City of Lynchburg
City Council Retreat
October 7, 2022
9:00AM – 4:00PM – Greater Lynchburg Transit Company
419 Bradley Drive, Lynchburg, VA 24501

Agenda

I.	**Welcome, Arrival and Continental Breakfast** *8:45-9am*	*MaryJane Dolan, Mayor*
II.	**Agenda Overview** *9-9:15am*	*Wynter C. Benda, City Manager*
III.	**Chris Chmura Presentation** *9:15-9:45am*	*Dr. Chris Chmura, CEO, Chmura Economics & Analytics*
IV.	**Discussion** *9:45-10:30am*	*Group*
V.	**Break** *10:30-10:45am*	
VI.	**Chris DeLacy Presentation** *10:45-11:15am*	*Chris DeLacy, Partner, Holland & Knight*
VII.	**Discussion** *11:15am-12:00pm*	*Group*
VIII.	**Lunch** *12:00-12:45pm*	
IX.	**Housing Presentation** *1-1:30pm*	*Kent White, Director of Community Development*
X.	**Discussion** *1:30-2pm*	*Group*
XI.	**City Financials** *2-2:30pm*	*Donna Witt, Chief Financial Officer*
XII.	**Discussion** *2:30-3pm*	*Group*
XIII.	**Closing Remarks** *3-3:15pm*	*MaryJane Dolan, Mayor*
XIV.	**Drive the Bus!** *3:00-4:00pm*	*Group*

CHMURA

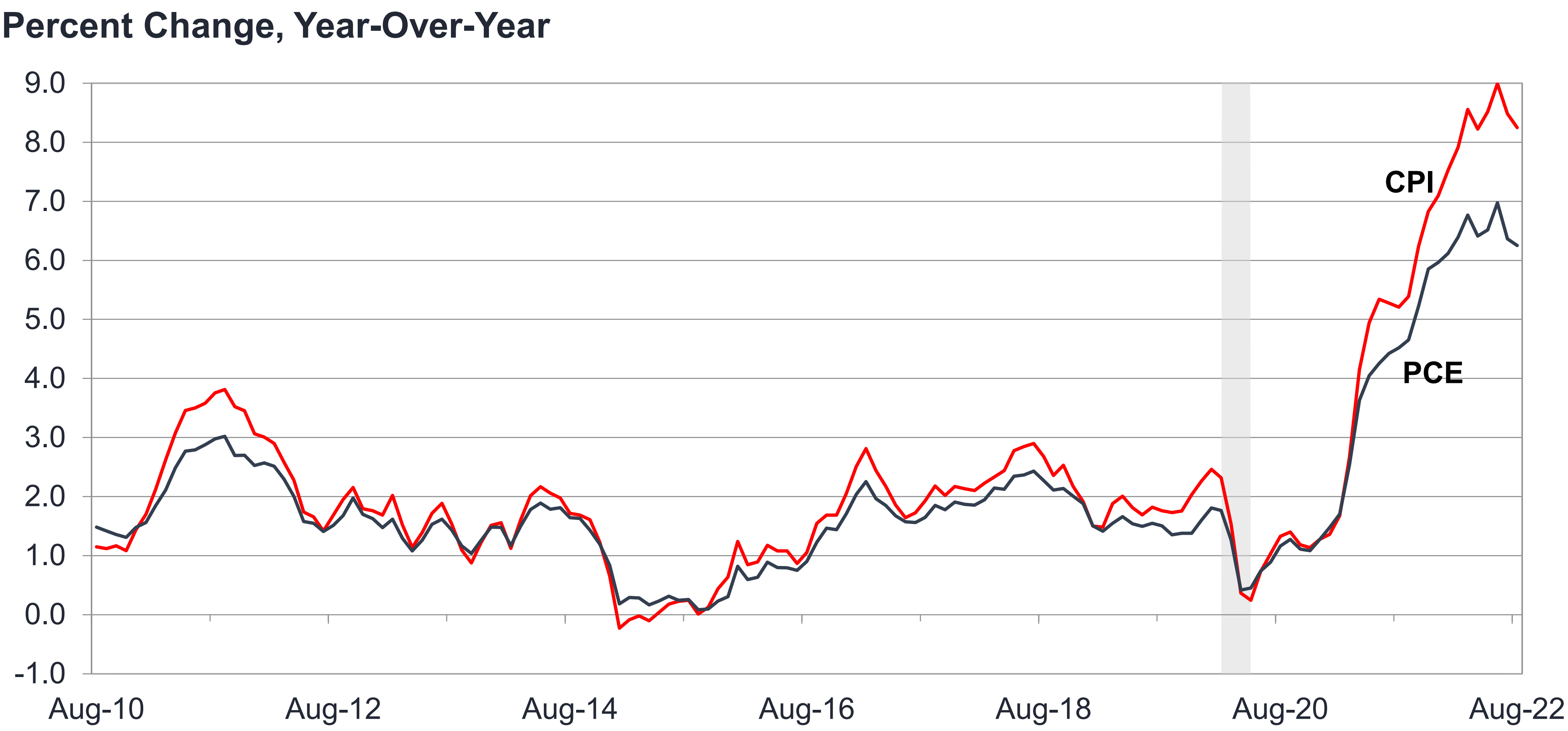
Economic Update and Overview: U.S. and City of Lynchburg

October 6, 2022

Overview

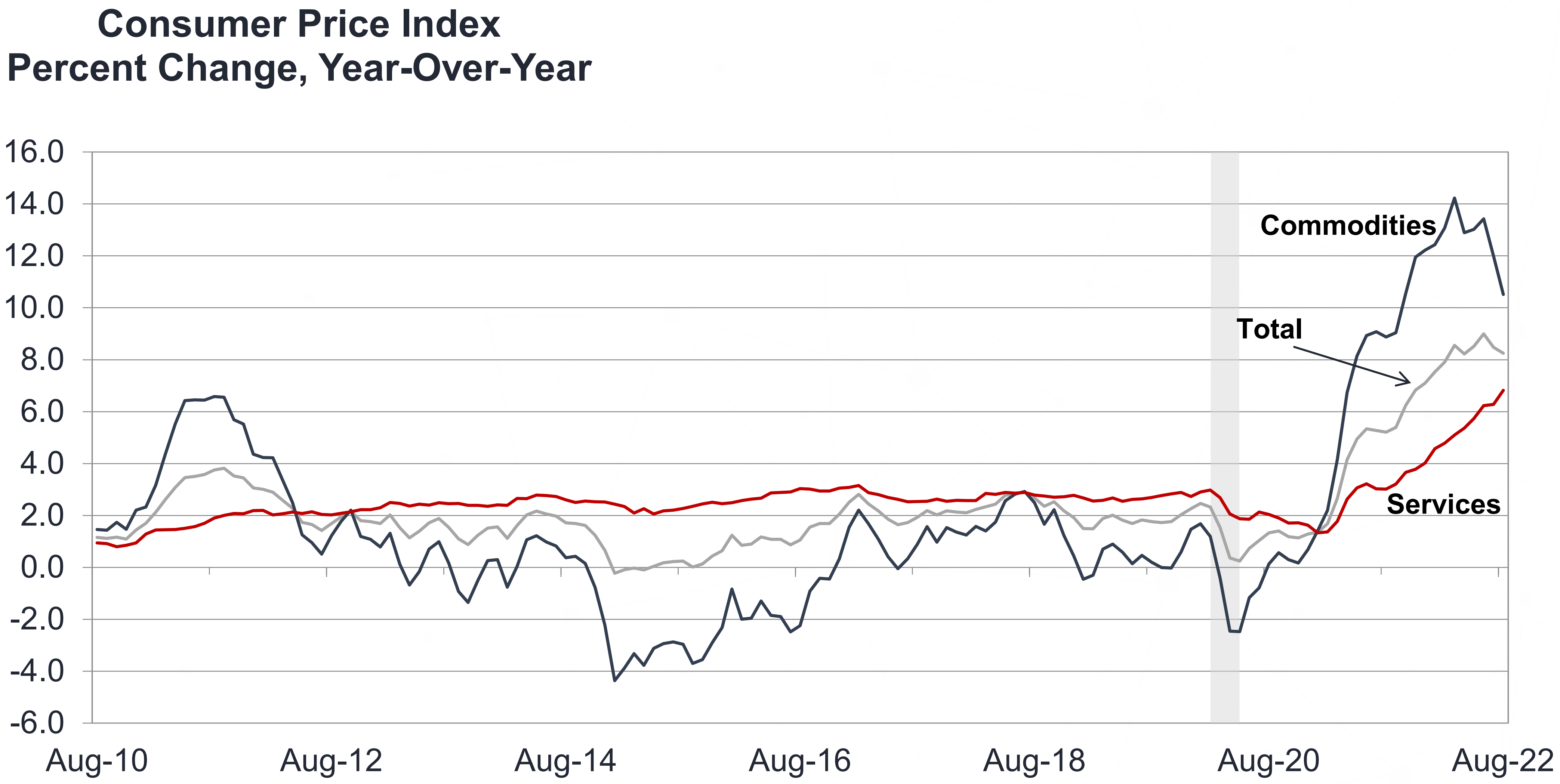
- National Economy
  - Labor market is tight
  - Inflation is high and driving Fed behavior
  - Recession is likely
- City of Lynchburg
  - Growing slower than the nation
  - Liberty University boosts growth
    - Tight labor market
    - Now more than ever, economic developers need to work with educators

Two General Measures Show Inflation is Near a 40-Yr High:
Personal Consumption Expenditure Price (PCE) Index and Consumer Price Index (CPI)



Sources: BEA and BLS.
Data through August 2022.

Lockdown Shifted Demand to Goods and Away From Services

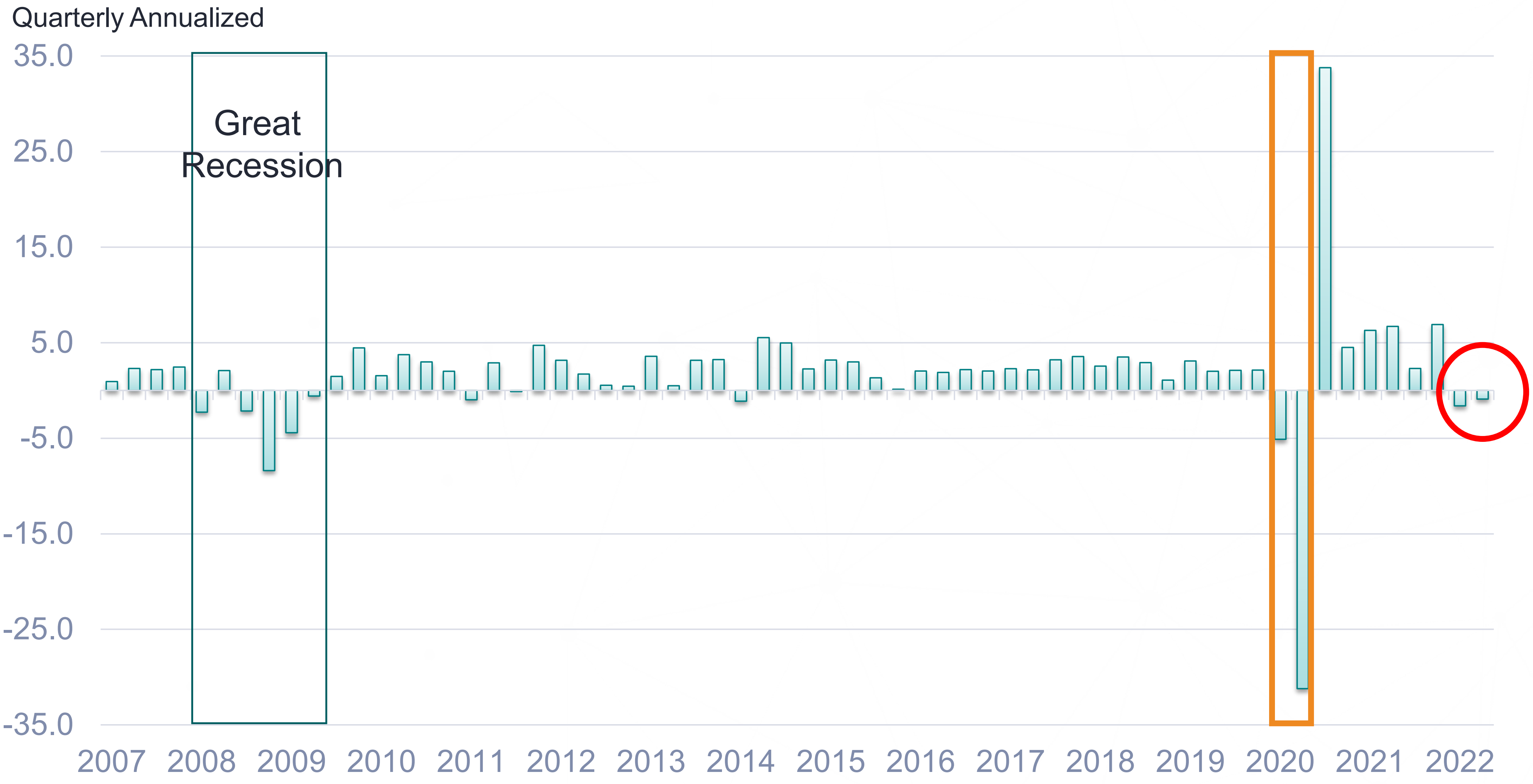


Source: BLS

Inflation Is Not Good For Long-Term Economic Growth

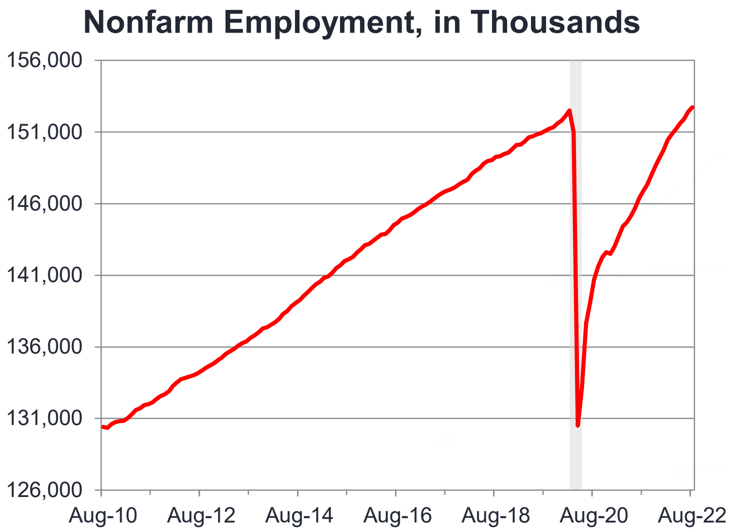
- It is a regressive tax
- It distorts decision making
  - Inventory accumulation
  - Can lead to deeper recessions
- It can spiral upward with wages rising and inflation expectations ‘unanchored’
- It can lead to recession if Fed continues to raise rates

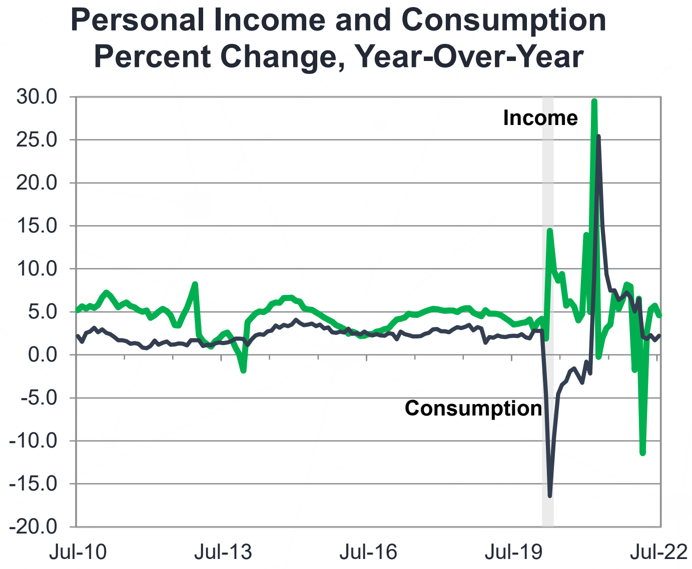
Doesn't Two Consecutive Declines in Real GDP Qualify As Recession?

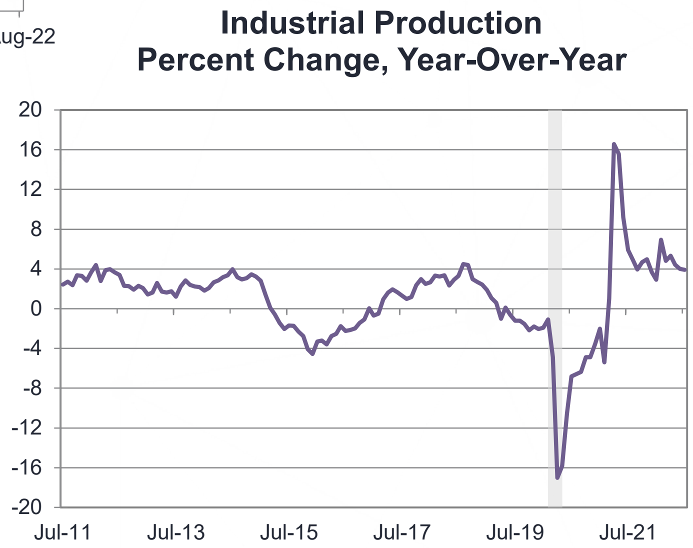


Source: BEA and Chmura

No, Not 2 Straight Declines in GDP
NBER is the Arbiter of Recession in U.S.







https://www.chmura.com/blog/five-horsemen-of-a-recession

Sources: BLS, BEA, and Federal Reserve.

The Economy is Slowing: Job Ads -6.5% Since June 27

JOBSEQ

Search... All Categories

15,478,602
Total

988
Occupations

749k
Locations

884.1k
Employers

2.5k
Certifications

3k
Hard Skills

111
Soft Skills

4.8m
Job Titles

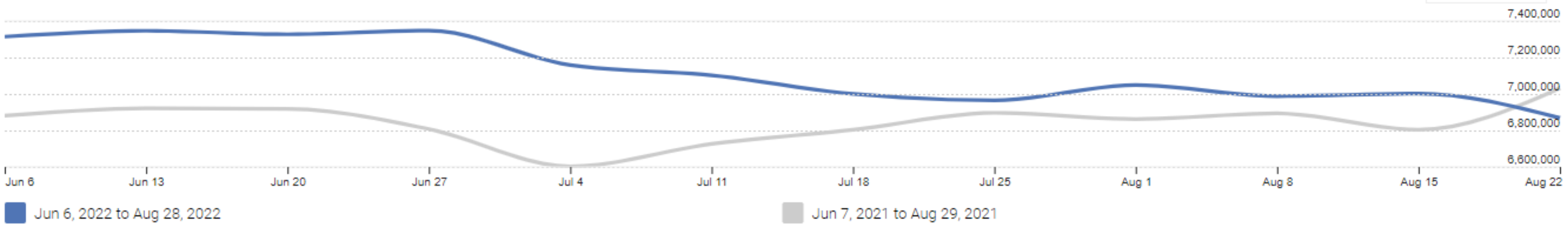
6
Education Levels

726
Programs

9
Job Types

Active Job Ads by Date

Interval: Weekly



Source: JobsEQ®, See JobsEQ online Help for important Technical Notes

Occupations

Display Level: O*NET Occupation: 8-digit SOC

SOC	Occupation	Active Job Ads
29-1141.00	Registered Nurses	729,855
41-2031.00	Retail Salespersons	490,752
41-1011.00	First-Line Supervisors of Retail Sales Workers	483,778
53-7065.00	Stockers and Order Fillers	425,539
11-3021.00	Computer and Information Systems Managers	370,568
53-3032.00	Heavy and Tractor-Trailer Truck Drivers	344,882
15-1252.00	Software Developers	320,766
35-3023.00	Fast Food and Counter Workers	293,655
11-9111.00	Medical and Health Services Managers	262,536
35-1012.00	First-Line Supervisors of Food Preparation and Serving Workers	249,518

Source: JobsEQ®
Data reflect online job postings that were active from 6/05/2022 to 9/05/2022
See JobsEQ online Help for important Technical Notes

Max Rows: 10

Job Ads for Staffing Firms -8.3% Since June 27

JOBSEQ

Search... | All Categories

2,371,080
Total

942
Occupations

172.4k
Locations

3.7k
Employers

1.3k
Certifications

2.8k
Hard Skills

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688.8k
Job Titles

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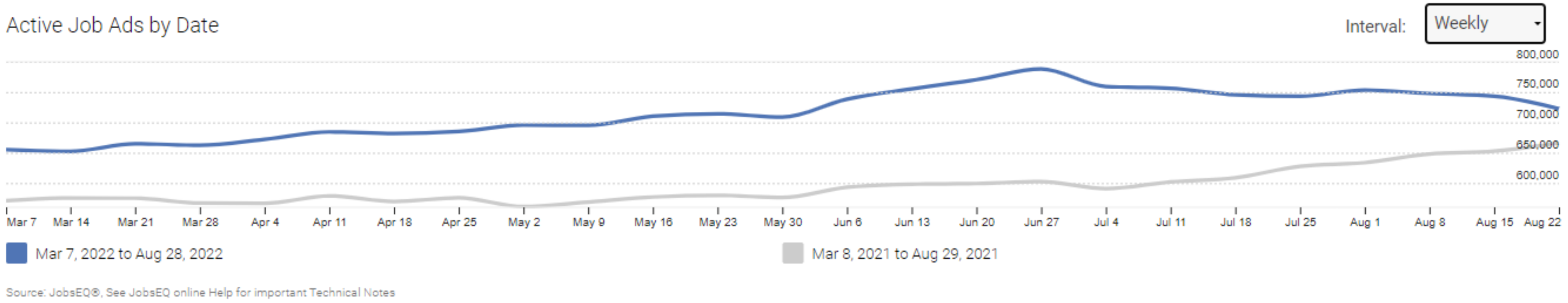

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SOC	Occupation	Active Job Ads
29-1141.00	Registered Nurses	235,998
15-1252.00	Software Developers	96,008
53-7065.00	Stockers and Order Fillers	68,798
11-3021.00	Computer and Information Systems Managers	63,394
53-7062.00	Laborers and Freight, Stock, and Material Movers, Hand	58,163
51-9199.00	Production Workers, All Other	53,982
15-1232.00	Computer User Support Specialists	52,588
13-2011.00	Accountants and Auditors	49,076
43-6014.00	Secretaries and Administrative Assistants, Except Legal, Medical, and Executive	46,115
29-1127.00	Speech-Language Pathologists	44,937

Source: JobsEQ®
Data reflect online job postings that were active from 3/05/2022 to 9/05/2022
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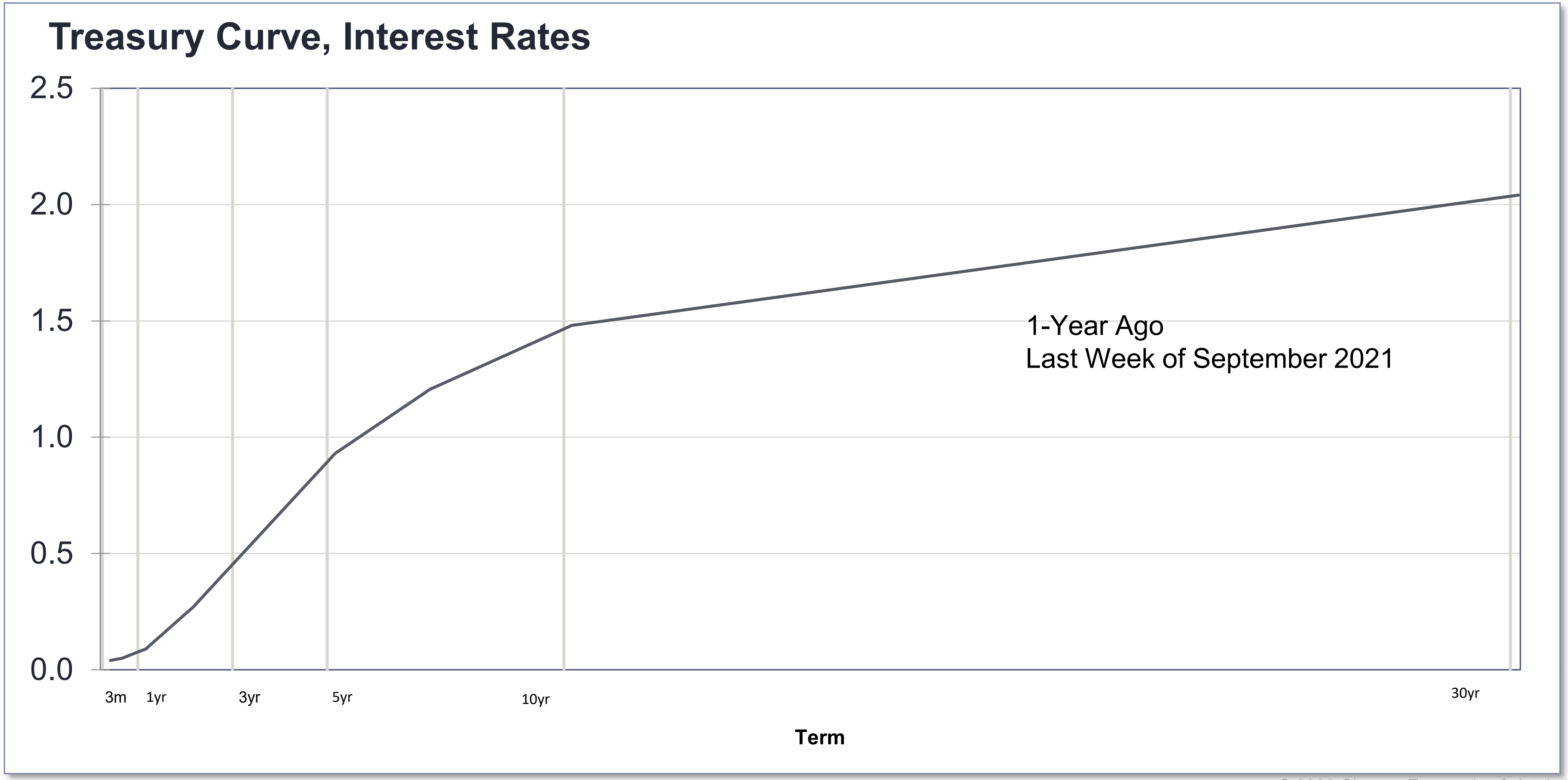
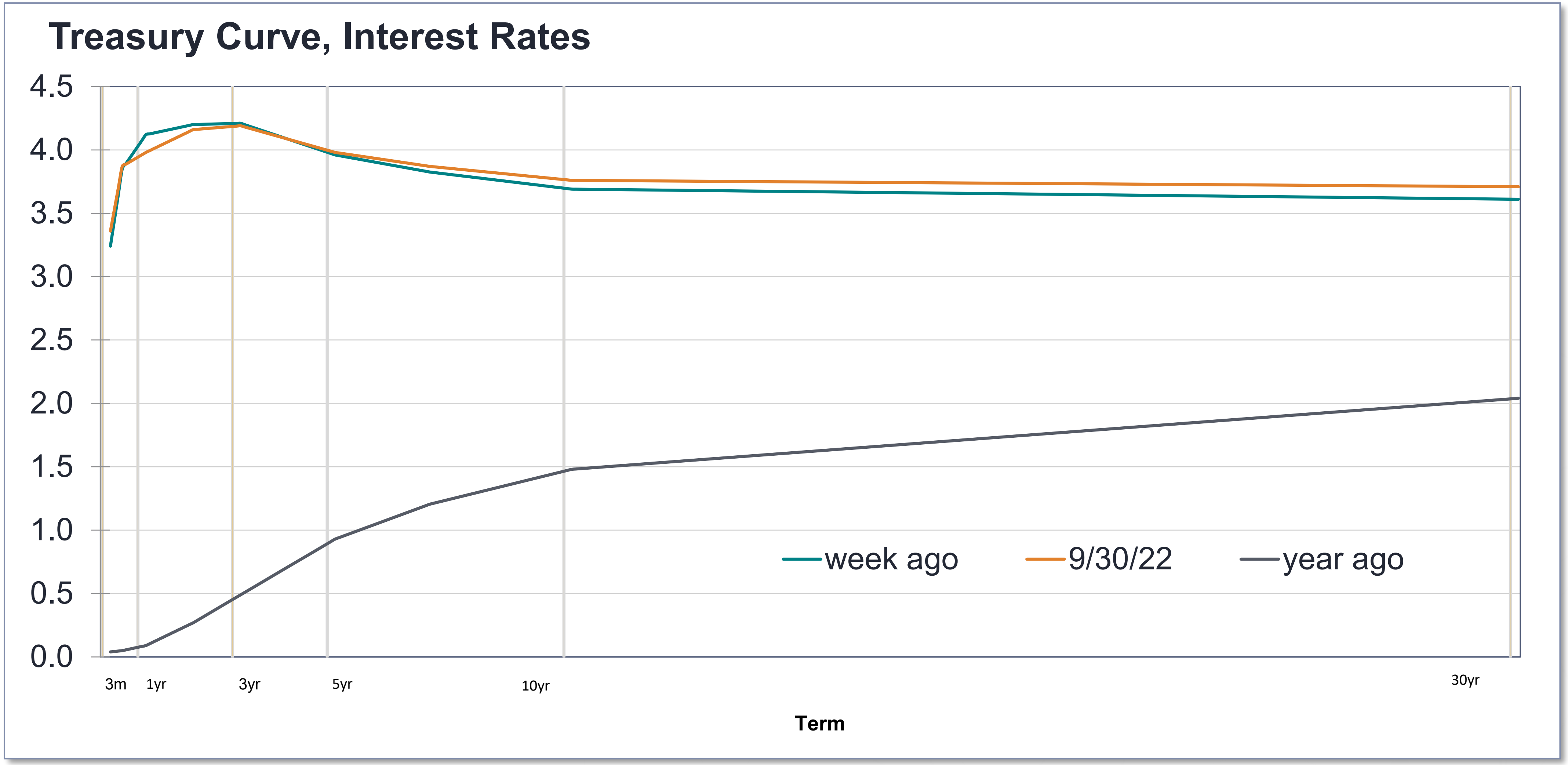
Max Rows: 10

Raising Federal Funds Rate Target Too Much Will Invert the Yield Curve



Source: U.S. Treasury.

An Inverted Yield Curve Typically Precedes a Recession (3-Month Bill vs. 10-Yr Note)



Source: U.S. Treasury.

Latest Thoughts From Fed Officials Point to Further Increases in Federal Funds Rate Target

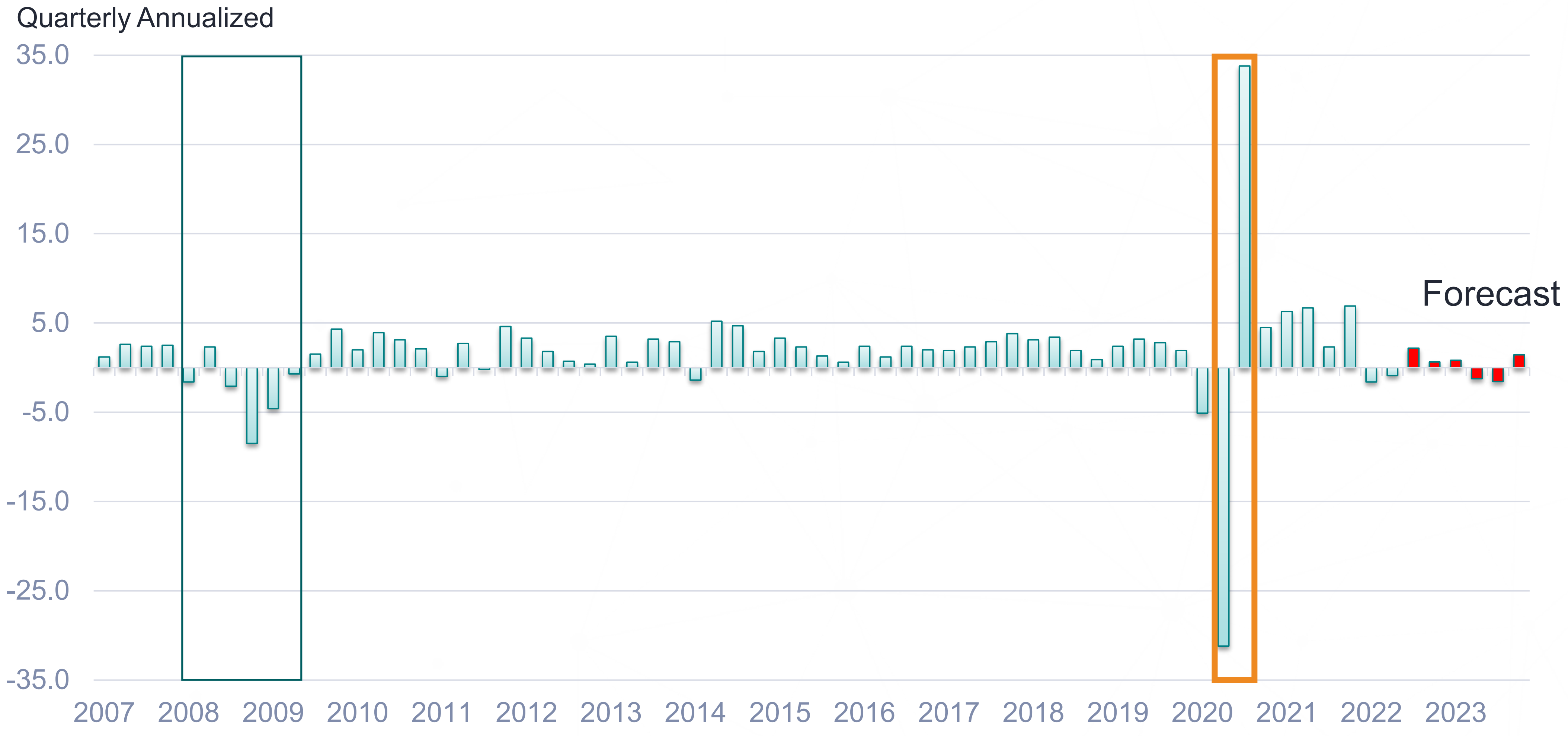
- Federal Reserve Bank of Cleveland President and CEO Loretta Mester, WSJ, September 10, 2022
  - "…elevated inflation was leading her to conclude the central bank would need to raise the central bank's benchmark federal-funds rate to around 4% somewhat sooner than she had anticipated."
- Fed Governor Christopher Waller, WSJ, September 10, 2022
  - "…the Fed would need to lift the rate well above 4% if inflation accelerates in the coming months, and officials might be able to stop raising it shy of 4% if inflation suddenly decelerates, he said."
- Chair Jerome H. Powell, Jackson Hole, Wyoming
  - "We are moving our policy stance purposefully to a level that will be sufficiently restrictive to return inflation to 2 percent."
  - "Our monetary policy deliberations and decisions build on what we have learned about inflation dynamics both from the high and volatile inflation of the 1970s and 1980s, and from the low and stable inflation of the past quarter-century."

Federal Reserve Chair Jerome Powell, August 19, 2022 (quote, emphasis mine)

- *Restoring price stability will take some time and **requires using our tools forcefully** to bring demand and supply into better balance. Reducing inflation is likely to **require a sustained period of below-trend growth**.*
- *Moreover, there will very likely be some **softening of labor market** conditions.*
- *While higher interest rates, slower growth, and softer labor market conditions will bring down inflation, they will also **bring some pain to households and businesses**.*
- *These are the unfortunate costs of reducing inflation. But a **failure to restore price stability would mean far greater pain***
- "To bring price increases down to 2%, we may need to tolerate unemployment of 6.5% for two years." Jason Furman, WSJ, 9-8-22


SOFT LANDING?

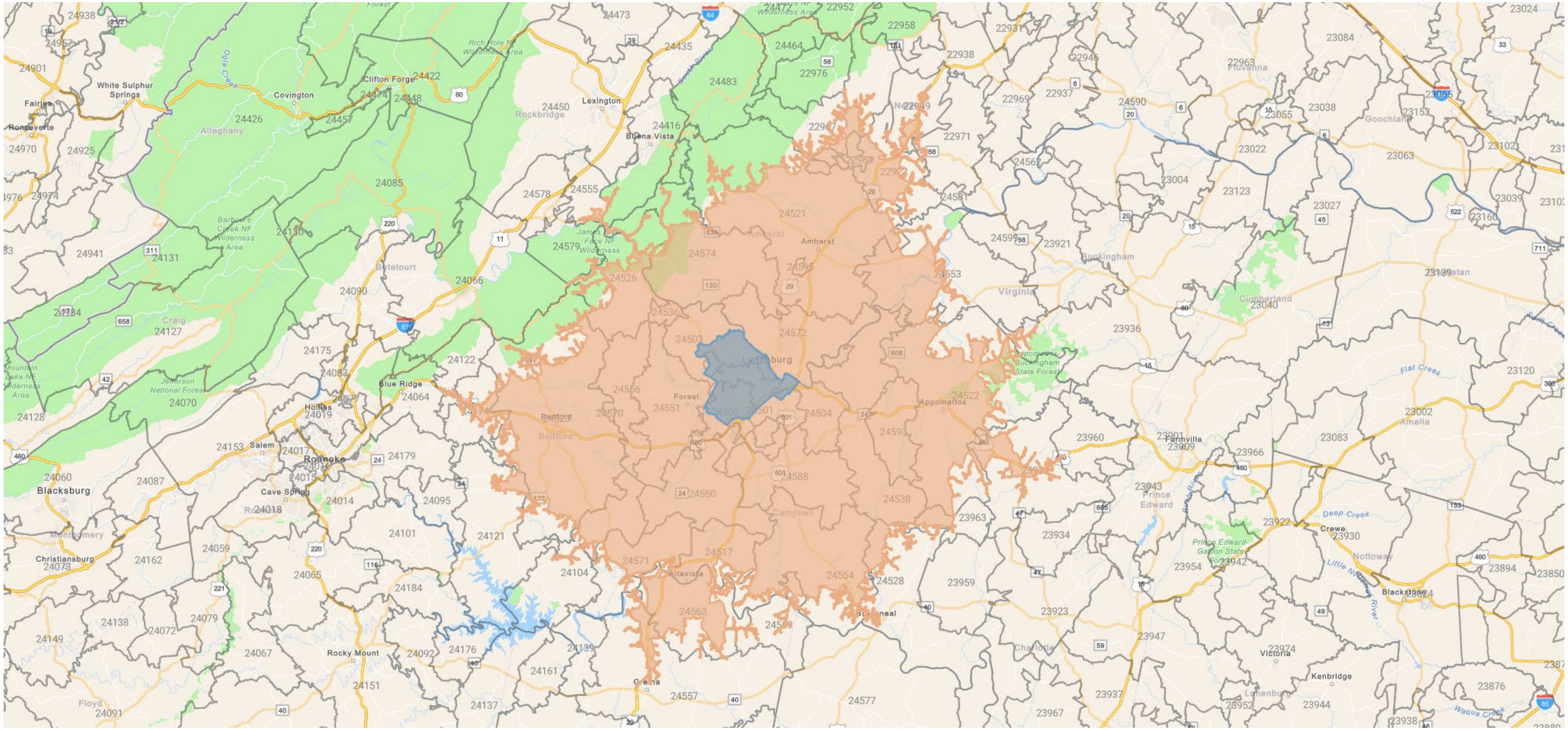
Real GDP Has Slowed—'Official' Recession in Our Forecast



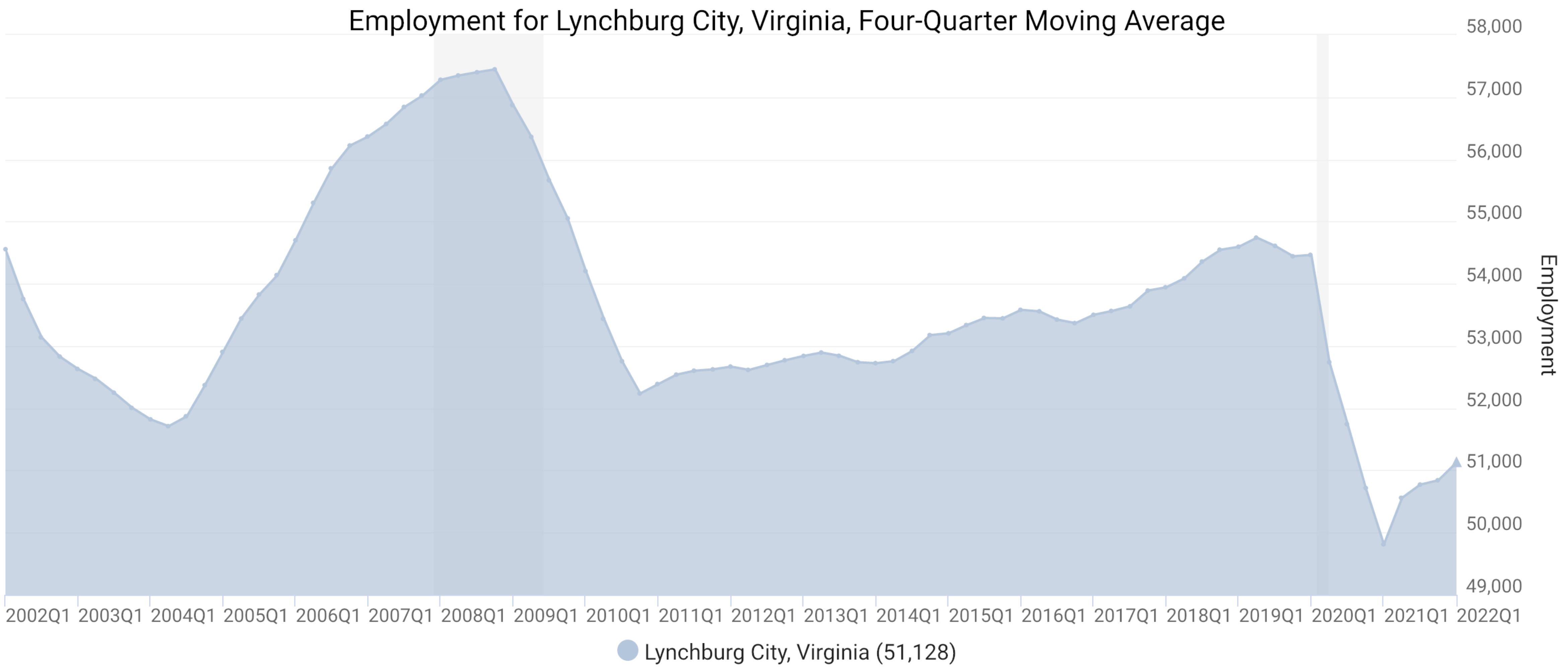
Source: BEA and Chmura

Population in City Based on Census

Lynchburg Labor Shed – 45 Minute Drive-Time Commute

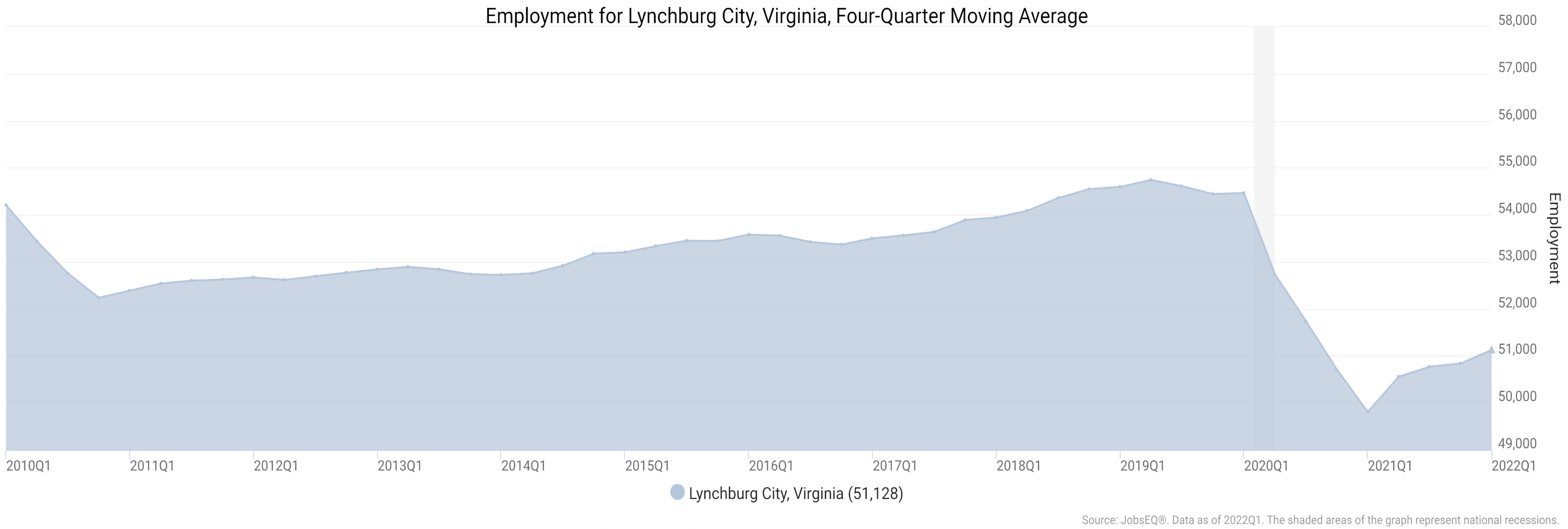


Lynchburg Employment is Fell 6,321 Jobs Since 2008Q4 Without Liberty University (w/o LU), 2022Q1



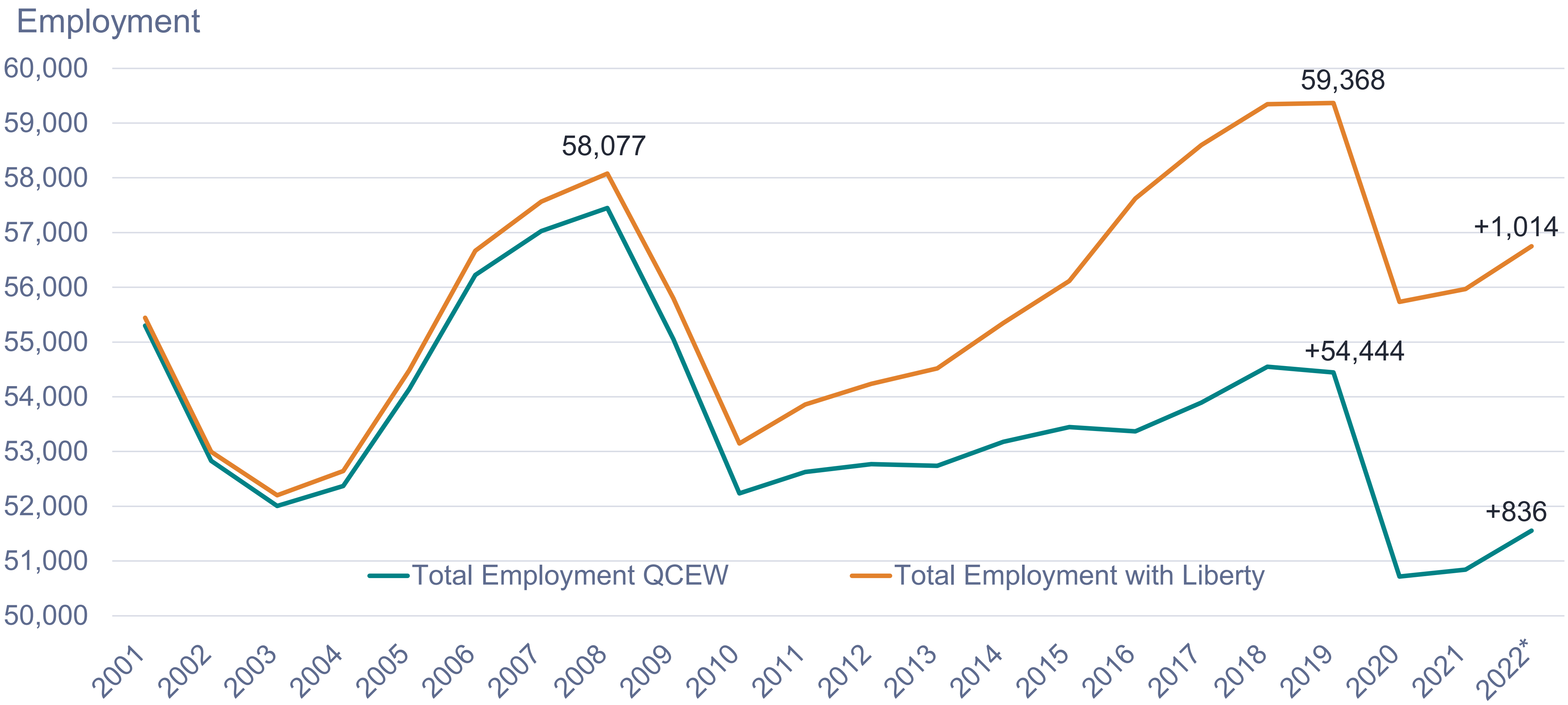
Source: JobsEQ®. Data as of 2022Q1. The shaded areas of the graph represent national recessions.

Lynchburg City Employment (w/o LU)



Strong Employment Growth with Liberty University Added

Employment Recovered from Great Recession to Be Hit By Covid Lockdown



*Note: 2022 data represent an average of the first two quarters of the year for Liberty and the first quarter of the year for all other employment
Source: Chmura's JobsEQ and Liberty University

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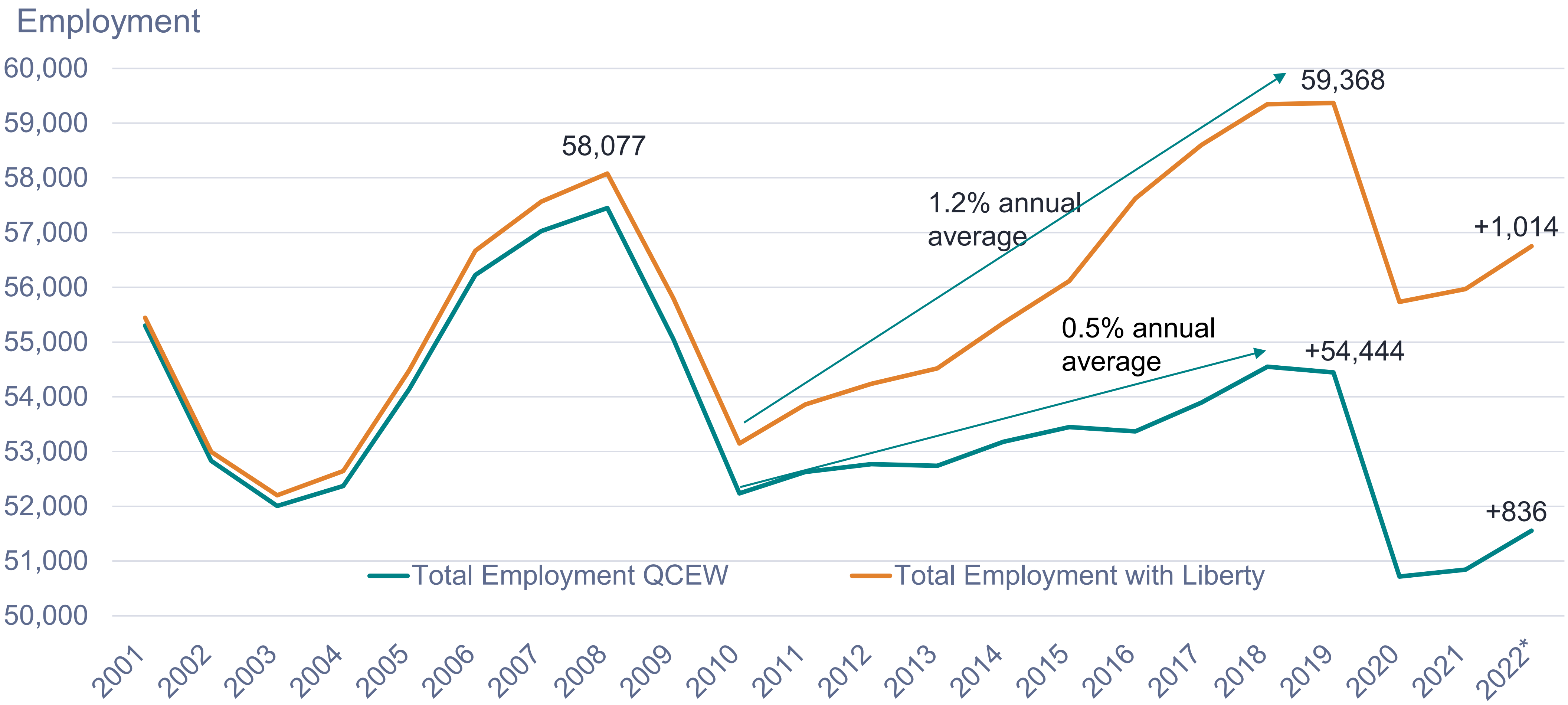
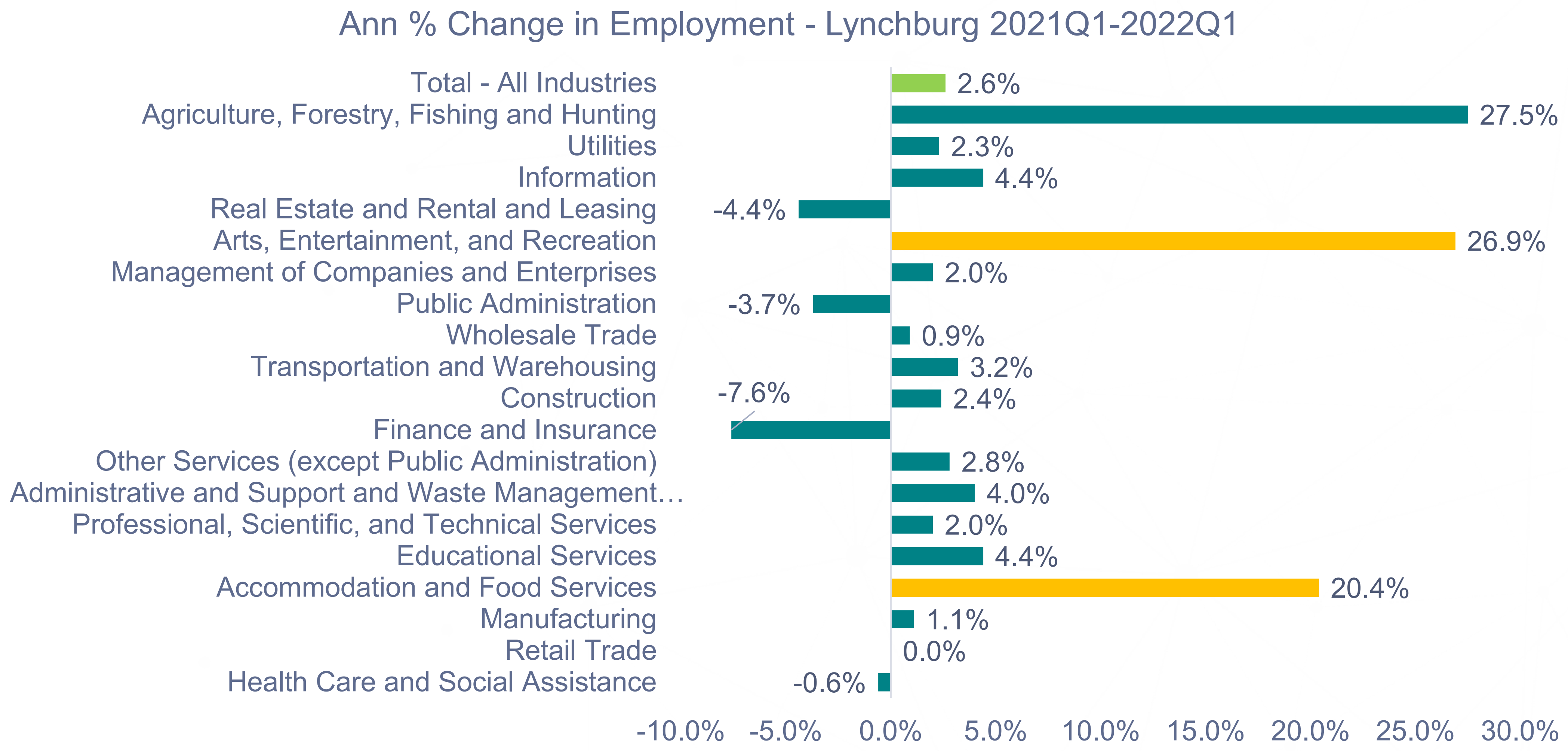


*Note: 2022 data represent an average of the first two quarters of the year for Liberty and the first quarter of the year for all other employment
Source: Chmura's JobsEQ and Liberty University

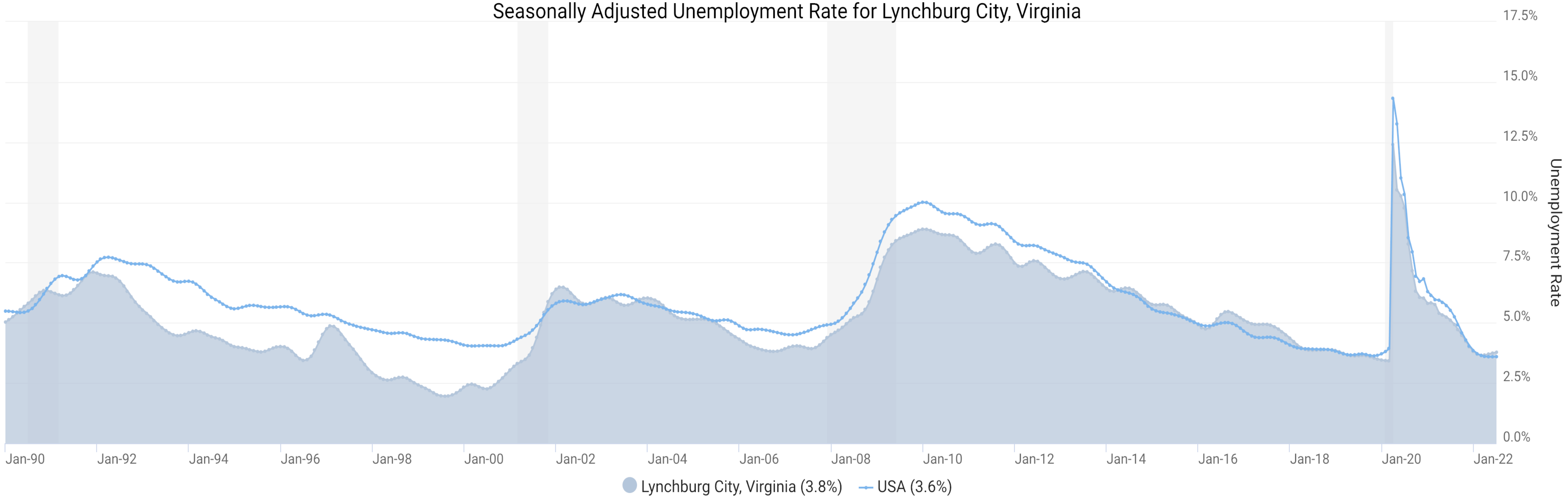
Covid Stimulus Funds Drove Spending and Supported Revenues Over Last 2 Years

- Many communities are grappling with how to spend increased revenue
- Investing in infrastructure enhances attractiveness of region for expansions
  - Expand air services
  - Inventory (land and buildings) for expanding firms
- Workforce remains a top priority for firms
  - Work from home trend opportunity to attract more talent
  - Continue to invest and promote walkable communities
  - Support connectivity of K-12 to local firms, especially career technical education

Employment Growing Slower Than National Average of 4.7% But "Tourism Experiences" Sectors Growing



July 2022 Unemployment Rate Has Fallen to 3.8% Compared to 3.6% in the U.S. (Household Survey LU Employees)



Source: JobsEQ®. Data as of Jul 2022. The shaded areas of the graph represent national recessions.

Lynchburg Employment Expected To Grow 1.6% Over Next Year Compared with 2.4% in U.S.

	Current, 2022Q1 (w/ LU)			2-Year History (w/ LU)		1-Year Forecast (w/o LU)				
Industry	Empl	Avg Ann Wages	LQ	Empl. Change	Ann %	Total Demand	Exits	Transfers	Empl. Growth	Ann % Growth
Agriculture, Forestry, Fishing and Hunting	83	$16,101	0.11	17	12.00%	10	4	6	0	0.10%
Utilities	106	$73,012	0.37	-4	-1.60%	8	3	7	-1	-1.20%
Construction	1,761	$64,547	0.53	43	1.30%	191	54	116	20	1.10%
Manufacturing	5,938	$61,017	1.3	-204	-1.70%	686	213	407	67	1.10%
Wholesale Trade	1,375	$74,113	0.65	-115	-3.90%	170	51	96	24	1.70%
Retail Trade	6,191	$30,166	1.06	-536	-4.10%	840	337	498	5	0.10%
Transportation and Warehousing	1,447	$57,234	0.51	22	0.80%	201	63	100	38	2.70%
Information	482	$48,997	0.42	-52	-5.00%	52	15	31	5	1.10%
Finance and Insurance	2,006	$82,488	0.87	-103	-2.50%	170	62	118	-10	-0.50%
Real Estate and Rental and Leasing	704	$42,918	0.71	-106	-6.80%	80	29	41	9	1.30%
Professional, Scientific, and Technical Services	3,122	$94,449	0.77	-21	-0.30%	329	95	180	53	1.70%
Management of Companies and Enterprises	960	$75,218	1.14	31	1.70%	104	30	57	17	1.70%
Administrative and Support and Waste Management and Remediation Services	2,294	$32,153	0.63	-431	-8.20%	333	104	167	62	2.70%
Educational Services	8,730	$39,536	1.96	-279	-2.00%	485	155	192	138	3.80%
Health Care and Social Assistance	11,338	$60,194	1.39	-788	-3.30%	1,089	487	592	10	0.10%
Arts, Entertainment, and Recreation	871	$17,185	0.86	85	5.30%	195	52	74	70	8.00%
Accommodation and Food Services	5,345	$19,706	1.15	-382	-3.40%	1,206	394	536	277	5.20%
Other Services (except Public Administration)	2,060	$30,156	0.85	-244	-5.40%	268	94	136	37	1.80%
Public Administration	1,340	$53,911	0.51	-88	-3.10%	110	48	77	-15	-1.10%
Unclassified	90	$40,167	1.25	-5	-2.50%	5	4	6	-4	-4.70%
Total - All Industries	56,243	$50,439	1	-3,160	-2.76%	6,464	2,223	3,424	817	1.60%

Source: Chmura's JobsEQ.

Some Industries Still Shy of Covid Peak Employment

Industries Most Impacted by Covid: Unable to WFH or Social Distance

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Unclassified	90	$40,167	1.25	-5	-2.50%	5	4	6	-4	-4.70%
Total - All Industries	56,243	$50,439	1	-3,160	-2.76%	6,464	2,223	3,424	817	1.60%

Source: Chmura's JobsEQ.

Competitive Advantage in 5 Industries Points to Diversity

	Current, 2022Q1 (w/ LU)			2-Year History (w/ LU)		1-Year Forecast (w/o LU)				
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Source: Chmura's JobsEQ.

Health Care Employs 22% of Workforce: Enjoys a High LQ and Competitive Advantage

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Health Care and Social Assistance	**11,338**	$60,194	**1.39**	-788	-3.30%	1,089	487	592	10	0.10%
Arts, Entertainment, and Recreation	871	$17,185	0.86	85	5.30%	195	52	74	70	8.00%
Accommodation and Food Services	5,345	$19,706	1.15	-382	-3.40%	1,206	394	536	277	5.20%
Other Services (except Public Administration)	2,060	$30,156	0.85	-244	-5.40%	268	94	136	37	1.80%
Public Administration	1,340	$53,911	0.51	-88	-3.10%	110	48	77	-15	-1.10%
Unclassified	90	$40,167	1.25	-5	-2.50%	5	4	6	-4	-4.70%
Total - All Industries	56,243	$50,439	1	-3,160	-2.76%	6,464	2,223	3,424	817	1.60%

Source: Chmura's JobsEQ.

Employment in Most Industries is Expected to Grow

	Current, 2022Q1 (w/ LU)			2-Year History (w/ LU)		1-Year Forecast* (w/o LU)				
Industry	Empl	Avg Ann Wages	LQ	Empl Change	Ann %	Total Demand	Exits	Transfers	Empl Growth	Ann % Growth
Agriculture, Forestry, Fishing and Hunting	83	$16,101	0.11	17	12.00%	10	4	6	0	0.10%
Utilities	106	$73,012	0.37	-4	-1.60%	8	3	7	-1	-1.20%
Construction	1,761	$64,547	0.53	43	1.30%	191	54	116	20	1.10%
Manufacturing	5,938	$61,017	1.3	-204	-1.70%	686	213	407	67	1.10%
Wholesale Trade	1,375	$74,113	0.65	-115	-3.90%	170	51	96	24	1.70%
Retail Trade	6,191	$30,166	1.06	-536	-4.10%	840	337	498	5	0.10%
Transportation and Warehousing	1,447	$57,234	0.51	22	0.80%	201	63	100	38	2.70%
Information	482	$48,997	0.42	-52	-5.00%	52	15	31	5	1.10%
Finance and Insurance	2,006	$82,488	0.87	-103	-2.50%	170	62	118	-10	-0.50%
Real Estate and Rental and Leasing	704	$42,918	0.71	-106	-6.80%	80	29	41	9	1.30%
Professional, Scientific, and Technical Services	3,122	$94,449	0.77	-21	-0.30%	329	95	180	53	1.70%
Management of Companies and Enterprises	960	$75,218	1.14	31	1.70%	104	30	57	17	1.70%
Administrative and Support and Waste Management and Remediation Services	2,294	$32,153	0.63	-431	-8.20%	333	104	167	62	2.70%
Educational Services	8,730	$39,536	1.96	-279	-2.00%	485	155	192	138	3.80%
Health Care and Social Assistance	11,338	$60,194	1.39	-788	-3.30%	1,089	487	592	10	0.10%
Arts, Entertainment, and Recreation	871	$17,185	0.86	85	5.30%	195	52	74	70	8.00%
Accommodation and Food Services	5,345	$19,706	1.15	-382	-3.40%	1,206	394	536	277	5.20%
Other Services (except Public Administration)	2,060	$30,156	0.85	-244	-5.40%	268	94	136	37	1.80%
Public Administration	1,340	$53,911	0.51	-88	-3.10%	110	48	77	-15	-1.10%
Unclassified	90	$40,167	1.25	-5	-2.50%	5	4	6	-4	-4.70%
Total - All Industries	56,243	$50,439	1	-3,160	-2.76%	6,464	2,223	3,424	817	1.60%

Source: Chmura's JobsEQ. *Represents average annual growth over next ten years.

Even the Manufacturing Sector is Expected to Add Jobs

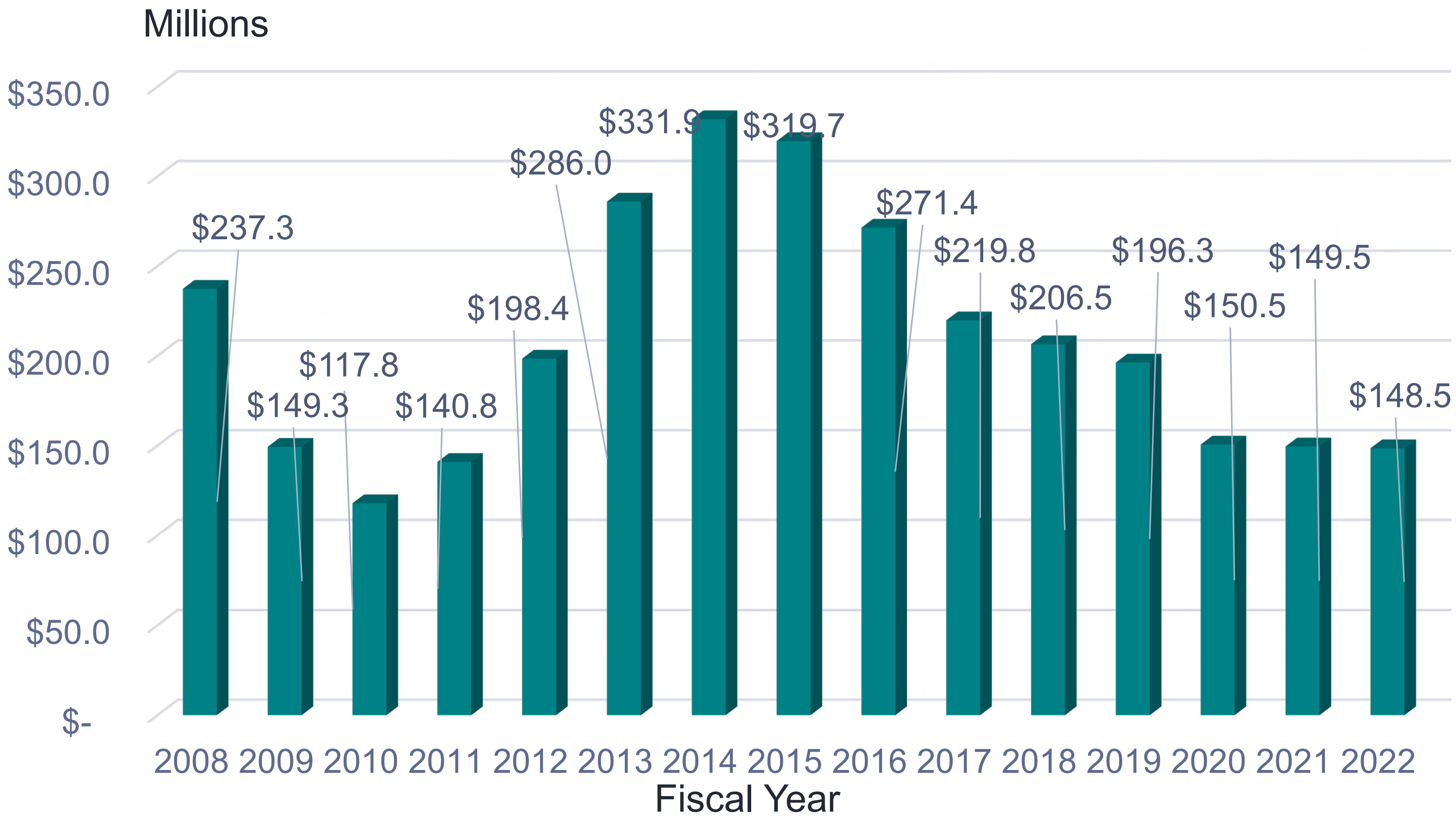
	Current, 2022Q1 (w/ LU)			2-Year History (w/ LU)		1-Year Forecast (w/o LU)				
Industry	**Empl**	**Avg Ann Wages**	**LQ**	**Empl Change**	**Ann %**	**Total Demand**	**Exits**	**Transfers**	**Empl Growth**	**Ann % Growth**
Agriculture, Forestry, Fishing and Hunting	83	$16,101	0.11	17	12.00%	10	4	6	0	0.10%
Utilities	106	$73,012	0.37	-4	-1.60%	8	3	7	-1	-1.20%
Construction	1,761	$64,547	0.53	43	1.30%	191	54	116	20	1.10%
Manufacturing	**5,938**	**$61,017**	**1.3**	**-204**	**-1.70%**	**686**	**213**	**407**	**67**	**1.10%**
Wholesale Trade	1,375	$74,113	0.65	-115	-3.90%	170	51	96	24	1.70%
Retail Trade	6,191	$30,166	1.06	-536	-4.10%	840	337	498	5	0.10%
Transportation and Warehousing	1,447	$57,234	0.51	22	0.80%	201	63	100	38	2.70%
Information	482	$48,997	0.42	-52	-5.00%	52	15	31	5	1.10%
Finance and Insurance	2,006	$82,488	0.87	-103	-2.50%	170	62	118	-10	-0.50%
Real Estate and Rental and Leasing	704	$42,918	0.71	-106	-6.80%	80	29	41	9	1.30%
Professional, Scientific, and Technical Services	3,122	$94,449	0.77	-21	-0.30%	329	95	180	53	1.70%
Management of Companies and Enterprises	960	$75,218	1.14	31	1.70%	104	30	57	17	1.70%
Administrative and Support and Waste Management and Remediation Services	2,294	$32,153	0.63	-431	-8.20%	333	104	167	62	2.70%
Educational Services	8,730	$39,536	1.96	-279	-2.00%	485	155	192	138	3.80%
Health Care and Social Assistance	11,338	$60,194	1.39	-788	-3.30%	1,089	487	592	10	0.10%
Arts, Entertainment, and Recreation	871	$17,185	0.86	85	5.30%	195	52	74	70	8.00%
Accommodation and Food Services	5,345	$19,706	1.15	-382	-3.40%	1,206	394	536	277	5.20%
Other Services (except Public Administration)	2,060	$30,156	0.85	-244	-5.40%	268	94	136	37	1.80%
Public Administration	1,340	$53,911	0.51	-88	-3.10%	110	48	77	-15	-1.10%
Unclassified	90	$40,167	1.25	-5	-2.50%	5	4	6	-4	-4.70%
Total - All Industries	56,243	$50,439	1	-3,160	-2.76%	6,464	2,223	3,424	817	1.60%

Source: Chmura's JobsEQ.

Most Manufacturing Industries in Lynchburg Expected to Grow

	Current, **2022Q1**			1-Year Forecast				
Manufacturing	**Empl**	**Avg Ann Wages**	**LQ**	**Total Demand**	**Exits**	**Transfers**	**Empl Growth**	**Ann % Growth**
Apparel Manufacturing	2	$64,925	0.04	0	0	0	0	3.5%
Beverage and Tobacco Product Manufacturing	17	$38,107	0.17	3	1	1	0	2.8%
Food Manufacturing	730	$53,686	1.34	104	32	55	18	2.4%
Wood Product Manufacturing	2	$122,539	0.01	0	0	0	0	2.3%
Electrical Equipment, Appliance, and Component Manufacturing	353	$70,179	2.73	42	12	23	6	1.8%
Primary Metal Manufacturing	258	$56,486	2.24	30	9	18	4	1.5%
Miscellaneous Manufacturing	184	$56,396	0.85	22	7	12	2	1.3%
Nonmetallic Mineral Product Manufacturing	101	$77,805	0.75	12	4	7	1	1.3%
Fabricated Metal Product Manufacturing	670	$63,647	1.44	75	23	47	6	0.9%
Plastics and Rubber Products Manufacturing	604	$52,407	2.54	69	22	42	5	0.9%
Chemical Manufacturing	1,103	$47,875	3.82	117	33	74	9	0.8%
Machinery Manufacturing	1,077	$76,627	3.07	116	35	72	9	0.8%
Furniture and Related Product Manufacturing	290	$37,891	2.27	32	11	19	2	0.8%
Paper Manufacturing	270	$63,380	2.35	31	10	19	2	0.8%
Transportation Equipment Manufacturing	81	$74,252	0.15	9	3	5	1	0.8%
Printing and Related Support Activities	50	$61,944	0.39	6	2	3	0	0.3%
Computer and Electronic Product Manufacturing	143	$51,464	0.41	12	4	8	-1	-0.5%
Textile Product Mills	2	$40,267	0.06	0	0	0	0	-1.8%
Manufacturing	5,938	$61,017	1.43	686	213	407	67	1.1%
Total - All Industries (w/o LU)	51,128	$50,439	1.00	6,464	2,223	3,424	817	1.6%

Part of Manufacturing Growth Supported By DoD Spending



Source: Department of Defense and Chmura's FedSpendTOP

Part of Manufacturing Growth Supported By DoD Spending

	Spending, FY 2022
Babcock Wilcox Company	$116,432,233
Kmw Krauss-Maffei Wegmann	$18,798,154
Harris Corp	$8,302,284
Flowserve	$3,387,635
Liberty University, Inc.	$530,977
Wiley Wilson	$277,893
Advanced Manufacturing Technology, Inc.	$243,399
Flowers Foods	$237,810
N C S	$154,216
Lynchburg Sheltered Industries, Inc.	$33,754

Source: Department of Defense and Chmura's FedSpendTOP

People Transferring Out of Industries Creates Many Job Openings

	Current, 2022Q1 (w/ LU)			2-Year History (w/ LU)		1-Year Forecast (w/o LU)				
Industry	Empl	Avg Ann Wages	LQ	Empl Change	Ann %	Total Demand	Exits	Transfers	Empl Growth	Ann % Growth
Agriculture, Forestry, Fishing and Hunting	83	$16,101	0.11	17	12.00%	10	4	**6**	0	0.10%
Utilities	106	$73,012	0.37	-4	-1.60%	8	3	**7**	-1	-1.20%
Construction	1,761	$64,547	0.53	43	1.30%	191	54	**116**	20	1.10%
Manufacturing	5,938	$61,017	1.3	-204	-1.70%	686	213	**407**	67	1.10%
Wholesale Trade	1,375	$74,113	0.65	-115	-3.90%	170	51	**96**	24	1.70%
Retail Trade	6,191	$30,166	1.06	-536	-4.10%	840	337	**498**	5	0.10%
Transportation and Warehousing	1,447	$57,234	0.51	22	0.80%	201	63	**100**	38	2.70%
Information	482	$48,997	0.42	-52	-5.00%	52	15	**31**	5	1.10%
Finance and Insurance	2,006	$82,488	0.87	-103	-2.50%	170	62	**118**	-10	-0.50%
Real Estate and Rental and Leasing	704	$42,918	0.71	-106	-6.80%	80	29	**41**	9	1.30%
Professional, Scientific, and Technical Services	3,122	$94,449	0.77	-21	-0.30%	329	95	**180**	53	1.70%
Management of Companies and Enterprises	960	$75,218	1.14	31	1.70%	104	30	**57**	17	1.70%
Administrative and Support and Waste Management and Remediation Services	2,294	$32,153	0.63	-431	-8.20%	333	104	**167**	62	2.70%
Educational Services	8,730	$39,536	1.96	-279	-2.00%	485	155	**192**	138	3.80%
Health Care and Social Assistance	11,338	$60,194	1.39	-788	-3.30%	1,089	487	**592**	10	0.10%
Arts, Entertainment, and Recreation	871	$17,185	0.86	85	5.30%	195	52	**74**	70	8.00%
Accommodation and Food Services	5,345	$19,706	1.15	-382	-3.40%	1,206	394	**536**	277	5.20%
Other Services (except Public Administration)	2,060	$30,156	0.85	-244	-5.40%	268	94	**136**	37	1.80%
Public Administration	1,340	$53,911	0.51	-88	-3.10%	110	48	**77**	-15	-1.10%
Unclassified	90	$40,167	1.25	-5	-2.50%	5	4	**6**	-4	-4.70%
Total - All Industries	56,243	$50,439	1	-3,160	-2.76%	6,464	2,223	**3,424**	817	1.60%

Source: Chmura's JobsEQ.

People Exiting the Industry (Mainly Retiring) Create Many Openings Each Year

	Current, 2022Q1 (w/ LU)			2-Year History (w/ LU)		1-Year Forecast (w/o LU)				
Industry	Empl	Avg Ann Wages	LQ	Empl Change	Ann %	Total Demand	Exits	Transfers	Empl Growth	Ann % Growth
Agriculture, Forestry, Fishing and Hunting	83	$16,101	0.11	17	12.00%	10	**4**	6	0	0.10%
Utilities	106	$73,012	0.37	-4	-1.60%	8	**3**	7	-1	-1.20%
Construction	1,761	$64,547	0.53	43	1.30%	191	**54**	116	20	1.10%
Manufacturing	5,938	$61,017	1.3	-204	-1.70%	686	**213**	407	67	1.10%
Wholesale Trade	1,375	$74,113	0.65	-115	-3.90%	170	**51**	96	24	1.70%
Retail Trade	6,191	$30,166	1.06	-536	-4.10%	840	**337**	498	5	0.10%
Transportation and Warehousing	1,447	$57,234	0.51	22	0.80%	201	**63**	100	38	2.70%
Information	482	$48,997	0.42	-52	-5.00%	52	**15**	31	5	1.10%
Finance and Insurance	2,006	$82,488	0.87	-103	-2.50%	170	**62**	118	-10	-0.50%
Real Estate and Rental and Leasing	704	$42,918	0.71	-106	-6.80%	80	**29**	41	9	1.30%
Professional, Scientific, and Technical Services	3,122	$94,449	0.77	-21	-0.30%	329	**95**	180	53	1.70%
Management of Companies and Enterprises	960	$75,218	1.14	31	1.70%	104	**30**	57	17	1.70%
Administrative and Support and Waste Management and Remediation Services	2,294	$32,153	0.63	-431	-8.20%	333	**104**	167	62	2.70%
Educational Services	8,730	$39,536	1.96	-279	-2.00%	485	**155**	192	138	3.80%
Health Care and Social Assistance	11,338	$60,194	1.39	-788	-3.30%	1,089	**487**	592	10	0.10%
Arts, Entertainment, and Recreation	871	$17,185	0.86	85	5.30%	195	**52**	74	70	8.00%
Accommodation and Food Services	5,345	$19,706	1.15	-382	-3.40%	1,206	**394**	536	277	5.20%
Other Services (except Public Administration)	2,060	$30,156	0.85	-244	-5.40%	268	**94**	136	37	1.80%
Public Administration	1,340	$53,911	0.51	-88	-3.10%	110	**48**	77	-15	-1.10%
Unclassified	90	$40,167	1.25	-5	-2.50%	5	**4**	6	-4	-4.70%
Total - All Industries	56,243	$50,439	1	-3,160	-2.76%	6,464	**2,223**	3,424	817	1.60%

Source: Chmura’s JobsEQ.

Lynchburg Expected to Need an Average 6,464 Workers over the Next Year

	Current, 2022Q1 (w/ LU)			2-Year History (w/ LU)		1-Year Forecast (w/o LU)				
Industry	Empl	Avg Ann Wages	LQ	Empl Change	Ann %	Total Demand	Exits	Transfers	Empl Growth	Ann % Growth
Agriculture, Forestry, Fishing and Hunting	83	$16,101	0.11	17	12.00%	10	4	6	0	0.10%
Utilities	106	$73,012	0.37	-4	-1.60%	8	3	7	-1	-1.20%
Construction	1,761	$64,547	0.53	43	1.30%	191	54	116	20	1.10%
Manufacturing	5,938	$61,017	1.3	-204	-1.70%	686	213	407	67	1.10%
Wholesale Trade	1,375	$74,113	0.65	-115	-3.90%	170	51	96	24	1.70%
Retail Trade	6,191	$30,166	1.06	-536	-4.10%	840	337	498	5	0.10%
Transportation and Warehousing	1,447	$57,234	0.51	22	0.80%	201	63	100	38	2.70%
Information	482	$48,997	0.42	-52	-5.00%	52	15	31	5	1.10%
Finance and Insurance	2,006	$82,488	0.87	-103	-2.50%	170	62	118	-10	-0.50%
Real Estate and Rental and Leasing	704	$42,918	0.71	-106	-6.80%	80	29	41	9	1.30%
Professional, Scientific, and Technical Services	3,122	$94,449	0.77	-21	-0.30%	329	95	180	53	1.70%
Management of Companies and Enterprises	960	$75,218	1.14	31	1.70%	104	30	57	17	1.70%
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Arts, Entertainment, and Recreation	871	$17,185	0.86	85	5.30%	195	52	74	70	8.00%
Accommodation and Food Services	5,345	$19,706	1.15	-382	-3.40%	1,206	394	536	277	5.20%
Other Services (except Public Administration)	2,060	$30,156	0.85	-244	-5.40%	268	94	136	37	1.80%
Public Administration	1,340	$53,911	0.51	-88	-3.10%	110	48	77	-15	-1.10%
Unclassified	90	$40,167	1.25	-5	-2.50%	5	4	6	-4	-4.70%
Total - All Industries	**56,243**	**$50,439**	**1**	**-3,160**	**-2.76%**	**6,464**	**2,223**	**3,424**	**817**	**1.60%**

Source: Chmura's JobsEQ.

4 of Top 20 Occupations Pay Better than Region Average (w/o LU)

		Current, 2022Q1		5-Year History		1-Year Forecast				
	Occupation	Empl	Mean Ann Wages[2]	Empl Change	Ann %	Total Demand	Exits	Trans-fers	Empl Growth	Ann % Growth
1	Registered Nurses	1,723	$71,200	96	1.1%	82	46	43	-7	-0.4%
2	Fast Food and Counter Workers	1,605	$22,700	-44	-0.5%	421	166	182	73	4.5%
3	Retail Salespersons	1,472	$29,400	-327	-3.9%	208	81	120	8	0.5%
4	Cashiers	1,125	$23,800	-124	-2.1%	203	92	104	7	0.6%
5	Customer Service Representatives	1,040	$32,500	68	1.4%	133	48	81	4	0.4%
6	General and Operations Managers	986	$102,700	88	1.9%	102	20	63	19	1.9%
7	Stockers and Order Fillers	886	$29,500	-64	-1.4%	150	50	87	13	1.4%
8	Office Clerks, General	874	$34,000	-139	-2.9%	103	47	51	5	0.5%
9	Waiters and Waitresses	789	$27,100	-197	-4.4%	195	61	100	34	4.3%
10	Janitors and Cleaners, Except Maids and Housekeeping Cleaners	769	$27,200	-57	-1.4%	118	49	55	15	2.0%
11	Nursing Assistants	767	$29,900	-155	-3.6%	85	49	44	-7	-0.9%
12	Personal Care Aides	741	$24,100	132	4.0%	111	58	51	2	0.3%
13	Laborers and Freight, Stock, and Material Movers, Hand	608	$32,400	-142	-4.1%	97	27	54	16	2.6%
14	Heavy and Tractor-Trailer Truck Drivers	598	$46,300	133	5.2%	80	25	41	14	2.3%
15	First-Line Supervisors of Office and Administrative Support Workers	534	$54,400	-49	-1.7%	54	19	32	2	0.4%
16	First-Line Supervisors of Food Preparation and Serving Workers	510	$33,600	22	0.9%	105	25	56	24	4.7%
17	Bookkeeping, Accounting, and Auditing Clerks	506	$40,000	-104	-3.7%	56	29	25	2	0.4%
18	Cooks, Restaurant	504	$26,100	-7	-0.3%	115	34	49	32	6.4%
19	Accountants and Auditors	498	$71,700	-37	-1.4%	49	14	30	5	1.1%
20	First-Line Supervisors of Retail Sales Workers	487	$45,800	-62	-2.4%	51	17	33	2	0.4%

Office/HQ Presence Clear in Top 20 Occupations (w/o LU)

		Current, 2022Q1		5-Year History		1-Year Forecast				
	Occupation	**Empl**	**Mean Ann Wages[2]**	**Empl Change**	**Ann %**	**Total Demand**	**Exits**	**Trans-fers**	**Empl Growth**	**Ann % Growth**
1	Registered Nurses	1,723	$71,200	96	1.1%	82	46	43	-7	-0.4%
2	Fast Food and Counter Workers	1,605	$22,700	-44	-0.5%	421	166	182	73	4.5%
3	Retail Salespersons	1,472	$29,400	-327	-3.9%	208	81	120	8	0.5%
4	Cashiers	1,125	$23,800	-124	-2.1%	203	92	104	7	0.6%
5	**Customer Service Representatives**	1,040	$32,500	68	1.4%	133	48	81	4	0.4%
6	**General and Operations Managers**	986	$102,700	88	1.9%	102	20	63	19	1.9%
7	Stockers and Order Fillers	886	$29,500	-64	-1.4%	150	50	87	13	1.4%
8	**Office Clerks, General**	874	$34,000	-139	-2.9%	103	47	51	5	0.5%
9	Waiters and Waitresses	789	$27,100	-197	-4.4%	195	61	100	34	4.3%
10	**Janitors and Cleaners, Except Maids and Housekeeping Cleaners**	769	$27,200	-57	-1.4%	118	49	55	15	2.0%
11	Nursing Assistants	767	$29,900	-155	-3.6%	85	49	44	-7	-0.9%
12	Personal Care Aides	741	$24,100	132	4.0%	111	58	51	2	0.3%
13	Laborers and Freight, Stock, and Material Movers, Hand	608	$32,400	-142	-4.1%	97	27	54	16	2.6%
14	Heavy and Tractor-Trailer Truck Drivers	598	$46,300	133	5.2%	80	25	41	14	2.3%
15	**First-Line Supervisors of Office and Administrative Support Workers**	534	$54,400	-49	-1.7%	54	19	32	2	0.4%
16	First-Line Supervisors of Food Preparation and Serving Workers	510	$33,600	22	0.9%	105	25	56	24	4.7%
17	**Bookkeeping, Accounting, and Auditing Clerks**	506	$40,000	-104	-3.7%	56	29	25	2	0.4%
18	Cooks, Restaurant	504	$26,100	-7	-0.3%	115	34	49	32	6.4%
19	**Accountants and Auditors**	498	$71,700	-37	-1.4%	49	14	30	5	1.1%
20	First-Line Supervisors of Retail Sales Workers	487	$45,800	-62	-2.4%	51	17	33	2	0.4%

Office/HQ Presence for Top 20 Occupations – 45 Minute Drive Time

		Current, 2022Q1		5-Year History		1-Year Forecast				
	Occupation	Empl	Mean Ann Wages[2]	Empl Change	Ann %	Total Demand	Exits	Trans-fers	Empl Growth	Ann % Growth
1	Fast Food and Counter Workers	3,339	$22,000	-164	-1.0%	867	346	378	144	4.3%
2	Retail Salespersons	3,189	$28,400	-201	-1.2%	454	175	260	19	0.6%
3	Cashiers	3,049	$22,900	-217	-1.4%	551	250	282	20	0.7%
4	Registered Nurses	2,333	$70,000	-29	-0.2%	116	63	58	-6	-0.2%
5	**General and Operations Managers**	2,317	$99,200	274	2.5%	238	47	147	44	1.9%
6	Personal Care Aides	2,194	$23,000	216	2.1%	344	174	153	17	0.8%
7	**Office Clerks, General**	2,155	$32,800	-156	-1.4%	253	116	125	12	0.5%
8	Stockers and Order Fillers	2,148	$28,400	76	0.7%	373	123	211	39	1.8%
9	**Customer Service Representatives**	1,904	$31,700	132	1.4%	243	88	147	8	0.4%
10	Heavy and Tractor-Trailer Truck Drivers	1,896	$44,600	107	1.2%	250	79	130	41	2.2%
11	**Janitors and Cleaners, Except Maids and Housekeeping Cleaners**	1,762	$26,200	-208	-2.2%	269	111	125	33	1.9%
12	Laborers and Freight, Stock, and Material Movers, Hand	1,545	$31,300	-115	-1.4%	248	70	137	41	2.7%
13	Waiters and Waitresses	1,475	$26,300	-223	-2.8%	366	115	187	64	4.3%
14	Farmers, Ranchers, and Other Agricultural Managers	1,457	$48,900	-340	-4.1%	147	89	50	7	0.5%
15	First-Line Supervisors of Retail Sales Workers	1,370	$43,700	-33	-0.5%	144	46	91	6	0.4%
16	Elementary School Teachers, Except Special Education	1,330	$50,700	-86	-1.2%	130	42	54	34	2.5%
17	Team Assemblers	1,289	$37,100	6	0.1%	146	51	94	2	0.2%
18	Nursing Assistants	1,270	$29,100	-278	-3.9%	143	81	72	-11	-0.9%
19	**Bookkeeping, Accounting, and Auditing Clerks**	1,217	$38,600	-179	-2.7%	136	70	61	5	0.4%
20	Construction Laborers	1,169	$31,800	99	1.8%	140	36	81	23	2.0%

Job Posts in Lynchburg are Down 13% from Week of June 27

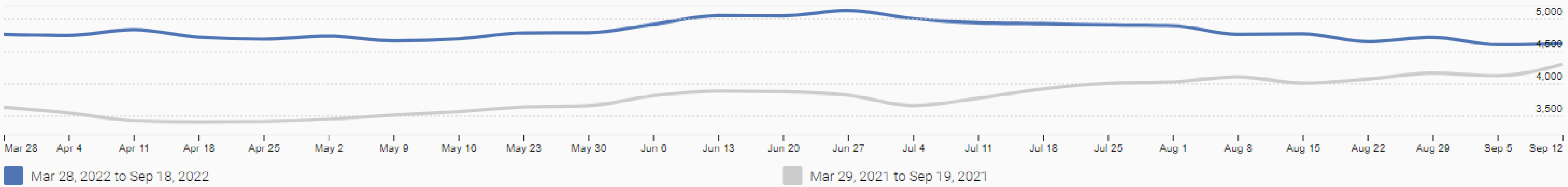
JOBSEQ

Search... All Categories

14,210	Total
575	Occupations
320	Locations
2.5k	Employers
244	Certifications
1.2k	Hard Skills
102	Soft Skills
8.6k	Job Titles
6	Education Levels
276	Programs
9	Job Types

Active Job Ads by Date

Interval: Weekly



Source: JobsEQ®, See JobsEQ online Help for important Technical Notes

Occupations

Display Level: O*NET Occupation: 8-digit SOC

SOC	Occupation	Active Job Ads
29-1141.00	Registered Nurses	561
53-3032.00	Heavy and Tractor-Trailer Truck Drivers	483
41-2031.00	Retail Salespersons	444
41-1011.00	First-Line Supervisors of Retail Sales Workers	440
53-7065.00	Stockers and Order Fillers	422
35-3023.00	Fast Food and Counter Workers	324
21-1093.00	Social and Human Service Assistants	255
35-1012.00	First-Line Supervisors of Food Preparation and Serving Workers	237
49-9071.00	Maintenance and Repair Workers, General	236
43-6014.00	Secretaries and Administrative Assistants, Except Legal, Medical, and Executive	205

Source: JobsEQ®
Data reflect online job postings that were active from 3/27/2022 to 9/27/2022
See JobsEQ online Help for important Technical Notes

Max Rows: 10

Education Institutions Have the Greatest Demand for Workers

Employers

Employer Name	Active Job Ads
Liberty University	1,391
Lynchburg City Schools	608
Centra Health	472
BWX Technologies, Inc.	307
Westminster-Canterbury of Lynchburg	146
Sodexo	138
City of Lynchburg	130
SunBelt Staffing	103
Framatome	92
Adecco: USA	80

Source: JobsEQ®
Data reflect online job postings that were active from 3/25/2022 to 9/25/2022
See JobsEQ online Help for important Technical Notes

Max Rows: 10

4% of Ads Promote Remote Work in Lynchburg

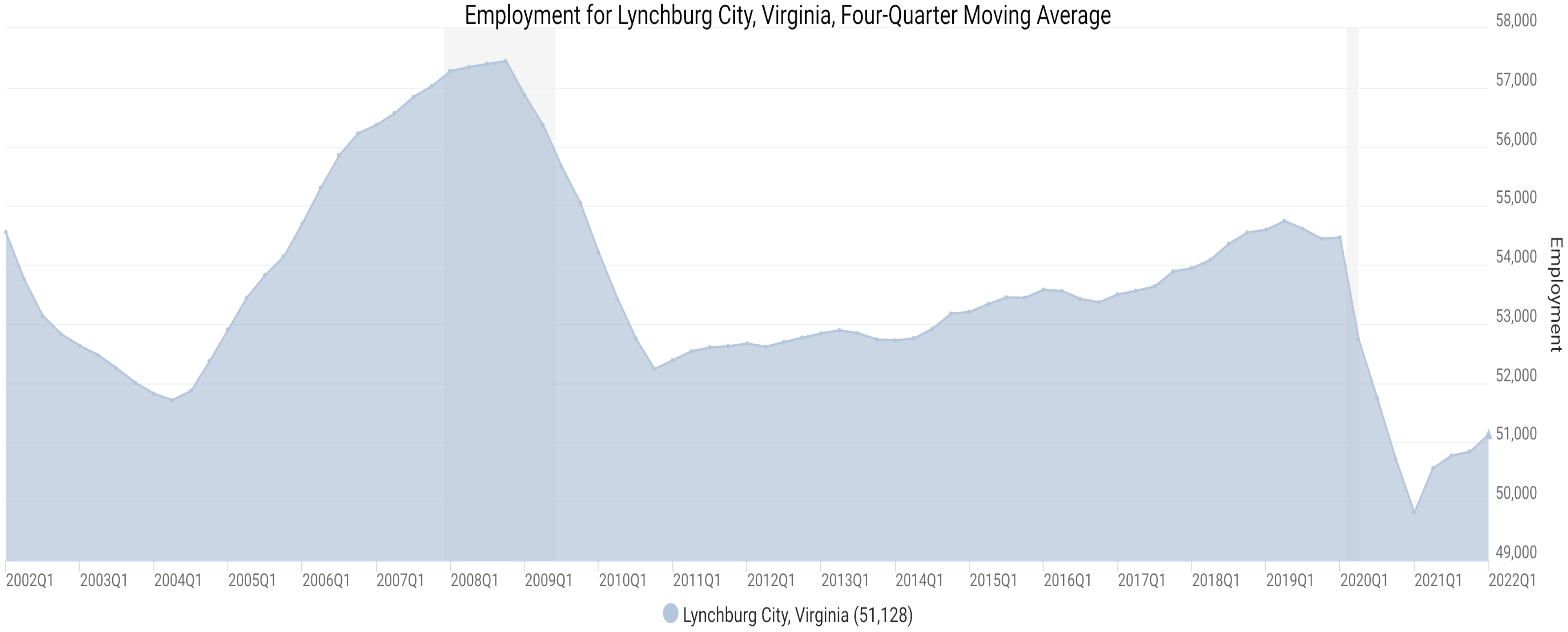
Job Types

Type	Active Job Ads
Full-Time	6,655
Part-Time	2,782
Permanent	810
Remote	619
Temporary (unspecified)	557
Temporary (short-term)	178
Temporary (long-term)	145
Temp-to-Hire	52
Remote Not Indicated	13,433

Source: JobsEQ®
Data reflect online job postings that were active from 3/25/2022 to 9/25/2022
See JobsEQ online Help for important Technical Notes

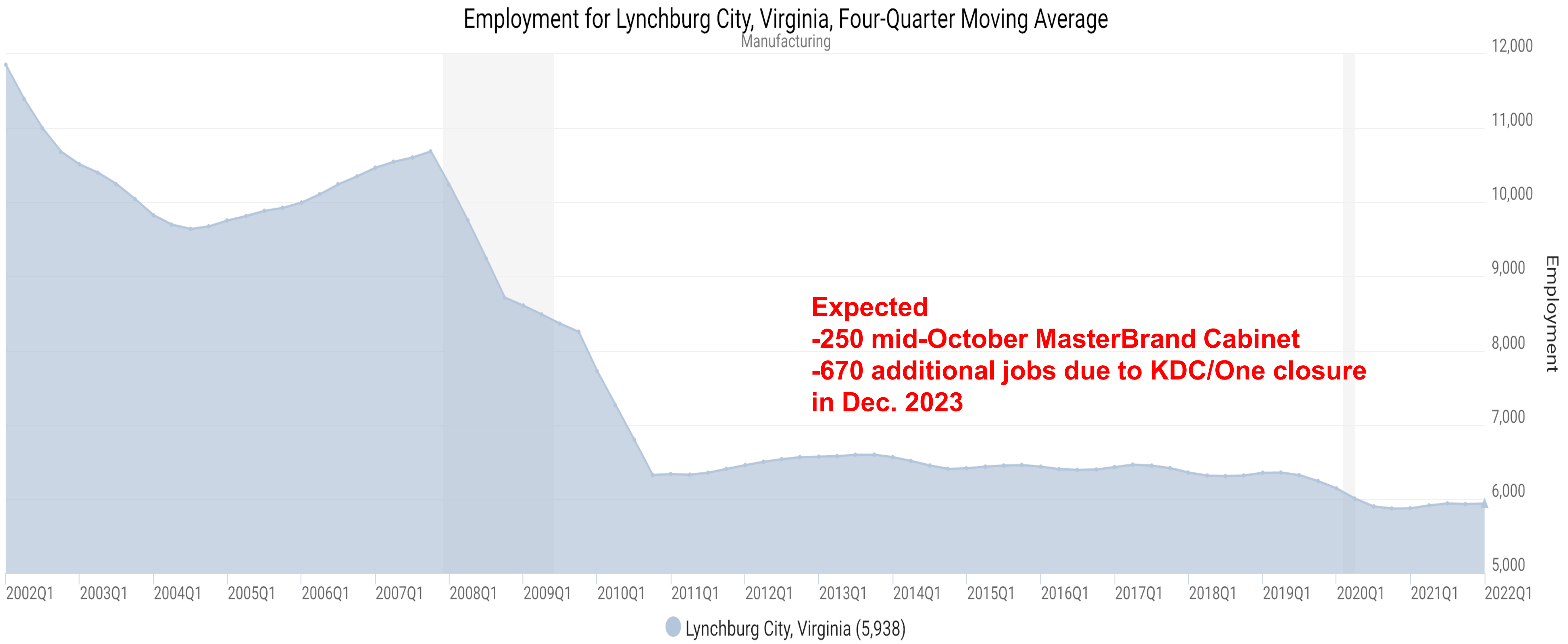
Max Rows: 10

How Will Lynchburg Fair During a Recession? -10% Peak to Trough 2008 Recession



Source: JobsEQ®. Data as of 2022Q1. The shaded areas of the graph represent national recessions.

Manufacturing Fell 41% from Start of Recession to Trough

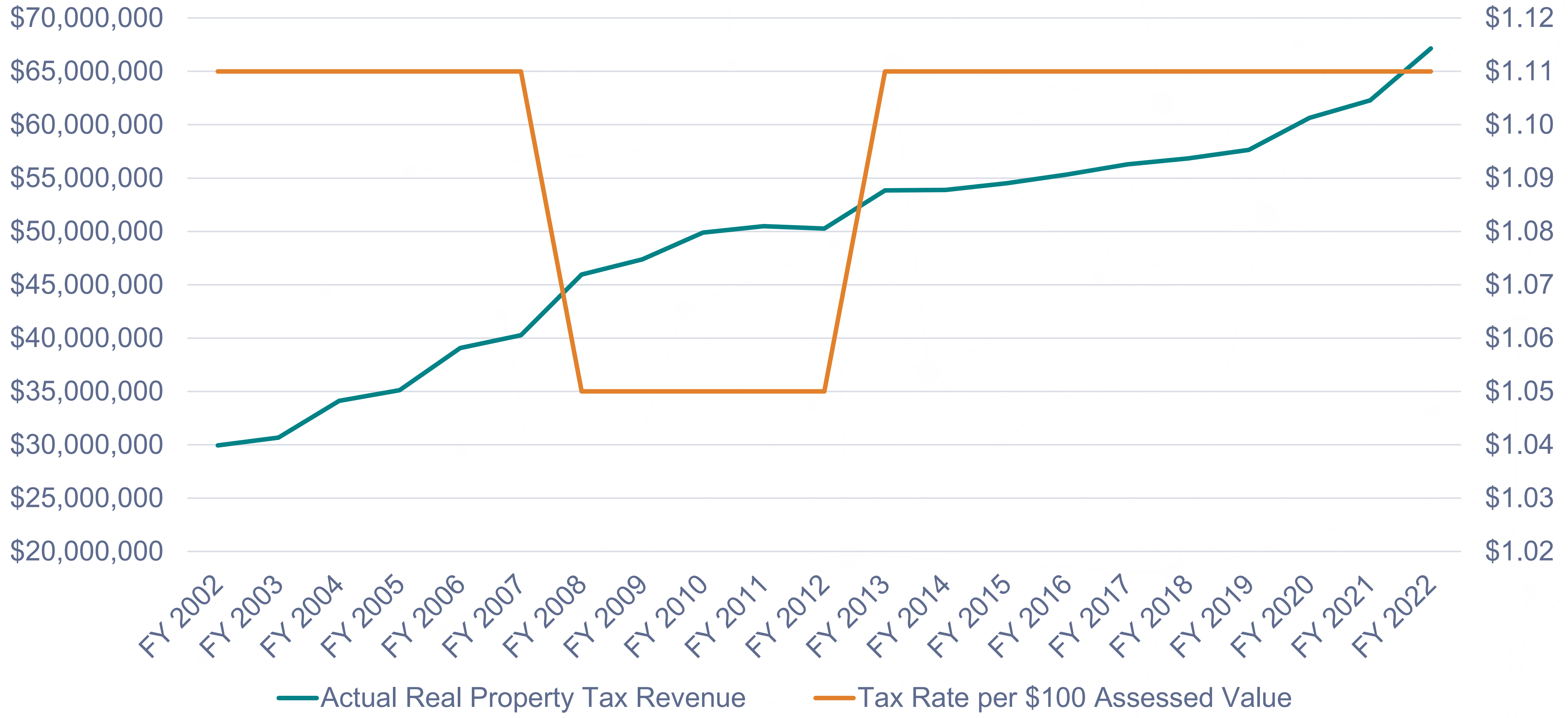


Source: JobsEQ®. Data as of 2022Q1. The shaded areas of the graph represent national recessions.

Implications of Recession: Local Revenues Lag Economy by Year or Two

- Housing is already slowing
  - Slower price appreciation impact revenues from assessments
  - Slower housing sales impact recordation taxes
- Slower retail sales impact growth of local 1%
- Layoffs increase need for social assistance

Home Price Appreciation Has Begun to Slow



Source: Lynchburg City Staff.

Conclusions

- National Economy is Slowing
  - Recession is highly likely
  - Unemployment rate will rise and ease tight labor market
  - Sub-par growth will last for more than one year
- Lynchburg
  - Growing somewhat slower than the nation
  - Will also see slower growth due to recession
- Working with educators is critical in this tight labor market

CHMURA

THE CITY OF LYNCHBURG

Infrastructure Investment and Jobs Act Funding Opportunities for City of Lynchburg

October 7, 2022

Holland & Knight

Chris DeLacy

Chris DeLacy

Partner

Washington, D.C.

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Christopher DeLacy is co-chair of the Political Law Group and a member of the Public Policy & Regulation team at Holland & Knight. For 20 years, he has been representing corporations, trade associations, local governments, coalitions and nonprofits before Congress and the executive branch. Mr. DeLacy has extensive experience with technology, infrastructure, agriculture and trade issues. He has helped to develop legislation and federal policies in these areas and has represented clients during related hearings.

Mr. DeLacy advises clients on the Federal Election Campaign Act of 1971, the Lobbying Disclosure Act of 1995, Congressional gift and travel rules, the Ethics in Government Act of 1978, and related state and local laws. Mr. DeLacy has represented clients before the Federal Election Commission, the House and Senate Ethics Committees and Office of Congressional Ethics. He has also represented clients during inspector general and congressional investigations, and advised clients on federal conflict of interest, post-employment and financial disclosure issues. His political law clients include political action committees (PACs), corporations, trade associations, nonprofit organizations, ballot question committees and coalitions. He serves as general counsel to the Holland & Knight Committee for Effective Government PAC.

Prior to entering private practice, Mr. DeLacy served as counsel to Sen. John Warner of Virginia. In that capacity, Mr. DeLacy served as the Senator's Rules Committee counsel during consideration of the Bipartisan Campaign Reform Act of 2002 (McCain-Feingold Act) and as his representative to the Senate Republican High Tech Task Force.

Before working for Sen. Warner, Mr. DeLacy served as counsel on the Technology Subcommittee of the House Science Committee where he oversaw technical standards issues and the National Institute of Standards and Technology (NIST).

Holland & Knight – Public Policy & Regulation (PP&R)

Our Washington-based Public Policy & Regulation Practice Group, the lobbying arm of the firm, began in 1982. It is one of the most experienced and well-respected government relations practices of any law firm in the U.S. Home to more than 75 individuals, the group includes four former members of Congress; former Clinton, Bush, and Obama White House and Administration officials; former senior congressional committee and legislative staff; and former local government officials.

Honesty, competence, persuasive communication, and deep, longstanding ties on both sides of the aisle are the PP&R Group's hallmark traits when dealing with Congress, the White House, and the myriad federal agencies spread across Washington. Our attorneys and professionals partner with our clients to keep their voice front and center of federal policymakers.

Some of the hallmarks of the Holland & Knight team include:

- Bipartisan
- Team Based
- Seamless Extension of Your Team
- Creative Campaign-Style Advocacy
- Active Bipartisan PAC
- Coalition Management
- Subject Matter Expertise

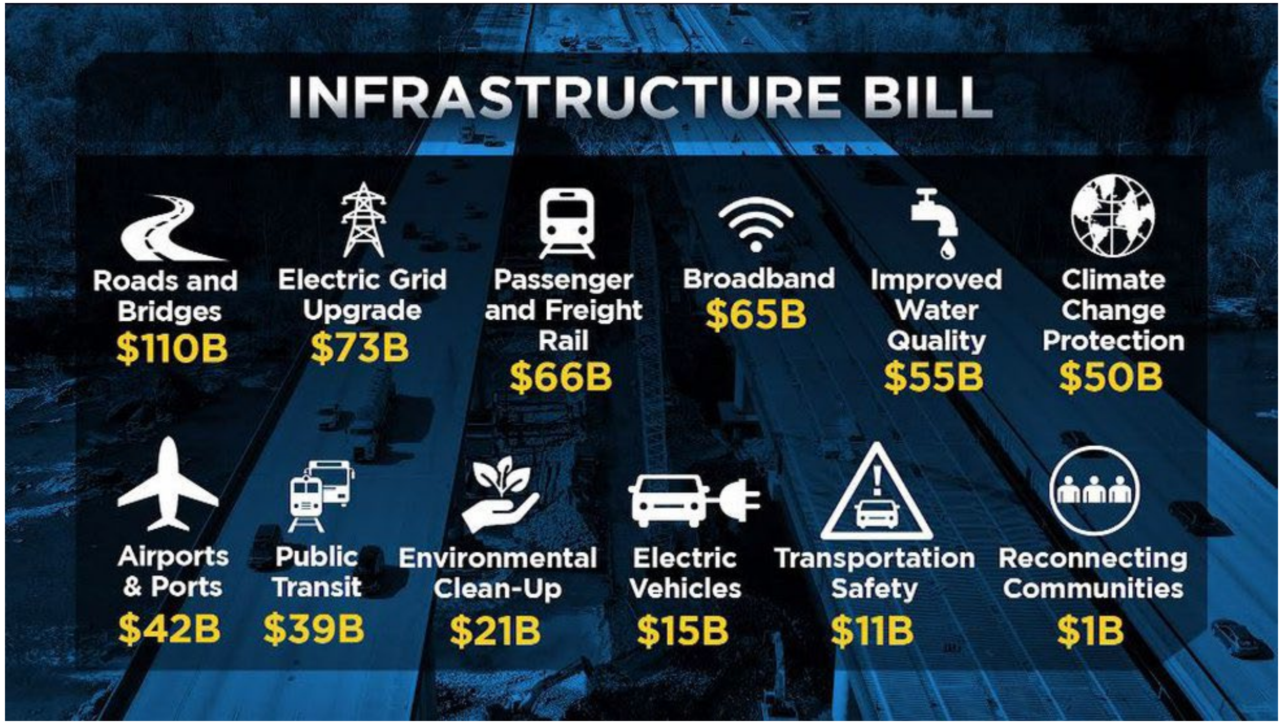
Our philosophy is to function as an extension of your team. We achieve this through a combination of policy depth and experience, political astuteness, media savvy and access to nationwide resources across a range of practices.

Washington Outlook

Political:	Current status: Democratic control of the House (221-212-2) and Senate (50-50).
	Current midterm election outlook: Republican House majority and a closely-divided Senate.
Economic:	Inflation (CPI-U) – 8.3% (as of August)
	Federal funds rate increased from 0 to 3.25% (projected at 4.0 to 4.5% by YE)
Outlook for federal spending:	Total COVID spending to date: $4.63 trillion
	Build Back Better ($2.2 trillion) became the Inflation Reduction Act ($737 billion)
	Opportunities for new federal spending/programs over the next two years may diminish

Infrastructure Investment and Jobs Act

- On November 15, 2021, President Biden signed the bipartisan "Infrastructure Investment and Jobs Act" into law to invest in the nation's infrastructure, including funding for roads and bridges, rail, transit, airports, energy, sustainability, water, and broadband, among other priorities.
- The legislation provides $1.2 trillion in total spending over 5 years, including $550 billion in *new spending*.
- DOT, EPA, and other federal agencies continue to release funding applications and distribute billions of dollars for infrastructure, broadband, and coastal resilience. Significant programs such as MEGA, INFRA, and RAISE have already been awarded.



Existing Transportation Formula Programs

FHWA Released Apportionments to State DOTs on 12/15/21

Program	Funding Level
Surface Transportation Block Grant (STBG) Program • *Existing formula program; funding through CVTPO* • Funds Federal-aid highways, bridges, and transit capital projects.	$72 billion over 5 years; 23.57% increase over current funding
Transportation Alternatives Program (TAP) • *Existing formula program; funding through CVTPO* • Funds smaller-scale transportation projects such as pedestrian and bicycle projects, recreational trails and environmental mitigation	$7.2 billion over 5 years; 330% increase over current funding
Congestion Mitigation and Air Quality Improvement Program (CMAQ) • *Existing formula program; funding through VDOT*	$13.2 billion over 5 years; 9.79% increase over current funding
Highway Safety Improvement Program (HSIP) • *Existing formula program; funding through VDOT*	$15.575 billion; 34.4% increase over current funding

Closed Transportation Grant Programs

Program	Funding Level
Nationally Significant Freight and Highway Projects (INFRA) • *Existing competitive grant program; local govts eligible* • Funding for highway, rail, and port projects of regional and national significance • Timing: $1.55 billion NOFO out 3/21/22; Deadline was 5/23/22; Awards announced on 9/9/22.	$8 billion; 77.78 % increase over current funding
Local and Regional Project Assistance (RAISE Grants) • *Existing competitive grant program; local govts eligible* • Renamed program that has increased funding for RAISE (formerly known as BUILD and TIGER). • Planning and construction eligible. • Timing: $2.275 billion NOFO out; Deadline was 4/14/22; Awards announced on 8/11/22.	$7.5 billion over 5 years; 70.45% increase over current funding
Safe Streets and Roads for All Grant Program (“Vision Zero”) • *New competitive grant program; local govts eligible* • Competitive grant program to develop and implement comprehensive safety plans and projects. • Timing: $1 billion NOFO out 5/16/22; Deadline is 9/15/22.	$5 billion over 5 years

Closed Transportation Programs

Program	Funding Level
Bridge Grant Programs • *New competitive grant program; local govts eligible* • At least 50% of funds over 5 years must be used for large projects (at least $100 million). • Grant amounts, in combination with other anticipated funds, should be of a size sufficient to enable the project to proceed through completion. • Timing: $2.36 billion NOFO out on 6/10/22; Deadline was 7/25/22.	$16 billion over 5 years

Open Transportation Grant Programs

Program	Funding Level
Reconnecting Communities • *New competitive grant program; local govts eligible* • Program to mitigate existing transportation facilities that create barriers to mobility, access, or economic development. • <u>Timing</u>: NOFO released on 6/30/2022; NOFO closes on 10/13/2022.	$500 million over 5 years
Railroad Crossing Elimination Competitive Grant Program • *New competitive grant program; local govts eligible* • Competitive grant program for the elimination of hazards at railway-highway crossings. • <u>Timing</u>: NOFO released on 6/30/2022; NOFO closes on 10/4/2022.	$3 billion over 5 years
Bridge Replacement, Rehabilitation, Preservation, Protection, and Construction • *Modeled after existing FHWA bridge formula program; funding through VDOT* • Federal share is 100%. • 75% distributed by number of bridges in poor condition. • 25% distributed by number of bridges in fair condition. • Funding was distributed to state DOTs on 1/14/22.	$27.5 billion over 5 years

Upcoming Transportation Grant Programs

Program	Funding Level
Stopping Threats on Pedestrians • *New competitive grant program; local govts eligible* • Competitive grant program for bollard installation projects to prevent pedestrian injuries and acts of terrorism in areas used by large numbers of pedestrians.	$25 million over 5 years (subject to appropriations)
Culvert Removal, Replacement and Restoration Program • *New competitive grant program; local govts eligible* • To remove, replace, and restore culverts to address the flow of water through roads, bridges, railroad tracks, and trails.	$1 billion over 5 years
Active Transportation Infrastructure Investment Program • *New competitive grant program; local govts eligible* • New competitive grant program for safe and connected active transportation projects that connect destinations within or between communities -- including schools, workplaces, residences, businesses, recreation areas, and other community areas – or to create active transportation spines connecting communities and metropolitan regions, or states.	$1 billion over 5 years (subject to appropriations)

Upcoming Transportation Programs

Program	Funding Level
Promoting Resilient Operations for Transformative, Efficient, and Cost-saving Transportation (PROTECT) Grant Program • *New formula and competitive grant program; VDOT will allocate formula; local govts eligible for competitive grants* • Funding for planning, resilience improvements, community resilience and evacuation routes, and at-risk coastal infrastructure. • Timing: Fall of 2022	\$7.3 billion in formula funding \$1.4 billion in competitive grants over 5 years
Healthy Streets Program • *New competitive grant program; local govts eligible* • Grants to deploy cool pavements and porous pavements, and to expand tree cover.	\$500 million over 5 years (subject to appropriations)
Electric Vehicle (EV) Charging and Refueling Infrastructure Program • *New competitive grant program; local govts eligible for competitive grants* • New grant program to deploy electric vehicle (EV) charging and hydrogen/propane/natural gas fueling infrastructure along designated alternative fuel corridors and in communities. • Eligible projects include: acquisition and installation of publicly accessible EV charging or alternative fueling; and operating assistance (for the first 5 years after installation; and acquisition and installation of traffic control devices.	\$2.5 billion over 5 years

Environment and Resiliency Provisions

Program	Funding Level
EPA Competitive Brownfields Grants • *Existing competitive grant program; local govts eligible* • Grants and technical assistance to assess, safely clean up, and sustainably reuse contaminated properties. • Timing: NOFO opens on 9/12/22; NOFO Closes on 11/22/22	$1.2 billion over 5 years
Grants to improve **material recycling, recovery, management, and reduction**	$75 million over 5 years
Weatherization Assistance Program (DOE) • *Existing formula grant program through state* • Reduces energy costs for low-income households by increasing the energy efficiency of their homes. • Timing: DOE has provided guidance for developing a Weatherization Assistance Program Grantee Plan to apply for fund.	$3.5 billion available until expended
Energy Efficiency and Conservation Block Grant (EECBG) • *Existing program; local govts eligible; created in ARRA stimulus bill in 2009* • Provides grants to state and local governments for energy efficiency and conservation projects. • Timing: Allocations expected to be released by the end of the year.	$550 million over 5 years

Open Water Programs

EPA	Funding Level
Per- and Polyfluoroalkyl Substances (PFAS) Contamination • *Allocated through state* • Timing: EPA issued guidance 3/29/22	$10 billion over 5 years
Drinking Water State Revolving Loan Fund (SRF) • *Allocated through state* • States must allocate 49% of the funds to provide subsidy with 100% forgiveness of principal or grants (or any combination of these). • Timing: EPA issued guidance 3/29/22	$11.713 billion mandatory funding annually
Clean Water SRF • *Allocated through state* • States must allocate 49% of the funds to provide subsidy with 100% forgiveness of principal or grants (or any combination of these). • Timing: EPA issued guidance 3/29/22	$14.65 billion authorized over 5 years (subject to appropriations) $11.713 billion mandatory funding over 5 years

Upcoming Water Programs

Program	Funding Level
Sewer Overflow and Stormwater Reuse Municipal Grants • *Existing competitive grant programs; local govts eligible* • Funding can be used to plan, design, or construct publicly owned treatment works (POTWs) or other facilities that receive and treat combined wastewater streams, as well as infrastructure for stormwater management.	Authorized $280 million annually over 5 years (subject to appropriations)
Drinking Water Technical Assistance Funding and Emergency Grants • Funding to help mitigate drinking water threats to public health, including emergency situations resulting from a cybersecurity event or vulnerability.	Authorized $35 million annually over 5 years (subject to appropriations)
Lead Inventorying Utilization Grant Pilot Program • *New competitive grant program; local govts eligible* • Provides funding for lead reduction projects, such as by replacing aging service lines.	

Cybersecurity and Public Safety Programs

Cybersecurity	Funding Level
State and Local Cybersecurity Grant Program (DHS) • **New competitive grant program; local govts eligible** • Grants for state and local governments to address cybersecurity risks and threats. • <u>Timing</u>: NOFO Opened 9/16/22. NOFO Closed on 9/15/22	$1 billion authorized over 5 years (subject to appropriations)
Cyber Response and Recovery Fund (DHS) • A fund for federal, state, and local entities, as well as private entities, to seek reimbursement and technical assistance following significant cyber incidents.	$100 million authorized over 5 years (subject to appropriations)
Building Resilient Infrastructure and Communities (BRIC) Program (FEMA) • *Existing competitive grant program; local govts eligible* • Supports pre-disaster and hazard mitigation activities undertaken by states and local communities. • <u>Timing</u>: NOFO Opened 8/12/22; NOFO Closes on 1/27/23	$1 billion mandatory funding over 5 years

Broadband Programs

Program	Funding Level
Broadband, Equity, Access and Deployment Program • Formula based program to states to competitively award grants to qualifying infrastructure, mapping, and adoption projects.	$42.5 billion
Middle Mile Broadband Infrastructure • Competitive grants for construction, improvement, or acquisition of middle-mile infrastructure.	$1 billion

Program	Funding Level
Affordable Connectivity Program • *Existing program formerly known as the Emergency Broadband Benefit Program* • Makes program permanent; subsidy now $30/month.	$14.2 billion
Digital Equity Competitive Grant Program • *New competitive grant program; local govts eligible*	$2.75 billion

HK Federal Grants Newsletter

New Federal Grant Opportunities
Posted September 19-23, 2022

Please note: The Grants.gov website is offline for maintenance until Sept. 29 and some links may not be available to view until then. We apologize for the inconvenience.

In This Issue:

- **U.S. Department of Energy (DOE), Idaho Field Office (IFO)** – FY 2023 Scientific Infrastructure Support for Consolidated Innovative Nuclear Research (CINR)
- **DOE, IFO** – FY 2023 CINR
- **DOE, Office of Fossil Energy and Carbon Management (FECM)** – Bipartisan Infrastructure Law (BIL) – Rare Earth Element (REE) Demonstration Facility
- **DOE, National Energy Technology Laboratory (NETL)** – BIL: Carbon Capture Technology Program, Front-End Engineering and Design (FEED) for Carbon Dioxide (CO2) Transport
- **U.S. Department of Health and Human Services (HHS), Health Resources and Services Administration (HRSA)** – Preventive Medicine Residency (PMR)
- **U.S. Department of Housing and Urban Development (HUD)** – FY 2022 Section 202 Supportive Housing for the Elderly Program
- **U.S. Department of the Interior (DOI), U.S. Fish and Wildlife Service (FWS)** – 2023 Coastal Program
- **DOI, National Park Service (NPS)** – FY 2022 Historic Preservation Fund (HPF) – Save America's Treasures (SAT) Collection Grants
- **DOI, NPS** – FY 2022 HPF – SAT Preservation Grants
- **U.S. Department of Transportation (DOT), Federal Highway Administration (FHWA)** – Advanced Transportation Technologies and Innovative Mobility Deployment (ATTIMD) Program
- **DOT** – Strengthening Mobility and Revolutionizing Transportation (SMART) Grants Program
- **DOT, Federal Transit Administration (FTA)** – FY 2022 Advanced Driver Assistance Systems (ADAS) for Transit Buses Demonstration and Automated Transit Bus Maintenance and Yard Operations Demonstration

How to prepare for grant opportunities

- Identity potential grant opportunities
- Participate in grant webinars
- Meet with federal grant managers
- Identify sources for non-federal match (typically 80/20)
- Identify grant writers (internal/external)
- Build political support for grant application
- Participate in agency debriefs

Other funding opportunities to consider

Non-IIJA grants (COPS, FIRE, DCIP, HUD, EDA)

Earmarks – returned after 10 years in FY 2022, currently in-progress for FY 2023

Questions?

Thank You

HOUSING OVERVIEW

Kent White
Community Development

Sarah Quarantotto
Miriam's House

October 7, 2022

AGENDA

Housing Snapshot

- Inventory and Trends
- Barriers/Opportunities for Single Family Builds
- Maintaining Existing Housing

Housing Affordability

- Housing Collaborative History
- Affordability Need
- Housing Collaborative Priorities

Discussion: Matching Housing Tools to Council's Goals

HOUSING SNAPSHOT

- Approximately 30,000 existing housing units in the City
  - 18,000 are single household units; 30% are short/long-term rental
  - 12,000 are multi-household units; 98% are short/long-term rental

- Median Home Sale Price - $240,000 [source: Realtor.com]

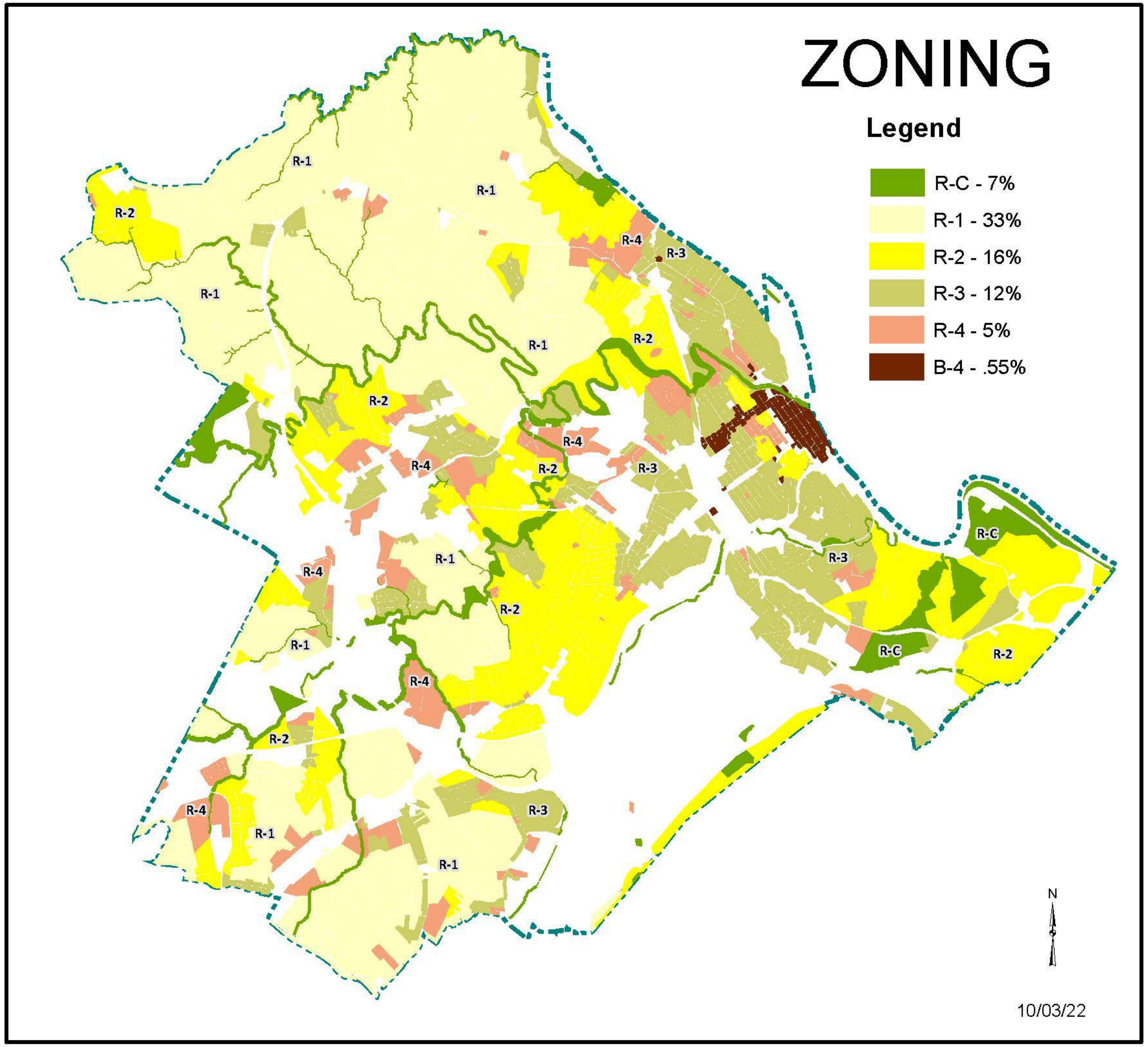
- Median Monthly Rent - $1,150 [source: Zillow.com]

ACROSS THE COMMONWEALTH

Locality	Total Housing Units	Owner-Occupied	Renter-Occupied
Virginia	**3,652,329**	**67.6%**	**32.4%**
Alexandria	80,350	43.2%	56.8%
Hampton	62,528	54.4%	45.6%
Lynchburg	34,156	52.1%	47.9%
Newport News	81,913	47.1%	52.9%
Norfolk	102,423	46.0%	54.0%
Portsmouth	43,306	56.1%	43.9%
Richmond	112,806	45.0%	55.0%
Roanoke	48,912	51.8%	41.2%

Source: 2021 American Community Survey 1-Year Estimates

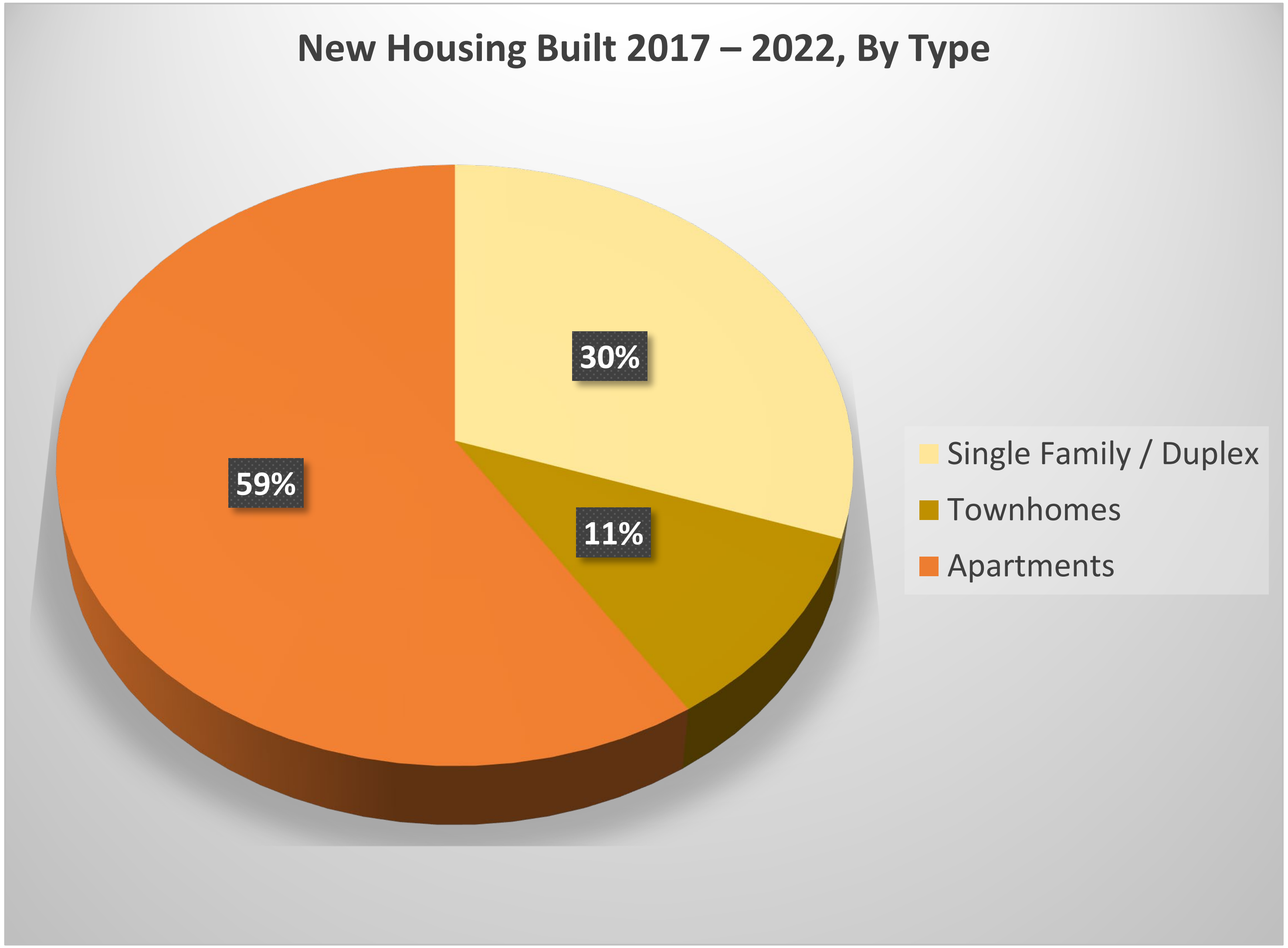
RESIDENTIAL USES



Zoning

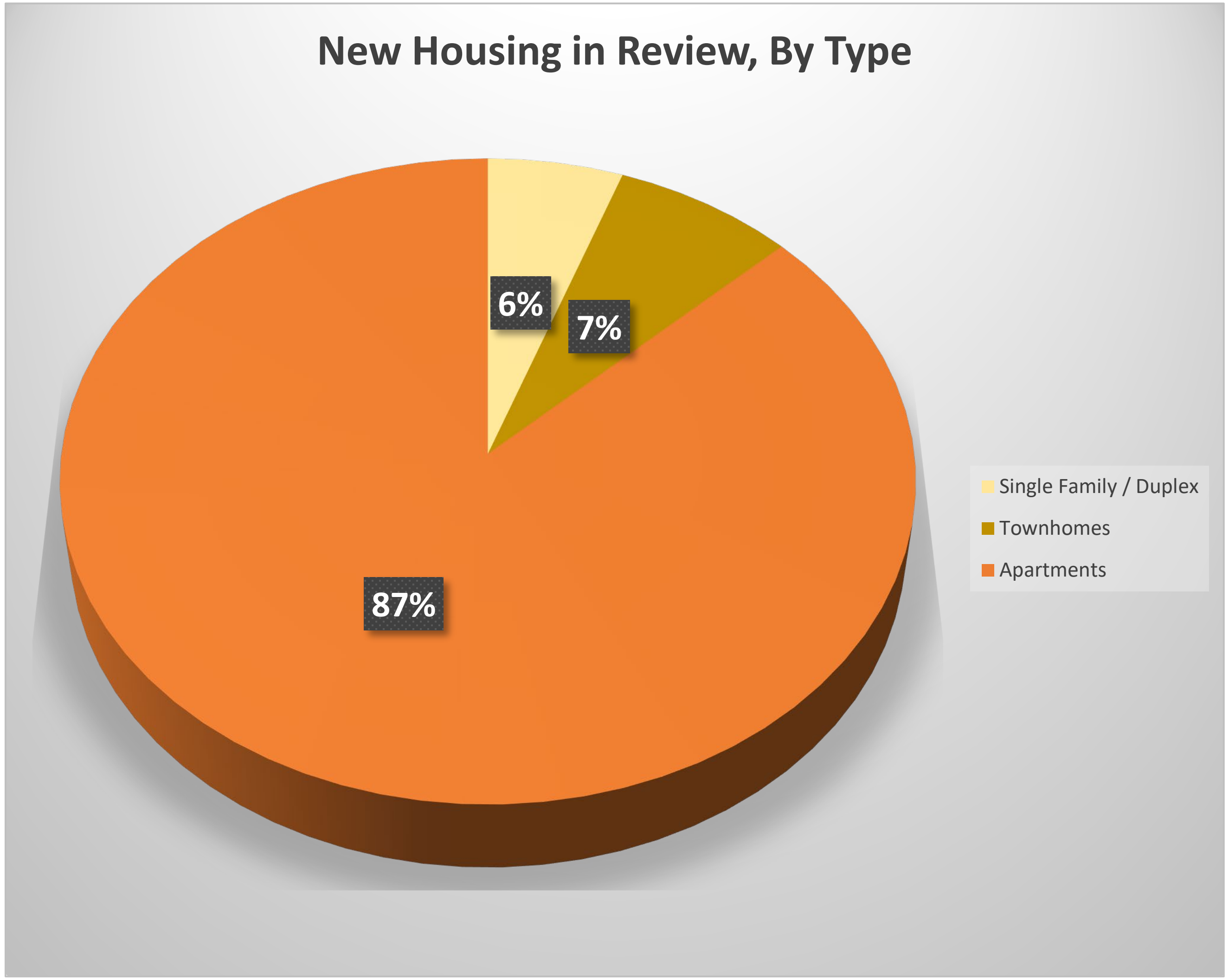
- ***Single Household***
  - *56%*
- ***Multi-Household***
  - *18%*

NEW HOUSING BY TYPE 2017 - 2022



- Single Family / Duplex = 649
- Townhomes = 228
- Apartments = 1,273

NEW HOUSING BY TYPE – IN REVIEW



- Single Family / Duplex = 119
- Townhomes = 160
- Apartments = 1,867

POTENTIAL BARRIERS - SINGLE HOUSEHOLD BUILDS

- Land Availability/Cost

  $33,832 per 15,000 sf lot with 100’ Road Frontage (land + infrastructure)

  - Average Vacant Residential Land Sale of $23,980 per acre (Assessors Data, Average Vacant Residential Sales 2016-2019)
  - 2019 Infrastructure Costs = $511.25/foot (Based on City’s Annual Contract)

- Water/Sewer Availability

- Topography/Drainage

ADDRESSING BARRIERS - SINGLE HOUSEHOLD BUILDS

- Infrastructure Incentives
  - City funds 100% of cost of extending water and sewer to subdivision boundary based upon economic feasibility:

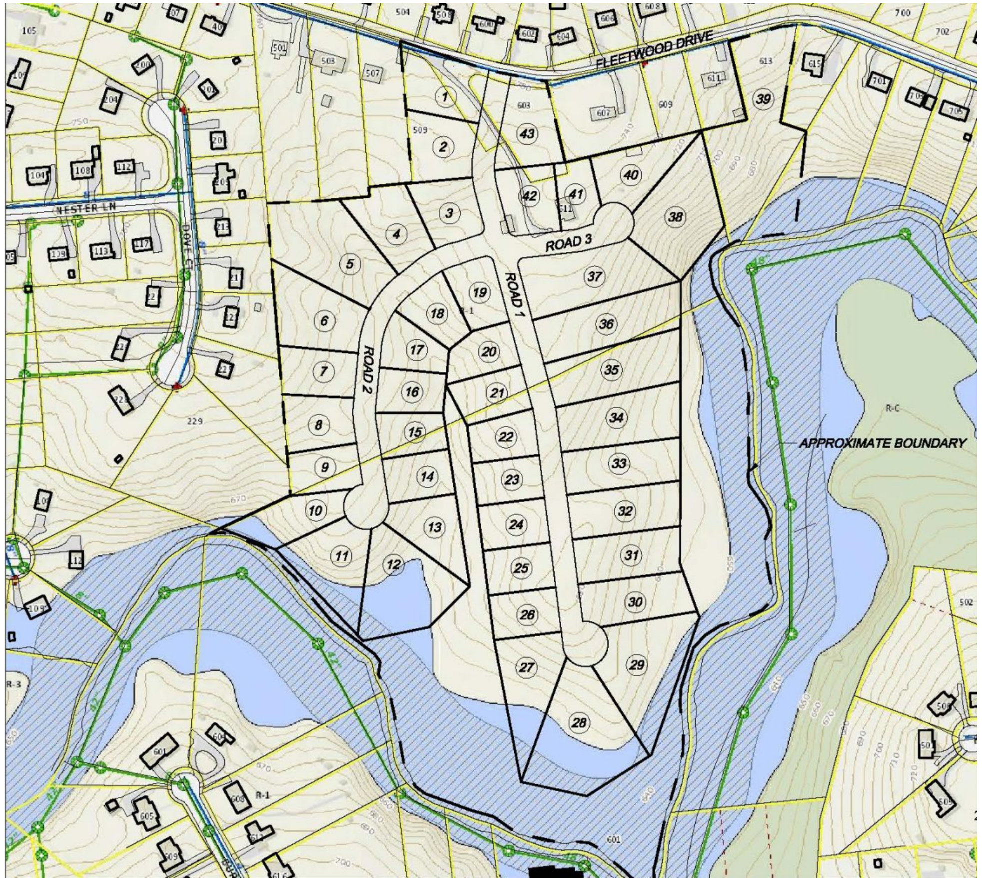
Feet of water/sewer line construction	Required number of lots
5,000	50
3,000	30
1,000	10
500	5

  - City costs shares curb, gutter & sidewalk 50/50.
- Subdivision Revisions
  - Lots existing as of July 11, 2011 may provide access on dedicated improved street extending a minimum of 25’ past driveway entrance.
  - Allows reduction in setbacks and lot sizes to encourage infill development (Neighborhood Norms)

ADDRESSING BARRIERS - SINGLE HOUSEHOLD BUILDS

Zoning Revision – Residential Cluster Subdivision

- Allows up to 50% reduction in required lot size and setbacks to create residential cluster using density of underlying zoning district; undeveloped land preserved.

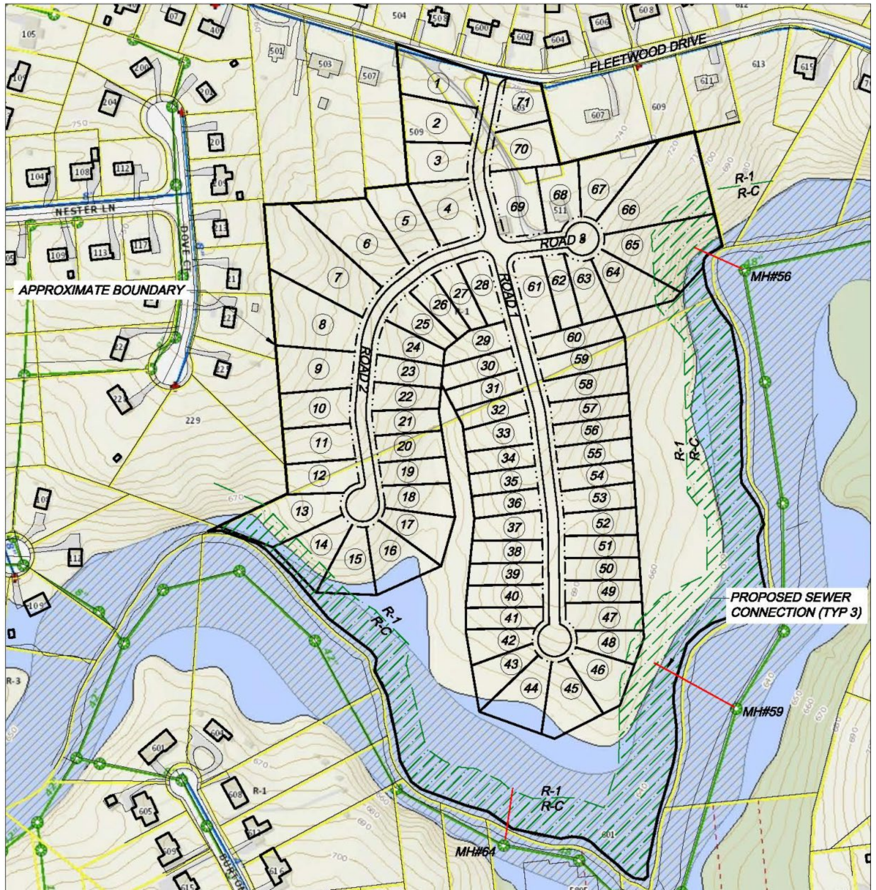


R-1 Subdivision

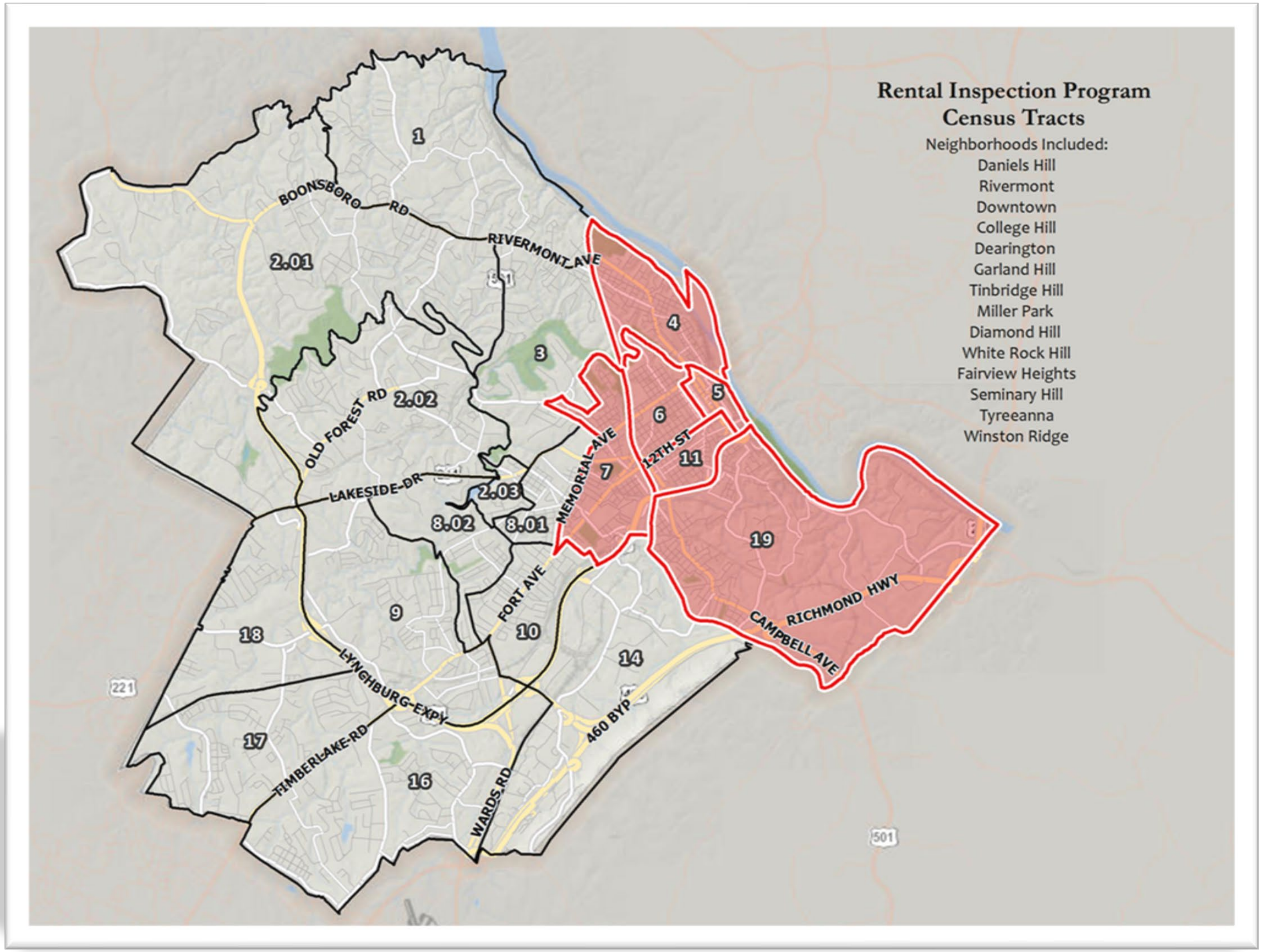
- 31 ac
- 43 Lots

R-1 Cluster Subdivision

- 31 ac
- 71 lots
- 30% open space



RENTAL INSPECTION PROGRAM



- Approximately 3934 Properties
- 400-450 Inspections per Year
- Focus is older housing units
- 1 Housing Inspector

VACANT / DERELICT PROGRAM

- Vacant Units in Program – 445
- Derelict – 308

- 17-Unit Pilot Program Using Existing Staff
  - Scheduled for demolition by City - 4
  - Demolition by owner – 3
  - Plans to rehabilitate or sell – 10

HOUSING COLLABORATIVE MEMBERS

- Bill Berkley, Cardinal Civil Resources
- Tracie Gallahan, First National Bank
- Billy Hansen, Hansen Realty
- Kevin Henry, City of Lynchburg
- Mary Mayrose, Lynchburg Redevelopment & Housing Authority
- Sarah Quarantotto, Miriam's House
- Jeff Smith, Rush Homes
- Bob Shetlar, University of Lynchburg
- Donna Vincent, Greater Lynchburg Habitat for Humanity

FOCUS ON AFFORDABLE HOUSING

- Council endorsed the formation of the Housing Collaborative in 2012
  - Comprised of nonprofit housing organizations, realtors, attorneys, employers who want to invest in workforce housing, charitable organizations, etc.

- In 2019, the Collaborative presented their housing stability study to Council; City Staff subsequently presented recommendations to improve housing affordability in Lynchburg.

- Following a work session with the Lynchburg Redevelopment and Housing Authority, Council adopted a Housing Policy vision statement and charged the collaborative with implementing best practices and recommendations for housing affordability.
  - Vision Statement: The City of Lynchburg envisions a place where all residents have access to stable, decent, and affordable homes in vibrant and sustainable neighborhoods. The City recognizes that the diverse nature of our community requires that we address the specific needs found in our community. The City supports a variety of community programs that ensure long-term pathways to housing security for all.

AFFORDABILITY NEED

Renter Households	Household Income		Total
	0-30% AMI	31-50% AMI	
Total Households	3,655	2,340	5,995
Affordable Housing Units	1,755	3,740	5,495
Units Occupied by Appropriate Income Tier	650	760	1,410
Units Occupied by Other Income Households	1,105	2,980	4,085
Housing Gap	3,005	1,580	4,585

NOT HAVING AFFORDABLE HOUSING MEANS …

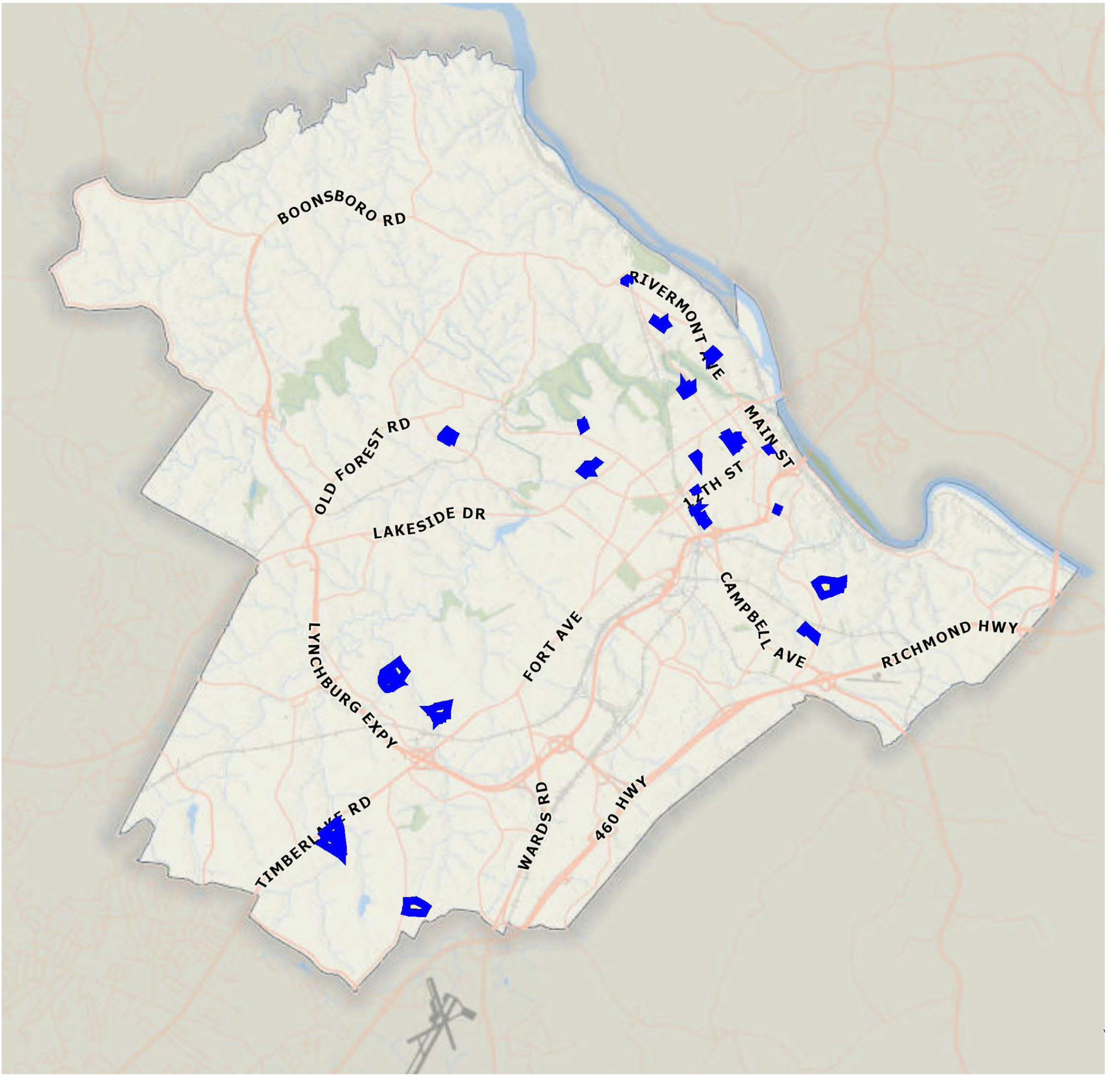
- Financial stress typically equates to housing trade-offs
  - Quality, security, livability at the sake of affordability
- Strain on local school system ensuring students don’t fall behind.
- Difficulty attracting industry through a stable workforce.

HOUSING COLLABORATIVE AFFORDABILITY PRIORITIES

- Preserving Existing Affordable Housing
- Plan for Areas with Missing Infrastructure
- Develop Housing Trust Fund
- Increasing Housing Opportunity

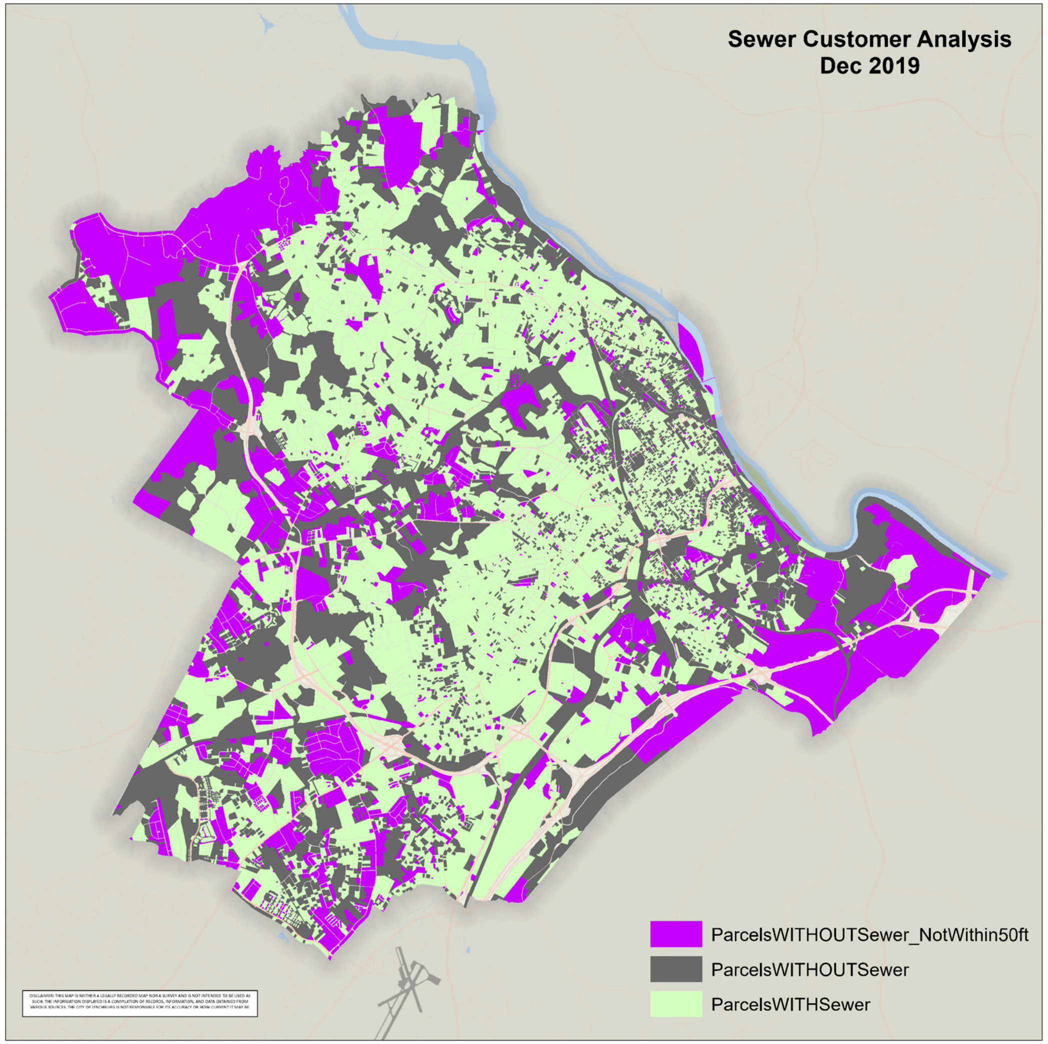
PRESERVING EXISTING AFFORDABLE HOUSING

- Low-Income Housing Tax Credit (LIHTC)
  - 1,914 housing units, with 330 reserved specifically for elderly.
  - Affordability period lasts 30 years, at which point the development can shift to market-rate.
- Units at risk in the next 10 years = 524
- Grant administered by the Central Virginia Planning District
  - Evaluate impact of expiring contracts for rental property under the Department of Housing and Urban Development's Housing Choice Voucher Program for both multi-family and single unit rentals.
  - Establish near and long-term affordable unit needs based on existing rental rates, market trends, and horizon rate of units moving off the affordable housing roll.



PLAN FOR AREAS WITH MISSING INFRASTRUCTURE - NEW HOUSING

- Sewer & Water access (mostly sewer)
  - Especially important for the development of single-family housing
- Transportation infrastructure (roadways, sidewalks, and transit)
- Develop a plan to install these items over time
  - Planning for this to occur during the Comprehensive Plan update, 2023



DEVELOP HOUSING TRUST FUND

- Creates separate funding source to construct housing outside of the City’s Community Development Block Grant and HOME funds
- Benefits:
  - Flexibility in how the money is disbursed
  - No geographic limitations on where the money can be spent (HOME money is limited to qualified census districts)
  - Resourcing the fund can be accomplished in a variety of ways, including private, grant, local/state and additional federal funding
- Currently pursuing Housing Virginia grant to explore best practices and recommended structure for a Housing Trust.

INCREASING HOUSING OPPORTUNITY

- Increasing access to housing outside of lower income census tracts.

- Some communities have used inclusionary zoning to provide a percentage of affordable units as part of new multi-household developments.

- To be discussed during Comprehensive Planning process.

MATCHING HOUSING TOOLS WITH COUNCIL GOALS

- Affordability
  - Gap Financing
  - Inclusionary Zoning/Density Bonus
- Housing Type
  - Infrastructure Funding
  - Zoning Districts/Future Land Use
- Housing Condition
  - Housing/Rental Inspection
  - Real Estate Rehab/Demolition
- Homeownership
  - City/Nonprofit-owned Property
  - Down payment/Homebuyer Assistance


PACIFIC LIFE
THE CITY OF LYNCHBURG

Lynchburg Housing Collaborative

Background: Following a Lynchburg City Council meeting in June 2012, the Lynchburg Housing Collaborative (herein referred to as "the Collaborative") was formed to address housing needs in the Lynchburg community. In 2016, the Collaborative developed a mission to, "work to set the stage, encourage and provide quality rental housing and homeownership opportunities for people with low incomes in Central Virginia. Our focus areas are:

1. Promoting the positive economic impacts of affordable housing in our region
2. Advocating for local and regional policies that forward affordable housing
3. Developing additional affordable housing that meets the inclusive needs of all people with low incomes and rehabilitate current affordable housing in need
4. Advancing community development opportunities via housing
5. Reducing barriers to housing for people of low income in need."

Following the development of this mission statement, the Collaborative decided to pursue an up-to-date housing study of the area to better understand the needs of the community, increase awareness of these needs, and establish strategies by which to address them. In 2017, the Collaborative applied for a Community Impact Grant through the Virginia Housing Development Association (currently known as Virginia Housing) to commission a study on affordable housing in Lynchburg. A grant for $20,000 was approved, and the Collaborative contracted with Enterprise Foundation to conduct the study in 2018. The Enterprise Foundation's study, *Housing Stability and The Impacts of Affordable Housing in Lynchburg, VA,* was completed in fall 2018 and findings were presented to Lynchburg City Council on January 8, 2019. The full study can be found here and a summary of points follow:

- Many low income households in Lynchburg faced extreme conditions of housing stability in 2016 including 4,497 spending 50% or more of their income on housing.
- Affordable housing is in short supply. The initial draft indicated that there were are at least 578 fewer affordable housing units than needed for people with extremely low incomes. In January, 2019, Enterprise updated the data using specific HUD program information indicating that there are at least 2,340 fewer affordable housing units than needed.
- Many Lynchburg families are hypermobile. Of 7900 households that changed residences in 2016, 5,530 were households with incomes lower $25,000 per year. The median income of those that moved was $12,728.
- Affordable housing positively impacts household economic security, health (both physical and mental), employment opportunities, and child development/educational outcomes, at the same time saving money for our community.
- Affordable housing boosts local economies without any negative effect on neighboring property values.

During the January 2019 City Council meeting, it was decided by Council that City staff work with the Collaborative and bring back their findings to City Council on next steps. Following this meeting, the City of Lynchburg formed the Collaborative for a Livable Lynchburg comprised of City leadership to review the Enterprise Foundation report and research best practices in affordable housing from across the country. In June 2019 the Collaborative for a Livable Lynchburg presented their findings via a white paper*, A Place to Live, A Place to Thrive: A Report on Housing Attainability and Affordability Leading Practices Recommendation for Lynchburg* (found here). A summary of this report was presented to Lynchburg City Council on July 9, 2019.

In summary, the Collaborative for a Livable Lynchburg presented the following policy recommendations:

1. Develop a well-articulated vision clarifying how housing is a holistic community issue that impacts, and is impacted by, income concerns, strengths of families, and sustainability of the community. It is also imperative that as a community we confront the fact that race is a significant factor in our housing affordability concerns.

2. Expand the City Council established housing collaborative to include representatives from lending institutions, private residential developers, and anchor institutions, similar to the one created in the Charlotte, NC area that led to the formation of the Charlotte-Mecklenburg Housing Partnership, Inc. Create a charter based on the vision adopted in recommendation 1.

3. Create a Housing Trust Fund to assist with the preservation and development of housing options in the community. Specific funding amounts and plans should be developed after strategies are formed. Identify national housing network partners to leverage expertise.

4. Identify and analyze existing affordable housing options and determine if they should be slated for preservation. If so, create a plan to preserve these sites and subsidize rehabilitation of existing units.

5. Identify areas with missing standard infrastructure (water, sewer, sidewalk, etc.) and develop a plan to install it over time.

6. Develop and implement precise evaluation tools to determine specific housing needs, particularly considering preventing and reducing poverty clusters. Identify national housing network partners to leverage expertise and develop a strategy to increase attainable housing in needed sectors.

7. Develop a communication plan for attainable housing to improve the use of our existing tools and incentives.

8. Enlist the help of developers, builders, and design professionals to remove barriers for attainable housing products that support homeownership. Some examples of evolving design strategies to reduce the gap between income and home price include small homes (reducing square footage), value housing (new housing brand segment with reduced option packages), missing middle (attached housing) and high-density detached housing (clustering).

9. Enhance existing wrap-around support programs, providing both financial and personal/life support to stem high eviction rates and assist potential homeowners.

10. Evaluate public employees housing options similar to those found in Newark, New Jersey and Chapel Hill, North Carolina, the incentive packages available in other cities to determine their feasibility for implementation in Lynchburg, and the implementation of inclusionary zoning principles.

City Council decided (minutes here) to hold a joint meeting with the Lynchburg Redevelopment and Housing Authority board to develop a housing vision statement for the City of Lynchburg. On November 12, 2019, Lynchburg City Council and the Board of Lynchburg Redevelopment and Housing Authority had a joint meeting to discuss and develop a housing vision statement for the City of Lynchburg (minutes here). On January 28, 2020, City Council approved City staff's recommendations to approve a vision statement and expand the Housing Collaborative (minutes here). The following vision statement was approved:

> *The City of Lynchburg envisions a place where all residents have access to stable, decent, and affordable homes in vibrant and sustainable neighborhoods. The City recognizes that the diverse nature of our community requires that we address the specific needs found in our community. The City supports a variety of community programs that ensure long-term pathways to housing security for all.*

In addition to approving the vision statement, City Council reviewed the guiding principles established by City staff to guide specific policy proposals:

- *Matters of housing affordability require a variety of programs that seek to increase employment and income, the availability of a variety of reasonably affordable housing options including in the rental and homeownership markets, wrap-around support for those who need it, and improvements to public facilities and infrastructure.*
- *Partners are vital to the success of the City's housing vision; the City needs partners in order to achieve success.*
- *Existing available housing and non-housing programs, if effective, should be supported and coordinated.*
- *Wrap-around services that help youth, adults, and families with various phases of housing and economic opportunity are vital to the long-term success of the housing journey.*
- *Different populations in our community often have a variety of hurdles to housing security. As a result, programs and opportunities need to be tailored to community needs with a specific focus on mixed income and inclusive communities.*

City Council and the Housing Authority considered the organizations or professions that should be represented on the Housing Collaborative. They are as follows:

- Private developer
- Real estate attorney
- Realtor
- Bank/Lending institution
- Employers who want to invest in workforce housing
- Faith community
- Charitable organizations

Current Lynchburg Housing Collaborative Members (2020):

- Denise Crews, *Director of Housing Counseling & Community Development, Lynchburg Community Action Group*
- Kevin Henry, *Zoning Administrator, City of Lynchburg*
- Sarah Quarantotto, *Executive Director, Miriam's House*
- Jeff Smith, *Executive Director, Rush Homes*

- Buck Sydnor, *Interim Executive Director, Lynchburg Redevelopment and Housing Authority*
- Donna Vincent, *Executive Director, Greater Lynchburg Habitat for Humanity*
- Reid Wodicka, *Deputy City Manager, City of Lynchburg*

Next Steps:

1. Expand the Lynchburg Housing Collaborative to have increased representation from sectors identified by City Council and the Lynchburg Redevelopment and Housing Authority board.
2. Review the policy recommendations developed by the Collaborative for a Livable Lynchburg and develop an action plan and goals by which to address the vision statement, guiding principles and policy priorities.

Lynchburg Housing Collaborative Policy Recommendations

8/18/2022

1. Develop a well-articulated vision clarifying how housing is a holistic community issue that impacts, and is impacted by, income concerns, strengths of families, and sustainability of the community. It is also imperative that as a community we confront the fact that race is a significant factor in our housing affordability concerns. **Done- vision statement below:**

   The City of Lynchburg envisions a place where all residents have access to stable, decent, and affordable homes in vibrant and sustainable neighborhoods. The City recognizes that the diverse nature of our community requires that we address the specific needs found in our community. The City supports a variety of community programs that ensure long-term pathways to housing security for all.

3. Expand the City Council established housing collaborative to include representatives from lending institutions, private residential developers, and anchor institutions, similar to the one created in the Charlotte, NC area that led to the formation of the Charlotte-Mecklenburg Housing Partnership, Inc. Create a charter based on the vision adopted in recommendation. **Done- new members added to represent a variety of backgrounds and a charter established.**

- Tracie Gallahan, First National Bank
- Billy Hansen, Hansen Realty
- Kevin Henry, City of Lynchburg
- Mary Mayrose, Lynchburg Redevelopment and Housing Authority
- Sarah Quarantotto, Miriam's House
- Robert Sheltar, University of Lynchburg
- Jeff Smith, Rush Homes
- Donna Vincent, Greater Lynchburg Habitat for Humanity

4. Create a Housing Trust Fund to assist with the preservation and development of housing options in the community.

   - Researched the 6 local housing trust funds in Virginia- all established and operated by the cities using a combination of taxes, developer payments and private contributions and used for a variety of purposes: developing affordable housing, first time homebuyer assistance, rental assistance, and preservation of affordable housing. City staff recommended using a portion of the meals tax to fund the Lynchburg Housing Trust Fund.

5. Identify and analyze existing affordable housing options and determine if they should be slated for preservation. If so, create a plan to preserve these sites and subsidize rehabilitation of existing units.

   - Additional city staff support needed to accomplish this priority.

6. Identify areas with missing standard infrastructure (water, sewer, sidewalk, etc.) and develop a plan to install it over time.

    - Additional city staff support needed to accomplish this priority.

7. Develop and implement precise evaluation tools to determine specific housing needs, particularly considering preventing and reducing poverty clusters. Identify national housing network partners to leverage expertise and develop a strategy to increase attainable housing in needed sectors.

- The tool identified to prevent and reduce poverty clusters was to enact inclusionary zoning. There are various ways this can be done and the Collaborative decided a mandatory option would be best with the option to opt out and pay the Housing Trust Fund.

8. Develop a communication plan for attainable housing to improve the use of our existing tools and incentives.

    - The Collaborative decided there were various tools in Lynchburg not being fully communicated with the community and that better marketing could make these more accessible.

9. Enlist the help of developers, builders, and design professionals to remove barriers for attainable housing products that support homeownership. Some examples of evolving design strategies to reduce the gap between income and home price include small homes (reducing square footage), value housing (new housing brand segment with reduced option packages), missing middle (attached housing) and high-density detached housing (clustering).

    - It is suggested that a focus group of the above professionals be held to assess if barriers exist for them to build more attainable housing.

10. Enhance existing wrap-around support programs, providing both financial and personal/life support to stem high eviction rates and assist potential homeowners.

11. Evaluate public employees housing options similar to those found in Newark, New Jersey and Chapel Hill, North Carolina, the incentive packages available in other cities to determine their feasibility for implementation in Lynchburg, and the implementation of inclusionary zoning principles.

    - More data needed around this issue possibly regarding City staff housing or major employer housing.

Office of the City Manager

City of Lynchburg | 900 Church Street | Lynchburg, VA | 24503

To: **Jeff Helgeson, Randy Nelson, Vice Mayor Beau Wright**
CC: **Mayor MaryJane Dolan, Chris Faraldi, Treney Tweedy, Sterling Wilder, Donna Witt, Carrie Dungan**
From: **Wynter C. Benda, City Manager**
Date: **September 22, 2022**
About: **Fiscal Year 2022 Adopted Budget to Estimated Actual**

This memorandum seeks to provide clarification on recent discussions related to Fiscal Year (FY) 2022 year-end numbers. Although discussions regarding a "surplus" have previously been tied to the Unassigned General Fund Balance (UGFB), the focus should be on expenditures and revenues compared to budget.

General Fund	Actual FY21 (A)	Adopted FY22 (B)	Estimated FY22 (C)	Adopted FY23 (D)	Revised Beginning FB FY23 (E)
Beginning Unassigned Fund Balance	$34,579,844	$30,197,436	$49,771,343	$40,955,797	$66,565,011
Revenues and Use of Fund Balance	210,084,561	196,949,073	215,332,240	206,525,769	206,525,769
Expenditures, Reserves, and Transfers	194,893,062	204,023,769	198,538,572	223,116,195	223,116,195
Ending Unassigned Fund Balance	$49,771,343	$23,122,740	$66,565,011	$24,365,371	$49,974,585

As you can see in the chart above, the ending FY22 UGFB in Column C is estimated to be $66.6 million, compared to an adopted budget amount of $23.1 million in Column B. Once we plug in this estimated UGFB as the estimated FY23 beginning fund balance in Column E, the ending FY23 UGFB will be at least $50 million, compared to the adopted budget general fund financial summary of $24.4 million as shown in Column D. The UGFB will continue to fluctuate as revenues and expenditures vary from adopted to actual budget. This is why the conversation needs to focus on revenues and expenditures compared to budget instead of UGFB.

Actual FY22 revenues are estimated to be $16.5 million more than the adopted budget, and expenditures are estimated to be about $6.4 million below the adopted budget. This results in $23 million of additional money in the general fund. These additional revenues are a result of conservative budgeting during the COVID-19 pandemic, a robust economy, and unprecedented inflation. Expenditures are lower than projected primarily because extensive vacancies throughout the organization result in about $4.2 million in personnel savings, which is higher than it has ever been.

Staff will break these numbers down further in the coming weeks, but I wanted to provide preliminary information for these conversations.

FY 2022 Analysis of Unassigned General Fund Balance (UGFB) as of October 4, 2022 *(not final audited numbers)*

FY 2022 Adopted Budget Ending Fund Balance	$23,122,740	Estimated based on FY 2020 Ending Unassigned Fund Balance
FY 2022 Actual Ending Fund Balance (Estimated)	66,376,757	
	($43,254,017)	Variance
Additional Beginning Fund Balance Above FY 2022 Adopted	19,573,907	
Revenues Above Budget	14,520,462	
Expenditures Below Budget (Savings)	7,707,842	
	($1,451,806)	Miscellaneous Revenues and Expenditures

FY 2022 Adopted Budget Beginning Fund Balance	$30,197,436	Revised FY 2021 based on Audited Actual FY 2020
FY 2022 Actual Beginning Fund Balance	49,771,343	Audited Actual FY 2021
	$19,573,907	Variance

Revenues Above Budget		
Sales and Use Tax	$3,247,211	
Meals Tax	3,306,859	
Personal Property Tax	2,028,128	FY22 Adopted Personal Property – Local portion less FY22 Actual (reduced assessment 75% for 6/5/22 and 12/5/22)
Business License Tax	1,207,730	
Lodging Tax	496,832	
Amusement Tax	336,599	
Current Real Property Tax	(469,184)	FY22 Adopted Current Real Property less FY22 Actual
Delinquent Real Property Tax	411,823	
Delinquent Personal Property Tax	444,921	
Consumer Utility Tax - Electric	192,155	
Right of Way Fees	253,449	
Communications Sales & Use Tax	569,362	
Bank Stock Tax	205,810	
Recordation Tax	508,791	
Building Inspection Permit Fee	123,697	
Ambulance Service Fees	533,122	
Trash Bag Service Waste Zero	115,408	
Refuse Disposal Fees	469,562	
Miscellaneous	200,497	
Federal and State	337,690	
	$14,520,462	

Expenditures Below Budget (Savings)	
Personnel Services	$4,221,472
Non-Department and Department Operating Savings	1,297,545
Reserve for Contingencies	1,150,000
Blue Ridge Jail Per Diem	1,038,825
	$7,707,842