// A regular meeting of the Council of the City of Lynchburg was held on the 13th day of March, 2012, at 4:00 P.M. in the Council Chamber, City Hall, Joan F. Foster, President, presiding. The following Members were present:

Present: Helgeson, Nelson, Perrow, Foster 4

Absent: Cary, Gillette, Johnson 3

// City Manager Kimball Payne reviewed the budget calendar and discussed one possible change in the calendar. Mr. Payne began the Review/Walk-through of the FY 2013 Proposed Budget document with the following department presentations.

- Council/Manager Offices – Deputy City Manager Bonnie Svrcek
- City Assessor – Deputy City Manager Bonnie Svrcek
- City Attorney – City Attorney Walter Erwin
- Commissioner of the Revenue – Commissioner Mitch Nuckles
- Communications and Marketing – Communications and Marketing Director JoAnn Martin
- Financial Services – Financial Services Director Donna Witt
- Human Resources – Human Resources Director Margaret Schmitt
- Information Technology – Information Technology Director Mike Goetz
- Treasurer – City Manager Kimball Payne
- Office of the Commonwealth's Attorney – Commonwealth Attorney Michael Doucette

Mr. Payne stated the remaining budget presentations would be presented at the March 20 work session starting at 3:00 p.m.

// During roll call Council Member Helgeson commented on the different items that were presented by the departments and the issues facing the City. Council Member Helgeson was concerned that he had read in the paper about an opening that was advertised for a Personnel Director for the Schools. Mr. Helgeson believes that this should have been one of the consolidation efforts between the Schools and the City and went on to say that he believes the Principals of the schools should be doing the hiring for this position because they are the ones that are held accountable if their school does not make the grade.

// On motion of Council Member Nelson, seconded by Council Member Perrow, Council by the following recorded vote elected to hold a closed meeting for consultation with legal counsel and briefings by staff members about specific legal matters (1) the operation of the fuel farm at the Lynchburg Regional Airport and (2) the operation of the public transportation system by the Greater Lynchburg Transit Company, pursuant to Section 2.2-3711(A.)(7) of the Code of Virginia, 1950, as amended:

Ayes: Helgeson, Nelson, Perrow, Foster 4

Noes: 0

Absent: Cary, Gillette, Johnson 3

// The meeting was re-opened to the public.

// Council Member Helgeson made the following motion:

WHEREAS, the Council of the City of Lynchburg has convened a closed meeting on this date, pursuant to an affirmative recorded vote and in accordance with the provisions of The Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3712 of the Code of Virginia requires a certification by City Council that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Lynchburg certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by Council.

The Motion was seconded by Mayor Foster, and Council by the following recorded vote adopted the motion:

Ayes: Helgeson, Nelson, Perrow, Foster	4
Noes:	0
Absent: Cary, Gillette, Johnson	3

// City Council recessed the meeting at 6:45 p.m.

// City Council reconvened the meeting at 7:30 p.m.

The following Members were present:

Ayes: Cary, Helgeson, Nelson, Perrow, Foster	5
Noes:	0
Absent: Gillette, Johnson	2

Council Member Perrow gave the Invocation, followed by the Pledge of Allegiance.

// Mayor Foster and Council Member Perrow presented Certificates of Recognition to the E. C. Glass 2012 State Champion Track Team.

// Copies of the minutes of the February 28, 2012 meeting, having been previously furnished Council, reading was dispensed with, and on motion of Council Member Nelson, seconded by Council Member Perrow, Council by the following recorded vote approved the minutes as presented:

Ayes: Cary, Helgeson, Nelson, Perrow, Foster	5
Noes:	0
Absent: Gillette, Johnson	2

// Copies of the minutes of the March 6, 2012 meeting, having been previously furnished Council, reading was dispensed with, and on motion of Council Member Nelson, seconded by Council Member Perrow, Council by the following recorded vote approved the minutes as presented:

Ayes: Cary, Helgeson, Nelson, Perrow, Foster	5
Noes:	0
Absent: Gillette, Johnson	2

// In the matter of Public Works – General, Resolution #R-12-023 selling approximately six and three hundred seventy-eight thousandths (6.378) acres of City owned property located at 3901 Old Forest Road (Tax Parcel #23102001) and between Whitehall Road and Lakeside Drive to S. J. Collins Enterprises, LLC., for proposed retail development, laid over from the February 28, 2012 meeting, was again presented and read, and on motion of Council Member Nelson, seconded by Council Member Perrow, Council by the following recorded vote adopted the Resolution:

Ayes: Cary, Helgeson, Nelson, Perrow, Foster 5
Noes: 0
Absent: Gillette, Johnson 2

// In the matter of Police – General, City Council Report #6 was considered. On motion of Council Member Nelson, seconded by Council Member Perrow, Council by the following recorded vote introduced and laid over to a later meeting for final action Resolution #R-12-024, as presented, amending the FY 2012 City/Federal/State Aid Fund budget and appropriating $10,492, fully reimbursable, to purchase gas masks for use in critical incident response and related fit testing equipment for routine inspection of gas mask reliability:

Ayes: Cary, Helgeson, Nelson, Perrow, Foster 5
Noes: 0
Absent: Gillette, Johnson 2

// In the matter of Police – Emergency Services, City Council Report #7 was considered. On motion of Council Member Nelson, seconded by Council Member Perrow, Council by the following recorded vote introduced and laid over to a later meeting for final action Resolution #R-12-025, as presented, amending the FY 2012 City/Federal/State Aid Fund budget and appropriating $75,000, fully reimbursable, to replace the Computer-Aided Dispatch application server located in the Emergency Communications Center:

Ayes: Cary, Helgeson, Nelson, Perrow, Foster 5
Noes: 0
Absent: Gillette, Johnson 2

// In the matter of Human Services – General, City Council Report #8 was considered. On motion of Council Member Nelson, seconded by Council Member Perrow, Council by the following recorded vote introduced and laid over to a later meeting for final action Resolution #R-12-026, as presented, amending the FY 2012 City/Federal/State Aid Fund budget and appropriating $139,332, fully reimbursable, to help reduce the number of alcohol-related vehicle crashes involving drivers between 15 and 24 years of age:

Ayes: Cary, Helgeson, Nelson, Perrow, Foster 5
Noes: 0
Absent: Gillette, Johnson 2

// In the matter of Economic Development – General, City Council Report #9 was considered. On motion of Council Member Nelson, seconded by Council Member Perrow, Council by the following recorded vote introduced and laid over to a later meeting for final action Resolution #R-12-027, as presented, amending the FY 2012 City/Federal/State Aid Fund budget and appropriating $151,200, to remediate and stabilize ten parcels along Fifth Street:

Ayes: Cary, Helgeson, Nelson, Perrow, Foster 5
Noes: 0
Absent: Gillette, Johnson 2

// In the matter of Fire – General, City Council Report #10 was considered. On motion of Council Member Nelson, seconded by Council Member Perrow, Council by the following recorded vote introduced and laid over to a later meeting for final action Resolution #R-12-028, as presented, amending the FY 2012 City/Federal/State Aid Fund budget and appropriating $491,760, to purchase replacement Self-Contained Breathing Apparatus (SCBA) for the Fire Department:

Ayes: Cary, Helgeson, Nelson, Perrow, Foster	5
Noes:	0
Absent: Gillette, Johnson	2

// In the matter of Community Planning - Zoning Amendments, a public hearing was held regarding City Council Report # 11 outlining the petition of Clarion Investments, LLC, to rezone approximately 1.183 acres located at 2625 Lakeside Drive to allow the use of the property for automobile sales. Kent White, Director of Community Development, gave a summary of the request and stated the Planning Commission recommended approval of the rezoning petition. Mr. Norman Walker, Representative for Clarion Investment, LLC gave a summary of the request asking approval for the rezoning petition. There was no one else present who wished to speak to this item, and the public hearing was closed. On motion of Council Member Helgeson, seconded by Council Member Cary, Council by the following recorded vote adopted Ordinance #0-12-029, as presented, to rezone approximately 1.183 acres located at 2625 Lakeside Drive to allow the use of the property for automobile sales:

Ayes: Cary, Helgeson, Nelson, Perrow, Foster	5
Noes:	0
Absent: Gillette, Johnson	2

// In the matter of Community Planning - CDBG, a public hearing was held regarding City Council Report #12 regarding the FY2012/13 Allocation of Community Development Block Grant (CDBG) and HOME Program Funds. Grants Manager Melva Walker gave a summary of the FY 2012/13 allocations for CDBG and HOME Program Funds with recommendations from Community Development Advisory Committee (CDAC). Nine individuals spoke and thanked Council for their past support and asked Council to continue supporting their programs. There was no one else present who wished to speak to this item, and the public hearing was closed. No action was required at this time. This item will be discussed at the March 27, 2012 Work Session.

// In the matter of Public Works – Street Vacation, a public hearing was held regarding City Council Report #13 regarding the vacation of Right-of-Way on Candlers Mountain Road. Kent White, Director of Community Development, gave a summary of the request regarding the vacation of Right-of-Way on Candlers Mountain Road. There was no one else present who wished to speak to this item, and the public hearing was closed. Council Member Perrow, Chair of the Physical Development Committee (PDC), stated that this matter came before the PDC and they recommended approval of the vacation of Right-of-Way on Candlers Mountain Road. This motion does not require a second, and Council by the following recorded vote adopted Ordinance #O-12-030, as presented, vacating the Right-of-Way on Candlers Mountain Road:

Ayes:	Cary, Helgeson, Nelson, Perrow, Foster	5
Noes:		0
Absent:	Gillette, Johnson	2

// The meeting was adjourned at 8:20 P.M.

Clerk of Council

// An additional scheduled meeting of the Council of the City of Lynchburg was held on the 20th day of March, 2012, at 3:00 P.M. in the Council Chamber, City Hall, Joan F. Foster, President, presiding. The purpose of the meeting was to conduct a work session regarding the FY 2013 Budget. The following Members were present:

Present: Cary, Helgeson, Nelson, Perrow, Foster 5

Absent: Gillette, Johnson 2

// Vice Mayor Johnson arrived at 3:38 p.m.

// City Manager Kimball Payne continued with the FY 2013 Proposed Budget document with the following department presentations.

- Sheriff's Office – Sheriff Major Don Sloan
- Police – Police Chief Parks Snead
- Emergency Services – Emergency Communications Director Bill Aldrich
- Fire and EMS – Fire Deputy Chief Walter Bailey
- Public Works – Public Works Director Dave Owen
- Social and Juvenile Services – Social Services Director Cindy Kirkland and Social Services Deputy Director/Juvenile Services Director Tamara Rosser
- Libraries – Libraries and Museum Director Lynn Dodge
- Museum System – Museum Director Doug Harvey

// Council members raised the following questions that required staff follow-up:

- How many calls does the Fire Department receive for incidents on Liberty University's campus?
- Does the City charge the maximum allowed fee for Ambulance Services?
- How often do the counties assist the City's Public Safety operations vs. the City assisting county services?
- Provide Museums admission fees going back five years?

// Mr. Payne stated the remaining budget presentations would be presented at the March 27th work session starting at 4:00 p.m., and also reminded Council that the tour of Allen Morrison site and City Stadium would also be March 27th starting at 1:00 p.m.

// Due to time constraints the Capital Improvement Program will be discussed at the Work Session on March 27th.

// The meeting was adjourned at 6:02 P.M.

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Clerk of Council

LYNCHBURG CITY COUNCIL
Agenda Item Summary

MEETING DATE: **March 27, 2012** AGENDA ITEM NO.: **2**

CONSENT: REGULAR: WORK SESSION: **X** CLOSED SESSION: (Confidential)

ACTION: **X** INFORMATION:

ITEM TITLE: **ALLOCATION OF FISCAL YEAR (FY 2013) COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) AND HOME PROGRAM FUNDS**

RECOMMENDATION: Adopt a Resolution to allocate Program Year 2012, FY 2013 Community Development Block Grant (CDBG) and HOME funds to eligible program activities. The FY 2013 allocation is $1,026,735.81 in Community Development Block Grant (CDBG) and $329,999.60 in HOME Program funds.

SUMMARY: The U.S. Department of Housing and Urban Development (HUD) funds the CDBG and HOME Programs. HUD's FY 2012 budget is the first year that the CDBG and HOME formulas were based on data from the 2010 decennial census and the annual American Community Survey (ACS). The law implementing the CDBG Program required HUD to use the most recent data compiled by the United States Bureau of the Census and the ACS. The CDBG formula allocated funding according to the higher of two formulas: Formula A (based on population, poverty and overcrowding) and Formula B (growth lag, poverty, and pre-1940 housing). Formula B was used for Lynchburg's allocation.

Similarly, the HOME statute required its formula to be based on the most recent census data utilizing factors including age of housing units, substandard occupied units, number of families below the poverty rate and population.

As noted in the chart below, Lynchburg's entitlement reductions along with the inclusion of the Census data amounted to decreases of 14% in CDBG funding and 31% in the HOME Program. The City has available the following funds to use for eligible CDBG and HOME activities during FY 2013:

CDBG AVAILABLE FUNDING/SOURCE	**FY 2012 FUNDS AVAILABLE**	**FY 2013 FUNDS AVAILABLE**	**INCREASE/ DECREASE**	**% CHANGE**
HUD Allocation	$ 746,307.00	$ 639,243.00	$ (107,064.00)	-14%
Reprogrammed Funds	179,406.54	385,462.81	206,056.27	115%
Program Income	2,030.00	2,030.00	-	-
Total CDBG Funding Available	**$ 927,743.54**	**$ 1,026,735.81**	**$ 98,992.27**	11%

HOME AVAILABLE FUNDING/SOURCE	**FY 2012 FUNDS AVAILABLE**	**FY 2013 FUNDS AVAILABLE**	**INCREASE/ DECREASE**	**% CHANGE**
HUD Allocation	$ 412,258.00	$ 283,839.00	$ (128,419.00)	-31%
Reprogrammed Funds	16,624.80	46,160.60	29,535.80	178%
Program Income	-	0	-	-
			-	-
Total HOME Funding Available	**$ 428,882.80**	**$ 329,999.60**	**$ (98,883.20)**	-23%

The Community Development Advisory Committee (CDAC) met on February 21 and reviewed the applications submitted for the CDBG and HOME Programs. Attached are the recommendations of the CDAC.

At the public hearing conducted on March 13 eight (8) persons spoke to Council representing four (4) separate agencies. Two (2) persons addressed the HOME applications submitted by Lynchburg Neighborhood Development Foundation (LNDF) on behalf of Housing 2000, Inc. and LNDF; one (1) representative addressed the HOME applications submitted by Lynchburg Community Action Group (Lyn-CAG); four (4) persons spoke in support of the HOME application submitted by Rush Homes; and one (1) representative addressed the CDBG applications submitted by the Lynchburg Redevelopment and Housing Authority (LRHA). A majority of the comments were in support of the CDAC recommendations and the benefits that the people they serve receive as a result of the HOME and CDBG funds recommended for allocations to the represented agencies. The LNDF and Housing 2000 representatives asked Council to reconsider the recommendations of the CDAC for the HOME Program Homeownership Fund and the Housing 2000 Single Family Development project. These representatives stated that if funds could be directed to single family development and affordable mortgage financing projects, LNDF and Housing 2000 could continue to develop new housing in order to benefit the City, the targeted neighborhoods and new home buyers.

The final City Council allocations will be incorporated into the Program Year 2012 (FY 2013) Annual Action Plan for submittal to HUD and will be included in the FY 2013 Adopted Budget

PRIOR ACTION(S): Community Development Advisory Committee – February 21, 2012
City Council Public Hearing – March 13, 2012

FISCAL IMPACT: FY 2013 reduction in CDBG and HOME funding based on Congressional-enacted budget from HUD.

CONTACT(S): Bonnie Svrcek, Deputy City Manager, 455-3987
Melva Walker, Grants Manager, 455-3916

ATTACHMENT(S): Resolution
CDAC Meeting Notes – February 21, 2012 – Attachment A
CDAC Funding Recommendations Worksheet – Attachment B
Summary of CDBG and HOME Applications – Attachment C
CDBG and HOME Reprogrammable Funds – Attachment D
CDBG and HOME Unexpended Balances – Attachment E

REVIEWED BY: lkp

RESOLUTION

BE IT RESOLVED that the Community Development Block Grant (CDBG) and HOME Program FY 2013 funding allocations are hereby approved for incorporation into the FY 2013 Operating Budget and Annual Action Plan.

Adopted:

Certified: ______________________________
Clerk of Council

044L

Attachment A

Community Development Advisory Committee (CDAC) Meeting
February 21, 2012
City Hall, Second Floor Training Room

Meeting Notes

The meeting was called to order by the Committee Chair, Council Member Helgeson. Members and persons in attendance included:

CDAC Members Present:	Council Member Jeff Helgeson, Chairman; Council Member Dr. Ceasor T. Johnson, Vice Chairman; Mr. Michael Bedsworth (Daniel's Hill representative); Ms. Mary Culpepper (Tinbridge Hill representative); Dr. Alexander Duncan, Jr. (College Hill representative); Ms. Vicky Paige (At-Large Member); and Mr. Jeffery Schneider (Diamond Hill representative)
City Staff:	Bonnie Svrcek (Deputy City Manager); Melva Walker (Grants Manager); Rhonda Allbeck (Assistant Director of Financial Services); Ashley Partridge (Grants Accountant); Sherry Pullum (Administrative Associate); Leslie King (Assistant to City Manager); Tom Martin (City Planner) ; Kevin Henry (Planner) Kent White (Director of Community Development); Kay Frazier (Director of Parks and Recreation)
Guests:	Shaun Spencer-Hester, Greater Lynchburg Habitat for Humanity (GLHFH); Alicia Petska, The *News and Advance*; Barbara Murrell (GLHFH); Robert Vincent, Lynchburg Redevelopment and Housing Authority (LRHA); Debra Guyot (LRHA); Denise Crews, Lynchburg Community Action Group (Lyn-CAG); Jeff Smith, Rush Homes; Laura Dupuy, Lynchburg Neighborhood Development Foundation (LNDF); John Moorefield (LNDF)

Council Member Helgeson called the meeting to order at 11:00 a.m. Council Member Helgeson asked the two new members of CDAC to introduce themselves. He advised the Committee of the process for making recommendations and reminded CDAC that there are always more requests than funds available and it does not mean that one organization may be more or less deserving than another one. Council Member Helgeson then gave the floor to Melva Walker, Grants Manager.

Ms. Walker shared that the U. S. Department of Housing and Urban Development (HUD) had reviewed the City's Program Year 2010 Consolidated Annual Performance Report

(CAPER) and there were no findings. Staff addressed and resolved initial comments from HUD.

Ms. Walker briefly reviewed the restructuring of the Citizen Participation Plan (CPP) by City Council in March of 2011. The CPP now only requires CDAC to meet one time during the program year unless a consensus cannot be reached for the recommendations to City Council on the application requests that the Committee was reviewing.

Ms. Walker provided an overview of City Council's direction for the Program Year 2012 (FY 2013) application funding requests. She stated that on September 28, 2010 City Council made the decision that Community Development Block Grant (CDBG) funding requests for FY 2013 would be dedicated 100% to City projects, Lynchburg Redevelopment Housing Authority (LRHA) Spot Blight and Rental Rehabilitation Programs and targeted neighborhood redevelopment projects through partnerships with City departments and/or LRHA. This change no longer allowed nonprofit agencies to submit requests for public service activities or direct funding to the nonprofit agencies. There were no changes made for the HOME Program applications.

Ms. Walker stated the 2010-2015 Consolidated Plan goals were displayed on the screen. She stated that City Council conducted a public hearing on January 10, 2012 to review the goals for the Program Year 2012 Annual Action Plan. No one from the public spoke at that public hearing and the goals were approved by City Council with no changes.

Ms. Walker then stated that the CDBG and HOME Allocations Worksheet had been updated from the original one that was provided to the Committee with the application requests. She highlighted the changes which were as follows:

(1) The CDBG and HOME entitlement amounts had been reduced this year and particularly that the HOME entitlement amount was reduced by 31%. She also noted that the Reprogrammed Funds category for the CDBG allocation had been increased to $385,463 as a result of funds being returned to the City from LRHA in the amount of $185,477. She also noted that in the right hand corner of the Worksheet was a comparison of the FY 2012 and FY 2013 funding allocations.

(2) Debra Guyot, Executive Director for Lynchburg Redevelopment and Housing Authority (LRHA), had provided a letter stating that Program Years 2009 and 2010 Spot Blight remaining allocations of funds was being returned to the City for reprogramming. This return of funds was a result of the success of LRHA staff working with the owners of blighted properties to bring their buildings into compliance with both City Code standards as well as Housing Quality Standards (HQS). This in turn allowed LRHA to release funds that had previously been reserved for acquisition of blighted properties. The total amount of these funds is $185,477.26. Ms. Walker further stated that LRHA had submitted an application request for Spot Blight funds as they plan to continue the program on behalf of the City. This return of funds would also allow the City to close prior year funding allocations within the HUD information data system and not have older projects funded for HUD to review and monitor.

(3) Susie Kitchen, Executive Director for Lynchburg Covenant Fellowship (LCF), had provided a letter stating that the plans for the rehabilitation of the Shalom Apartments was not proceeding as previously planned. Therefore, LCF was returning the previously allocated HOME Program funds in the amount of $40,000 to the City for reprogramming. She also stated in the letter that they hope to move forward with this project at a later date.

(4) Laura Dupuy, Executive Director for Lynchburg Neighborhood Development Foundation (LNDF), had also provided a letter to Ms. Walker regarding the Hilltop Homes HOME application request. Ms. Dupuy stated that she was withdrawing the HOME application request for gap financing necessary for this project as LNDF had recently initiated steps to rearrange permanent financing to close the gap of $90,000 that had been requested by LNDF. She also stated that she was aware that requests for HOME funds for this program year were more than funds available for projects and that the City had previously funded the Hilltop Homes project since 2007 for a total award of $212,375.

Ms. Walker finally noted with these changes that the amount of funds available for allocation was as follows: CDBG - $1,026,735.81; HOME $329,000.

Council Member Helgeson then began the recommendation process for the Committee. He explained that the Bluffwalk payment has to be reserved with the CDBG funds to make principal and interest payments on the property in the event the owner cannot make the payment. Ms. Walker noted that in the reprogrammed amounts there is $121,859 which was an interest payment that was made by Bluffwalk in August 2011that is available for funding this year.

Ms. Walker stated that due to reduced HUD allocations and the availability of prior year Administration allocations for CDBG and HOME, the City was able to reduce the amount of the CDBG administration request and eliminate the HOME administration request. However, for FY 2014 the administration amounts requested will return to normal levels as the balances from prior years will have been expended.

Ms. Walker stated that City staff was requesting $30,000 to hire a consultant to conduct an Analysis of Impediments to Fair Housing. The City is required by HUD to have a current Analysis and the last time the City updated the Analysis was in 1996. She stated that she had spoken with several of her colleagues in Virginia and the average consultant cost for conducting this Analysis was $30,000 and, therefore, this was the amount that was being requested.

Council Member Helgeson noted that the LRHA requests were for Administration, Delivery Costs, Spot Blight and Rental Rehabilitation. Council Member Helgeson asked Ms. Walker to explain the difference in the LRHA requests.

Ms. Walker stated that the breakdown for Administration and Delivery Costs, which totaled $148,821, was the amount that LRHA was requesting to provide funds for staff and overhead costs for the administration and delivery of the Spot Blight and Rental Rehabilitation Programs and the continuation of the previously funded years' allocations for these Programs. She noted that the breakdown is provided as the staff costs associated with the acquisition, disposition, and actual rehabilitation of structures is considered by HUD as a portion of the delivery costs.

Council Member Helgeson asked for suggestions from the Committee for a place to start the discussion and asked for an amount to be suggested. Mr. Bedsworth suggested Fifth Street. He stated that he felt that it was a gateway into the City and a project that was visible and beneficial to the citizens of Lynchburg and tourists.

Council Member Helgeson asked Mr. Tom Martin, City Planner, to provide a summary of the project application and the reason why $222,000 was needed for the project. Mr. Martin stated that the funds had been requested to extend streetscape improvements between Jackson and Taylor Streets, continue the stabilization and rehabilitation of 702/708 Fifth Street, and $12,000 had been requested for a consultant to further assist the Fifth Street Community Development Corporation (5th Street CDC) with the rehabilitation of other buildings along the Fifth Street corridor.

Dr. Duncan asked Mr. Martin about the relationship between the timeliness of this request for funds and the completion of Phase II. Mr. Martin stated that the work is being done in conjunction with the water and sewer work along Fifth Street. Phase II is scheduled to be completed in July 2013 and Phase III should begin shortly thereafter.

Council Member Helgeson confirmed that the work on Phase I was done and Phase II is currently in progress. Mr. Martin stated that streetscape was part of this project and the part that people see. Most of the work is what people do not see. Mr. Martin noted that if the money is not approved by this Committee that the current request in the Fiscal Year (FY) 2014 City Capital Improvements (CIP) Program budget would need to be increased for this project. Mr. Bedsworth suggested $75,000 to start for this project.

Council Member Helgeson next chose to discuss the Spot Blight application submitted by LRHA in the amount of $125,000. He asked Mr. Robert Vincent with LRHA to come forward. Mr. Vincent explained that the homes that are not up to City Code and present a serious and immediate threat to public safety are the ones that they address. When acquiring a property before a threat is removed, it can be a timely process. For the last year, owners have done most of the repairs themselves, therefore, the funds previously allocated from two previous years were being returned to the City for reprogramming. Council Member Helgeson clarified that $185,477 was being returned and approximately $204,000 was being requested this year for the acquisition of the properties and the delivery costs associated with the Program. Mr. Vincent explained that the money for acquisition must be set aside even when owners agree to do the needed repairs, until it is done, in the event that LRHA ultimately has to acquire the property due to noncompliance by the owners.

Ms. Paige asked what the timeframe was they give an owner to make repairs. Mr. Vincent said they generally give the property owners 60 days to have a plan in place to make the repairs. The returned money shows that the program is working and the owners are correcting the problems.

Council Member Johnson stated that he was not comfortable with giving LRHA all of the money they asked for since they were returning the large sum of previous years' allocations. Mr. Vincent explained that LRHA chose to return the money for reprogramming rather than carryover for the next year.

Ms. Walker and Ms. Svrcek clarified that the Administration and Delivery Costs funding requests were necessary for LRHA to provide staff and oversight of the CDBG-funded programs at LRHA. Based on this clarification, it was the consensus of the Committee to fund the Administration and Delivery costs as requested by LRHA.

Ms. Paige then recommended that CDAC fund the Spot Blight Program for $125,000, as requested by LRHA.

Council Member Johnson then asked Ms. Kay Frazier, Director of Parks and Recreation, to come up front to discuss the application for Riverside Park Improvements in the amount of $250,000. Ms. Frazier stated that the money requested would be used for substantial improvements to the area near the sprayground and basketball court. They are also going to build a playground using a universal design for families of all abilities to use. There will also be improvement to the parking areas, for pedestrian and vehicular access. She expects this project to take 18-24 months to complete.

Council Member Johnson suggested that CDAC fund $125,000 of the requested amount for the Riverside Park Improvements.

Council Member Helgeson asked Kent White, Director of Community Development, to come to the front to discuss the Demolition of Substandard Structures funding request in the amount of $15,000. Mr. White explained that approximately 12 years ago the City used CDBG funds for demolition of building that were in imminent danger of collapse and the owner could not be contacted or were unable to demolish the structure themselves. There are currently nine (9) properties that are on the City's list for demolition. Mr. White stated that the City was a last resort for demolition of the abandoned structures. The property owners are always encouraged to demolish the structures themselves.

Mr. Bedsworth asked if the City tried to salvage the architectural elements of the buildings. Mr. White stated that the City never takes ownership of the properties unlike our housing partners, such as LRHA who have the legal power to acquire or another housing non-profit who can acquire for rehabilitation. Therefore, the City cannot retain or dispose of any components of the structures.

Ms. Paige asked what the average cost was to demolish a building when necessary. Mr. White stated between $10,000 and $15,000. She then suggested that CDAC fund $12,000 for the Demolition of Substandard Structures.

Council Member Johnson asked Leslie King, Assistant to the City Manager, to come up and provide an overview of the application request in the amount of $145,000 for the Tinbridge Hill Neighborhood Association. Ms. King stated that this was a public/private partnership where resources are used to make the neighborhood sustainable and to organize and plan for development of activities in the neighborhood.

Dr. Duncan mentioned that his neighborhood, College Hill, saw Tinbridge Hill as "What right looks like" for a neighborhood. Dr. Duncan stated that College Hill was inspired by Tinbridge Hill and the College Hill neighborhood residents hoped to model a redevelopment plan similar to Tinbrdige Hill.

Mr. Bedsworth stated that Tinbridge Hill had done a good job of proceeding with redevelopment plans in their neighborhood.

Council Member Helgeson had a question about $10,000 for this request that was going to be used for a youth job training program being a public service project. Ms. Svrcek stated that as long as the project was being sponsored by the neighborhood organization and the City, it would fall under the HUD Public Service guidelines.

Ms. King stated that these funds had been requested as a result of some of the youth attending the Tinbridge Hill Neighborhood Association meetings and the interest showed in the plans for the neighborhood. She stated that providing for job training and basic financial literacy will develop youth leadership to hopefully assist with youth engagement and sustainability in Tinbridge Hill.

Council Member Helgeson asked Ms. King about how much had been spent of the previously approved funds. Ms. King stated that money should be spent shortly. Council Member Helgeson asked about the consultant that was listed in the application. Ms. King stated that a consultant will be used to update the neighborhood plan. Mr. Schneider suggested that $125,000 be used for this project.

Mr. Bedsworth stated that several organizations, including Tinbridge Hill, Lyn-CAG and Habitat for Humanity with their HOME money used leveraging. He stated that the more leveraging, the better.

Ms. Culpepper stated that she supported this project. Ms. Walker advised the Committee members that as Ms. Culpepper lives in Tinbridge Hill she will not be allowed to vote on the recommendation for this project and will need to abstain from voting on this project.

Council Member Helgeson then asked Mr. Vincent from LRHA to come up and explain why the application request for in the amount of $50,000 was needed for the Rental Rehabilitation Program.

Mr. Vincent explained that this Program does not reward landlords who do not keep their property up to Code. It is for property owners who rent to low-income tenants. LRHA would like to create the best living conditions possible for tenants. It may be something like assisting the tenants to pay less for utilities. Funds can be used to upgrade a heat pump and upgrading to energy efficient windows and doors. The property owner must be willing to pay upfront for any repairs/upgrades and a grant can be received for 50% of the rehabilitation costs up to $5,000 per property. This is not used for facade improvements, such as painting, all repairs are for inside rehabilitation or energy efficient upgrades. There are stringent paperwork requirements such as copies of the contracts, receipts and cleared checks that the landlord/property owner has to provide to LRHA before reimbursement is awarded.

Mr. Bedsworth asked if there was a Program in place for Code deficiencies. Mr. White explained that the City has a Rental Inspection Program in place. He stated that the City has inspectors assigned to designated areas, which are closely matched with the targeted Census Tracts that we use for the CDBG and HOME Program. We contact property owners and if their rental property passes initial inspection, there is not another one scheduled for (4) four years. If the property does not pass inspection, the owner must make the needed repairs and the property is inspected annually until it is brought up to code. Ms. Svrcek also pointed out that the City also has a complaint based inspections program. The City responds when we receive complaints from tenants or other citizens.

Mr. Bedsworth stated that he still thought this Program was for slum landlords and that if they were going to own the property and receive rental income then they should make the necessary repairs themselves.

Council Member Helgeson stated that he thought that landlords should be required to make all of the necessary repairs to their property for rent because if they received funding from the Rental Rehabilitation Program this only increased the value of their property and when the owner decides to sell they have received the benefit of this Program by financially increasing the value of the property.

Mr. Vincent stated that the owners cannot sell the property for one year after the rehabilitation is complete and that they must rent to a low-to-moderate income person during that one year period.

Ms. Paige stated that she would like to fund the Rental Rehabilitation Program. Mr. Schneider agreed and $30,000 was recommended for this project.

After having discussed all of the CDBG funding requests, there was $40,830 remaining to be allocated to the CDBG projects. Mr. Bedsworth suggested the remaining portion be placed in the Fifth Street Improvements project.

The other Committee members supported this recommendation. Council Member Helgeson stated that there was now a balanced CDBG budget to present to City Council.

Council Member Helgeson asked Mr. Martin what could be done with the proposed $115,830.81 for the Phase III Fifth Street project. He stated that some work could be done on 702 and 708 Fifth Street as well as paying some of the consultant fees. It would also depend on how City Council votes on the CIP request. Ms. Svrcek pointed out that any money not allocated would need to be funded from the General Fund in the CIP Fifth Street project. Mr. Martin stated that it would cost more to do this work later, he would like to continue to do it in conjunction with the road and sewer work.

Council Member Helgeson then advised the Committee that they would begin the discussion regarding the HOME Program funding requests.

Council Member Helgeson suggested that Rush Homes be awarded their full funding request of $175,000. He stated that City Council had conditionally approved the acquisition of the property located at 1721 Monsview Place by Rush Homes for this project at a recent City Council meeting. Mr. Helgeson asked if anyone was present that represented Rush Homes and could provide an overview of this project.

Jeff Smith from Rush Homes was present and spoke to the Committee. Mr. Smith stated that Rush Homes was in negotiations with the City to purchase the Armstrong Elementary School located at 1721 Monsview Place. He stated this project would provide 28 apartments for people with special needs and low income. He stated that the funding for this project will include Low Income Housing Tax Credits, Virginia and Federal Historic Tax Credits, Virginia Department of Housing and Community Development (DHCD) HOME Program funds, and Virginia Housing Development Authority (VHDA) low interest loan. This funding would be considered match funding.

Council Member Helgeson pointed out that this could be the only Community Housing Development Organization (CHDO) that is funded. With this project, we have met our CHDO requirement that 15% of the Entitlement funds have to be designated to a CHDO organization. This year's amount is $42,576.

Mr. Bedsworth reiterated a previous statement he had made stating that this proposed project is estimated to cost $5.9 million and as a result 28 housing units will be provided. An investment by the City through the HOME Program funds of $175,000 is a good use of the Program funds.

Council Member Johnson then asked Denise Crews from Lynchburg Community Action Group (Lyn-CAG) to provide an overview of the Substantial Rehabilitation Program funding request of $75,000. She stated that Lyn-CAG works in conjunction with their weatherization program and has a waitlist of about 25 houses at this time need rehabilitation.

Council Member Johnson recommended $75,000 for this Program.

Ms. Paige stated she would like to see Habitat for Humanity receive $65,000. Several other members agreed with this recommendation.

Council Member Johnson asked Laura Dupuy from Lynchburg Neighborhood Development Foundation (LNDF) to talk about the Homeownership Fund application in the amount of $50,000. She stated that the money would be used for development and for financing for buyers. The funds would be to reduce the financing costs for someone who is otherwise ineligible for a mortgage. Council Member Johnson recommended that the remaining balance of $14,999.60 be used for LNDF's Homeownership Program.

Council Member Helgeson summarized the meeting and then asked for a motion for the approval of the CDBG and HOME Program recommended projects with the exception of Tinbridge Hill. Mr. Schneider made the motion to accept. Ms. Paige seconded. It was accepted unanimously.

Council Member Helgeson then asked for a motion on the Tinbridge Hill project. Ms. Paige made the motion to accept and Mr. Schneider seconded. It was accepted unanimously, with the exception of Ms. Culpepper who abstained.

Ms. Walker then asked for specific clarification on the funding for the Tinbridge Hill project that $10,000 be designated for the Job Training Services and Materials. The Committee indicated that the funding did include this activity.

Ms. Walker then advised the Committee of the remaining public meetings for the development of the Program Year 2012 Annual Action Plan. The schedule is as follows:

- City Council Public Hearing (CDAC Recommendations) - March 13, 2012, 7:30 p.m.
- City Council Allocation – Work Session – March 27, 2012, 4:00 p.m.
- Draft Annual Action Plan – Public Review – April 7, 2012
- City Council Public Hearing (Annual Action Plan) – May 8, 2012, 7:30 p.m.
- Annual Action Plan Submittal to HUD – May 15, 2012

There being no further business the meeting was adjourned at 1:00 p.m.

Prepared by: Sherry Pullum, Administrative Associate, February 27, 2012

ATTACHMENT B

CDBG and HOME Allocations Worksheet 2012-2013

Total CDBG Available	$ 1,026,735.81

CDBG Non-Public Service

NAME	Prior Year 11/12 Award	Amount Requested	CDAC Amount Awarded	City Council Amount Awarded
Bluffwalk Section 108	$ 301,859.00	$ 290,084.00	$ 290,084.00	
City Administration*	96,711.00	25,000.00	25,000.00	
Analysis of Impediments to Fair Housing	0.00	30,000.00	30,000.00	
5th Street CDC Phase III - City	77,000.00	222,000.00	115,830.81	
Tinbridge Hill Neighborhood	130,854.00	145,000.00	125,000.00	
Riverside Park Improvements	0.00	250,000.00	125,000.00	
Demo of Substandard Structures - City	0.00	15,000.00	12,000.00	
LRHA Admin & Delivery Costs	38,932.00	32,546.00	32,546.00	
LRHA Delivery Costs - Rehabilitation	0.00	37,466.00	37,466.00	
LRHA Rental Rehabilitation	0.00	50,000.00	30,000.00	
LRHA Delivery Costs - Acquisition	86,430.00	68,473.00	68,473.00	
LRHA Spot Blight Abatement	98,500.00	125,000.00	125,000.00	
LRHA Delivery Costs - Disposition	13,047.00	10,336.00	10,336.00	
Subtotal Non-Public Service	**$ 843,333.00**	**$ 1,300,905.00**	**$ 1,026,735.81**	**$ -**
Remaining Amount to Award			**$ -**	**$ 1,026,735.81**

HOME

CHDO Requirement	$ 42,575.85

HOME Amount Available $ 329,999.60

NAME	Prior Year 11/12 Award	Amount Requested	CDAC Amount Awarded	City Council Amount Awarded
City Administration*	$ 28,731.00	$ -	$ -	$ -
Rush Homes (CHDO)	0.00	175,000.00	175,000.00	
Habitat for Humanity	50,000.00	65,000.00	65,000.00	
~~LNDF Hilltop Homes~~	80,000.00	0.00	Withdrawn	Withdrawn
LNDF Homeownership Fund	68,226.00	50,000.00	14,999.60	
Housing 2000 Dev (CHDO)	33,700.00	150,000.00	0.00	
Lyn-CAG Substantial Rehab	93,226.00	75,000.00	75,000.00	
Lyn-CAG Homebuyer (CHDO	75,000.00	45,000.00	0.00	
Total HOME	**$ 428,883.00**	**$ 560,000.00**	**$ 329,999.60**	**$ -**
Remaining Amount to Award			**$ -**	**$ 329,999.60**

CDBG Public Service

NAME	Prior Year 11/12 Award	Amount Requested	CDAC Amount Awarded
The Gateway House, Inc.	$ 25,000.00	$ -	$ -
Amazement Square	0.00	0.00	0.00
Smart Beginnings	15,205.50	0.00	0.00
YWCA DVPC	22,102.75	0.00	0.00
Miriams House	22,102.75	0.00	0.00
Subtotal Public Service	**$ 84,411.00**	**$ -**	**$ -**
Total CDBG	**$ 927,744.00**	**$ 1,300,905.00**	**$ 1,026,735.81**

	FY 2012	FY 2013	Difference	%
CDBG				
Entitlement	746,307.00	639,243.00	(107,064.00)	(0.14)
Reprogrammed Funds	179,406.54	385,462.81	206,056.27	1.15
Program Income	2,030.00	2,030.00	0.00	0.00
TOTAL	927,743.54	1,026,735.81	98,992.27	0.11
Administration CAP	149,667.40	127,848.60	(21,818.80)	(0.15)
Public Service CAP	74,630.70	101,100.25	26,469.55	0.35
HOME				
Entitlement	412,258.00	283,839.00	(128,419.00)	(0.31)
Reprogrammed Funds	16,624.80	46,160.60	29,535.80	1.78
Program Income	0.00	0.00	0.00	
TOTAL	428,882.80	329,999.60	(98,883.20)	(0.23)
Administration CAP	41,225.80	28,383.90	(12,841.90)	(0.31)
CHDO Required	61,838.70	42,575.85	(19,262.85)	(0.31)

*Due to reduced HUD allocations and the availability of prior year Administration allocations for CDBG and HOME, the City was able to reduce the amount of the CDBG administration request and eliminate the HOME administration request. However for FY 2014 the administration amounts requested will return to normal levels as the balances from prior years will have been expended.

Summary of Community Development Block Grant (CDBG) and HOME Program Funding Requests FY 2013

Following is a brief summary of each of the applications received for consideration of CDBG and HOME Program funding. Entire applications are available and can be reviewed in the Grants Administration Office.

Community Development Block Grant Non-Public Service Applicants

Bluffwalk

FY 2012 Award	FY 2013 Request	CDAC Recommendation
$301,859	$290,084	$290,084

Funding is reserved to make principal and interest payments on this property in the event the owner cannot make the payment. This is in compliance with a commitment approved by City Council on January 29, 2002.

City Administration

FY 2012 Award	FY 2013 Request	CDAC Recommendation
$96,711	$25,000*	$25,000

Funding is requested to fully fund the personnel, operating, and training costs associated with managing the CDBG program.

*****Due to reduced HUD allocations and the availability of prior year Administration allocations for CDBG and HOME, the City was able to reduce the amount of the CDBG administration request and eliminate the HOME administration request. However for FY 2014 the administration amounts requested will return to normal levels as the balances from prior years will have been expended.

City Administration – Analysis of Impediments to Fair Housing

FY 2012 Award	FY 2013 Request	CDAC Recommendation
$0	$30,000	$30,000

Funding is requested to fund the update of the City's Analysis of Impediments to Fair Housing. The U.S. Department of Housing and Urban Development (HUD) requires all localities that are direct recipients of Community Development Block Grant (CDBG) and HOME Program funds to conduct an assessment of the barriers to housing choice, and to develop a plan for overcoming the impediments that are identified.

Fifth Street Community Development Corporation (CDC)

FY 2012 Award	FY 2013 Request	CDAC Recommendation
$77,000	$222,000	$115,830.81

Funding is requested to extend streetscape improvements south between Jackson and Taylor Streets, and to complete the stabilization of 702 / 708 Fifth Street. Funding is also requested for consultant services to assist in redevelopment activities.

The Fifth Street Master Plan was adopted by City Council on May 23, 2006. The City has committed CDBG, and Capital funds to improve the streetscape over three phases. Phase I was completed in September 2009 and included the construction of water and sewer lines in addition to a modern urban roundabout and complimentary streetscape between Jackson & Harrison Streets. Phase II is currently under construction and will contain the same underground utility upgrades and streetscape improvements as Phase I. Phase II extends from Harrison Street to Church Street. Phase III would extend streetscape improvements south between Jackson and Taylor Streets. Initial stabilization work is near completion at 702/708 Fifth Street.

Tinbridge Hill Neighborhood Council

FY 2012 Award	FY 2013 Request	CDAC Recommendation
$130,854	$145,000	$125,000

Funding is requested for the continued development of the Sustainable Neighborhood Program model in Tinbridge Hill. The funds would be used for housing rehabilitation, consultant services for the implementation of the redevelopment strategies, and youth job training to assist with sustaining youth engagement within the neighborhood.

Riverside Park Improvements

FY 2012 Award	FY 2013 Request	CDAC Recommendation
$0	$250,000	$125,000

Funding is requested for renovations to Riverside Park, including renovations and improvements to the parking area serving the Playcore, basketball and sprayground; the creation of new and improved pedestrian access walkways to the park and Playcore area; resurfacing and lining of the basketball court, new goals for the court, and amenities to the Playcore area including signage, walkways, landscaping, and seating. The parking area renovations will include innovative approaches to stormwater management in order to meet new state and city standards that improve both the quantity and quality of water.

Demolition of Substandard Structures

FY 2012 Award	FY 2013 Request	CDAC Recommendation
$0	$15,000	$12,000

Funding is requested to provide supplemental demolition funding to address the current backlog of condemned homes that pose a risk to the health and safety of the neighborhood. Although Department of Community Development staff explore all other programs and means available to rehabilitate structures prior to demolishing them, these funds are critical to removing hazardous situations from neighborhoods when all other means are exhausted.

Lynchburg Redevelopment and Housing Authority (LRHA) – Administration

FY 2012 Award	FY 2013 Request	CDAC Recommendation
$38,932	$32,546	$32,546

Funding is requested for the payment of the pro-rata share of salaries, benefits, travel and operating costs attributable to employees' duties associated with the CDBG program as outlined in the Authority's annual administrative budget.

Lynchburg Redevelopment and Housing Authority (LRHA): Delivery – Rehabilitation

FY 2012 Award	FY 2013 Request	CDAC Recommendation
$0	$37,466	$37,466

Funding is requested for direct service costs associated with identifying and monitoring spot blight properties and coordinating rehabilitation activities with owners.

Lynchburg Redevelopment and Housing Authority (LRHA) – Rental Rehabilitation

FY 2012 Award	FY 2013 Request	CDAC Recommendation
$0	$50,000	$30,000

This program issues grants to owners of rental properties that are located within the City's Rental Inspection Area. This area includes Census Tracts 4, 5,6,7,11,12 and 13. The property must have property maintenance code violations cited by the City or have Housing Quality Standards deficiencies. The grant will also be available to owners who are providing energy upgrades and or accessibility compliance. The grant is a fifty percent matching grant with a maximum per unit of $5,000. The end result of this program allows owners to provide improved living conditions and lower energy cost to low income families. Additionally, it results in the elimination of blighted properties creating improved living standards for the entire neighborhood.

Lynchburg Redevelopment and Housing Authority Delivery Costs (LRHA) – Acquisition

FY 2012 Award	FY 2013 Request	CDAC Recommendation
$86,430	$68,473	$68,473

Funding is requested for direct service costs associated with acquiring real property and coordinating work with appraisers and legal counsel under contract to LRHA.

Lynchburg Redevelopment and Housing Authority (LRHA) – Spot Blight Abatement

FY 2012 Award	FY 2013 Request	CDAC Recommendation
$98,500	$125,000	$125,000

Funding is requested to address eight (8) vacant, deteriorated properties within the Tinbridge Hill neighborhood. This is part of a larger collaboration of twelve (12) other organizations and the City to concentrate efforts in this area to make a significant impact in the neighborhood. The Spot Blight Abatement Program provides the City with another avenue to address and assist with the enforcement of its housing codes.

Lynchburg Redevelopment and Housing Authority Delivery Costs (LRHA) – Disposition

FY 2012 Award	FY 2013 Request	CDAC Recommendation
$13,047	$13,047	$13,047

Funding is requested for direct service costs associated with the disposition of properties previously acquired with CDBG funds.

HOME Program Applicants

City Administration

FY 2012 Award	FY 2013 Request	CDAC Recommendation
$28,752	$0*	$0

Funding is requested to fully fund the personnel, operating and training costs associated with managing the HOME program.

*****Due to reduced HUD allocations and the availability of prior year Administration allocations for CDBG and HOME, the City was able to reduce the amount of the CDBG administration request and eliminate the HOME administration request. However for FY 2014 the administration amounts requested will return to normal levels as the balances from prior years will have been expended.

Rush Homes – Community Housing Development Organization (CHDO) – Armstrong Place Apartments

FY 2012 Award	FY 2013 Request	CDAC Recommendation
$0	$175,000	$175,000

Funding is requested by Rush Homes for gap financing and to provide the 25 percent match requirement of the Department of Housing and Community Development (DHCD) for this project. HOME funds are necessary for the development of Armstrong Place Apartments, 28 apartments for people with special needs and low incomes, through historic rehabilitation (adaptive reuse) of Armstrong Elementary School located at 1721 Monsview Place. Rush Homes plans to complete this project under their approved CHDO certification with the City.

Funding necessary for the development of this project in addition to City HOME funds includes: Low Income Housing Tax Credits; Virginia and Federal Historic Tax Credits; Virginia Department of Housing and Community Development (DHCD) HOME funds; and a Virginia Housing Development Authority (VHDA) low interest loan.

Greater Lynchburg Habitat for Humanity (GLHFH) – Homeownership Program

FY 2012 Award	FY 2013 Request	CDAC Recommendation
$50,000	$65,000	$65,000

Funding is requested to provide closing costs assistance that is required for mortgage closings for low-to-moderate income persons.

Greater Lynchburg Habitat for Humanity (GLHFH) develops homeownership opportunity for low-income families that would not qualify or be able to afford homeownership through traditional, conventional methods. Families must demonstrate need (residing in poor, unsafe, unhealthy, and/or unaffordable housing); they must have the ability to pay a no-interest mortgage (must have a steady income and low debt to income ratio); and must be willing to partner with GLHFH (provide sweat equity, participate in training, and prepare for the responsibilities of homeownership).

GLHFH is able to solicit funding, materials, and volunteer labor from the community thereby allowing the organization the ability to maintain low construction costs. GLHFH is therefore able to sell the home to the qualified family at cost and offer a no-interest mortgage loan. Families have to provide 300 hours of sweat equity to the project; attend classes preparing them for homeownership; and complete the terms of a case management plan.

Lynchburg Neighborhood Development Foundation (LNDF) – Homeownership Fund

FY 2012 Award	FY 2013 Request	CDAC Recommendation
$68,266	$50,000	$14,999.60

Funding is requested to provide affordable mortgage financing assistance for five (5) low-to-moderate income persons and ultimately homeownership for these persons.

Lynchburg Homeownership Fund is a combination of programs administered by LNDF that seek to create and support homeownership. This philosophy has been an essential part of LNDF's mission and incorporates blended multi-layered financing from City and State sources along with private mortgages from conventional lenders and buyer's cash investment. This application seeks to continue to blend City HOME funds in the mortgages offered to low- and moderate-income borrowers.

LNDF's affordable mortgages consist of a 30-year, fixed rate first mortgage at below-market interest rates and additional subordinate mortgages at low rates or forgiven over time. These mechanisms help with making the mortgage affordable, but most often additional soft loans are needed as well. As the economy has driven conventional mortgage rates down, VHDA, our primary source of first mortgage loans, is rethinking its program in order to let the private sector handle the originating loan.

LNDF has brought more $16 million into the region for this purpose, creating more than 250 new homeowners in the City and throughout the planning district, as well as assisting several hundred others achieve their housing goals through other means.

Housing 2000, Inc., c/o Lynchburg Neighborhood Development Foundation (LNDF-CHDO) – Single Family Development

FY 2012 Award	FY 2013 Request	CDAC Recommendation
$33,700	$150,000	$0

Funding is requested to provide assistance for the development of three (3) housing structures for low-to-moderate income families.

This program is a continuation of the years of single-family development undertaken by LNDF and offers an opportunity for increased production and additional resources through collaboration with Housing 2000, Inc. Last year, Housing 2000, Inc. received HOME funds to use as subsidy in the development of one (1) house (a renovation and resale). Additionally, two (2) new homes were built this year with 2010-2011 HOME funds by LNDF. Since quality housing may cost more to develop than the neighborhood market can support in light of recent economic factors, subsidies are needed to defray costs and make financing accessible for low- and moderate-income borrowers.

Lynchburg Community Action Group (Lyn-CAG) – Homeowner Substantial Rehabilitation

FY 2012 Award	FY 2013 Request	CDAC Recommendation
$93,226	$75,000	$75,000

Funding is requested for the rehabilitation of four (4) low-to-moderate income homeowners who will be served with substantial rehabilitation funds from the HOME Program funds and the State Department of Housing and Community Development (DHCD).

The Homeowner Substantial Rehabilitation Program provides substantial rehabilitation for eligible low-to-moderate income owned properties. The Program is designed to remove health and safety hazards and code violations from the homes of low-income homeowners who live in the City of Lynchburg and meet HUD income guidelines for HOME programs. Typical requests for services include electrical, plumbing, structural and roof repair/replacement. All local contractors who provide the services are licensed and insured. Building materials are purchased from local businesses.

Lynchburg Community Action Group (Lyn-CAG – CHDO) – First-time Homebuyers Program

FY 2012 Award	FY 2013 Request	CDAC Recommendation
$75,000	$45,000	$0

Funding is requested for labor/material ($37,500) and developer's fee ($7,500) to assist with the acquisition and rehabilitation of one housing structure for a low-to-moderate income family.

The Home/Community Housing Development Organization (CHDO) First Time Homebuyers Program provides for acquisition of vacant properties for rehabilitation or new construction to eligible first time homebuyers. Proceeds from the sale of properties are reinvested in housing program services that benefit eligible low-to-moderate income persons. This program provides a level of subsidy to keep the property affordable for low-to-moderate income families.

CDBG
updated March 12, 2012
Prior Year Appropriations available to Reprogram:

*LRHA Spot Blight 2009-2010 Unexpended Allocation	105,477.26
*LRHA Spot Blight 2010-2011 Unexpended Allocation	80,000.00
LRHA returned funds due to HUD Audit	4,333.00
Hunton Community Center 2008-2009	1,948.83
Mary Bethune Academy 2008-2009	251.74
~~Business Development Center Funds - Prog. Inc.~~ City Administration 2010-2011	54,835.68
LRHA 2009-2010 Spot Blight Returned Funds	13,573.50
Bluffwalk from 2011-2012	121,859.00
Program Income true up from 2010-2011	3,183.80
Total CDBG Funds to Reprogram	385,462.81

HOME

Program Income True Up	5,222.00
Lynchburg Covenant Fellowship Shalom Rehab	40,000.00
City Administration from 2007-2008	251.90
City Administration from 2008-2009	686.70
Total HOME Funds to Reprogram	46,160.60

*The City will not receive these funds until the LRHA board takes formal action at the March 7, 2012 board meeting.

CDBG Unexpended Balances

updated March 16, 2012

To be reprogrammed for FY 2013

Program Description	2009 - 2010	2010 - 2011	2011 - 2012	Total
City Program Administration	-	91,053.63	71,752.00	162,805.63
Fifth St	-	92,848.85	77,000.00	169,848.85
Gateway	-	-	10,416.68	10,416.68
Hunton-Randolph	25,000.00	-	-	25,000.00
LRHA Spot Blight	**105,477.26**	**80,000.00**	96,948.50	282,425.76
LRHA Spot Blight Loan Program	-	100,000.00	-	100,000.00
LRHA Delivery Costs - Property Disposition	-	-	8,921.12	8,921.12
LRHA Delivery Costs - Acquisition	-	-	59,097.46	59,097.46
LRHA Property Maintenance	-	6,771.91	-	6,771.91
Subtotal LRHA Spot Blight Program				**457,216.25**
LRHA Rental Rehab	30,097.61	-	-	30,097.61
LRHA Minor Property Repairs	-	5,000.00	-	5,000.00
LRHA Property Demolition	-	76,931.54	-	76,931.54
LRHA Delivery Costs - Administration	-	-	28,792.57	28,792.57
Total LRHA				**598,037.97**
Lyn-CAG Housing Improvement	-	19,160.29	-	19,160.29
Miriam's House	-	-	6,453.62	6,453.62
Rebuilding Together	-	56,000.00	-	56,000.00
Smart Beginnings	-	-	15,205.50	15,205.50
Tinbridge Hill Neighborhood Plan	-	-	155,812.54	155,812.54
Virginia University of Lynchburg	-	14,319.55	-	14,319.55
YWCA - DVPC	-	-	11,200.84	11,200.84
Total Unexpended CDBG Funds				**1,244,261.47**

ATTACHMENT E

HOME Fund Unexpended Balances

updated March 16, 2012

Program Description	2005-2006	2009 - 2010	2010 - 2011	2011 - 2012	Total
City Program Administration	-	23,321.61	16,353.00	28,731.00	68,405.61
Habitat		-	50,000.00	50,000.00	100,000.00
LCF Lynchburg High	40,273.00	-	-	-	40,273.00
LNDF - Homeownership	-	-	-	52,706.58	52,706.58
LNDF - NSP	-	10,020.58	-	-	10,020.58
LNDF - Tinbridge Hill	-	-	2,000.00	-	2,000.00
Total LNDF					**64,727.16**
Lyn-CAG CHDO	-	64,685.69	75,000.00	75,000.00	214,685.69
Lyn-CAG Substantial Rehab	-	-	140,631.75	93,226.00	233,857.75
Total Lyn-CAG					**448,543.44**
Total HOME Unexpended Funds					**721,949.21**

LYNCHBURG CITY COUNCIL
Agenda Item Summary

MEETING DATE: **March 27, 2012**			AGENDA ITEM NO.: **13**
CONSENT:	REGULAR: **X**	WORK SESSION:	CLOSED SESSION: (Confidential)
ACTION: **X**		INFORMATION:	
ITEM TITLE: **Water and Sewer Rates**			

RECOMMENDATION: Pending comments at the public hearing approve the adoption of the attached ordinance enacting changes in the City Code related to water and sewer rates effective July 1, 2012.

SUMMARY: During the February 28, 2012 Work Session, the Department of Water Resources' staff presented the FY 2013 Rate Study and Annual Report to City Council. Staff's recommendations and justifications for increases in the water volume rate, industrial surcharges, and septic hauler charges were included in that presentation. The following guiding principles and goals were adhered to in the development of the recommended rates and fees:

- Equitable sharing of water and sewer costs based on actual services provided.
- Ensure rates promote sustainable water and sewer operations and infrastructure.
- Minimize future rate spikes.
- Meet the financial obligations related to the CSO Consent Order.
- Meet Council's financial policies.

Staff recommended a 3% increase in the water volume rate from $2.29 to $2.36 per hcf; however, Council recommended that up to a 5% water rate increase be considered in order to more adequately fund the water capital program. If a 5% rate increase were to be approved, the FY 2013 Water Capital Program could be increased by up to $2.4 million, raising the distribution system improvements from $2 million to $4.4 million which is above recommended minimum funding level. A 3% water rate increase would increase the typical household water bill by 49 cents per month. A 5% water rate increase would increase the water rate to $2.40 per hcf and raise a typical household's water bill by 77 cents per month. Even with a 5% water rate increase the combined water and sewer bill would remain below the state average.

Other fees that are recommended to increase include: a 5% increase in the BOD charge from $20.31 to $21.33 per 100 lbs.; a 5% increase in the TSS charge from $22.97 to $24.12; and a 5% increase in the septic hauler charges from $185.85 to $195.14.

PRIOR ACTION(S): February 28, 2012 City Council Work Session, FY 2013 Rate Study and Annual Report presentation by Department of Water Resources staff.

FISCAL IMPACT: Water Fund revenue increase of $275,000 (3% rate increase) to $417,000 (5% rate increase). Sewer Fund revenue increase of approximately $42,000.

CONTACT(S):
Tim Mitchell, Director of Water Resources, 455-4252
Greg Poff, Assistant Director of Water Resources, 455-4249

ATTACHMENT(S): Sections 34-12.1, AND 39-54.1 of the Code of the City of Lynchburg enacting the FY 2013 water and sewer rates.

REVIEWED BY: lkp

AN ORDINANCE TO AMEND AND REENACT SECTIONS 34-12.1 and 39-54.1 OF THE CODE OF THE CITY OF LYNCHBURG, 1981, AS AMENDED, THESE SECTIONS RELATING TO WATER AND SEWER RATES.

BE IT ORDAINED BT THE COUNCIL OF THE CITY OF LYNCHBURG:

1. That Sections 34-12.1, AND 39-54.1 of the Code of the City of Lynchburg, 1981, are hereby amended and reenacted as follows:

Sec. 34-12.1. Schedule of sewer rates.

(a) The monthly sewer rates for all consumers within the city shall be $5.65 per h.c.f. of water used provided, however, that the rate of any party discharging industrial waste or processed water into the city system pursuant to an individual contract shall be as provided in such contract.

(b) The monthly sewer rate for customer accounts deemed “sewer only” (customers within the city without a water service connection) shall be $43.24. This rate is derived as follows: (monthly volume charge of $5.65 per h.c.f. x 7 h.c.f. + account charge of $3.69).

(c) In addition to the sewer rates provided in this section, a high strength waste surcharge is established for all customers with discharges in excess of twenty-five thousand (25,000) gallons per day and having biological oxygen demand and/or suspended solids concentrations in excess of normal wastewater.

The surcharge shall be as follows:

(1) For BOD concentrations in excess of three hundred (300) milligrams per liter (MG/l), ~~twenty dollars and thirty-one cents ($20.31)~~ twenty-one dollars and thirty-three cents ($21.33) per one hundred (100) pounds.

(2) For suspended solids concentrations in excess of four hundred (400) milligrams per liter (MG/l), ~~twenty two dollars and ninety-seven cents ($22.97)~~ twenty-four dollars and twelve cents ($24.12) per one hundred (100) pounds.

(3) Truck hauled wastes disposal charges for residential and restaurant wastes as defined in Section 34-13 will be assessed at the following rates: ~~one hundred eighty-five dollars and eighty-five cents ($185.85)~~ one hundred ninety-five dollars and fourteen cents ($195.14) up to a limit of two thousand five hundred (2,500) gallons of capacity and ~~thirty-one dollars and fifty cents ($31.50)~~ thirty-three dollars and eight cents ($33.08) for each five hundred (500) gallons of capacity over two thousand five hundred (2,500) gallons. Truck hauled wastes for special contract holders shall be charged in accordance to the terms of the contracting agreement.

(d) Annually, the director of financial services shall compute the average of each residential customer's level of monthly water consumption in hundred cubic feet (h.c.f.) for the most recent period beginning with the first billing in November and ending with the second billing in April. By multiplying this monthly average by 1.25, a seasonal consumption limit for sewer billing shall be derived for each residential account. This limit will apply during the period for the first billing in May through the second billing in October. This adjustment shall apply only to residential bills and shall not apply to any customers using water for the purpose of manufacturing or for commercial or multifamily dwellings.

Sec. 39-54.1. Schedule of water rates.

The monthly water rates for all consumers within the city shall be ~~two dollars and~~ ~~twenty-nine cents ($2.29)~~ two dollars and forty cents ($2.40) per h.c.f. of water used.

There shall be, in addition to any other charge, a monthly account (meter) charge of three dollars and sixty nine cents ($3.69) per meter.

2. That this ordinance shall become effective July 1, 2012.

Adopted:

Certified: ______________________________
Clerk of Council

042L

LYNCHBURG CITY COUNCIL
Agenda Item Summary

MEETING DATE: **March 27, 2012**			AGENDA ITEM NO.: **14**
CONSENT:	REGULAR: **X**	WORK SESSION:	CLOSED SESSION: (Confidential)
ACTION: **X**		INFORMATION:	
ITEM TITLE: **Stormwater Fee**			

RECOMMENDATION: Pending comments at the public hearing approve the adoption of the attached ordinance enacting changes in the City Code related to establishing a stormwater fee and billing developed properties which do not have a water and/or sewer account. To be effective July 1, 2012.

SUMMARY: During the February 28, 2012 Work Session, the Department of Water Resources' staff presented the FY 2013 Rate Study and Annual Report to City Council. It is recommended that a fee of $4.00 per single family unit (SFU) per month be established in order to fund approximately $2.3 million in existing stormwater activities, restore a street sweeper, fund 50% of the leaf collection budget, fund $300,000 in pay-as-you-go capital for existing storm system maintenance needs, and create a $250,000 fund balance for the new stormwater enterprise fund.

PRIOR ACTION(S): February 28, 2012 City Council Work Session, FY 2013 Rate Study and Annual Report presentation by Department of Water Resources staff and multiple previous stormwater presentations to City Council.

FISCAL IMPACT: A $4.00 per SFU per month stormwater fee will generate approximately $2.6 million in annual revenue.

CONTACT(S):
Tim Mitchell, Director of Water Resources, 455-4252
Greg Poff, Assistant Director of Water Resources, 455-4249

ATTACHMENT(S): Sections 16.3-5, AND 16.3-6 of the Code of the City of Lynchburg enacting a $4.00 per SFU per month stormwater fee and enabling the issuance of separate stormwater bills for developed properties which do not have a water or sewer account.

REVIEWED BY: lkp

AN ORDINANCE TO AMEND AND REENACT SECTIONS 16.3-5 and 16.3-6 OF THE CODE OF THE CITY OF LYNCHBURG, 1981, AS AMENDED, THESE SECTIONS RELATING TO STORMWATER RATES AND BILLING.

BE IT ORDAINED BT THE COUNCIL OF THE CITY OF LYNCHBURG:

1. That Sections 16.3-5, AND 16.3-6 of the Code of the City of Lynchburg, 1981, are hereby amended and reenacted as follows:

Sec. 16.3-5. Assessment of stormwater utility charge.

Adequate revenues shall be generated to provide for a balanced operating and capital improvement budget for the stormwater utility by setting sufficient levels of utility fees. Income from utility fees shall not exceed actual costs incurred in providing the services and facilities described in Sec. 16.3-4. Utility fees shall be charged to owners or occupants of all developed property in the city.

(a) SFU area established. The single-family unit (SFU) area is hereby established to be 2,672 square feet of impervious surface area.

(b) The utility fee for each property shall be the SFU rate times the stormwater fee factor for each individual property.

(c) The SFU rate shall be ~~$0.00~~ <u>$4.00</u> per month.

(d) The stormwater fee factor shall be as follows:

Property Type	Impervious Area on Property (in square feet)	Stormwater Fee Factor
Detached single-family residential	Less than 1,300	0.5
Detacted single-family residential	1,301 to 4,300	1.0
Detached single-family residential	Greater than 4,301	1.6
Duplex		0.5 per unit
Triplex, Quadplex, and Mobile Homes		0.7 per unit
Condominiums and Townhomes		0.33 per unit
Apartments or 5 or more units and all nonresidential property		As defined in 16.3-5(e)
Undeveloped property		0.0

(e) The stormwater fee factor for apartment properties of 5 or more units and for all nonresidential properties shall be equal to the impervious area of the property in square feet divided by the SFU area of 2,672 square feet, rounded to the nearest 0.1, except that the minimum factor shall be 1.0. For example a nonresidential property of 10,000 square feet of impervious area shall have a stormwater fee factor of 10,000 divided by 2,672, or a stormwater fee factor of 3.7.

(f) The utility fee for unoccupied developed property, both residential and nonresidential, shall be the same as that for occupied property of the same class.

Sec. 16.3-6. Billing, payment and penalities.

(a) The utility fee is to be paid by the owner or occupant of each lot or parcel subject to the utility fee. All properties, except as stated in Sec. 16.3-5, shall be rendered bills or statements for stormwater services. Such bills or statements shall be combined with sewer and water bills levied pursuant to chapters 34 and 39 of the City of Lynchburg Code. <u>For properties which do not receive a water or sewer bill a separate bill for stormwater services will be issued.</u>

(b) All payments received shall first be credited to stormwater charges, and then to the sewer charges and finally to the water charges.

(c) If any such stormwater bill is not paid within five (5) days after due date, it shall be declared delinquent and shall be subject to a penalty of five (5) percent of the amount of the bill. The penalty shall be added to the unpaid bill or subsequent bills.

(d) Whenever the city utilizes the services of an attorney or a collection agency to collect any delinquent fees, rents or charges for the use and services of the city's stormwater system, reasonable attorney's fees or collection agency's fees shall be added to the delinquent bill. The attorney's fees or collection agency's fees shall not exceed twenty (20) percent of the delinquent bill and may be recovered by the city by action at law or suit in equity. Attorney's fees shall be added only if such delinquency is collected by action at law or suit in equity.

2. That this ordinance shall become effective July 1, 2012.

Adopted:

Certified: ____________________________
Clerk of Council

043L

Agenda Item #15

From: "Steve \"Doc\" Troxel" <doctroxel@gmail.com>

To: <valeria.chambers@lynchburgva.gov>

Date: 03/09/2012 03:43 PM

Subject: City Council agenda item

Hi, Valerie,

We have talked before, but now that I have been elected chairman of the Lynchburg Republican City Committee (LRCC), I sure we will be talking more frequently in the future.

At our last mass meeting, the LRCC approved a resolution that they have asked me to present to council. I would like to be placed on the agenda to present this resolution, in keeping with the wishes of the LRCC.

Thank you for helping me through this process.

ST - Resolution LRCC 2.22.12.docx

RESOLUTION SUBMITTED TO CITY COUNCIL OF LYNCHBURG, VIRGINIA

WHEREAS, the Commission on Local Governments' Fiscal Stress Report ranks Lynchburg's fiscal stress as the eighth highest of 134 Virginia localities and the trend rising; and

WHEREAS, the Commission on Local Governments' Fiscal Stress Report ranks Lynchburg's revenue effort (extraction) rate the seventh highest of 134 Virginia localities; and

WHEREAS, the total Fiscal Year 2012 personnel compensation costs are 84% of the Lynchburg City Schools operating budget, and 63% of the City of Lynchburg's operational budget; and

WHEREAS, the current City of Lynchburg's compensation philosophy principle states, "The Pay Plan must be fiscally responsible and affordable; it will always be constrained by resource availability"; and

WHEREAS, "affordable" and "resource availability" are ambiguous and subjective;

NOW, THEREFORE, BE IT RESOLVED, the Lynchburg Republican City Committee does hereby request that the Lynchburg City Council amend the aforementioned compensation philosophy to state, "The Pay Plan must be fiscally responsible and reflective of the citizens' ability to pay."

Submitted on behalf of the Lynchburg Republican City Committee by
Steve Troxel, Ph. D., Chairman
March 27, 2012

LYNCHBURG CITY COUNCIL
Agenda Item Summary

MEETING DATE: **March 27, 2012**			AGENDA ITEM NO.: **16**
CONSENT:	REGULAR: **X**	WORKSESSION:	CLOSED SESSION: (Confidential)
ACTION: **X**		INFORMATION:	
ITEM TITLE: **2012 COPS Hiring Program (CHP)**			

RECOMMENDATION: Approve the submittal of an application to the Office of Community Oriented Policing Services' (COPS) 2012 Hiring Program for $527,243 over three years to fund salaries and benefits for five new officers.

SUMMARY: The Police Department is applying for a grant from the 2012 COPS Hiring Program; the grant requires a 25% local match. Funding would be utilized for entry level salaries and benefits for five sworn officer positions for three years ($46,866 per position per year). The total salary and benefit cost for the officers is $702,990 for the three year grant period; due to the match requirement, each year the granting agency would contribute $175,747 with the City contributing $58,583.

The grant covers salaries and benefits only. The City will be responsible for funding all other costs associated with additional personnel (including vehicles, equipment, and training). Purchase of vehicles and equipment are a one-time expense; training costs will be recurring. Vehicle and equipment costs are assuming a fully staffed workforce. A projected breakdown of costs follows:

One-time costs:	
3 Vehicles ($51,902 each)	$155,706
Equipment for 5 officers ($8,701 each)	43,505
Total One-time costs:	***$199,211***
Recurring costs for 3 years:	
CVCJA training for 5 officers ($345 each)	$1,725
Salaries and benefits for 5 officers (25% match)	58,583
Total Recurring costs:	***$60,308***
City cost per year:	
FY 2013	$259,519
FY 2014	$60,308
FY 2015	$60,308
FY 2016 (100% salaries and benefits + training)	$236,055

Notice of award of the grant would not be until the fall of this year if past practice holds true. If awarded, the Police Department would request monies from the Reserve for Contingencies for the first year of funding. At that time Council could consider whether or not it was appropriate to accept the grant funding.

Grantees must also retain all sworn officer positions awarded under this grant for a minimum of one year after the conclusion of federal funding; therefore, barring any change in salaries or benefit rates, the City contribution would increase to $236,055 beginning in FY 2016.

PRIOR ACTION(S): The City has applied for similar grants for the last several years without success. This matter would normally have been referred to the Finance Committee for consideration. As this would have been the only item on the Finance Committee agenda the Chair agreed that the matter could come to full Council instead.

FISCAL IMPACT: The grant requires the locality to fund 25% of the officers' salaries and benefits as a local match ($58,583 per year). This funding in addition to training costs ($1,725 per year) will be recurring for three years. In the first year, the City will also incur a one-time expense of $199,211 for vehicles and equipment. At the conclusion of the three year grant, the City is required to retain the five officer positions for a minimum of one year at an anticipated cost of $236,055.

CONTACT(S): Police Chief Parks Snead, 455-6104; Captain R.M. Zuidema, 455-6171

ATTACHMENT(S): None

REVIEWED BY: lkp

045L