



2022-2023 Consolidated Annual  
Performance and Evaluation Report  
for CDBG and HOME Programs  
Year Ending June 30, 2023

Submitted to HUD

September 28, 2023



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**2022-2023**

Consolidated Annual Performance and Evaluation Report

For CDBG and HOME Programs

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Draft submitted to Citizens of Wilmington, NC

**September 8, 2023 – September 25, 2023**

Final Submitted to U.S. Department of Housing and Urban Development

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## **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.

FY2022-23 marks the first year of the City's Five-Year Consolidated Plan for the program years 2021-2026. Locally, but not unique to Wilmington, the demand for for-sale and rental housing exceeds the supply causing significant challenges for low-to-moderate income households. Housing production lags behind demand in-part due to interest rates, limited new construction, and increasing population. As a result, pre-qualified homebuyers struggle to compete with higher income buyers for housing in a market where most houses were sold above asking price. Investors continue purchasing Naturally Occurring Affordable Housing (NOAH) in legacy neighborhoods to convert to market-rate rental units displacing low-to-moderate households. While the City's Owner-Occupied Housing Rehabilitation program applications increased, finding contractors to rehabilitate the houses is an on-going challenge. Continued local support appropriating one-cent of the ad valorem tax for affordable housing allows the City to provide gap financing to leverage other public and private investment and financing. As a result the City has obligated gap financing for four projects in the past two fiscal years which will yield 421 units when the projects are complete. Applications for gap financing are on-going as long as funds are available.

Taking into consideration a limited supply of housing inventory for rent or homeownership along with inflation, high interest rates, and labor shortages, the following accomplishments are presented in this report: 21 loans were closed through the City's loan programs for homebuyers, rental rehabilitation, and homeowner rehabilitation; and, one thousand, six hundred and five (1,609) homeless individuals, including victims of domestic violence, youth and ex-offenders, benefited from funding to local homeless shelters and programs serving the homeless, including Coordinated Entry. Nine homes received Lead Hazard Reduction/Healthy Homes grants. 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, and victims of abuse and crime, elder care, and homelessness. As a result of this funding 8,480 individuals were served, including 5,344 youth, 1,849 special education/support participants and 730 underemployed and unemployed.

In FY2023 the City's successful established a HUD Certified Housing Counseling program and hired a Certified Housing Counselor joining the Community Development Analyst-Housing a Certified Housing Counselor. FY2023 also marks the City's participation in the North Carolina Housing Finance Agency Community Partners Lending Pool. Finally, City staff implemented the required Housing Counseling program-including purchase of Client Management System software. The City has provided one-on-one counseling sessions to 85 individuals and 223 individuals have attended one of 14 group homebuyer education classes.

### **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.

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

**Table 2 - Accomplishments – Program Year & Strategic Plan to Date**

Goal	Category	Source / Amount	Indicator	Unit of Measure	Expected – Strategic Plan	Actual – Strategic Plan	Percent Complete	Expected – Program Year	Actual – Program Year	Percent Complete
Increase Affordable Housing Options	Affordable Housing	HOME: \$399,588/ General Fund: \$507,852 / CDBG-CV: \$700,000 / RLF: \$290,560+\$100,412 +460,250	Rental units constructed/rehabilitated	Household Housing Unit	150	4	2%	30	4	13.3%
Increase Affordable Housing Options	Affordable Housing	HOME: \$ 299,776	Homeowner Housing Added	Household Housing Unit	5	0	0.00%	1	0	0.00%
Increase Affordable Housing Options	Affordable Housing	HOME: \$483,251+202,000 / General Fund: \$153,000+152,000 /RLF: \$342,304+65,000	Homeowner Housing Rehabilitated	Household Housing Unit	50	8	16%	10	8	80%

Increase Affordable Housing Options	Affordable Housing	CDBG: \$100,000+428,270+100,000 / HOME: \$270,113 / General Fund: \$3,229,618 / CDBG-CV: \$500,000 / RLF: \$305,455/Private Bank Partner HOP: \$900,000	Direct Financial Assistance to Homebuyers	Households Assisted	30	9	30%	6	9	150%
Maintain Existing Affordable Housing	Affordable Housing		Homeowner Housing Rehabilitated	Household Housing Unit	50	8	16%	10	8	80%
Increase Home Ownership	Affordable Housing		Direct Financial Assistance to Homebuyers	Households Assisted	30	9	30%	6	9	150%
Reduce Housing Discrimination	Fair Housing Education/Outreach/Enforcement		Other	Other	5	1	20%	1	1	100%
Perception of Affordable Housing	Education/Outreach/Awareness		Other	Other	5	280%	20%	1	14	1400%
Expand & Improve Access to Funding Sources Afford	Affordable Housing gap financing	General Fund: \$1,561,918	Other	Number of Units Constructed	250	0		50	0	

Housing Devlpmt										
Support Public Service Programs	Homeless Non-Homeless Special Needs Non-Housing Community Development	General Fund: \$770,776	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	6000	8,480	140%	1200	8,480	700%
Support Public Service Programs	Homeless Non-Homeless Special Needs Non-Housing Community Development	CDBG: \$175,000 / CDBG-CV: \$185,016	Homeless Person Overnight Shelter	Persons Assisted	1250	539	43%	250	539	216%
Increase Housing Counseling & Financial Literacy	Affordable Housing Access		Number of HC Clients & Group Workshops	Persons Assisted	1050	308	29%	135	308	228%



**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 \$718,994 were used for homebuyer assistance for HOP second mortgages, relocation, activity delivery, relocation, and homeless services and shelter to assist low-to-moderate individuals in 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 deferred rehabilitation loan, along with the existing forgivable down payment assistance in addition to the zero percent second mortgage. As a result of adding funds for rehabilitation, HOP homebuyers are able to purchase homes in need of rehabilitation that are more affordably priced. Even with the addition of rehabilitation funds it is taking longer to find a suitable house for purchase. That said, at the end of FY2022-23, twenty-six (26) HOP borrowers were pre-qualified and searching for a house. These loans in the pipeline will require approximately \$3million.

As noted above \$153,114 CDBG funds were used to support emergency shelter and services for homeless persons including victims of domestic violence and families with children. CDBG-CV funds totaling \$185,016 were also used for this purpose. 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.

Additionally, \$712,250 CDBG was used for two Downpayment Assistance Loans, two Owner-Occupied Rehabilitation Loans, and four units of Rental Rehabilitation Loans.

General funds support the efforts of 26 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 8,480 persons; thereby promoting a suitable living environment.

HOME funds expended totals \$389,328 for two Down Payment Assistance loans, and one new

construction for homeownership. Revolving Loans supported four Owner-Occupied Rehabilitations; and General Funds supported two Forgivable Homeowner Rehabilitation loans and two Homeownership loans totaling \$385,022.

**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)**

<b>FY2022-23 Housing &amp; Public Services</b>	<b>CDBG</b>	<b>HOME</b>	<b>General Fund</b>	<b>Total</b>
White	99	1	3,998	<b>4,098</b>
Black/African American	150	5	5,392	<b>5,547</b>
Asian	3	-	116	<b>119</b>
American Indian or American Native	2	-	56	<b>58</b>
Native Hawaiian or Other Pacific Islander	-	-	6	<b>6</b>
2 or more Races	27	-	386	<b>413</b>
Refused or Other	1	-	2,805	<b>2,806</b>
<b>Total</b>	<b>282</b>	<b>6</b>	<b>12,759</b>	<b>13,047</b>
Hispanic	28	-	1,994	<b>2,022</b>
Not Hispanic	254	6	10,765	<b>11,025</b>

<b>FY2022-23 Housing Projects in Affordability Period</b>	<b>CDBG</b>	<b>HOME</b>	<b>Total</b>
White	4	144	<b>148</b>
Black/African American	53	249	<b>302</b>
Asian	-	-	-
American Indian or American Native	-	-	-
Native Hawaiian or Other Pacific Islander	-	-	-
2 or more Races	-	-	-
Refused or Other	1	10	<b>11</b>
<b>Total</b>	<b>58</b>	<b>403</b>	<b>461</b>
Hispanic	2	7	<b>9</b>
Not Hispanic	56	396	<b>452</b>

**Table 3a & b – Table of assistance to racial and ethnic populations by source of funds**

**Narrative**

Attached are tables showing the racial and ethnic status of individuals 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.

**CR-15 - Resources and Investments 91.520(a)**

**Identify the resources made available**

<b>Source of Funds</b>	<b>Type of Funds</b>	<b>Resources Made Available</b>	<b>Amount Expended During Program Year</b>
Total CDBG	EN, PI, RL, Prior Yr	\$ 3,539,748.84	\$ 1,822,332.60
Total HOME	EN, PI, Prior Yr	\$ 4,026,609.43	\$ 389,328
General Funds	Local Taxes, RL	\$ 8,348,266.42	\$ 3,030,382.28
Other (Banks, 1st Mortgage)	Private Sector	\$ 833,399	\$ 833,399
<b>Total</b>		<b>\$ 16,748,023.69</b>	<b>\$ 6,075,441.88</b>

**Table 4 - Resources Made Available**

**Narrative**

Resources made available include FY22.23 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 FY22.23 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**

<b>Target Area</b>	<b>Planned Percentage of Allocation</b>	<b>Actual Percentage of Allocation</b>	<b>Narrative Description</b>
City-wide	30	39	City-wide area of opportunity, equitable access to opportunities throughout the city
NorthSide	30	28	
Southside	40	33	

**Table 5 – 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 23 projects were analyzed by location of investment. Of the 23 projects nine are in the Northside RECAP, nine in the Southside RECAP, two in Longleaf/Sunset and three city-wide.

It should be noted that most 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.

## 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 \$770,776 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 four banks, First Citizens, BB&T, Corning Credit Union, and North State, which pledge up to \$900,000 each to provide first mortgages to low-to-moderate homebuyers. Partner banks provided first mortgages for the HOP program totaling \$833,399. Starting in FY23 City Council budgeted one cent of the ad valorem tax, \$2,150,103 to be used for affordable housing programs including, but not limited to, HOP second mortgages for workforce homebuyers, Rental Rehabilitation Incentive Loans, Owner-Occupied Housing Rehabilitation Loans, and Healthy Homes. Additionally, in FY22, the City designated \$3.5 million in fund balance to be used for gap financing to produce affordable housing. City General Funds along with CDBG and HOME funds are used to provide gap financing for housing production/rehabilitation utilizing North Carolina Housing Finance Agency Low Income Tax Credit and Permanent Supportive Housing program.

An analysis of funds leveraged reveals that for every \$1 in CDBG/HOME FY22.23 entitlement funds expended leveraged \$1.70 in other private sector and government funds.

<b>Ratios</b>			
	<b>Expenditures</b>	<b>Leverage</b>	<b>Ratios</b>
<b>CDBG FY22.23 EN</b>	\$ 1,060,782.60	\$ 2,317,073.74	2.18430595
<b>HOME FY22.23 EN</b>	\$ 389,328.00	\$ 153,000.00	0.392984835
<b>Total</b>	<b>\$ 1,450,110.60</b>	<b>\$ 2,470,073.74</b>	<b>1.703369208</b>

<b>Fiscal Year Summary – HOME Match</b>	
1. Excess match from prior Federal fiscal year	\$1,042,756
2. Match contributed during current Federal fiscal year	\$153,000
3. Total match available for current Federal fiscal year (Line 1 plus Line 2)	\$1,195,756
4. Match liability for current Federal fiscal year	\$18,977
5. Excess match carried over to next Federal fiscal year (Line 3 minus Line 4)	\$1,176,779

**Table 6 – Fiscal Year Summary - HOME Match Report**

Match Contribution for the Federal Fiscal Year October 1, 2021 – September 30, 2022								
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
FL-018	8/1/2022	71,500	0	0	0	0	0	71,500
FL-020	8/2/2022	81,500	0	0	0	0	0	81,500

Table 7 – Match Contribution for the Federal Fiscal Year

Program Income 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 \$
276,651	317,979	100,000	0	494,629

Table 8 – Program Income

<b>Minority Business Enterprises and Women Business Enterprises – Indicate the number and dollar value of contracts for HOME projects completed during the reporting period</b>						
	Total	Minority Business Enterprises				White Non-Hispanic
		Alaskan Native or American Indian	Asian or Pacific Islander	Black Non-Hispanic	Hispanic	
<b>Contracts</b>						
Dollar Amount	391,419	0	0	224,170	0	167,249
Number	5	0	0	3	0	2
<b>Sub-Contracts</b>						
Number	21	0	0	9	2	10
Dollar Amount	156,741	0	0	83,320	17,368	56,053
	Total	Women Business Enterprises	Male			
<b>Contracts</b>						
Dollar Amount	391,419	0	391,419			
Number	5	0	5			
<b>Sub-Contracts</b>						
Number	21	0	21			
Dollar Amount	156,741	0	156,741			

**Table 9 - Minority Business and Women Business Enterprises**

<b>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</b>						
	Total	Minority Property Owners				White Non-Hispanic
		Alaskan Native or American Indian	Asian or Pacific Islander	Black Non-Hispanic	Hispanic	
Number	1	0	0	1	0	0
Dollar Amount	460,250	0	0	460,250	0	0

**Table 10 – Minority Owners of Rental Property**



<b>Relocation and Real Property Acquisition</b> – Indicate the number of persons displaced, the cost of relocation payments, the number of parcels acquired, and the cost of acquisition						
Parcels Acquired		0		0		
Businesses Displaced		0		0		
Nonprofit Organizations Displaced		0		0		
Households Temporarily Relocated, not Displaced		5		27,196		
Households Displaced	Total	Minority Property Enterprises				White Non-Hispanic
		Alaskan Native American Indian	Asian or Pacific Islander	Black Non-Hispanic	Hispanic	
Number	0	0	0	0	0	0
Cost	0	0	0	0	0	0

**Table 11 – Relocation and Real Property Acquisition**

**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	15	0
Number of Non-Homeless households to be provided affordable housing units	13	9
Number of Special-Needs households to be provided affordable housing units	1	0
<b>Total</b>	<b>29</b>	<b>9</b>

**Table 12 – Number of Households**

	<b>One-Year Goal</b>	<b>Actual</b>
Number of households supported through Rental Assistance	0	0
Number of households supported through The Production of New Units	1	0
Number of households supported through Rehab of Existing Units	16	12
Number of households supported through Acquisition of Existing Units	12	9
<b>Total</b>	<b>29</b>	<b>21</b>

**Table 13 – 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 the rising mortgage interest rates, lack of inventory, and increasing housing prices coupled with increasing demand. Given the limited supply and increased costs a FY23 performance goal of six HOP loans and six Down payment Assistance loans was established. The desire and demand for City Housing loan programs remains high with 88 total applications received for all housing loan programs, including 37 applications HOP. Please note that 223 potential homebuyers attended HBE. At year-end 26 homebuyers were pre-qualified for HOP loans and 12 owner-occupants were pre-qualified. Outreach has helped increase the pool of qualified contractors to bid on projects; however, more contractors are needed to clear the pipeline of eligible projects. The goal for Rental Rehabilitation Incentive Loans was six, in FY22.23, one loans were closed producing four units. At year-end eight borrowers were pre-qualified for a Rental Rehabilitation Loan. A goal of six down-payment assistance (DPA) loans was not met, four DPA were closed in FY22.23 This is explained in large part by the limited housing market inventory.

**Discuss how these outcomes will impact future annual action plans.**

Goals for future annual actions plans will take into account the findings from the 2022/23 update to the 2021 Housing Needs Assessment prepared by Bowen National Research and an Affordable and Workforce Housing Opinion Study prepared by UNC-Greensboro, Center for Housing and Community Studies in 2021. These reports provide an analysis of housing demand at various income levels as well as an inventory of supply by price point. Wilmington City Council and New Hanover County Commission joined efforts to procure the aforementioned studies and to identify strategies to increase the supply of affordable housing, including increasing local funding to leverage private and public funds. This comprehensive housing plan will inform future annual action plans.

As discussed, interest in City housing loan products remains high as evidenced by applications received and participation in homebuyer education. Enhancements and improvements to the City’s housing

programs implemented in FY22.23 increase the level of service provided; for example joining the North Carolina Housing Finance Agency (NCHFA) Community Partners Lending Pool (CPLP), allowing homebuyers to access additional mortgage products for purchases within the Cape Fear region. In FY2022.23 one-time federal funding was used to provide financing for the 278 unit Starway Village multifamily rental project and the 15 unit Driftwood Permanent Supportive Housing rehabilitation. Finally, local and federal funds have been identified to support the development of Permanent Supportive Housing.

Community leaders, including elected officials, business leaders, service agencies, and citizens recognize the need to address the shortage of affordable housing and support for identifying viable solutions has been demonstrated. Future plans will build upon this support and continued resources.

**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.**

<b>FY2022-23 Household Income by Funding Source for Housing &amp; Public Services</b>	<b>CDBG</b>	<b>HOME</b>	<b>General Fund</b>	<b>Total</b>
Extremely Low-Income 0-30%	234	-	5,414	5,648
Low-Income 31-50%	36	-	2,374	2,410
Moderate-Income 51-80%	8	6	1,413	1,427
Household Income >80%	4	-	336	340
<b>Total</b>	<b>282</b>	<b>6</b>	<b>9,537</b>	<b>9,825</b>

<b>FY2022-23 Household Income by Funding Source Housing In Affordability Period</b>	<b>CDBG</b>	<b>HOME</b>	<b>Total</b>
Extremely Low-Income 0-30%	42	252	294
Low-Income 31-50%	10	81	91
Moderate-Income 51-80%	5	67	72
Household Income >80%	1	3	4
<b>Total</b>	<b>58</b>	<b>403</b>	<b>461</b>

**Table 14a & b – Number of Households Served**

**Narrative Information**

**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**

An analysis of Homeless Continuum of Care data from 2020 to 2023, shows an increase in the number of persons in the CoC's catchment area that are experiencing homelessness. Though the numbers are not exclusive to New Hanover County and the City of Wilmington, we estimate 94 percent of the persons identified were in New Hanover County.

The unofficial 2023 PIT Count data shows 558 persons were experiencing homelessness in January. That compares to 347 persons in January 2022. This does not mean that the number of families and individuals experiencing homelessness had increased in fact, but that the data collection effort improved from the previous year. The 2023 total includes 232 unsheltered households the included 259 unsheltered persons. The reports show 195 households, including 299 persons, in either emergency shelters or transitional housing.

It is understood in the community that the HUD Point-in-Time (PIT) count does not accurately report the actual number of people experiencing homelessness in the community as certain populations are hard to reach, particularly those living in places not intended for human habitation and those living in automobiles. The PIT also does not consider people who are unstably housed and/or at imminent risk of homelessness during the period covered by the count.

The CoC and its Lead Agency continued to increase its organizational outreach efforts in 2022-2023 with the goal of improving the diversity that exists with the collaborative body and reaching out to increase interaction with faith-based organizations. Vigilant Hope Ministry, Veteran's Services of the Carolinas (VSC) and Coastal Horizons Center (CHC) are street outreach providers within the City of Wilmington and New Hanover County.

Both VSC and CHC receive Project for Assistance in Transition from Homelessness (PATH) program dollars. The PATH program, administered by NC DHHS, has a specific focus on reducing or eliminating homelessness for individuals the age of 18 and older with a serious mental illness, or co-occurring mental illness and substance use disorder, who are homeless or at risk of homelessness. VSC receives funding to work specifically with unsheltered veterans. CHC now works with non-veteran unsheltered persons. With the limitation on the scope of eligible participants for PATH, the ESG street outreach funding remains critical to Street Outreach efforts.

During the FY22-23 timeframe, the Coastal Horizons ESG funded Street Outreach program interacted with 123 persons with 80% of those persons exited from the project as homeless. This is not an unusual situation for Street Outreach and does not indicate poor project outcome. CHC's PATH funded Street Outreach project interacted with 195 individuals. VSC's PATH funded Street Outreach team report

interactions with 27 individuals.

New Hanover County and City of Wilmington also partnered to create a community policing and social work street outreach team called Getting Home designed to operate primarily in the downtown Wilmington area. As of the end of FY2023, this program's data is not being collected in the Homeless Management Information System (HMIS) for the region. Therefore, the impact of the project cannot be officially quantified because the numbers reported thus far cannot be compared for deduplication.

### **Addressing the emergency shelter and transitional housing needs of homeless persons**

At the time of the PIT Count, the housing inventory count (HIC) shows 29 projects providing 570 emergency & transitional housing beds in the region. This includes shelters in Wilmington operating at reduced capacity, which left us at 72 percent of capacity due to CoVID-19. The limits on bed capacity continued into the spring of 2022. Even at full capacity, the area lacked enough beds to serve all of the people estimated to be homeless in the region.

The CoC firmly supports a "housing first" approach to the provision of housing services in our community. It has strongly 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.

Unfortunately, the tight housing market continued into 2022. The costs of housing, particularly rents, continued to increase through the spring and created significant barriers to the ability of families to maintain what had previously been affordable housing. The rental housing prices, which as stated last year were on top of the pre-existing lack of capacity in the housing system after years of low housing production brought on the last recession, led our continued inability for us to move a significant number of people through the system and into permanent housing (with or without support).

One bright spot in our area has been the success of HUD's Emergency Housing Vouchers (EHVs) in our area. This limited program aimed at reducing barriers to the most vulnerable populations in our community and provide stable rental subsidies. The program requires that Public Housing Authorities work with Continuums of Care and use the Coordinated Entry System (CES) as the basis for identifying eligible families. The Wilmington Housing Authority (WHA) accepted 27 EHVs and partnered with the CoC to identify eligible families. The program's lease-up rate was nearly 75 percent in the spring of 2022. The Wilmington area was in the top five of communities in North Carolina who received EHVs, in utilization, and the vouchers where nearly 100 percent leased by June 30, 2022.

We expected to see a surge of families being displaced once eviction moratoriums fully expired. However, the housing prices and sale of affordable rental homes drove the increase in calls for services. There has been an increase in calls from families and seniors. We are working on a way to provide direct reporting on those calls which do not currently fall into the categories we have traditionally tracked.

**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 prioritizes individuals according to their level of need and type of housing intervention that would support housing security. HUD requires CoCs to use a Coordinated Entry System (CES) and standards assessment tools to provide a fair and equitable way to distribute services and ensure the most vulnerable members of the community members are being served. The CES and the HMIS are essential to the community not only for data management but also to centralize access and reduce the likelihood of cherry-picking individuals/families to receives services in the community. Currently, the use of CES and HMIS are not comprehensive within the community with impacts both reporting and the ability to fully understand the needs for shelter and Transitional Housing (TH) in the community. HUD encourages homeless providers, including service and housing providers, to adopt the system regardless of the sources of the funding for their programs. This has not been adopted community-wide in the CoC's catchment area, including New Hanover County, which means that data collected through the system is an incomplete picture of activities in the region.

The CoC adopted a "housing first" policy to the provision of housing services provided by agencies who receive funding from ESG and HUD CoC Grant competitions. It has strongly encouraged all shelters and transitional housing providers, regardless of how they are funded, 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 not been adopted uniformly throughout the CoC's catchment area at this time.

At the time of the PIT Count, the Housing Inventory Count (HIC) showed 321 emergency & transitional housing beds in New Hanover County. This includes The Salvation Army Shelter that was operating at reduced capacity. Of those available beds, 56 were youth specific beds, 32 beds were specifically for victims of domestic violence & human trafficking, and 40 beds were transitional beds for formerly incarcerated individuals.

In February 2023, the Healing Place, an addiction detox, and recovery facility, opened and added 14 overnight shelter beds to the community. At the end of April 2023, the Salvation Army shelter located near downtown Wilmington closed. The closure reduced shelter capacity in the area by 54 beds. This was a net loss of 40 beds. The Salvation Army has been raising funds to build a new facility in another part of the City, but that facility is three to five years from opening.

The CoC continues to work toward becoming the collaborative resource for people experiencing homelessness rather than a collection of partners focus primarily on HUD related grants. The CoC began working with HUD Technical Assistance to develop a three-year practical strategic plan, called the Coordinated Community Plan, that will collect qualitative and quantitative data, identify services gaps

both geographically and programmatically, and create achievable goals with steps to reduce homelessness in the region.

Currently the homeless services system in New Hanover County and the region lacks programs that could have a significant impact on “pipeline to homelessness”. The system does not currently include intentional coordinated discharge planning from hospitals, mental health facilities, jails/prisons, and foster care to prevent individuals from being discharged to into homelessness. There is a lack of coordination with sober living housing and similar resources that is needed to address this gap. There are also insufficient homelessness prevention resources in the system to address the “pipeline to homelessness” for those at imminent risk of losing housing due to rent increases, job loss and similar factors that heavily impact lower income and vulnerable individuals and families. The overall lack of affordable housing options throughout the community indirectly increases barriers for the most vulnerable members of the community to obtain and maintain stable affordable housing, even when rental assistance is available.

Currently, the CoC resources rely heavily on diversion, a process that does not include financial assistance. The HelpHub and NHC DSS provide only limited assistance. The Salvation Army is the only agency currently identified in the region will substantive prevention dollars.

**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.**

In FY22 an analysis of system performance for the last two years looked at those who left the system for permanent housing destinations. The analysis showed that 52 persons exited from Transitional Housing with a rate of return to homelessness of 4% or 2 people within 24 months. Of 131 individuals exited from Emergency Shelter to permanent housing destinations, a total of 29 or 22% returned to homelessness in the 2-year period analyzed. Finally, during the same period, 60 people exited PSH projects to other permanent housing destinations returns to homelessness in the 2-year period were 22% or 13 individuals.

The FY22 analysis also looked at the length of time people remained homeless based on data collected when entering the system. In this area, persons in Emergency Shelters and Transitional housing spend an average of 269 nights homeless based on each client’s reporting length of time both on the street and in shelter in 2022. This includes time homeless during the report date range as well as prior to the report start date but going back no further than October 1, 2012. The length of time homeless, indicates a lack of resources necessary to move those experiencing homelessness quickly from homeless to housed.

In FY 22-23 the Cape Fear Council of Governments (CFCOG), through a reallocation of HUD CoC funding, provided permanent supportive housing (PSH) for 25 adults who met the HUD definition of chronically homeless. The project protected residents receiving assistance from formerly funded PSH providers and

housed new participants from the Coordinated Entry System. The CFCOG uses a housing first approach to services and operates a scattered-site Tenant Based Rental Assistance (TBRA) project working with private landlords in the community. All current participants found housing in New Hanover County. The CFCOG is not a traditional direct service provider but stepped in to fill a gap in the community.

*(source: Cape Fear Homeless Continuum of Care 2022/23)*

The Good Shepherd Center (GSC) received CDBG funds to provide emergency shelter and services to homeless persons. Good Shepherd uses a housing first approach and offers a range of services including case management with the goal of ending homelessness by returning homeless individuals and families to permanent housing. In FY22.23, GSC served 21 individuals through ESG-Rapid Rehousing, 22 individuals through privately funded-RRH, 25 through endowment funded-RRH, and rehoused a **total of 165 men, women, and children!**

*(source: Good Shepherd 2023)*



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

### **Actions taken to address the needs of public housing**

#### **Actions taken to address the needs of public housing**

- Over the past year, WHA saw a steady rise in reported cases of mold in public housing units. Residents were removed from units and placed in market-rate apartments, in hotels, or with family and provided with a per-person per diem based on Government Services Administration (GSA) guidelines. Companies certified in environmental testing and remediation were procured. In many cases, cabinets, walls, and ceilings were completely torn out of units. Finding contractors to rebuild the units was challenging and jobs were sometimes delayed due to supply chain disturbances.

The executive department has been re-staffed and new positions in the property management and resident services departments were created and filled to help ensure the success of this plan and more efficient operations overall. Mold training for maintenance staff has been incorporated into ongoing staff training. This purpose is to educate staff on how to recognize mold issues. The unprecedented cost of paying for so many hotel rooms, 11 market-rate apartments, a significant weekly per diem per displaced person, as well as costs for testing, remediation, and rebuilding of units, caused WHA serious financial challenges. However, the organization is beginning to recover and is confident of regaining a strong financial position.

Currently, the Housing Choice Voucher Department has leased 42 families who were displaced due to mold. We leased a total of 117 families throughout all voucher programs. We currently have approximately 1650 families still on the Voucher waiting list.

WHA submitted an initial application to the department of Housing and Urban development (HUD) for an Emergency Capital Funds grant in January 2022 although unfortunately that request had been denied. Additionally, WHA has applied to the North Carolina Office of Recovery and Resiliency (NCORR) for Public Housing Restoration funds, which we received in the amount of \$2,036,241.00.

- Currently, WHA continues to work alongside Related Urban as development partner for the redevelopment of Hillcrest. With HUD approval of a Demolition and/or Disposition, RAD/Section 18 application for Hillcrest and Hillcrest Annex, WHA/HEO will undertake the steps necessary to redevelop the Hillcrest/Annex property, +/- 25 acres, from the current state of the property to a newly constructed, modern, architecturally and environmentally friendly, mixed-income, mixed- use community that will be a model for others.

Hillcrest was originally constructed in 1943 as temporary housing for port workers, later turned into military housing. Eventually, it was designated as low-income housing. The Hillcrest Annex was added in 1967. While usable and occupied from the original occupancy date, the buildings and units are past the normal service life intended for the property. Ongoing repairs are both inefficient and, in some cases, not possible.

- WHA has continually actively sought to purchase property in areas of opportunity.
- 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.
- WHA shares the cost of Shot Spotter with the Wilmington Police Department to help ensure the safety of the sites.

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

- In 2021, WHA was awarded a \$2.3 million Jobs Plus Grant. As required by the grant guidelines, applicants must demonstrate at least a 25% match in in-kind services by local partners. WHA exceeded this amount, showing \$1.2 million in in-kind support, a 52% match. As part of the grant application requirements, WHA identified Creekwood South and Houston Moore as the target sites eligible for the program. Through the Jobs Plus program, residents have access to resources that will assist them with attaining their educational and employment goals in an on-site Jobs Plus program center. The program brings comprehensive education, employment programming, and wrap around services. Residents are able to access incentives and subsidies designed to keep their earnings in their bank accounts, as they move towards self-sufficiency. This includes transportation cost coverage and childcare stipends. WHA offers four (4) Jobs Plus Skills Academies per year in Customer Service, Healthcare, Business Services and Construction. Each Academy offers an industry-specific nationally recognized certification. Many of the Jobs Plus program participants will find themselves working in the same community they reside in, building an enhanced sense of investment and pride in their community as stakeholders.
- WHA continues to administer 27 Emergency Housing Vouchers. These may be distributed only by referral from the Coordinated Entry system of the CoC. The vouchers are funded for ten years. If someone drops off the program, the voucher can be reissued up until September of 2023. These vouchers are specifically for homeless, and those effected by domestic violence or human trafficking
- WHA continues to use a Public Housing & Housing Choice Voucher Family Self Sufficiency grant from the Department of Housing and Urban Development (HUD) to fund the salary of 2 full-time Family Self-Sufficiency Coordinator for both Public Housing and Housing Choice Voucher participants.
- The Resident and Opportunities and Self-Sufficiency (ROSS) Grant pays for 1 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.
- The Elderly Services Grant pays for a full-time staff person to assist senior and disabled residents to live independently.

- WHA resumed regular Community Outreach and Resident Relations Committee meetings comprised of Board members and Chaired by the President of the RAB Board. The purpose is to give residents and community members an opportunity to voice concerns directly to Board members and staff.
- WHA has worked with community partners to provide COVID-related resources to residents as well as making vaccines available on sites. Additionally, WHA staff has assisted residents with repayment plans and assisted them in applying for the Emergency Rental Assistance Program administered by the County.

#### **Actions taken to provide assistance to troubled PHAs**

- While WHA isn't considered troubled, The HCV department has addressed an unsatisfactory 2023 SEMAP score by taking the following actions. The appropriate staff have worked to resolve the data issues that were associated with the software conversion. The HCV department has undergone staffing changes, received additional training to ensure the timely reporting of information into the PIC system and training will be offered continuously.

*(Source: Wilmington Housing Authority)*

**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 Advisory Committee (WHAC) 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 were selected in accordance with an interlocal agreement approved by the boards of the City and County on June 18, 2019. In FY22.23 the WHAC presented to the governing boards an Annual Report with recommendations for consideration by the elected officials. The New Hanover County Commission allocated \$15 million over five years to be used towards increasing workforce housing. Wilmington City Council continued increasing resources to support the City's long-standing housing programs and increased general funds directed to gap financing to leverage other public and private funds to increase housing stock. Additionally, both the City and County allocated a portion of the American Rescue Plan Act funds toward gap financing for a 4% Low Income Housing Tax Credit project that will create 278 affordable units, and in FY2023, the City received a \$9 million CDBG-DR grant through the North Carolina Office of Recovery and Resiliency for the Starway project.

The City of Wilmington updated Land Use/Zoning Codes to include density incentives in return for inclusion of affordable housing in projects, as well as changes to Accessory Dwelling Units (ADU), Density and Height regulations and requirements were revised to remove barriers to production of housing. The revised LDC was adopted in January 2022.

**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, 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 FY22.23, \$770,776 City General Funds supported 26 agencies, including the Continuum of Care, serving low-to-moderate income persons. Please see appendix for a list of agencies funded. In addition, \$153,114 CDBG and \$185,016 CDBG-CV 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 \$1,583,032 General Fund appropriation to support these programs. With rapid population growth and limited land many areas of Wilmington are experiencing redevelopment/gentrification where Naturally Occurring Affordable Housing (NOAH) is at risk from conversion to expensive housing, relatively speaking. The City's Rental Rehabilitation Incentive Loan Program was created to provide financing to small developers to acquire and rehabilitate vacant NOAH to return to the low-income neighborhoods as affordable rental housing. This program has produced more loans than anticipated, despite the competitive demand for market rate rehabs.

**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. 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.

In January 2020, the City was awarded a Lead-Based Paint Hazard Control/Healthy Home Grant from the Office of Lead Hazard Control Healthy Homes (OLHCHH) for \$1.8 million over three and half years. Funds will allow the City to increase awareness of Lead-Based Paint Hazards, train contractors and volunteers in

lead safe work practices and abatement. The LHR Grant was closed-out in FY2023 during the During the grant's period of performance, a total of 32 homes were inspected / assessed; 25 homes were cleared of Lead Based Paint Hazards and other Home Hazards; 102 contractors and volunteers were provided Lead Based Paint Safety and Healthy Homes training / certifications; and over 45,000 residents of the City of Wilmington were engaged and/or exposed to programs promoting awareness of Lead Based Paint Hazards, Healthy Homes concepts, the City of Wilmington's Lead Hazard Reduction / Healthy Homes Grant Assistance Program, and other Community Development and Housing Programs. Of the \$1,800,000.00 awarded for the grant, \$839,541.20 was expended in support of Lead Based Paint Remediation and Healthy Homes Intervention activities, and a total match contribution of \$170,022.90 was made by the City of Wilmington.

**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 13,783 individuals participated/benefited from programs supported by City funds, including CDBG and HOME.

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

Institutional structure is developed through 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 implementation of a new software system for loan program activities. As reported earlier, the City community development section have expanded to offer housing counseling as a HUD Certified Housing Counseling Agency. This enhances the City's services to low-to-moderate income citizens to address barriers to housing, such as credit, budget, and other issues.

Finally, collaboration with community-based organizations, banks, Cape Fear REALTORS, Cape Fear Homeless Continuum of Care 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 several community development organizations such as the Cape Fear Housing Coalition; and Cape Fear Homeless Continuum of Care. Additionally, CD staff host housing fairs and other events and participate in events hosted by the CF REALTORS and CF HOMEBUILDERS representing the private housing agencies. Likewise, the City works in partnership with four 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.

The City's homebuyer assistance programs address disparities in access to affordable housing and areas of opportunity by supporting low-to-moderate homebuyers in acquiring housing within the city limits. This provides an opportunity to build generational wealth and live in areas of opportunity, including areas with higher performing schools. That said, owner-occupied rehabilitation, rental rehabilitation, housing new development and public services funding helps to transform existing racially/ethnically concentrated areas of poverty.

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 2021. Programmatic monitoring verified compliance with rent affordability and occupancy rules. Each agency continues to perform applicable screening of tenants including the prohibition of lifetime 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 includes 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.

In response to COVID-19, HUD guidance the City adhered to the monitoring waiver in effect through September 31, 2021 waiving the requirement to perform ongoing on-site inspections. As a result the monitoring schedule has been delayed, additionally, the Community Development Analyst Compliance position has been vacant since February 2022, further delaying monitoring visits which were tentatively scheduled to begin in May 2022. City Community Development and Finance staff continue to collect



information digitally to the extent that we can protect protected tenant information and scheduling on-site unit inspections and on-site reviews later.

If, based on the information received digitally, COW CDAH staff determine a larger sampling of files should be inspected, COW staff will schedule on-site meetings. COW CDAH staff will conduct a full risk assessment of all projects to evaluate and amend the monitoring plan/schedule as needed.

**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 copies of published notice.

**Public Notice**

**The City of Wilmington  
Announces the  
Availability for Public Comment  
Of the City's  
2022-23 COMPREHENSIVE ANNUAL  
PERFORMANCE EVALUATION REPORT  
On Community Development Block Grant (CDBG)  
& HOME Programs**

**September 8, 2023 - September 25, 2023**

**At the City's  
Community Development Division Office  
305 Chestnut Street  
Wilmington, NC  
Second Floor  
Or**

**<https://www.wilmingtonnc.gov/departments/community-services/community-development-housing>**

**Public Hearing will be held at City Council meeting  
on September 19, 2023**

**For additional information, please contact  
Suzanne Rogers, Community Development & Housing  
Planner  
Community Services Department  
[suzanne.rogers@wilmingtonnc.gov](mailto:suzanne.rogers@wilmingtonnc.gov)  
(910) 341-7836  
Or TDD # (910) 341-7873**

**The City of Wilmington does not discriminate on the basis of  
race, sex, color, national origin, religion or  
disability in its employment opportunities, programs or  
activities. All requests for appropriate auxiliary aids  
and services, when necessary to offer a person with a  
disability the opportunity to participate in or enjoy the  
benefits of City services, programs or activities must be  
made within a reasonable time prior to the activity.**

**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.**

An additional HOME-ARP award of \$2.5million was designated to the City pending the successful submission of a HOME-ARP plan to HUD. The HOME-ARP funds are restricted for use to address homelessness. A plan was adopted by the City Council in FY2023. An Request for Proposals will be issued to accept projects and programs for the HOME-ARP funds in accordance with the approved plan.

With the close-out of the Lead Hazard Reduction Grant in FY2023, the City successfully applied for a \$1.5 million Healthy Homes Production grant from HUD. As of the writing of this report the program is in the start-up process hiring staff and procuring services. The performance period is May 15, 2023 – November 15, 2026. The grant will allow the City’s Healthy Homes Program to inspect / assess 100 eligible low-income households, perform no less than 65 Home Hazard Interventions projects, promote awareness of the importance of Healthy Homes, and provide potential economic opportunities to local small business contractors that will perform the Home Hazard intervention projects.

The City’s program objective of increasing access to safe, decent, affordable housing will not change; however, programming will change to adjust to the realities of the market and the external environment. As described in earlier sections, the City added a Housing Counseling Program in FY2023. In addition, we continue to explore opportunities to leverage CDBG funds to increase the resources available for homeownership programs and public service activities.

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

No

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

**CR-50 - HOME 24 CFR 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 24 CFR §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 -Public Services – CDBG/CDBG-CV	On-site monitoring date TBD	<p>Programmatic FY-23 documents requested June 21, 2023 and were received July 14, 2023; Good Shepherd receives Sundry CDBG funding in an annual agreement.</p> <p>Technical assistance will be provided as needed</p>
Lakeside Partners Phases I & II - HOME	On-site monitoring scheduled for 9/26/23	<p>Programmatic FY-23 documents were received July 14, 2023; On-site monitoring visit scheduled.</p> <p>Technical assistance will be provided as needed will be provided as needed</p>
Domestic Violence Shelter & Services – Public Services - CDBG	On-site monitoring date TBD	<p>Programmatic FY-23 documents requested July 5, 2023 and were received July 11, 2023; Domestic Violence Shelter &amp; Services receives Sundry CDBG funding in an annual agreement.</p> <p>Technical assistance will be provided as needed</p>

WHFD – Willow Pond - HOME	On-site monitoring scheduled for 9/27/23	Programmatic FY-23 documents requested June 12, 2023 and were received July 3, 2023; On-site monitoring visit scheduled.  Technical assistance will be provided as needed will be provided as needed
Cape Fear Group Homes - CDBG	Conducted on-site monitoring visit on 6/21/23	No issues of concern in review of files and monitoring questions; pending re-visit on inspection of unit regarding 1 maintenance issue; technical assistance will be provided as needed
ARC – Cottonwood - HOME	On-site monitoring scheduled for 9/28/23	Programmatic FY-23 documents requested June 12, 2023 and were received August 4, 2023; On-site monitoring visit scheduled.  Technical assistance will be provided as needed will be provided as needed
Lockwood Village - HOME	On-site monitoring scheduled for 9/28/23	Programmatic FY-23 documents requested June 12, 2023 and were received August 1, 2023; On-site monitoring visit scheduled.  Technical assistance will be provided as needed will be provided as needed
Family Promise – Public Services	On-site monitoring date TBD	Programmatic FY-23 documents requested July 5, 2023 and were received July 21, 2023; Domestic Violence Shelter & Services receives Sundry CDBG funding in an annual agreement.

		Technical assistance will be provided as needed
HEO – Pointe at Taylor Estates - HOME Managed by Excel Property Management	On-site monitoring scheduled for 8/29/23	Programmatic FY-23 documents were received July 18, 2023; On-site monitoring visit scheduled.  Technical assistance will be provided as needed will be provided as needed
HEO – Robert E. Taylor Senior Homes - HOME Managed by Excel Property Management	On-site monitoring scheduled for 8/29/23	Programmatic FY-23 documents were received July 18, 2023; On-site monitoring visit scheduled.  Technical assistance will be provided as needed will be provided as needed
RHA Greenville Trace - HOME Managed by Excel Property Management	On-site monitoring scheduled for 8/30/23	Programmatic FY-23 documents were received July 14, 2023; On-site monitoring visit scheduled.  Technical assistance will be provided as needed will be provided as needed
Lake Ridge - HOME Managed by Excel Property Management	On-site monitoring scheduled for 8/30/23	Programmatic FY-23 documents were received July 18, 2023; On-site monitoring visit scheduled.  Technical assistance will be provided as needed will be provided as needed
Cape Fear CDC – 1108 N 5th- HOME	On-site monitoring TBD (Anticipating September 2023)	Programmatic FY-23 documents requested June 12, 2023 and were received June 28, 2023; On-site monitoring visit to be scheduled.  Technical assistance will be provided as needed will be provided as needed
Cape Fear CDC – 524 S 19 <sup>th</sup> St - HOME	On-site monitoring TBD (Anticipating	Programmatic FY-23 documents requested June 12, 2023 and were received June 28, 2023; On-site monitoring visit to be scheduled.

	September 2023)	Technical assistance will be provided as needed will be provided as needed
AMEZ – 701 McCrae St - HOME	On-site monitoring TBD	Programmatic FY-23 documents requested June 12, 2023. No requested documentation provided to date. Monitoring still in progress pending receipt of documentation.  Technical assistance will be provided as needed will be.
Taylor West – New Brooklyn - CDBG Managed by Excel Property Management	Conducted on-site monitoring on 6/21/23	No issues of concern in review of files and monitoring questions; 1 minor recommendation made to improve program implementation; pending re-inspection of units regarding maintenance issues; technical assistance will be provided as needed
Pearce House - CDBG	Conducted on-site monitoring on 6/15/23	No issues of concern in review of files and monitoring questions; 1 minor recommendation made to improve financial procedures; pending re-inspection of units regarding maintenance issues; technical assistance will be provided as needed
608 Meares RR – HOME 1304 Wynwood RR - HOME	Conducted on-site monitoring on 6/14/23	4 programmatic concerns identified (2 of which have been resolved) and several recommendations made to improve program implementation; pending re-inspection of units regarding maintenance issues; 1 recommendation made to improve financial procedures.  Technical assistance provided on HOME requirements. A follow-up technical assistance session will be scheduled in FY 23.24.

<p>622 S 8<sup>th</sup> St RR – HOME 1306 S 4<sup>th</sup> St RR - HOME</p>	<p>Conducted on-site monitoring on 6/13/23</p>	<p>3 programmatic concerns identified, and 2 recommendations made to improve program implementation; pending re-inspection of 622 S 8<sup>th</sup> St regarding maintenance issues; pending unit inspection at 1306 S 4<sup>th</sup> Street; 2 recommendations made to improve financial procedures.</p> <p>Technical assistance provided on HOME requirements. A follow-up technical assistance session will be scheduled in FY 23.24.</p>
<p>2309 Monroe St RR - HOME</p>	<p>Conducted on-site monitoring on 6/13/23</p>	<p>2 programmatic concerns identified, and several recommendations made to improve program implementation; pending re-inspection of unit regarding maintenance issues.</p> <p>Technical assistance provided on HOME requirements during 2 meetings. Additional technical assistance will be provided as needed</p>
<p>917 S 10<sup>th</sup> St RR – HOME</p>	<p>On-site monitoring date TBD</p>	<p>Programmatic FY-23 documents requested June 12, 2023 and were received June 28, 2023; On-site monitoring visit to be scheduled in FY 23.24.</p> <p>Technical assistance will be provided as needed</p>
<p>1503 Stanley St (unit a &amp; b) RR – HOME</p>	<p>On-site monitoring date TBD</p>	<p>Programmatic FY-23 documents requested June 12, 2023 and were received June 15, 2023; On-site monitoring visit to be scheduled in FY 23.24.</p> <p>Technical assistance will be provided as needed</p>



401 Henry St (unit a & b) RR – HOME	Conducted on-site monitoring on 6/28/23	<p>No issues of concern in review of files and monitoring questions; Some recommendations made to improve program implementation; pending re-inspection of unit regarding maintenance issues; 2 recommendations made to improve financial procedures.</p> <p>Technical assistance provided on HOME requirements and will continue to be provided as needed</p>
1210 King St RR – HOME 924 S 8 <sup>th</sup> St RR - HOME 333 Sumter Dr RR - HOME	Conducted on-site monitoring on 6/28/23	<p>1 programmatic concern identified, and several recommendations made to improve program implementation; pending re-inspection of units regarding maintenance issues; 1 recommendation to improve financial procedures.</p> <p>Technical assistance provided on HOME requirements and will continue to be provided as needed</p>
1809 Queen RR – HOME 1809-A Queen RR - HOME 1714 Colwell Ave RR – HOME	Conducted on-site monitoring on 6/7/23	<p>1 programmatic concern identified, and a few recommendations made to improve program implementation; pending re-inspection of units regarding maintenance issues; no documentation received for financial monitoring.</p> <p>Technical assistance provided on HOME requirements and will continue to be provided as needed</p>
1010 Fanning St RR – HOME	On-site monitoring date TBD	<p>Programmatic FY-23 documents requested June 12, 2023 and were received August 3, 2023; On-site monitoring visit to be scheduled in FY 23.24.</p> <p>Technical assistance will be provided as needed</p>

<p>1314 Orange St RR – HOME  520 Harnett St RR – HOME  309 Anderson St RR - HOME</p>	<p>Conducted on-site monitoring on 6/7/23</p>	<p>5 programmatic concerns identified; pending re-inspection of units regarding maintenance issues; pending unit inspection at 1306 S 4<sup>th</sup> Street; 4 recommendations made to improve financial procedures.</p> <p>Technical assistance provided on HOME requirements. A follow-up technical assistance session will be scheduled in FY 23.24.</p>
<p>606 N 7<sup>th</sup> St RR – HOME</p>	<p>On-site monitoring date TBD</p>	<p>Programmatic FY-23 documents requested June 12, 2023 and were received June 29, 2023; On-site monitoring visit to be scheduled in FY 23.24.</p> <p>Technical assistance will be provided as needed</p>
<p>909-915 S 4<sup>th</sup> St RR-CDBG</p>		<p>New to the monitoring process. Programmatic FY-23 documents requested June 12, 2023 and were received July 3, 2023. On-site monitoring will be scheduled during FY 23.24</p> <p>Technical assistance will be provided as needed.</p>

**Provide an assessment of the jurisdiction's affirmative marketing actions for HOME units. 24 CFR 91.520(e) and 24 CFR 92.351(a)**

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**

see IDIS PR05

**Describe other actions taken to foster and maintain affordable housing. 24 CFR 91.220(k) (STATES ONLY: Including the coordination of LIHTC with the development of affordable housing). 24 CFR 91.320(j)**

**CR-58 – Section 3**

**Identify the number of individuals assisted and the types of assistance provided**

<b>Total Labor Hours</b>	<b>CDBG</b>	<b>HOME</b>	<b>ESG</b>	<b>HOPWA</b>	<b>HTF</b>
Total Number of Activities	0	27	0	0	0
Total Labor Hours	0	371			
Total Section 3 Worker Hours	0	371			
Total Targeted Section 3 Worker Hours	0	371			

**Table 15 – Total Labor Hours**

<b>Qualitative Efforts - Number of Activities by Program</b>	<b>CDBG</b>	<b>HOME</b>	<b>ESG</b>	<b>HOPWA</b>	<b>HTF</b>
Outreach efforts to generate job applicants who are Public Housing Targeted Workers	0	1			
Outreach efforts to generate job applicants who are Other Funding Targeted Workers.	0	0			
Direct, on-the job training (including apprenticeships).	0	0			
Indirect training such as arranging for, contracting for, or paying tuition for, off-site training.	0	0			
Technical assistance to help Section 3 workers compete for jobs (e.g., resume assistance, coaching).	0	0			
Outreach efforts to identify and secure bids from Section 3 business concerns.	0	1			
Technical assistance to help Section 3 business concerns understand and bid on contracts.	0	1			
Division of contracts into smaller jobs to facilitate participation by Section 3 business concerns.	0	1			
Provided or connected residents with assistance in seeking employment including: drafting resumes, preparing for interviews, finding job opportunities, connecting residents to job placement services.	0	0			
Held one or more job fairs.	0	0			
Provided or connected residents with supportive services that can provide direct services or referrals.	0	0			
Provided or connected residents with supportive services that provide one or more of the following: work readiness health screenings, interview clothing, uniforms, test fees, transportation.	0	0			
Assisted residents with finding child care.	0	0			

Assisted residents to apply for, or attend community college or a four year educational institution.	0	0			
Assisted residents to apply for, or attend vocational/technical training.	0	0			
Assisted residents to obtain financial literacy training and/or coaching.	0	0			
Bonding assistance, guaranties, or other efforts to support viable bids from Section 3 business concerns.	0	0			
Provided or connected residents with training on computer use or online technologies.	0	1			
Promoting the use of a business registry designed to create opportunities for disadvantaged and small businesses.	0	0			
Outreach, engagement, or referrals with the state one-stop system, as designed in Section 121(e)(2) of the Workforce Innovation and Opportunity Act.	0	1			
Other.	0	1			

**Table 16 – Qualitative Efforts - Number of Activities by Program**

**Narrative**

In PY2022, Section 3 was not triggered on any CDBG funded project, and only one HOME funded project exceeded the \$200,000 trigger. This project was a \$289,328 CHDO new construction project located at 920 Meares Street. The project is ongoing and at this time. The City of Wilmington adheres to the following responsibilities pursuant to Section 3 including:

1. Implementing procedures to notify Section 3 residents and business concerns about training, employment, and contracting opportunities generated by Section 3 covered assistance;
2. Notifying potential contractors working on Section 3;
3. Incorporating the Section 3 Clause into all covered solicitations and contracts [see 24 CFR Part 135.38];
4. Facilitating the training and employment of Section 3 residents and the award of contracts to Section 3 business concerns;
5. Assisting and actively cooperating in making contractors and subcontractors comply;
6. Refraining from entering into contracts with contractors that are in violation of Section 3 regulations;
7. Documenting actions taken to comply with Section 3; and
8. Submitting Section 3 Summary Reports in accordance with 24 CFR Part 135.90.

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**The City of Wilmington  
Announces the  
Availability for Public Comment  
Of the City's  
2022-23 COMPREHENSIVE ANNUAL  
PERFORMANCE EVALUATION REPORT  
On Community Development Block Grant (CDBG)  
& HOME Programs**

September 8, 2023 - September 25, 2023  
At the City's

Community Development Division Office  
305 Chestnut Street  
Wilmington, NC  
Second Floor

Or

<https://www.wilmingtonnc.gov/departments/community-services/community-development-housing>

Public Hearing will be held at City Council meeting  
on September 19, 2023

For additional information, please contact  
Suzanne Rogers, Community Development & Housing  
Planner

Community Services Department  
[suzanne.rogers@wilmingtonnc.gov](mailto:suzanne.rogers@wilmingtonnc.gov)  
(910) 341-7836

Or TDD # (910) 341-7873

The City of Wilmington does not discriminate on the basis of race, sex, color, national origin, religion or disability in its employment opportunities, programs or activities. All requests for appropriate auxiliary aids and services, when necessary to offer a person with a disability the opportunity to participate in or enjoy the benefits of City services, programs or activities must be made within a reasonable time prior to the activity.

## APPENDIX I – FY2022-23 PROGRESS REPORT

### Rental Rehabilitation Incentive Loan Program

**\$460,250 RL (FY22.23)**

The City of Wilmington offers a \$200,000 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.



909 & 911 S. 4<sup>th</sup> Street  
Rental Rehab Incentive Loan to LINC

Interest in the program is increasing as word spreads among small scale local developers. In FY2022.23, one loan closed for four units. The competitive housing market of the past year made it difficult for small affordable housing developers to compete with market-rate investors paying above asking for deteriorated housing that is the focus of the Rental Rehab Incentive Loan program. That said, as of year-end there are eight pre-qualified borrowers searching for projects. This totals \$1.6m in pre-qualified Rental Rehabilitation Loans. CDAH staff now offers workshop for interested developers to ensure the program requirements are fully explained and understood. The workshop also serves as a marketing tool to attract potential borrowers.

### Homeownership Opportunities Program (HOP)

**\$658.347 CDBG/RL/GF**

**\$ 814,611 Banks**



HOP Closing

Working in partnership with local banks the City offers the Homeownership Opportunities Program (HOP) to low-to-moderate income homebuyers. CDBG and General Funds

Home purchased with HOP mortgage



HOP Homebuyer with family on move in day!

are used to provide second mortgages at zero percent interest to eligible homebuyers. Homebuyers must attend a homebuyer education class. Five-year affordability period requirements apply to all HOP loans. During FY2022.23, CD Housing staff closed 5 loans with CDBG and General Fund; an increase from the prior year, but not



reflective of historical production of 12 loans per year. At year-end 26 pre-qualified homebuyers were searching for a house to purchase using the HOP program. This totals approximately \$3m in pre-qualified loans. The average HOP loan amount was \$294,592 with the bank portion average \$162,922 and the city portion average \$131,699 including \$25,000 in forgivable down payment assistance. The average income of HOP borrowers was \$58,040 with an average household size of 1.8. All of the HOP loans were made to Female Head of Household and 2 of the 5 loans were to African American households.

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 an effort to provide more opportunity for HOP borrowers and maintain the City's housing stock. City Council approved a HOP Rehabilitation Loan consisting of a \$50,000 deferred loan available to HOP borrowers who purchase homes in need of rehabilitation. This \$50,000 is added to \$25,000 forgivable DPA to provide up to \$75,000 in forgiven and deferred loan for rehabilitation of existing units. Of the five HOP loans closed in FY22-23, two are HOP Rehab loans.

#### **Down Payment Assistance Loans (DPA)**

**\$200,000 CDBG/HOME**

**\$894,000 First Mortgages**

Homebuyers may apply for up to \$50,000 in down payment assistance to be used with a conventional or other non-City first mortgage program. In FY22.23, the City closed four DPA's. In addition, the City provides referrals to other private and public mortgage products.

Loans are deferred, forgivable, with no interest and a maximum term of 10 years based on the amount of the loan. Applications are referred by primary lender to City of Wilmington for the benefit of borrower. Fully documented first mortgages approved for funding by FHA, the VA or a large institutional lender that underwrites to Fannie Mae, Freddie Mac, VA, FHA or NCHFA CPLP standards, will be acceptable to establish the applicant's ability to make payments and dependability of income, in addition to DPA Program's underwriting guidelines. City staff perform a subsidy layering review to substantiate the down payment assistance will not over-subsidize the borrower by lowering the housing ratio below 30% of applicant income. Down Payment Assistance is not eligible to be used with HOP loans. Down Payment Assistance cannot be used with other HOME program subsidies. The DPA program is marketed to Banks, Mortgage Companies, Cape Fear Realtor Workforce Housing Certified Brokers, Realtors, and non-profit lenders.

CDAH is a partner in the CPLP program, which works with partner banks to provide affordable mortgages and down payment assistance throughout the state. As a member of the CPLP the City CDAH staff process loans for eligible borrowers who may purchase outside the city limits. CPLP reimburses the City for each loan thereby ensuring that no taxpayer funds are used for purchases outside the city limits. In FY22-23, the City processed one CPLP loan for a female head of household, with a household of three and an income at 60% AMI. The homebuyer purchased a \$230,000 home in Boliva and received \$93,829 in Down Payment

Assistance and closing costs. CPLP allows a more regional approach to homeownership and allows LMI homebuyers to access areas of opportunity which may have preferred schools and access to jobs as an example.

## Housing Rehabilitation Loans

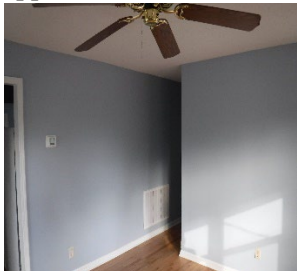
### \$ 541,300 CDBG, Program Income, Revolving Loan

Guidelines for the Housing Rehabilitation Loan Program allow for forgivable loans up to \$90,000 for households earning below 50% AMI. In addition, the guidelines include a forgivable loan of up to \$10,000 for minor repairs and fully amortized loans up to \$100,000 at 2% for households with incomes up to 80% AMI with the ability to repay a loan. In FY22.23 eight loans were approved by the Loan Board (LRB). Of the eight homeowners five were female head of household, with four extremely low income (less than 50% AMI), seven elderly. In FY22.23, the City received 25 applications of which eight were ineligible, seven withdrew, three did not respond to requests for information, and the remaining eight are in process (inspection, bid process, construction). At year-end 12 applicants have been pre-qualified for loans totaling \$1,113,500.



2318 Monroe St. After

of eight are African American, and applications of which eight were respond to remaining



2318 Monroe St. After

An outreach event was held to provide information contractors about the City's OOR program and the for contractors. In FY22.23 four additional have been added to the City's approved contractors Owner-Occupied Housing Rehabilitation Program.

Review  
five were  
extremely



2318 Monroe St. Before

have been pre-qualified for loans totaling \$1,113,500.

The shortage of labor continues to hinder the Owner-Occupied Housing Rehabilitation program. Contractor recruitment is an ongoing effort.



Contractor Recruitment Workshop 10-25-2022

to prospective opportunities contractors list for the

## Housing Counseling and Homebuyer Education Workshops

The City became a HUD Certified Housing Counseling Agency in FY2021-2022; and is a member of the North Carolina Housing Coalition (NCHC) Housing Counseling Network. In FY22.23 City staff established the Housing Counseling Program including acquiring required Client Management Software. With a full-time Certified Housing Counselor joining the staff the Housing Counseling Program has served 85 clients participating in one-on-one sessions. The majority of clients, 76, received prepurchase/homebuying counseling, six received non-delinquency post-purchase counseling, two received resolving or preventing mortgage delinquency or default, and one received disaster recovery counseling. Of the 85 clients, 52 were Black, and 21 White; and 60 identified as having incomes below 80% AMI.



Homebuyer Education Class

Participants in Housing Counseling learn about budgeting, analyze their spending, and identify actions to improve their financial situation and work towards housing goals.

Two hundred twenty-three (223) individuals attended on of 14 Homebuyer Education Classes in FY22.23. Of these, 34 participated in one-on-one housing counseling to address barriers to qualifying for a mortgage, such as low credit score.

**GAP Financing to increase Affordable Housing Units & Single-Family New Construction**

**\$1.85m General Fund -Canopy Pointe**

**\$9m NCORR CDBG-DR – Starway**

**\$1m HOME – Sterling Reserve**

**\$698,593 CDBG-CV – Driftwood Rehab**

**\$289,328 HOME – Single Family New Construction CF Community Land Trust**

**\$250,000 General Fund (Proceeds Sale Optimist Park) – Eden Village**

The 2022 Housing Needs Assessment for Wilmington/New Hanover County prepared by Bowen National Research quantified the housing gap by income for both rental and for-sale housing. The report indicated a gap of over 400 rental units per year for the next ten years for affordable rental housing for households with income at or below 80% AMI. A review of building permits for multifamily housing in the City shows that only 396 units of affordable multifamily housing were permitted over the period from 2010-2020.



Canopy Pointe – 72 unit Senior Affordable LIHTC Project



920 Meares St. Rear Entry.  
CF Community Land Trust

Recognizing the increasing need for housing, in FY 2023 the City Council enacted a policy to dedicate one cent of the property tax to affordable and/or workforce housing— ongoing. In addition, City Council designated additional fund balance for affordable housing, in particular gap financing. In FY 2023 City Council designated \$1.5 million for gap financing, bringing the city’s FY 2023 General Fund contribution for affordable workforce housing program to \$3,650,103.



920 Meares St. Kitchen near completion.  
CF Community Land Trust

**Lead Hazard Reduction/Healthy Homes**

**\$257,040 Lead Hazard Reduction/Healthy Homes grant**

On April 31, 2023, the City of Wilmington closed out the 3.5-year HUD Office of Lead Hazard Control and Healthy Homes Lead Based Paint Hazard Reduction Grant award. The grant was applied toward supporting Lead Hazard Reduction and Healthy Homes Intervention projects for eligible low-income



Before - Lead-based Paint Remediation/Healthy Homes

residents in the City. During the grant’s period of performance, a total of 32 homes were inspected / assessed; 25 homes were cleared of Lead Based Paint Hazards and other Home Hazards; 102 contractors and volunteers were provided Lead Based Paint Safety and Healthy Homes training / certifications; and over 45,000 residents of the City of Wilmington were engaged and/or exposed to programs promoting awareness of Lead Based Paint Hazards, Healthy Homes concepts, the City of Wilmington’s Lead Hazard Reduction / Healthy Homes Grant Assistance



After- Lead-based Paint Remediation/Healthy Homes

Program, and other Community Development and Housing Programs. Of the \$1,800,000.00 awarded for the grant, \$839,541.20 was expended in support of Lead Based Paint Remediation and Healthy Homes Intervention activities, and a total match contribution of \$170,022.90 was made by the City of Wilmington.

Please note, HUD suspended many of the program activities due to Covid and revised benchmarks to account for the interruption in program implementation. Difference in the funds expended and the grant award.



## Healthy Homes

On February 27, 2023, the City of Wilmington was notified of tentative award of a HUD Office of Lead Hazard Control and Healthy Homes Healthy Homes Production Grant award. During the period 27 February – May 4, 2023, the Community Development and Housing staff and HUD Grant Officer conducted grant negotiations to determine the final grant award amount and number of homes that would be assisted by the grant and complete all mandatory grant instruments / documents. Negotiations were completed May 11, 2023, and a \$1.5m Healthy Homes Production grant was formally awarded to the City for a performance period of May 15, 2023 – November 15, 2026. The grant will allow the City’s Healthy Homes Program to inspect / assess 100 eligible low-income households, perform no less than 65 Home Hazard Interventions projects, promote awareness of the importance of Healthy Homes, and provide potential economic opportunities to local small business contractors that will perform the Home Hazard intervention projects. The Healthy Home Program has completed all mandatory grant start up activities, undergone a HUD Office of Lead Hazard Control and Healthy Homes Healthy Homes Annual Monitoring Inspection and Technical Assistance Visit on July 17, 2023, and is currently conducting program awareness outreach and applicant screenings.

## Community Outreach & Education

In addition to Homebuyer Education, the CDAH staff offers outreach and education opportunities throughout the year to help residents with home maintenance and financial literacy and to provide detailed overview of the Owner-Occupied Housing Rehabilitation Loan Program and the Rental Rehabilitation Incentive Loan Program (RRIL). Three RRIL workshops were held in FY22.23 with 46 prospective borrowers attending. In June CDAH staff hosted a bi-weekly series of nine virtual workshops with invited experts on presenting various topics including “Understanding the Loan Process” to Habitat for Humanity how it works. A total of 81 individuals attended these virtual events. National Homeownership Month (June) wrapped up with a day long Affordable Lending Fair on 6.24.2023, 98 individuals attended the event. Banks, real estate agents, and other homeownership programs were present to answer questions for potential homebuyers.



Representatives from Banks, Real Estate Firms, Habitat and Other Homebuyer Programs at Affordable Lending Fair

<b>FY2022-23 General Fund Human Services Grants</b>	
<b>Coastal Horizons-</b>	\$ 41,040.00
<b>Phoenix Employment Agency (Step Up)</b>	\$ 35,875.00
<b>Kids Making It</b>	\$ 47,500.00
<b>Brigade Boys &amp; Girls Club</b>	\$ 37,500.00
<b>Good Shepherd</b>	\$ 24,000.00
<b>Food Bank</b>	\$ 19,000.00
<b>Cape Fear Communities in Schools</b>	\$ 42,560.00
<b>Ability Garden/Arboretum</b>	\$ 12,000.00
<b>WARM (Wilmington Area Rebuilding Ministry)</b>	\$ 27,500.00
<b>Cape Fear Literacy Council</b>	\$ 16,500.00
<b>LINC</b>	\$ 35,720.00
<b>Voyage (Blue Ribbon Commission) -Enrichment</b>	\$ 58,500.00
<b>Dreams of Wilmington</b>	\$ 52,799.00
<b>WRAAP (Wil Residential Adolescent)</b>	\$ 33,188.00
<b>Community Boys &amp; Girls Club</b>	\$ 47,500.00
<b>Cape Fear COG</b>	\$ 65,000.00
<b>First Tee</b>	\$ 12,000.00
<b>Community Enrichment Initiative</b>	\$ 10,000.00
<b>A Safe Place</b>	\$ 12,000.00
<b>Cape Fear Habitat for Humanity</b>	\$ 37,500.00
<b>Carousel Center</b>	\$ 27,500.00
<b>Child Development Center</b>	\$ 24,737.00
<b>First Fruit Ministry</b>	\$ 12,000.00
<b>NourishNC</b>	\$ 13,200.00
<b>Soaring Eagles Outreach Ministry</b>	\$ 12,000.00
<b>Young Scientist Academy</b>	\$ 13,657.00
<b>TOTAL</b>	<b>\$ 770,776.00</b>

**Comprehensive Spreadsheet as of June 30, 2023**

	<b>Fund 80</b>		<b>General Fund</b>		<b>Ad Valorum</b>				
	General Fund	Expenditures	HOP Revolving	Expenditures	General Funds				
	Revolving Rehab and Legal		Loan Fund 76						
	Available		Available		Available		<i>Sub-Total Available</i>	<i>Total Expenditures</i>	<i>Total Available for Carry-Over</i>
HOP	\$ -	\$ -	\$ 3,229,618.39	\$ 232,022.00	\$ 1,561,918.00	\$ 4,791,536.39	\$ 232,022.00	\$ 4,559,514.39	
Rental Rehab	\$ -	\$ -	\$ 507,852.00	\$ -	\$ -	\$ 507,852.00	\$ -	\$ 507,852.00	
Housing Rehab	\$ -	\$ -	\$ 152,000.00	\$ -	\$ -	\$ 152,000.00	\$ -	\$ 152,000.00	
Housing Rehabilitation	\$ 153,000.00	\$ 153,000.00	\$ -	\$ -	\$ -	\$ 153,000.00	\$ 153,000.00	\$ -	
Legal Fees - Activity Delivery	\$ 109,064.86	\$ 11,502.18	\$ -	\$ -	\$ -	\$ 109,064.86	\$ 11,502.18	\$ 97,562.68	
<b>TOTAL</b>	\$ 262,064.86	\$ 164,502.18	\$ 3,889,470.39	\$ 232,022.00	\$ 1,561,918.00	\$ 5,713,453.25	\$ 396,524.18	\$ 5,316,929.07	

## Comprehensive Spreadsheet as of June 30, 2023

		<b>HOME Funds</b>			
	Budget Appropriated	Available From Prior Years	Total Expenditures	<i>Total Available for Carry-Over</i>	
Housing Rehabilitation	\$ -	\$ 483,250.77	\$ -	\$ 483,250.77	
Rental Rehab	\$ -	\$ 399,587.64	\$ -	\$ 399,587.64	
Undesignated-HOME	\$ 468,107.00	\$ 26,139.93	\$ -	\$ 494,246.93	
Housing Relocation	\$ -	\$ 3,066.58	\$ -	\$ 3,066.58	
CFCCommunity Land Trust	\$ 289,328.00	\$ 10,448.08	\$ 289,328.00	\$ 10,448.08	
Down payment Assistance	\$ 200,000.00	\$ 70,113.00	\$ 100,000.00	\$ 170,113.00	
CHDO Undesignated	\$ 104,026.00	\$ 359,781.00	\$ -	\$ 463,807.00	
<b>SUBTOTAL</b>	<b>\$ 1,061,461.00</b>	<b>\$ 1,352,387.00</b>	<b>\$ 389,328.00</b>	<b>\$ 2,024,520.00</b>	
Administration -HOME	\$ 135,070.00	\$ 119,653.07	\$ -	\$ 254,723.07	
<b>SUBTOTAL</b>	<b>\$ 135,070.00</b>	<b>\$ 119,653.07</b>	<b>\$ -</b>	<b>\$ 254,723.07</b>	
<b>Grand Total</b>	<b>\$ 1,196,531.00</b>	<b>\$ 1,472,040.07</b>	<b>\$ 389,328.00</b>	<b>\$ 2,279,243.07</b>	



## Comprehensive Spreadsheet as of June 30, 2023

	CDBG Funds					
	Budget Appropriated	Available From Prior Years	Total Expenditures	<i>Total Available For Carry-Over</i>		
HOP Loans	\$ 100,000.00	\$ 428,270.07	\$ 426,325.00	\$ 101,945.07		
Activity Delivery Costs	\$ 260,473.00	-	\$ 260,473.00	-		
Relocation	\$ 10,000.00	\$ 37,659.34	\$ 27,196.25	\$ 20,463.09		
Down Payment Assistance	-	\$ 100,000.00	\$ 100,000.00	-		
Owner Occupied Rehab-Forgivable	-	\$ 202,000.00	\$ 152,000.00	\$ 50,000.00		
Limited Assistance Grants	\$ 5,000.00	\$ 8,430.18	\$ 5,000.00	\$ 8,430.18		
Undesignated	\$ 265,656.00	\$ 75,627.56	-	\$ 341,283.56		
<b>SUBTOTAL</b>	<b>\$ 641,129.00</b>	<b>\$ 851,987.15</b>	<b>\$ 970,994.25</b>	<b>\$ 522,121.90</b>		
Domestic Violence	\$ 66,800.00		\$ 30,000.00	\$ 36,800.00		
Family Promise	\$ 42,900.00		\$ 40,000.00	\$ 2,900.00		
First Fruit	\$ 23,900.00		-	\$ 23,900.00		
Good Shepherd	\$ 41,400.00	-	\$ 19,788.35	\$ 21,611.65		
<b>SUBTOTAL</b>	<b>\$ 175,000.00</b>	<b>\$ -</b>	<b>\$ 89,788.35</b>	<b>\$ 85,211.65</b>		
Administration -CDBG	\$ 204,032.00	\$ 204,032.00	-	\$ 408,064.00		
<b>SUBTOTAL</b>	<b>\$ 204,032.00</b>	<b>\$ 204,032.00</b>	<b>\$ -</b>	<b>\$ 408,064.00</b>		
<b>Grand Total</b>	<b>\$ 1,020,161.00</b>	<b>\$ 1,056,019.15</b>	<b>\$ 1,060,782.60</b>	<b>\$ 1,015,397.55</b>		

<b>Comprehensive Spreadsheet as of June 30, 2023</b>			
	<b>Federally Funded</b>		
	Revolving Loan		
	Funds 71, 74, 75, 77		
			<b>Total Available</b>
	Available	Expenditures	<b>for Carry-Over</b>
Rental Rehab	\$ 290,560.46	\$ -	\$ 290,560.46
Housing Rehab	\$ 342,303.52	\$ 236,300.00	\$ 106,003.52
HOP Loans and DPA 60	\$ 305,454.71		\$ 305,454.71
Housing Rehab CW-124 from 714	\$ 65,000.00	\$ 65,000.00	\$ -
Housing Acquisition LINC from 714	\$ 62,293.65	\$ 62,293.65	\$ -
Housing Acquisition LINC from 715	\$ 397,956.35	\$ 397,956.35	\$ -
HOME Loans inclds Program Income	\$ 694,629.49	\$ -	\$ 694,629.49
Rental Rehab	\$ 100,412.36		\$ 100,412.36
Undesignated-HOME	\$ 521,146.44	\$ -	\$ 521,146.44
<b>SUBTOTAL</b>	<b>\$ 2,779,756.98</b>	<b>\$ 761,550.00</b>	<b>\$ 2,018,206.98</b>

<b>Comprehensive Spreadsheet as of June 30, 2023</b>			
Federal Funds Revolving Loan Funds & Pro			
	<b>Total Available</b>		
	<b>for Carry-Over</b>	<b>Pipeline</b>	
Rental Rehab	\$ 290,560.46		
Housing Rehab	\$ 106,003.52		
HOP Loans and DPA 60	\$ 305,454.71		
Housing Rehab CW-124 from 714	\$ -		
Housing Acquisition LINC from 714	\$ -		
Housing Acquisition LINC from 715	\$ -		
HOME Loans inclds Program Income	\$ 694,629.49	\$ 500,000.00	Sterling Reserve
Rental Rehab	\$ 100,412.36		
Undesignated-HOME	\$ 521,146.44	\$ 500,000.00	Sterling Reserve
<b>SUBTOTAL</b>	<b>\$ 2,018,206.98</b>	<b>\$ 1,000,000.00</b>	

HOME Funds		
	<i><b>Total Available for Carry-Over</b></i>	<i><b>Pipeline</b></i>
Housing Rehabilitation	\$ 483,250.77	\$ 1,113,500.00
Rental Rehab	\$ 399,587.64	\$ 300,000.00
Undesignated-HOME	\$ 494,246.93	
Housing Relocation	\$ 3,066.58	
CFCommunity Land Trust	\$ 10,448.08	
Down payment Assistance	\$ 170,113.00	
CHDO Undesignated	\$ 463,807.00	
<b>SUBTOTAL</b>	<b>\$ 2,024,520.00</b>	<b>\$ 1,413,500.00</b>
Administration -HOME	\$ 254,723.07	
<b>SUBTOTAL</b>	<b>\$ 254,723.07</b>	
<b>Grand Total</b>	<b>\$ 2,279,243.07</b>	

### **mprehensive Spreadsheet as of June 30, 20**

General Funds		
	<i><b>Total Available for Carry-Over</b></i>	<i><b>Pipeline Loans</b></i>
HOP	\$ 4,559,514.39	\$ 3,003,420.00
Rental Rehab	\$ 507,852.00	\$ 1,300,000.00
Housing Rehab	\$ 152,000.00	
Housing Rehabilitation	\$ -	
Legal Fees - Activity Delivery	\$ 97,562.68	
<b>TOTAL</b>	<b>\$ 5,316,929.07</b>	<b>\$ 4,303,420.00</b>

