and prevent displacement due to economic pressures through rehabilitation of owner-occupied housing; provide homebuyer assistance; and • Work in partnership with private sector lenders, developers, real estate professionals and others to increase affordable housing options throughout the City. 	<ul style="list-style-type: none"> • Construction completed on Phase II Lakeside Reserve PSH. Close-out in FY19.20. • Completed rehabilitation of single-family 4 bedroom unit for PSH in area of opportunity. • Construction completed on 2 single-family homeowner units. Located in RECAPs. Close-out in FY19.20. • 4 Homeowner Rehabilitation Loans, of these 2 forgivable w/GF, 2 CDBG amortized. • 3 Rental Rehab Loans closed in FY18.19. • 24 Homebuyer assistance loans (HOP), of these 15 CDBG, 9 GF. • 2 Units Rental Rehab by CHDO in RECAP completed and rented. <p>*includes private & other public financing</p>

2	Goal Name	AFH 2 - Fair Housing Awareness & Enforcement	Actions FY2018.19
	Goal Description	<ul style="list-style-type: none"> • Increase Fair Housing Awareness through education and collaboration with community-based organizations, disability advocates, real estate professionals, landlords, developers, lenders and the general public. • Support local efforts to monitor and enforce fair housing laws and initiatives to secure resources to establish a local Fair Housing Commission or similar organization. • Ensure that housing produced with HOME or CDBG funds include accommodations for disabled and universal design elements. • Support development of Permanent Supportive Housing and other housing for disabled persons. 	<ul style="list-style-type: none"> • Provide staff support as City Liaison to Joint City/County Community Relations Advisory Committee. • Joined DisAbility Resource Council for Fair Housing listen session 7/29/18 • Beauregard Ave; Marsdon Alley projects incorporate universal design • Gap funding provided for 24 units PSH, completed in FY18.19. • 1 Rental Rehabilitation Loan Program project for PSH.
3	Goal Name	AFH 3 -Expand & Improve Resources Afford Housing	Actions FY2018.19
	Goal Description	<ul style="list-style-type: none"> • Implement recommendations from City/NHC Affordable/Workforce Housing Ad Hoc Committee adopted by City Council. Goal outcome - Permanent Committee; Study; Public Awareness Campaign; Housing Trust Fund 	<ul style="list-style-type: none"> • City Council approves Interlocal Agreement to form permanent joint City/County Workforce Housing Committee on 6/18/19.
4	Goal Name	AFH 4- Support Public Service Programs	Actions FY2018.19
	Goal Description	<ul style="list-style-type: none"> • Increase access to supportive services and programs by funding public service programs serving at-risk youth, elderly, disabled, homeless, and others. Programs include afterschool and summer programs, jobs skills and placement, and case management and supportive services. • Work with community-based agencies to transform R/ECAPs and improve living conditions and access to opportunities for low-to-moderate income persons. 	<ul style="list-style-type: none"> • 26 Non-Profit Agencies Funded See appendix for details. • All 26 Agencies serve low-to-moderate income persons, including persons residing in RECAPs. • 8 of the 26 agencies are located within RECAPs

5	Goal Name	AFH 1a- Maintain Existing Affordable Housing	Actions FY2018.19
	Goal Description	<ul style="list-style-type: none"> Rehabilitate and/or repair an average of 10 owner-occupied houses per year 	<ul style="list-style-type: none"> 4 Homeowner Rehabilitation Loans, of these 2 forgivable w/GF, 2 CDBG amortized.
6	Goal Name	AFH 2a-Increase local Housing Enforcement Efforts	Actions FY2018.19
	Goal Description	<ul style="list-style-type: none"> Support CF Housing Coalition to apply for FHAP or FHIP to establish a local Fair Housing Initiative to monitor fair housing issues and complaints, provide funding to assist with FHIP application through biennial RFP process; Hold at least one fair housing workshop for landlords and real estate agents annually; Work in collaboration with other agencies advocating for affordable and fair housing, such as the Cape Fear Housing Coalition, TriCounty Homeless Interagency Council, Disability Resource Center and others to increase awareness and educate about Fair Housing 	<ul style="list-style-type: none"> CF Housing Coalition sub-recipient with NC Legal Aide Fair Housing Education & Outreach Grant. City funded survey on discrimination, equity, in housing and government services, etc. Survey will be conducted by UNCW and overseen by City/County Human Relations Advisory Committee. Survey was delayed due to Hurricane Florence, will be conducted in fall of 2019.
7	Goal Name	AFH 2b- Reduce Housing Discrimination Disabled	Actions FY2018.19
	Goal Description	<ul style="list-style-type: none"> 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 next 5 years will be targeted for persons with disabilities. 	<ul style="list-style-type: none"> Joined DisAbility Resource Council for Fair Housing listen session 7/29/18 Beauregard Ave; Marsdon Alley projects incorporate universal design Gap funding provided for 24 units PSH, completed in FY18.19. 1 Rental Rehabilitation Loan Program project for PSH.

8	Goal Name	AFH 1b -Increase Home Ownership	Actions FY2018.19
	Goal Description	<ul style="list-style-type: none"> Partner with area banks to provide up to 10 mortgages annually, through the HOP program, to households at or below 80% AMI. 	<ul style="list-style-type: none"> 24Homebuyer assistance loans (HOP), of these 15 CDBG, 9 GF.*
9	Goal Name	AFH 4a- Education Supportive Services	Actions FY2018.19
	Goal Description	<ul style="list-style-type: none"> Increase enrollment in after school tutoring and youth mentoring programs by 5% over 5 year period. Fund after school programs in R/ECAPs over the next 5 years. 75% of youth enrolled will increase scores on end of year test at 80% or more; 90% promotion to next grade level 	<ul style="list-style-type: none"> FY18.19 Enrollment – 2,997 FY18.19, 9 afterschool tutoring programs funded: BBGC,CIS, CBGC,DREAMS, KMI, BRC; WRAAP FY17.18 Baseline Data
10	Goal Name	AFH 4b -Employment Training	Actions FY2018.19
	Goal Description	<ul style="list-style-type: none"> Support agencies providing job training programs. Refer public housing and HCV participants to employment training to promote self-sufficiency. At least 150 individuals enrolled annually in Job Training/Job Preparation/Placement program, including residents of R/ECAPs. 	<ul style="list-style-type: none"> 7 of 26 agencies funded provide job skills, job preparation, job placement programs. 1,473 persons participated in programs: CFLit; LINC; StepUp;HWF,KMI,BRC,YWCA
11	Goal Name	AFH 4c - Employment Opportunities	Actions FY2018.19
	Goal Description	<ul style="list-style-type: none"> Increase labor market participation rates in R/ECAPs. Provide annual funding for youth employment program for at least 20 youth to secure employment and supportive services for future career preparation. 	<ul style="list-style-type: none"> FY18.19 33 youth BRC youth summer employment program 10 of 40 youth offered FT jobs or internship if in school
12	Goal Name	AFH 4d- Access to Public Transportation	Actions FY2018.19
	Goal Description	<ul style="list-style-type: none"> Participate in WAVE Transit Authority Planning process to advocate for improvements to bus stops and routes within the R/ECAPs. 	<ul style="list-style-type: none"> WAVE Short Term Transit Plan complete; plan calls for route in Creekwood. Other changes to improve routes w/in RECAPs

13	Goal Name	AFH 2c - Perception of Affordable Housing	Actions FY2018.19
	Goal Description	<ul style="list-style-type: none"> Increase Fair Housing Marketing, Awareness and Education throughout the community. Host at least one fair housing event annually, host annual workshops with lenders, real estate professionals and landlords, Fair Housing promotional program annually. 	<ul style="list-style-type: none"> Joined DisAbility Resource Council for Fair Housing listen session 7/29/18.
14	Goal Name	AFH 1c- Land Use & Planning	Actions FY2018.19
	Goal Description	<ul style="list-style-type: none"> City owned vacant land/in-fill lots should be offered to affordable housing developers at no cost for redevelopment into affordable housing. Review existing density bonus to identify ways to increase use, consult with developers for input into limitations and incentives to increase use. In accordance with the City's Comprehensive Plan (policy 3.1.1) promote mixed-income neighborhoods throughout the city, to provide equitable access to opportunity and housing choice to households at all incomes. 100% of available in-fill lots redeveloped into affordable housing. Revised density bonus utilized by developers 100% more than in past. Revise land development code to encourage mixed –use development and variety of housing types, prices, and tenures. 	<ul style="list-style-type: none"> RFP issued for City Surplus lots valued \leq \$15,000 for affordable housing at no cost for lots. RFPs for City owned land include request for affordable housing if project includes residential. Land Development/Zoning Codes being revised, expected for public comment January 2019.
15	Goal Name	Planning & Administration	Actions FY2018.19
	Goal Description	Planning & Administration CBDG & HOME programs	

CR-40 - Monitoring 91.220 and 91.230

Describe the standards and procedures used to monitor activities carried out in furtherance of the plan and used to ensure long-term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements

The Community Development Analyst- Compliance will manage the annual monitoring programmatic assessment of every housing and community development project funded by HOME and CDBG as required by law. Request for funding applications are made on a standard form and are evaluated by a staff team representing various City departments. Points are given for each criterion covering community need, program effectiveness, financial record, and capacity of the organization.

All newly funded housing and development projects will be provided with technical assistance regarding federal regulations, i.e. environmental assessment process, tenant selection process, Davis Bacon, fair labor standards, fair housing, Section 3, Minority Business Enterprises, etc. as applicable by law. The City of Wilmington enters into standard grant agreements with each grantee that specify amount, source, and use of funds, match requirements, reporting standards, recordkeeping, results to be achieved, and other conditions specific to the project. A standard attachment of all federal standards (Executive Orders, Civil Rights Act, etc.) with which the agency must comply is included in the agreement. Additionally, Finance Staff assigned to the Community Development Division monitor compliance with all federal financial requirements pertaining to CDBG and HOME, such as those found in Office of Management and Budget Circulars and the Code of Federal Regulations Part 84 and 85. Finance Staff are also responsible for managing the loan portfolio for loans made to individual/households for homeownership (HOP) and owner-occupied housing rehabilitation.

Agencies will be provided on-going technical assistance. Agencies identified with concerns or findings will be required to participate in in-depth reviews, i.e., weekly, monthly and quarterly and technical assistance. Desk monitoring will also be conducted, where applicable, and all currently funded and affordability period eligible agencies are required to participate in a mandatory bi-annual reporting tool. Pre-award conferences will continue to be held to finalize contracts and review reporting compliance. Technical assistance, especially to new grant recipients, will be provided when deemed appropriate.

On-Site Inspections

All HOME funded housing projects with deficiencies noted the prior year were brought into compliance with applicable standards and all projects are subject to inspections for the calendar year ending 2017. Programmatic monitoring verified compliance with rent affordability and occupancy rules. Each agency continues to perform applicable screening of tenants including the prohibition of life time registered sex offenders and those that are have been convicted of the manufacture or production of **Methamphetamine**, as certified by the agency, through electronic reporting. Any changes to tenant selection policies/procedures were reviewed by Compliance and found to be within the parameters of the eligible housing activity. Finance Staff conducted onsite evaluations of the overall accounting structure and financial management systems, procurement procedures, and client files. Technical assistance was provided and is continually provided by Community Development and Finance staff. In addition,

agencies are referred to workshops and other training opportunities, and/or other agencies for further assistance regarding compliance issues, as needed. Also, CD and Finance staff facilitated training workshops and meetings with Grantees, Sub-recipients, Developers, Contractors, and Agents as follows: Environmental, preconstruction meetings, pre-bid meetings, Davis Bacon and other Federal Employment Requirements, Fair Housing, Contractor Eligibility and Section 3 Requirements, Environmental and Choice Limiting Activities, and conditional funding agreements. This include scattered site single family residential and Code Enforcement minimum housing activities, when rehab assistance is being pursued. Each applicable construction activity was inspected for continued compliance with the required posting of applicable federal posting requirements.

Citizen Participation Plan 91.105(d); 91.115(d)

Describe the efforts to provide citizens with reasonable notice and an opportunity to comment on performance reports.

Citizens are provided with notice and an opportunity to comment on the CAPER at two public hearings, one during a City Council meeting and another at the City Municipal building, and also by accessing the draft CAPER via the City webpage, City Clerk's office, public library, WHA, and City Community Development and Housing office. A notice of Public Hearing and Public Comment period is advertised in the Wilmington Star News, and City Website and Social Media sites. In addition, notices with links to the CAPER are emailed to community-based organizations and other key stakeholders, such as the Cape Fear Housing Coalition, Tri-County Homeless Initiatives Council, and New Hanover County.

Please see appendix for comments received and for copies of published notice.

CR-45 - CDBG 91.520(c)

Specify the nature of, and reasons for, any changes in the jurisdiction's program objectives and indications of how the jurisdiction would change its programs as a result of its experiences.

HUD notified the City Manager by letter dated March 13, 2018, that the City's CDBG Program was in danger of not meeting the timeliness requirement to expend/drawdown at least 1.5 times the amount of the most recent grant plus any program income.

Community Development staff members have submitted a Workout Plan to the City's HUD Field Representative. At the 9/4/18 meeting City Council approved revisions to the HOP Loan Guidelines to provide Down Payment Assistance, in addition to the 0% second mortgage, to make it possible for HOP borrowers to afford the housing available in the current market.

This change in HOP guidelines resulted in a three fold increase in successful applicants and the expenditure of \$1.2 million in CDBG funds (including Revolving Loan repayments) thereby meeting the 1.5 requirement.

As noted previously, changes to the City's Owner-Occupied Housing Rehabilitation program are being analyzed to increase production. Changes to procurement, increase of program limits, and updates to definition of homeownership are changes being considered.

Does this Jurisdiction have any open Brownfields Economic Development Initiative (BEDI) grants?

[BEDI grantees] Describe accomplishments and program outcomes during the last year.

CR-50 - HOME 91.520(d)

Include the results of on-site inspections of affordable rental housing assisted under the program to determine compliance with housing codes and other applicable regulations

Please list those projects that should have been inspected on-site this program year based upon the schedule in §92.504(d). Indicate which of these were inspected and a summary of issues that were detected during the inspection. For those that were not inspected, please indicate the reason and how you will remedy the situation.

Property	Monitoring Date	Summary of Issues
Good Shepherd Center	4/9/2019	Inoperable water heater, inoperative HVAC condensing unit, stained ceiling tiles; All repaired
Pearce House	4/29/2019	No issues
Lake Ridge	4/30/2019	No Issues
HEO- New Brooklyn	4/30/2019	Unit 1310 D Upstairs Master Bath Outlet trips, GFCI; Replaced
HEO - Pointe at Taylor Estates	4/30/2019	No Issues
HEO - Robert E. Taylor Senior Homes	4/30/2019	No Issues
Greenville Trace	4/30/2019	No Issues
Lockwood Village	5/2/2019	Minor Hurricane Florence damage; repairs completed following inspection
First Fruit	5/6/2019	Missing ceiling tiles in Laundry room; replaced
Arc of NC – Cottonwood	5/7/2019	No Issues
Willow Pond	5/15/2019	No Issues

Provide an assessment of the jurisdiction's affirmative marketing actions for HOME units.

92.351(b)

The City of Wilmington continues efforts to foster non-discrimination and equal opportunity in housing. To that end, housing programs assisted with federal or local funds are made widely known through-out the community through advertising in local media outlets, as well as ongoing contact with community-based organizations, social service agencies, partnering banks and real estate professionals, the Wilmington Housing Authority, and area churches. The Fair Housing Logo is displayed on all Community Development housing and other materials.

All CDBG and HOME assisted housing projects are required to have an affirmative marketing plan, as referenced in funding agreements. The borrower or recipient of CDBG or HOME funds is required to submit a tenant selection plan and/or marketing plan that describes affirmative marketing actions to provide information and otherwise attract eligible persons in the housing market to the available housing without regard to race, color, national origin, sex, religion, familial status or disability.

Refer to IDIS reports to describe the amount and use of program income for projects, including the number of projects and owner and tenant characteristics

IDIS PR05 list projects and amounts of program income or entitlement drawn for the projects. Three of the projects are Rental Rehabilitation projects supporting loans to rehabilitate single-family housing units for rent to low to moderate income tenants using HOME rent rates.

The Lakeridge Reserve project also received gap financing to help finance the construction of 24 units of Permanent Supportive Housing for disabled homeless individuals.

IDIS - PR05

U.S. Department of Housing and
 Urban Development
 Office of Community Planning and
 Development
 Integrated Disbursement and
 Information System
 Drawdown Report by Project and
 Activity
 WILMINGTON , NC

Program Year/ Project			IDIS Act ID	Activity Name	PI	EN
2018	2	Housing	950	RR-087 Singleton, Leroy	\$38,410.27 \$74,989.73	
2018	2	Housing	951	RR-088 Seagate Holdings LLC	\$105,000.00	
2018	2	Housing	958	RR-089 Outer Banks Oil & Gas LLC	\$114,386.00	
2018	2	Housing	959	HO-175 Lakeside Partners of Wilmington Phase 2	\$6,395.02	\$9,175.00 \$2,791.32
					\$33,395.49	\$31,663.46 \$61,638.61 \$60,228.72 \$7,777.05 \$44,049.37 \$26,859.57
					\$372,576.51	\$244,183.10

Describe other actions taken to foster and maintain affordable housing. 91.220(k) (STATES ONLY: Including the coordination of LIHTC with the development of affordable housing). 91.320(j)

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PROJECTS/PROGRAMS CLOSED OUT IN FY2018.19

CHDO-Cape Fear Regional CDC

\$383,000 HOME



In FY2016-17, \$310,378 in prior year HOME CHDO set-aside funds along with \$72,622 in FY16.17 HOME was allocated for the rehabilitation and redevelopment of a historic property on N. 5th Street into two units of affordable rental. In FY2018.19 the project was completed and closed out. Two rental units are currently rented to eligible households.

Tammy Lynn Foundation

\$80,000 CDBG



The Tammy Lynn Foundation provides housing and full-time supportive services for persons severely disabled by intellectual and developmental disabilities. The Foundation sought gap funding from the City of Wilmington to rehabilitate a single-family house located in an area of opportunity with access to medical and other services. The project will provide housing for 4 individuals in a group home. The total project budget is \$700,000 including forgivable loans



CAPER

from NC Housing Finance Agency (NCHFA), donations and \$80,000 City of Wilmington CDBG funds.

Rental Rehabilitation Incentive Loan Program

\$332,786 HOME & RL

The City of Wilmington offers a \$125,000 maximum loan at zero percent interest to finance the creation of affordable rental housing in existing residential homes in need of rehabilitation, or for new construction on in-fill lots. The loan is targeted to small developers, investors, non-profits, or others interested in providing single-family rental units. The intent of the program is to bring badly deteriorated or dilapidated housing units back into the rental housing stock; therefore all potential units must be vacant.



Interest in the program is increasing as word spreads among small scale local developers. In FY2018.19, three loans closed and four more were approved with closings scheduled in FY19.20. Demand for the program exceeded funds allocated and additional undesigned funds were reprogrammed to the program.

PROJECTS IN PROGRESS FY2018.19

CHDO-AMEZ Housing Community Development Corporation

\$145,412 HOME/CHDO Proceeds



AMEZ HOUSING CDC has ownership of properties at 701 McRae St., 910 S. 5th Street, and 905, 909, 913 Grace Street. AMEZ completed construction of 905 Grace Street and has rented the property. AMEZ completed construction of a single-family unit at 909 Grace St in FY18.19. However, as of June 30, 2019, the project was not closed out and had not been sold. As of the writing of this CAPER the project is closed and has sold to an eligible homebuyer.

Currently, AMEZ has three properties in its rental portfolio. Development and management of affordable rental housing will address a high priority need within the City.

Phase II Lakeside Reserve

\$300,000 HOME

Phase II of the Lakeside Reserve project submitted a proposal for City funding to assist in the construction of 24 Permanent Supportive Units for formerly homeless person. The total project



budget is \$3,369,064 (excluding land). Other funding is provided by the NC Housing Finance Agency \$600,000, Federal Home Loan Bank, and Private and Foundation Contributions. The project meets the requirements for HOME funding – a market analysis shows demand, the project is consistent with City plans; the site and building design incorporate energy efficiency, green and recreation space, quality design and construction materials; and the project is located near amenities. The developer has demonstrated experience and capacity to successfully complete the project. The project will provide affordable

rental housing opportunities for formerly homeless disabled persons. Many of the residents will receive Housing Choice Vouchers at \$685 for rent including utilities. The project's cash flow does not support repayment of the HOME funds; however a condition of City funding will require the project maintain operating reserves sufficient to ensure project sustainability over the term of the City's investment. The project completed construction in FY18.19.



Cape Fear Community Housing Land Trust – Marsdon Alley

\$134,883 HOME

\$9,000 CDBG

In FY17.18 CFCLT submitted a project proposal to construct a single-family house on the Marsden Avenue site. City community development staff reviewed the project in accordance with the approved underwriting guidelines and



CAPER

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portion average \$57,373 plus \$27,857 in forgivable down payment assistance. The average income of HOP borrowers was \$42,256 with an average household size of two. For homebuyers eligible for CDBG funded loans the average loan was \$155,156, the average income was \$37,293 approximately 65% of AMI for a two person household.

HOP loans made as second position to bank loans are presented to a HOP Review Committee to underwrite the loans in accordance with the adopted HOP Underwriting Guidelines. Loans are recommended to the City Manager for final approval.

The Wilmington housing market is a high demand market with rising prices and limited inventory, especially for low-to-moderate income homebuyers. In FY2018.19 City Council



HOP Closings

approved the addition of a forgivable down payment to the HOP program to help low-to-moderate income homebuyers afford housing in the Wilmington market, which averages \$330,000 for a house. As a result HOP loans increased from 8 loans in the prior year to 24 loans in FY18.19. This demonstrates the demand for homeownership by low-to-moderate income population and the need for homeownership assistance in the Wilmington market. As a result of the changes to the HOP program the City met the requirement for timely expenditure of CDBG funds (the 1.5 rule). That said, CDBG funds and HOP revolving loan repayments have been exhausted and the HOP program is suspend until additional funing can be secured.

Housing Rehabilitation Loans

\$ 90,717 HOME

\$160,896 General Funds RL

Guidelines for the Housing Rehabilitation Loan Program allow for forgivable loans up to \$75,000 for households earning below 50% AMI. In addition, the guidelines



AFTER

include a forgivable loan of up to \$10,000 for minor repairs and fully amortized loans up to \$85,000 at 2% for households with incomes up to 80% AMI with the ability to repay a loan. In FY18.19 four were approved by the Loan Review Board (LRB. Below is a table



BEFORE









showing the status of applications processed in FY2018.19.

#of applications	Application status
6	applications Timed out (No Client Response)
8	applications Withdrawn
2	going to loan review
2	projects- in Write Up (Pre-bid)
4	properties -in Bid process
1	project -in lead testing
2	projects- Under Construction
2	Denials due to ineligibility (one did not met income requirements & one outside city limits)
27	Total applications processed 7/1/2018-6/30/19

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-  HOP CDBG
-  HOP GF
-  HOME Rehab
-  Public Services CDBG
-  GF Rehab
-  Public Facilities CDBG
-  HOME CHDO
-  Permanent Supportive Housing

