



Annual Action Plan For Program Year 2024

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EXPECTED RESOURCES: AP-15 EXPECTED RESOURCES – 91.220(C)(1,2)

Introduction

The City of Waco receives federal funding through two HUD CPD formula grants: the Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME) programs. Combined, the City will receive an anticipated \$2,048,219 in HUD grant funds for the 2024 program year (PY 2024), which runs from October 1, 2024, through September 30, 2025. The table below outlines anticipated funding levels by program and estimates additional grant funds to be received in the remaining four program years covered by the City’s 2024-2028 Five-Year Consolidated Plan.

Anticipated Resources

Table 1. Expected Resources – Priority Table

Program	Source of Funds	Use of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan	Narrative Description
			Annual Allocation	Program Income	Prior Year Resources	Total		
CDBG	Public – Federal	Acquisition Admin and planning Economic development Housing Public improvements Public services	\$1,371,026	\$0	\$0	\$1,371,026	\$5,484,104	The expected amount of CDBG funds available for the remainder of the Con Plan is estimated at four times the City’s PY 2024 annual allocation.
HOME	Public – Federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	\$677,193	\$0	\$0	\$677,193	\$2,708,772	The expected amount of HOME funds available for the remainder of the Con Plan is estimated at four times the City’s PY 2024 annual allocation.

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied.

The City of Waco uses its federal grant funds together with additional local resources to provide the highest level of housing and community development services possible. During PY 2024, the City will partner with local nonprofit organizations on a number of programs, with partner agencies supplementing CDBG and HOME grants with additional funding, staff time, and other organizational resources.

The City will partner with Grassroots Community Development on three projects in PY 2024: homeowner roof repairs, individual development accounts, and affordable housing development. Grassroots is a Community Housing Development Organization (CHDO) and brings over \$700,000 in private donations for affordable housing, home rehabilitation, and community engagement.

The City will also partner with Mission Waco, which operates the My Brother’s Keeper Homeless Shelter. Mission Waco leverages its grant funds with private donations, the Texas Workforce Commission, and Continuum of Care grant funds to provide homeless services and shelter care.

In promoting homeownership, local bankers and other lending institutions have become strong partners in offering permanent financing for homebuyers. Permanent financing was provided by area financial institutions, NeighborWorks Waco, Inc. and Waco Habitat for Humanity to homebuyers receiving assistance under the City’s homebuyer assistance program. The City’s Lot Sale program has allowed contractors to purchase City lots at a reduced cost, encouraging new homes built in the inner City where there were once vacant lots.

In addition, the City expects to receive between \$2 to \$3 million in funds from the U.S. Environmental Protection Agency for the Solar for All initiative. The program is expected to launch in 2025 and will establish a new low-income solar program in underprivileged areas and low-income neighborhoods. Collectively, the program will help burdened households save on their electric bills while lowering greenhouse gas emissions and other forms of air pollution, thus fulfilling the goals of the Greenhouse Gas Reduction Fund’s objectives.

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

The City of Waco is the trustee of tax foreclosed lots and all of the taxing entities who are a party to the tax foreclosure have agreed to make these lots available at reduced prices through the Lot Sale Program for the development of new affordable housing units.

Discussion

During PY 2024, the City will receive \$1,371,026 in CDBG funds to be used to support first-time homebuyer assistance, owner-occupied housing rehabilitation and roof repair, short-term rental assistance, and a range of public service activities. Also, in PY 2024, Waco will receive \$677,193 in HOME funding to be used for affordable housing development, acquisition, or rehabilitation and housing activities by Community Housing Development Organizations (CHDOs).

In determining PY 2024 activities, the City gave priority to projects that intend to revitalize neighborhoods and stimulate economic development with Waco.

ANNUAL GOALS AND OBJECTIVES: AP-20 GOALS AND OBJECTIVES

Goals Summary Information

Table 2. Goals Summary

Sort #	Goal Name	Start Year	End Year	Category	Geography	Needs Addressed	Funding	Goal Outcome Indicator
1	Domestic Violence Shelter	2024	2028	Homeless	Citywide	Housing/Services to Reduce Homelessness	CDBG: \$19,802	Homeless person overnight shelter: 275 people
2	Homeless Shelter	2024	2028	Homeless	Citywide	Housing/Services to Reduce Homelessness	CDBG: \$36,394	Homeless person overnight shelter: 295 people
3	Homelessness Prevention	2024	2028	Homeless	Citywide	Housing/Services to Reduce Homelessness	CDBG: \$22,500	Homelessness prevention: 15 people
4	Children Services	2024	2028	Non-Housing Community Development	Citywide	Provision of Public Services	CDBG: \$78,028	Public service activities other than low/ mod income housing benefit: 109 persons
5	First-Time Homebuyer Assistance	2024	2028	Affordable Housing	Citywide	Expanded Access to Affordable Housing	CDBG: \$106,750	Direct financial assistance to homebuyers: 5 households
6	Housing Rehab/Repair	2024	2028	Affordable Housing	Citywide	Expanded Access to Affordable Housing	CDBG: \$833,347	Homeowner housing rehabilitated: 30 household housing units
7	Housing Development/ Acquisition/Rehabilitation	2024	2028	Affordable Housing	Citywide	Expanded Access to Affordable Housing	HOME: \$149,474	Homeowner housing added: 2 household housing units

Sort #	Goal Name	Start Year	End Year	Category	Geography	Needs Addressed	Funding	Goal Outcome Indicator
8	CHDO Activities	2024	2028	Affordable Housing	Citywide	Expanded Access to Affordable Housing	HOME: \$460,000	Homeowner housing added: 4 housing units.
9	Administration and Planning	2024	2028	Administration and Planning	Citywide	Administration and Planning	CDBG: \$274,205 HOME: \$67,719	Not applicable

PROJECTS: AP-35 PROJECTS – 91.220(D)

Introduction

The projects listed below represent the activities the City of Waco plans to undertake during PY 2024 to address the goals of providing decent affordable housing, promoting a suitable living environment, and encouraging economic opportunity.

Projects

Table 3. Project Information

Number	Project Name
1	24-25 Home Rehabilitation and Repair
2	24-25 Homebuyer Assistance
3	24-25 Public Services
4	24-25 CHDOs
5	24-25 Administration & Planning
6	24-25 Housing Development / Acquisition / Rehabilitation

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

During PY 2024, the City of Waco plans to focus on the provision of affordable housing, including improving access to both affordable rental and for-sale housing. A combination of data and community input gathered during development of the 2024-2028 Five-Year Consolidated Plan emphasized the need for additional affordable housing in Waco, where more than 60% of households with incomes under 80% AMI have a housing cost burden (i.e., spend more than 30% of their income on housing). Participants in the community survey selected “help buying a home/down payment assistance,” “help for homeowners to make housing improvements,” and “construction of new affordable rental units,” as the top three affordable housing needs in Waco.

During PY 2024, the City anticipates spending about 86% of its CDBG funds (not including program administration) on housing activities, including homeowner rehabilitation and roof repair and down payment assistance/individual development accounts. PY 2024 HOME-funded activities will include a mix of rental and for-sale housing activities, including rental assistance and development/redevelopment of affordable for-sale units.

Other priorities for PY 2024 include services for families, children, and people at-risk of or experiencing homelessness. These allocation priorities align with needs expressed by the community during development of the Consolidated Plan. In the community survey, homelessness prevention was selected as a priority by 65% of participants. Additionally, health and mental health services, childcare, and child abuse prevention activities were among the top four public service needs selected as priorities by survey participants.

Potential obstacles to addressing underserved needs include:

- Reduction of funding at the state, and federal levels, which will limit the resources available to meet the needs of low- and moderate-income residents. Waco’s CDBG funding for PY 2024 is slightly lower than its PY 2023 award (1% less), but the City’s PY 2024 HOME funding is 16% lower than its PY 2023 award amount. With limited and declining resources, the City and its non-profit partners will be unable to serve all persons in need of services.
- Continued population growth in Waco, generating continued demand for housing, including affordable housing, in the City.
- Elevated rental rates, home sales prices, and interest rates, making it harder for low- and moderate-income households to find affordable, unsubsidized rental housing or to purchase homes.

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AP-38 PROJECT SUMMARY

Project Summary Information

Table 4. Project Summaries

1	Project Name	24-25 Home Rehabilitation and Repair
	Target Area	Citywide
	Goals Supported	Housing Rehabilitation and Repair
	Needs Addressed	Expanded Access to Affordable Housing
	Funding	CDBG: \$833,347
	Description	This project will rehabilitate existing owner-occupied homes and repair or replace roofs for low- or moderate-income homeowners to preserve the housing stock within the City of Waco. Allowable costs incurred for the implementation of eligible activities to include payroll, equipment, supplies, and other program costs that are necessary for successful completion of the
	Target Date	09/30/2025
	Estimate the number and type of families that will benefit from the proposed activities	Homeowner housing rehabilitated: 30 household housing units assisted
	Location Description	Various locations within Waco to be determined during the program year.
	Planned Activities	Home rehabilitation or repair, roof repair or replacement, and rehab delivery.
2	Project Name	24-25 Homebuyer Assistance
	Target Area	Citywide
	Goals Supported	First-Time Homebuyer Assistance
	Needs Addressed	Expanded Access to Affordable Housing
	Funding	CDBG: \$106,750

	Description	This project will assist 5 potential homeowners save for the purchase of their homes by matching participants' savings at house closing, for up to a maximum of \$8,000 match. Allowable costs incurred for the implementation of eligible CDBG activities to include payroll, equipment, supplies, and other program costs that are necessary for successful completion of the activity.
	Target Date	09/30/2025
	Estimate the number and type of families that will benefit from the proposed activities	Direct financial assistance to homebuyers: 5 households assisted
	Location Description	Various locations within Waco to be determined during the program year.
	Planned Activities	Financial assistance to homebuyers and program delivery.
3	Project Name	24-25 Public Services
	Target Area	Citywide
	Goals Supported	Domestic Violence Shelter, Homeless Shelter, Homeless Prevention, and Children's Services.
	Needs Addressed	Provision of Public Services and Housing/Services to Reduce Homelessness
	Funding	CDBG: \$156,724
	Description	This project will provide public services that support domestic violence shelter, homeless shelter, homeless prevention, and children's services.
	Target Date	09/30/2025
	Estimate the number and type of families that will benefit from the proposed activities	694
	Planned Activities	Domestic Violence Shelter, Homeless Shelter, Homeless Prevention, and Children's Services.

4	Project Name	24-25 CHDO Activities
	Target Area	Citywide
	Goals Supported	CHDO Activities
	Needs Addressed	Expanded Access to Affordable Housing
	Funding	CDBG: \$460,000
	Description	Funding will assist in the construction of four affordable houses.
	Target Date	09/30/2025
	Estimate the number and type of families that will benefit from the proposed activities	Homeowner housing added: 4 household housing units assisted
	Location Description	Various locations within Waco to be determined during the program year.
	Planned Activities	Construction of affordable homes.
5	Project Name	24-25 Administration and Planning
	Target Area	Citywide
	Goals Supported	Administration and Planning
	Needs Addressed	Administration and Planning
	Funding	CDBG: \$427,205 HOME: \$67,719
	Description	Funding will cover CDBG & HOME program management, planning, and capacity building activities as well as program delivery of CDBG and HOME activities.
	Target Date	09/30/2025

	Estimate the number and type of families that will benefit from the proposed activities	Not applicable
	Location Description	Waco Housing & Community Development Department, 209 S. 28 th Street, Waco, Texas 76710
	Planned Activities	Program management, planning, and capacity building activities, homeowner housing rehabilitation program delivery, and homebuyer program delivery.
6	Project Name	24-25 City of Waco – Housing Development/Acquisition/Rehabilitation
	Target Area	Citywide
	Goals Supported	Housing Development/Acquisition/Rehabilitation
	Needs Addressed	Expanded Access to Affordable Housing
	Funding	HOME: \$149,474
	Description	This project includes new construction or acquisition and rehabilitation of modest and affordable dwellings for low- or moderate-income households. The City will acquire properties to rehabilitate and develop for sale to the public through the first-time homebuyers program.
	Target Date	09/30/2025
	Estimate the number and type of families that will benefit from the proposed activities	Homeowner housing added: 2 household housing units assisted
	Location Description	Various locations within Waco to be determined during the program year.
	Planned Activities	Construction or acquisition and rehabilitation of affordable housing for first-time homebuyers.

AP-50 GEOGRAPHIC DISTRIBUTION – 91.220(F)

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

CDBG and HOME funds are available for use throughout Waco, both in areas where the majority of residents have low- or moderate-incomes, or to serve low- or moderate-income residents living in any area of the city.

Four of the City’s PY 2024 goals will be available to low- and moderate-income households citywide, including Grassroots Community Development’s Roof Repair and Individual Development Accounts programs, as well as the City of Waco’s Owner-Occupied Home Rehabilitation program and Methodist Children’s Home Short-Term Rental Assistance program.

While the City has not identified any geographic target areas for PY 2024, several activities will take place in low- and moderate-income areas. These include public service activities by Inspiracion, Talitha Koum Institute, Family Abuse Center, and emergency shelter and services at My Brother’s Keeper Shelter, all in central Waco. Additionally, the City is making HOME funds available for affordable housing development in low- or moderate-income census tracts.

Geographic Distribution

Table 5. Geographic Distribution

Target Area	Percentage of Funds
Citywide	100%

Rationale for the Priorities for Allocating Investments Geographically

Input received during development of the 2024-2028 Five-Year Consolidated Plan emphasized the need to reduce affordable housing burdens and maintain the housing stock for low- and moderate-income families. Because families with needs, including needs related to homeowner housing repair/rehab, rental assistance, and first-time homeownership, may reside anywhere within Waco, the City makes these programs available citywide. Public service activities designed to assist low- and moderate-income families, people who are homeless, and non-homeless special needs groups are generally located in areas most accessible to the clientele being served, which often overlap with low- and moderate-income census tracts.

During the 2024 program year, the City estimates that a minimum of **80%** of grant funds will be dedicated to projects assisting low- and moderate-income residents, surpassing HUD’s requirement that a minimum of 70% of CDBG funds is used to benefit persons of low or moderate income.

AFFORDABLE HOUSING: AP-55 AFFORDABLE HOUSING – 91.220(G)

Introduction

Access to decent affordable housing will continue to be a priority for the City of Waco during the 2024 program year. The City maintains a strong commitment to preserving and maintaining the existing supply of affordable housing through owner-occupied repair programs and the acquisition and rehabilitation of single-family homes. Through down payment assistance programs and collaboration with a local CHDO, the City facilitates access to homeownership for low- and moderate-income households. Additionally, HOME and CDBG funds are allocated for rental assistance through non-profit partners.

Table 6. One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households to be Supported	
Homeless	0
Non-Homeless	49
Special Needs	0
Total	49

Table 7. One Year Goals for Affordable Housing by Support Type

One Year Goals for the Number of Households to be Supported	
Rental Assistance	15
Production of New Units	4
Rehab of Existing Units	30
Acquisition of Existing Units	0
Total	49

Discussion

Over the 2024 program year, the City of Waco anticipates assisting 49 households through short-term rental assistance, construction of new units, or rehabilitation of existing units. Table 6 and Table 7 reflect one-year affordable housing goals for the following PY 2024 CDBG and HOME projects:

Homeowner Rehab/Repair Programs

- Grassroots CDC’s Roof Repair Program which will assist 20 low- or moderate-income homeowners repair or replace their roofs.
- City of Waco’s Owner-Occupied Home Rehabilitation Program which will assist 10 low- or moderate-income homeowners address code violation issues and rehabilitate substandard structures.

Rental Assistance Programs

- Methodist Children’s Home’s Short-Term Rental Assistance Program which will provide short-term assistance to 15 families.

Development and Acquisition/Rehabilitation Programs

- Grassroots CDC and NeighborWorks Waco’s CHDO Activities which will assist in the construction of four (4) affordable for-sale units.
- City of Waco’s Housing Development/Acquisition/Rehabilitation Program which will construct or acquire and rehab 2 housing units affordable to low- or moderate-income first-time homebuyers.

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AP-60 PUBLIC HOUSING – 91.220(H)

Introduction

Low-income residents in Waco receive publicly supported housing assistance from the Waco Housing Authority, which manages a total of 2,298 Housing Choice Vouchers, 676 Project-Based Section 8 units, 530 Public Housing units, and 130 Section 202 units, as shown in Table 8. The most utilized program is the Section 202 program, followed by the Housing Choice Voucher program.

Table 8. Publicly Supported Housing Units in Waco by Type

Unit Type	Total Number of Units	Number of Units in Use	Utilization Rate
Public Housing	530	344	64.9%
Housing Choice Vouchers	2,298	1,958	85.2%
Project-Based Section 8	676	572	84.6%
Section 202	130	125	96.2%
Total	3,634	2,999	82.5%

Source: APSH 2023 data

WHA will continue to provide supportive services to residents through programs to enhance the quality of life for their constituents. Programs sponsored by the WHA include transportation to pay bills, grocery shopping, medical appointments, and attending youth activities. The WHA also sponsors youth activities such as after-school tutorials, mentorship programs, recreational activities, and “Go to College” trips. The WHA also provides elderly services to its residents such as bingo, chair aerobics, nutritional services, and educational training on elderly issues.

In partnership with the Veterans Administration, the WHA also provides housing for homeless veterans. This program continues to be one of Waco’s most successful housing programs for veterans and will continue into the future.

Actions planned during the next year to address the needs to public housing.

The City and Waco Housing Authority plan to continue working together on many initiatives, such as the Housing Coalition, Homeless Coalition, and the Section 8 Homeownership Program. The Housing Coalition is a group of representatives from area nonprofit housing providers, the City, and WHA that meet monthly to discuss housing problems and issues. The Homeless Coalition is a group of representatives from area agencies that provide services to homeless persons that promote, support, and develop rehabilitation services, resources, and treatment programs for persons who are homeless. The Homeless Coalition is served through the Permanent Housing Task Force which tries to find workable solutions to homelessness through permanent housing.

Additionally, the Waco Housing Authority and City of Waco will continue partnering to provide down payment and closing cost assistance to WHA residents purchasing homes.

The WHA will continue to assist current residents in becoming self-sufficient and able to afford unsubsidized housing. As residents move out of either public housing units or Section 8 units, WHA will re-qualify those on the waiting list and move them into available units.

The WHA's Five-Year Plan and Annual Plan propose to:

- Increase the number of Section 8 Landlords participating
- Work with organizations in the City to revitalize neighborhoods in Waco
- Help create new homeowners through the Section 8 Homeownership Program and Family Self Sufficiency Program
- Maintain the public housing stock to a high quality by making all needed upgrades and repairs.

WHA goals that are consistent with City goals are:

- Create and improve quality affordable mixed-income housing in Waco
- Revitalize neighborhoods
- Create new homeowners
- Maintain the housing stock
- Continue the Rental Assistance Demonstration (RAD) program

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

WHA encourages the residents to be more involved in Resident Council meetings by providing the residents the opportunity to learn about the activities, security, modernization projects, and management issues of the WHA and provide input and feedback. The residents are encouraged to share concerns and ideas about the operations. The Resident Advisory Group participated in the WHA Annual Plan Process and has input into any changes for Section 8 or Public Housing Administration.

Collaboration between the Waco Housing Authority (WHA), Habitat for Humanity, NeighborWorks, and Waco CDC ensure WHA residents become familiar with homeownership opportunities in the community and the steps that must be taken to become a homeowner.

The WHA also provides the following programs and services that may aid in involvement and self-sufficiency for residents:

- Transportation services to doctors' appointments, pharmacies, and grocery stores
- Coordination of local services for elderly and disabled residents
- Youth services, including family counseling and after school programs
- General resident counseling and local service coordination
- A Family Self Sufficiency Program (FFS), which assists WHA PH and/or Section 8 members in obtaining an education, job training, employment, financial literacy, business, social and other skills necessary to achieve greater economic success through career paths and helps clients prepare for homeownership
- An up-to-date Community Services online calendar listing all services and events available to WHA residents

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

Not applicable. The WHA is not designated as troubled.

AP-65 HOMELESS AND OTHER SPECIAL NEEDS ACTIVITIES – 91.220(I)

Introduction

The Heart of Texas Homeless Coalition is the lead agency for the Continuum of Care (CoCs), with members that include service providers covering Bosque, Falls, Freestone, Hill, Limestone, and McLennan counties. The CoC brings together housing and service providers to meet the needs of individuals and families experiencing homelessness. During PY 2024, the City of Waco will continue to partner with the Heart of Texas Homeless Coalition to address homelessness and the priority needs of homeless individuals and families, including homeless subpopulations.

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including:

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

As the CoC, the Heart of Texas Homeless Coalition manages the coordinated entry system that works to connect the most vulnerable people in the community to housing and supportive services. Through the Heart to Home phone line and at coordinated entry sites throughout the region, residents may begin the process of identifying and securing housing and service resources to meet their individual needs.

There are also several homeless housing/service providers in the city that conduct outreach, including to unsheltered persons and homeless youth.

- Project Homeless Connect is sponsored by the Heart of Texas Homeless Coalition, The City of Waco, NeighborWorks Waco, the Department of Veteran Affairs, and other community partners to provide services and resources for residents experiencing homelessness. Referrals and services offered include employment assistance, haircuts, health and vision screenings, HIV testing, housing information, hygiene items, pet care, social services, veterans benefits, dental screenings, and other resources.
- The Cove Waco provides a range of services to youth experiencing homelessness, including a daily hot meal, non-perishable food items, snacks and other healthy options, access to tutors and other learning services, transportation, counseling and individualized support, access to a shower, washer and dryer, and hygiene items, and access to healthy, caring adults.
- The Hangar is a daytime drop-in center for adults who are homeless that offers laundry services, showers and meals and connects people to shelters.
- The DOBEY Center is a drop-in center for homeless youth ages 18 to 24. The center offers computers and internet, laundry facilities, showers, counseling opportunities and a safe place for youth to come and feel supported.

While the City of Waco does not anticipate funding any projects dedicated to street outreach during the 2024 program year, the City will support Mission Waco's My Brother's Keeper Homeless Shelter Program using \$36,394 in CDBG funds. This program will provide safe, supervised care for an estimated 295 homeless men and women in Waco, including services such as counseling, benefit application assistance, healthcare, job training, life skills development, and other educational opportunities.

In addition to outreach and assessment on an individual or family level, the City of Waco and the Heart of Texas Homeless Coalition also work to understand homeless needs throughout the region. Each year, the coalition conducts a single-day Point-in-Time (PIT) count for sheltered and unsheltered persons and works to ensure the Homeless Management Information System (HMIS) delivers data needed for HUD and local government reporting.

Addressing the emergency shelter and transitional housing needs of homeless persons.

CDBG funds are awarded annually to eligible nonprofit agencies that provide emergency shelter and transitional housing. Several nonprofit agencies provide emergency shelter and transitional housing in Waco, including:

- Mission Waco and the Salvation Army operate emergency shelters that provide temporary shelter to residents experiencing homelessness while they search for affordable housing.
- The Family Abuse Center provides a 24-hour emergency shelter for all victims of domestic violence.
- Compassion Waco offers low-cost transitional housing with supportive services, including financial literacy classes, mental health services, parenting support and resources, recovery programs, spiritual development, job skills training and career advancement, GED preparation and testing, home buyer education, and social services application support.

During the 2024 program year, the City of Waco will provide \$19,802 in CDBG funding to the Family Abuse Center to support shelter operations, including facility maintenance, repairs, and supplies, that will serve an anticipated 275 people. Additionally, the City will provide \$36,394 to Mission Waco's My Brother's Keeper Homeless Shelter Program to support care and services for 295 homeless men and women. Services will include counseling, benefit application assistance, healthcare, job training, life skills development, and other educational opportunities.

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

The Heart of Texas Behavioral Health Network offers permanent supportive housing (PSH) programs that include wrap around services through the Projects for Assistance in Transition from Homelessness (PATH), Shelter Plus Care program, and a partnership with the Waco Housing Authority. Through the PATH program, clinicians provide active outreach and support services to assist people experiencing homelessness in accessing housing and services. Through the Shelter Plus Care program, the Heart of Texas Behavioral Health Network partners with the City of Waco to provide housing vouchers to individuals with mental illness who are willing to receive specialized services from caseworkers. In collaboration with the Waco Housing Authority, the Heart of Texas Behavioral Health Network jointly facilitates the operation of 23 HUD apartments.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs.

Local non-profits provide homelessness prevention resources in Waco, including:

- Caritas of Waco provides emergency financial assistance for rent/mortgage, utilities, transportation, clothing, household items, and prescriptions, when funds are available.
- The Economic Opportunities Advancement Corporation offers homelessness prevention and intervention services to families in need of help, including rent, energy assistance, childcare, and case management.

During the 2024 program year, the City of Waco will provide \$22,500 in CDBG funding to the Methodist Children’s Home (MCH) to support short-term rental assistance for MCH family outreach clients. Through short-term rental assistance, MCH aims to prevent low-income families, including those receiving other forms of assistance from public or private agencies, from losing their housing and becoming homeless.

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AP-75 BARRIERS TO AFFORDABLE HOUSING – 91.220(J)

Introduction

The City of Waco’s 2024 Analysis of Impediments to Fair Housing Choice (AI) identifies challenges related to affordability and homeownership as two of the city’s barriers to fair housing choice. The AI also includes a review of the City’s existing zoning code and identifies policies that may limit the development of affordable housing in the region.

Although zoning ordinances and land use codes play an important role in regulating the health and safety of the built environment, overly restrictive codes can negatively impact housing affordability and fair housing choice within a jurisdiction. While the zoning ordinance of the City of Waco was not found to be facially exclusionary, there are opportunities for the City to modify the ordinance to further remove barriers to the development of affordable housing across all residential zones.

For example, to encourage more infill development in the traditionally low-density neighborhoods, minimum lot sizes could be further reduced, conversion of established dwellings to multifamily dwellings permitted, and height restrictions relaxed to allow for more density on the same footprint. This would potentially allow for more supply of housing, which helps put downward pressure on rental prices, so that low- and moderate-income families have access to those neighborhoods and all the benefits that come with higher opportunity areas such as access to jobs, better schools, access to transportation, and access to cultural and public amenities.

Survey respondents and community workshop participants noted a particular need for development of affordable rental housing. Multifamily uses are allowed by right in the City’s Multiple Family Residence districts, the O-2 Office Residence District, the Community Commercial districts, and the Central Commercial District. While multifamily uses are allowed by right in these districts, their relatively small share of land coverage in the City’s future land use map limits potential development of multifamily housing in Waco. Lower permitted densities in some of the Multiple Family Residence districts may also have the effect of increasing housing costs and limiting the development of more affordable housing options.

In addition to these public-sector barriers, the private market can also create barriers. As discussed in earlier sections, some landlords may refuse to rent units to households receiving other forms of housing assistance. Known as source of income discrimination, this practice reduces the affordability of existing units in the private housing stock and creates barriers to obtaining affordable housing. The poor quality of some rental housing units also makes them unsuitable for occupancy, thus removing further units for the city's rental housing inventory.

Actions planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment.

The City of Waco will continue to work to increase affordable housing stock in Waco by addressing the barriers to fair housing detailed in the City’s 2024 Analysis of Impediments to Fair Housing Choice, including supporting the development of affordable housing, improving access to affordable housing for residents with disabilities, and increasing access to homeownership.

The City of Waco could address how zoning regulations limit missing middle and multifamily housing types by considering proactively upzoning lower density areas and acreage to zoning districts that allow parcels to be subdivided and allow a greater diversity of housing types by right, such as duplexes, multiplexes, townhomes, and rowhomes, rather than waiting on developers to seek rezoning of specific parcels. For priority areas of the city, upzoning can allow nonconforming lots to meet dimensional standards without having to be consolidated or assembled to both protect existing housing and density and

better accommodate redevelopment. Permitting or incentivizing conversion of large single-family dwellings in high-opportunity neighborhoods to two-family, three-family, or multifamily dwellings compatible with the character of surrounding homes also is a strategic way to address the need for more density and infill development in established neighborhoods. Neighborhood compatibility can be addressed with regulations focused on form and scale (such as floor area ratio and/or maximum width and depth) rather than density alone.

The City of Waco could also upzone more acreage to medium and high density multifamily and mixed-use zones; adopt minimum density requirements (especially around transit nodes and commercial and public services); and rezone underutilized industrial and/or commercial areas for adaptive residential use. Implementing regulatory changes and incentives to increase missing middle and higher density multifamily housing can ease price pressure on existing home sales as more housing makes it to market.

To improve access to affordable housing for people with disabilities, the City of Waco should track funding opportunities from a variety of sources, including, but not limited to, federal funds from the U.S. Department of Housing and Urban Development (HUD), state funds from the Texas Department of Housing and Community Affairs (TDHCA), local funds, and private funds to increase the availability of affordable, accessible housing for persons with disabilities. Strong partnerships with existing disability organizations in the region should also be made to better understand the unique challenges and barriers to access that this population faces and to create solutions that address these issues. Moreover, the City should continue to fund existing programs that assist residents with home repairs and partner with organizations that provide accessibility modifications, such as Waco's Habitat for Humanity Ramp Program, to ensure that persons with disabilities and seniors are able to safely reside in the dwelling of their choice.

To improve access to homeownership, the City of Waco should continue to support programs that provide assistance to first-time homebuyers, such as their Homebuyer Down Payment Assistance program, and provide targeted outreach to populations who have historically been barred from homeownership due to discriminatory lending practices. Educational opportunities related to wealth building and financial literacy should also be offered alongside these homeownership opportunities to promote long-term financial security and stability. Efforts to increase public knowledge about existing tax abatement programs and exemptions should also be made to address concerns about rising property taxes.

In addition to implementing recommendations from its Analysis of Impediments to Fair Housing Choice, the City will continue to increase housing affordability by funding a wide range of housing programs, including down payment assistance for first-time homebuyers, owner-occupied housing rehabilitation, roof and minor home repair, rental assistance, and construction and/or acquisition and rehabilitation of affordable housing units for homeownership or rent.

AP-85 OTHER ACTIONS – 91.220(K)

Introduction

The City of Waco works with a variety of community partners to ensure safe and affordable housing for its residents, to meet underserved needs and reduce poverty, to develop local institutional structure, and enhance coordination between public and private sector housing and community development agencies. A mix of funding resources support these efforts, including CDBG and HOME funds, other federal funds, state and local funding, and private investment.

Actions Planned to Address Obstacles to Meeting Underserved Needs

The primary obstacle to meeting underserved needs is the limited amount of funding available to address identified priorities. The City continually seeks public and private resources to leverage its entitlement funds and expand the breadth of programs that can be provided. Partnerships with the Waco Housing Authority, the Waco-McLennan County Health District, local nonprofit organizations, and other public and private organizations supplement grant funds and provide additional staff and organizational resources to address underserved needs. During PY 2024, the City will use grant funds to partner with the following agencies:

- Inspiracion, Inc., which will provide early childhood classes, parent education courses, and a home visitation program for 103 participants.
- Talitha Koum Institute, which will equip six children with age-appropriate social and emotional development skills to prepare them for kindergarten upon completion of the program.
- Family Abuse Center, which will provide emergency domestic violence shelter and related services for 275 people.
- Mission Waco, which will provide emergency shelter and related services for 295 people experiencing homelessness at My Brother's Keeper Homeless Shelter.
- Methodist Children's Home, which will provide short-term rental assistance to 15 family outreach clients.
- Grassroots Community Development, which will operate roof repair, individual development account, and housing construction programs, assisting 20 households.

Actions Planned to Foster and Maintain Affordable Housing

The City of Waco will spend an estimated \$1.4 million on activities to foster and maintain affordable housing during the 2024 program year. Specific activities will include:

- Owner-occupied housing rehabilitation and reconstruction to address code violation issues and meet local and other applicable building codes. This project will assist 10 homeowners with approximately \$50,000 each in funding, carrying a 10- or 15-year affordability lien.
- Through Grassroots Community Development, repairing or replacing roofs for 20 low- or moderate-income homeowners to preserve the existing housing stock in Waco.
- Development or acquisition and rehabilitation of affordable housing for homeownership, through work by Grassroots CDC (2 units), NeighborWorks (2 units) and the City of Waco (2 units).
- Through Grassroots CDC, by assisting 5 potential homeowners save for the purchase of their homes by matching participant's savings at house closing, for up to a maximum of \$8,000 match.

Actions Planned to Reduce Lead-Based Paint Hazards

The City will use CDBG funds to assist with rehabilitation and lead abatement. The Owner-Occupied Home Rehabilitation program also assists with lead abatement for households meeting eligibility requirements. The program may also fund

activities that provide for safety, sanitation, and healthy living. The City is working with the Waco-McLennan County Health District to help eliminate the risk of lead in the community and protect children and future generations. Partnership with the Texas Department of State Health Services and the Childhood Lead Prevention Program will facilitate the program. The Health District also has partnerships with the local Head Start program, the local school district, and the Federally Qualified Health Center.

Actions Planned to Reduce the Number of Poverty-Level Families

The City will continue to collaborate with human service, social service, and economic development agencies and organizations to facilitate their efforts and maximize their resources to provide quality services to low-income residents to help them improve their incomes. This includes ongoing efforts in conjunction with CoC community partners to meet benchmarks demonstrating an end to homelessness. In PY 2024, the City will provide CDBG funding to Inspiracion's Parenting and Children's Classroom serve Waco's neediest families with a comprehensive program focused on school readiness, parent engagement, family education, and financial literacy. The City will also fund Mission Waco to provide services to homeless residents, including job training and life skills development.

Actions Planned to Develop Institutional Structure

Over the 2024 program year, City of Waco Housing & Community Development Department staff will continue to participate in HUD-sponsored training and webinars in order to further knowledge and incorporate regulatory changes into the program. The Housing & Community Development staff will continue to review policies and procedures to make modifications where needed to ensure that the programs are managed as outlined in the Policies and Procedures Manuals while complying with all HUD regulations. Lastly, HCD staff will continue to provide technical assistance to subrecipients to assist in expanding the capacity of program partners and to ensure that their policies and procedures are in compliance with the City's and HUD regulations.

Actions Planned to Enhance Coordination Between Public and Private Housing and Social Service Agencies

Over the 2024 program year, the City of Waco will continue to coordinate planning activities with private housing agencies and social service providers, including serving as the HMIS Lead Agency Continuum of Care and Coordinated Entry (CES) link. The City will also work with local and regional partners to complete the annual point-in-time homeless count.

Two projects funded by Waco in PY 2024 will specifically encourage linkages between housing assistance providers and social services agencies. Services provided through Mission Waco's My Brother's Keeper Emergency Shelter will assist homeless residents apply for eligible benefits and other social services, as well as connecting them to job training and educational opportunities. Methodist Children's Home will assist recipients of short-term rental assistance maintain housing and job stability, and gain familiarity with community resources.

PROGRAM SPECIFIC REQUIREMENTS: AP-90 PROGRAM SPECIFIC REQUIREMENTS – 91.220(L)(1,2,4)

Introduction

The City of Waco works continuously to comply with all program-specific requirements for CDBG and HOME programs. In addition, the Housing & Community Development Department offers technical assistance to subrecipient organizations to ensure an understanding of CDBG and HOME program requirements.

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.220(l)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	\$215,000
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan	\$0
3. The amount of surplus funds from urban renewal settlements	\$0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan.	\$0
5. The amount of income from float-funded activities	\$0
Total Program Income	\$215,000

Other CDBG Requirements

1. The amount of urgent need activities	0%
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall benefit – A consecutive period of one, two, or three years may be used to determine that a minimum of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan: 2024	80.0%

HOME Investment Partnerships Program (HOME)

Reference 24 CFR 91.220(l)(2)

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:

Not applicable. The City of Waco does not engage in any form of HOME funds investment that is not described in Section 92.205.

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

Recapture Provision - City homebuyers that receive HOME assistance in the form of direct down payment, closing cost, and/or principal buydown will meet the affordability period if they remain in their home for the time specified based on the amount of assistance received (five to fifteen years).

The effective date of the beginning of the required period of affordability is the date all completion data is entered into IDIS and as documented by the fully executed HUD-1, a copy of which is placed in each individual homebuyer's file. Assistance may be provided in the form of 0.00% interest loan that may be repaid or deferred forgivable which is secured by a Real Estate Lien, Note and Deed Restriction or Land Covenant recorded in McLennan County. The period of affordability will be based on the total amount of the direct HOME assistance provided as stated below.

The City's Recapture Provision goes into effect if:

- The home is sold, enters a short sale, or foreclosed during the period of affordability.
- The loan, whether deferred or not, the borrower must repay the City any net sale proceeds available up to the amount of the principal due.

Any net sales proceeds returned to the City under Recapture will be used for other eligible HOME activities. Any funds remaining after the distribution of the net sales proceeds to all lien holders, including the City will be returned to the borrower.

If there are insufficient funds remaining from the sale of the property and the City recaptures less than or none of the recapture amount due, the City must maintain data in each individual file that provides the amount of the sale and the distribution of the funds. This will document that:

- There were no net sales proceeds; or,
- The amount of the net sales proceeds were insufficient to cover the full amount due; and that
- No proceeds were distributed to the homebuyer.

Additional information regarding "Recapture" provisions is detailed in the written policies and procedures of the Waco Housing & Community Development Department. Complete Recapture/Resale Provisions are provided as an attachment to this Annual Action Plan

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

The City of Waco will ensure affordability by placing a lien on the home. If there is no direct benefit to the homebuyer, the affordability will be enforced by deed restriction. The City of Waco's CDBG & HOME Policies & Procedures Manual and its Recapture/Resale Provisions are provided as an attachment to this Annual Action Plan.

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

Not applicable. The City of Waco does not plan to use HOME funds to refinance existing debt on multifamily housing.

5. **If applicable to a planned HOME TBRA activity, a description of the preference for persons with special needs or disabilities. (See 24 CFR 92.209(c)(2)(i) and CFR 91.220(l)(2)(vii)).**

Not applicable. The City of Waco does not have any planned HOME TBRA activities with a preference for persons with special needs or disabilities.

6. **If applicable to a planned HOME TBRA activity, a description of how the preference for a specific category of individuals with disabilities (e.g. persons with HIV/AIDS or chronic mental illness) will narrow the gap in benefits and the preference is needed to narrow the gap in benefits and services received by such persons. (See 24 CFR 92.209(c)(2)(ii) and 91.220(l)(2)(vii)).**

Not applicable. The City of Waco does not have any planned HOME TBRA activities with a preference for persons with special needs or disabilities.

7. **If applicable, a description of any preference or limitation for rental housing projects. (See 24 CFR 92.253(d)(3) and CFR 91.220(l)(2)(vii)). Note: Preferences cannot be administered in a manner that limits the opportunities of persons on any basis prohibited by the laws listed under 24 CFR 5.105(a).**

Not applicable. The City of Waco has not established any preferences or limitations for rental housing projects.

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