



Report to the Raleigh Community on Housing and Community Development Planned Expenditures

The City of Raleigh
Department of Housing and Neighborhoods
raleighnc.gov



The 2017-2018 Action Plan is the third year of Raleigh’s 2016-2020 Five-Year Consolidated Plan, required by the U.S. Department of Housing and Urban Development (HUD), that identifies an entitlement community’s priority housing and community development needs for very low-, low-, and moderate-income city residents and the strategies the community has developed to address them. This “Report to the Community” is offered as an easier-to-read summary of what is within the Draft Action Plan, which should be consulted for additional details. It is available on-line at www.raleighnc.gov in the Community Development Division (CDD) section of Housing and Neighborhoods Department and on request from CDD at (919) 996-4330.

The Consolidated Plan provides guidance for Raleigh for the period July 1, 2016—June 30, 2020. The City of Raleigh must submit an Action Plan every year to illustrate how it is meeting its housing and community development needs.

The Action Plan also functions as an application for funding from HUD for the following federal programs, with the projected allocation for each (not including program income):

- Community Development Block Grant (CDBG) \$2,850,762
- HOME Investment Partnership (HOME) \$1,055,103
- Emergency Solutions Grant (ESG) \$ 252,923

In addition to these federal programs, local sources of funds contribute to implementing the City of Raleigh Consolidated Plan.

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A staff recommendation for \$5.7 million additional in General Fund dollars for rental development and housing rehabilitation received City Council approval July 1, 2016 and this document includes the \$5.8 million in General Fund dollars available in the second year of implementation of this revenue source among the narratives and charts.

The 2016-2020 Consolidated Plan established the priorities/goals that this Action Plan aims to implement through the City's housing and community development programs.

The three priorities are:

- Increase the supply of affordable housing
- Enhance the homeless to housing continuum
- Neighborhood revitalization

As shown in the narratives and charts contained within the Action Plan, the City intends to continue its programs that offer financial assistance to developers of affordable rental housing, assist in acquisition and demolition of blighted units (with relocation of existing tenants to safe and secure housing of their choosing), loans to low- and moderate-income (LMI) homeowners needing housing rehab assistance, providing second mortgage money to LMI homebuyers, provide job training and homebuyer training, assist nonprofit organizations serving low-income or homeless families, and investing in new infrastructure and affordable housing in focus neighborhoods such as College Park. In FY 2017-2018 funds will be made available in the Neighborhood Revitalization Strategy Area (NRSA, southeast of St. Augustine's University) for commercial façade improvements and business up-fit.

Below is a summary budget for next fiscal year, to be adjusted when HUD provides the City with its actual grant allocations:

FY 2017-2018 Community Development Budget

Activity	HOME	CDBG	ESG	Local	Total
Affordable Housing					
Housing Rehabilitation		\$300,000		\$700,000	\$1,000,000
Homebuyer assistance (second mortgages)	\$1,000,000				\$1,000,000
Rental Development Loans	\$641,032			\$5,100,000	\$5,741,032
Homeless to Housing Continuum					
Homelessness Prevention			\$180,923		\$180,923
HMIS Support			\$72,000		\$72,000
Neighborhood Revitalization					
Public Services					
South Wilmington Street Center		\$100,000			\$100,000

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Community Enhancement Grants		\$175,000			\$175,000
Homebuilders Training Program		\$76,000			\$76,000
Homebuyer Counseling		\$75,000			\$75,000
Economic Development					
Façade Improvement Grant		\$50,000			\$50,000
Building Upfit Grant		\$50,000			\$50,000
Public Works					
Site Improvements		\$639,328			\$639,328
Design Planning Contracts		\$50,000			\$50,000
Appraisal/Environmental		\$25,000			\$25,000
Acquisition/Disposition					
		\$350,000			\$350,000
Relocation					
		\$775,000			\$775,000
Demolition					
		\$350,000			\$350,000
Administration					
Staff	\$185,303	\$832,033			\$1,017,336
Debt Service				\$500,000	\$500,000
Miscellaneous	\$26,692	\$312,806			
Totals	\$1,853,027	\$4,160,167	\$252,923	\$6,300,000	\$12,566,117

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The table above includes projected federal allocations for FY 2017-2018 and anticipated program income (\$1,268,272 for CDBG, \$748,349 for Home, \$0 for ESG).

This year two grant programs (Emergency Solutions Grant and Community Enhancement Grant) are being included in the Action Plan with recommendations for funding to be approved by City Council as part of the Action Plan approval process that concludes on May 2, 2017 with a vote by City Council approving the Action Plan prior to its submission to HUD by mid-May.

The following nonprofit organizations are recommended for funding from the City's anticipated Emergency Solutions Grant (ESG) allocation:

City of Raleigh Emergency Solutions Grant- Combined RFP for FY 2017-18

Agency	Recommended Award	Use of the Funds
Triangle Family Services	\$105,923	Homelessness prevention
Passage Home	\$ 75,000	Homelessness prevention
Raleigh Wake Partnership to End and Prevent Homelessness	\$ 72,000	Homeless Information Management System (HMIS)
Total City ESG funding	\$252,923	

The City also funds public services with CDBG in a grant program called Community Enhancement Grant through an annual Request for Proposal process. The following nonprofits are recommended by staff for CDBG public service funding for FY 2017-18 through the Community Enhancement Grant:

City of Raleigh Community Enhancement Grant- RFP FY 2017-18

Agency	Recommended Award	Use of the Funds
StepUp Ministry	\$55,375	Job training and placement
Dress For Success	\$21,725	Employment acquisition and retention for low-income women
Family Promise of Wake County	\$14,165	After-care services for families already re-housed after experiencing homelessness
Families Together	\$36,794	Essential services to meet the basic needs of families with children experiencing homelessness

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Lucy Daniels	\$46,941	SecurePath in-home mental health services for young children from low-income families.
Total City Community Enhancement Grant funding	\$175,000	



Other CDBG public services projected spending includes homebuyer and job training and operational support for Wake County's homeless men's shelter south of downtown. Other planned project activities include the following:

Increase the supply of affordable housing

New rentals	464
Homeowner units	129
Homebuyer loans	40
Houses rehabbed	48

In recognition of the growing gap between the need for affordable apartments and the supply as units are lost through demolition and conversion to higher-priced rentals, City Council approved a "1-cent"

increase to the City's residential real estate tax rate to generate General Fund dollars to address the situation. In FY 2017-2018 this will mean \$5.1 million in local funding for financing for new affordable apartments. These funds will be leveraged by federal tax credit funding as well as \$641,032 of the City's HOME allocation to help produce 464 new affordable rental units. Another \$700,000 from the new City General Fund dollars will be used (in addition to \$300,000 in CDBG) for rehabilitating 48 owner-occupied houses. In addition to these efforts, the City will make \$1,000,000 of its HOME funds available to assist at least 40 LMI first time home buyers with their purchase of affordable houses or townhouses.

Enhance the homeless to housing continuum

Rapid rehousing	30
Homelessness Prevention	100

The City will provide local funding for rapid rehousing of 30 families confronting homelessness through Catholic Charities and the City's federal Emergency Solutions Grant will assist 100 families in homelessness prevention.

Neighborhood revitalization

Acquisition	2-3 units
Relocation	50 households
Demolition	10 buildings
Site improvements	Infrastructure to support housing in East College Park

Next year CDD will be active in two neighborhood focus areas: the NRSA and the South Park/Garner Road (SP/GR) area. In the NRSA infrastructure improvements will be completed and over 100 new homeownership opportunities will be made available. In SP/GR, redevelopment of the Brown Birch Apartments will continue (relocation and demolition) and the planning of the reuse of that site will begin.

Additional Economic Development Activities

In FY 2017-2018 CDD proposes to continue the job training program mentioned above and also provide up to \$100,000 of the City's CDBG funds for participation in the City's façade grant and business up-fit programs for sites within the Neighborhood Revitalization Strategy Area (NRSA). These actions are intended to reduce blight and support the potential for job retention or creation within NRSA businesses.