// A special meeting of the Council of the City of Lynchburg was held on the 26th day of April, 2011, at 1:00 P.M. in the Council Chamber, City Hall, Joan F. Foster, President, presiding. The purpose of the meeting was to conduct iPad training for City Council. The following Members were present:

Present: Cary, Gillette, Johnson, Nelson, Foster 5

Absent: Helgeson, Perrow 2

// Trainers Terry Hutchens and Tom Williamson with Information Technology (IT) conducted the iPad training for Council. The purpose of the training was to distribute Council iPads, user guides and provide introductory training to the hardware and software.

// The training was adjourned at 3:03 P.M.

Clerk of Council

// A regular meeting of the Council of the City of Lynchburg was held on the 26th day of April, 2011, at 4:00 P.M. in the Council Chamber, City Hall, Joan F. Foster, President, presiding. The following Members were present:

Present: Cary, Gillette, Helgeson, Johnson, Nelson, Perrow, Foster 7

Absent: 0

// City Manager Kimball Payne provided the revised FY 2010 Budget "List" to reflect the guidance received from Council during the meeting on April 12th. Mr. Payne explained that the revised list is consistent with the consensus scenario that was developed during Council's discussion. Mr. Payne went on to say that this scenario is not presumed to be a final decision to develop the formal budget resolution without further direction from Council. On motion made by Council Member Perrow, seconded by Council Member Cary not to fund the Legislative Liaison contract in 2012 and Council by the following recorded vote defeated the motion:

Ayes: Cary, Helgeson, Perrow 3

Noes: Gillette, Johnson, Nelson, Foster 4

Council Member Helgeson made a motion to remove $25,000 from Rebuilding Together and $25,000 from LynCag from the FY 2012 budget. The motion failed for lack of a second. During Council discussion several Council Members were in favor of designating $800,000 to the Heritage Reserve Fund and the remaining $48,297 in an undesignated reserve fund. Council Member Helgeson had concerns that it seems like a trade off and would not be in support of this motion. Council Member Gillette made a motion, seconded by Council Member Perrow to give direction to the City Manager to move forward on a budget Resolution as indicated on the "List" with the adjustment that $800,000 would be designated as the Heritage Debt Reserve and that $48,297 be designated into reserve for future needs account. Council by the following recorded vote adopted the motion as presented:

Ayes: Cary, Gillette, Johnson, Nelson, Perrow, Foster 6

Noes: Helgeson 1

// City Manager Kimball Payne gave an overview of the Schools request to utilize unspent appropriations from the FY2010 budget. Mr. Payne stated that is similar to the request Council had seen at its March 22, 2011 meeting with the exception of $300,000 allocation being suggested for the Heritage High School Reserve which is non-recurring money and then utilizing the Health Care Reserve that currently exists and moving that into the budget for this year. Dr. Paul McKendrick, Superintendent of Lynchburg City Schools gave a brief overview of this request stating that at Council's March 22 meeting City Council had asked that the Schools place some funds into the Heritage High School reserve.

Vice Mayor Johnson made a motion to approve the Resolution and let the schools keep the $300,000 placed in the Heritage High School Reserve and let the schools use these funds as they see fit and suggested that the funds be used for employee raises, seconded by Council Member Gillette. Council Member Helgeson stated that he was leary of spending money that was designated in the CIP for the Sheffield Roof Replacement and the Heritage Elementary electrical work and spend these funds on school operations. Mr. Helgeson further questioned whether there were actual cuts in employees or if the cuts were just positions. After further discussion, Council by the following recorded vote introduced and laid over to later meeting, Resolution #R-11-034 as presented, amending the FY 2011 General Fund budget and appropriating $1,467,931 for transfer to the School Operating Fund with resources from unexpended FY 2010 School Operating appropriations to fund designated expenditures as identified in the attached letter dated March 29, 2011 from the Schools Superintendent:

Ayes: Cary, Gillette, Johnson, Nelson, Perrow, Foster 6

Noes: Helgeson 1

// City Manager Kimball Payne gave a brief introduction to Council on the redistricting data and redistricting tool. The City Planner Tom Martin gave a presentation on redistricting data and indicated that this data has been incorporated into the City's Geographic Information System (GIS). Shaun Conway, GIS Specialist, explained the redistricting tool and the different data that has been placed into the GIS system.

// City Council took a short break at 6:04 p.m.

// City Council reconvened the meeting at 6:09 p.m.

The following Members were present:

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

Absent: Gillette, Helgeson 2

// Council Member Gillette returned at 6:11 p.m.

// Council Member Helgeson returned at 6:13 p.m.

// City Manager Kimball Payne gave a report on the Stormwater Management Program. Mr. Payne stated that the City does not have too many options except to keep this item before you and to move forward. Mr. Payne explained he would like to take a little different approach on the "What, Why, How and When of the Stormwater Management. Mr. Payne further stated that a mechanism needs to be implemented and to have this mechanism in place by July 1, 2012. Mr. Payne went on to explain each item; 1) What – to reorganize the delivery of stormwater services and reorganize the funding of stormwater services; 2) Why – regulations are increasing, stormwater services are increasing, organization is fragmented, infrastructure needs are unknown and funding; 3) How – organization and funding; 4) When – organization, funding, decisions needed by October 1, 2011 and public outreach.

// Director of Financial Services Donna Witt gave a report on the FY 2011 Third Quarter Budget Adjustments. Ms. Witt stated that each year in March a review of operating revenues and expenditures of the City's various funds are done to determine if adjustments are needed prior to the end of the fiscal year. Ms. Witt further stated that the Third Quarter Detail list shows items for the Third Quarter Adjustments this year. The revenue column shows that new revenues are being appropriated to offset the expenditures. On motion of Council Member Gillette, seconded by Council Member Nelson, Council by the following recorded vote introduced and laid over to later meeting, Resolution #R-11-035 as presented, approving the FY 2011 Third Quarter Budget Adjustments, as presented:

Ayes: Cary, Gillette, Helgeson, Johnson, Nelson, Perrow, Foster 7

Noes: 0

// During roll call Council Member Helgeson referred to the Cornerstone Project asking about the minimum 100,000 square feet of commercial property, where would the 100,000 square feet of commercial property go in the Cornerstone area? Council Member Cary thanked the Holiday Inn for their prompt attention in handling a concern regarding aluminum flashing that was blowing off the roof of Holiday Inn.

// City Council recessed the meeting at 7:04 p.m.

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

The following Members were present:

Present: Cary, Gillette, Helgeson, Johnson, Nelson, Perrow, Foster 7

Absent: 0

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

// Mayor Foster and Vice Mayor Johnson presented a Certificate of Recognition for National Music Week.

// Copies of the minutes of the April 12, 2011 meeting, having been previously furnished Council, reading was dispensed with, and on motion of Council Member Gillette, seconded by Council Member Perrow, Council by the following recorded vote approved the minutes as presented:

Ayes: Cary, Gillette, Helgeson, Johnson, Nelson, Perrow, Foster 7

Noes: 0

// In the matter of Region 2000, City Council Report # 8 was considered. On motion of Council Member Gillette, seconded by Council Member Perrow, Council by the following recorded vote adopted Resolution #R-11-036, as presented, re-appointing City Manager L. Kimball Payne and Public Works Director David A. Owen to the Region 2000 Services Authority:

Ayes: Cary, Gillette, Helgeson, Johnson, Nelson, Perrow, Foster 7

Noes: 0

// In the matter of Community Development – CDBG, a public hearing was held regarding City Council Report #9 regarding the FY 2012 allocation of Community Development Block Grant (CDBG) and HOME Program Funds. Grants Manager Melva Walker gave a summary of the FY 2012 allocations for CDBG and HOME Program Funds with recommendations from Community Development Advisory Committee (CDAC). Seven 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. Mayor Foster stated that this item would be discussed and deliberated at the May 10th Council meeting.

// Mr. William Norris spoke before Council regarding his concern with Greater Lynchburg Transit Company.

// On motion of Council Member Perrow, seconded by Council Member Cary, Council by the following recorded vote elected to hold a closed meeting for discussion concerning the location of a prospective business or industry in the City where no previous announcement has been made of the business' or industry's interest in locating its facilities in the community:

Ayes: Cary, Gillette, Helgeson, Johnson, Nelson, Perrow, Foster 7

Noes: 0

// 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 Council Member Gillette, and Council by the following recorded vote adopted the motion:

Ayes:	Cary, Gillette, Helgeson, Johnson, Nelson, Perrow, Foster	7
Noes:		0

// The meeting was adjourned at 8:27 P.M.

Clerk of Council

LYNCHBURG CITY COUNCIL
Agenda Item Summary

MEETING DATE: **May 10, 2011** AGENDA ITEM NO.: 1

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

ACTION: INFORMATION: **X**

ITEM TITLE: **Report on Potential For Consolidation of City and Schools Health Benefits Programs**

RECOMMENDATION: No action required at this point. Reaction and comments sought.

SUMMARY: Representatives from AON Hewitt have briefed the City/Schools Consolidation Committee and will brief City Council and the School Board, separately, on May 10^{th}. Attached are the slides that will be used for the presentation.

PRIOR ACTION(S): N/A

FISCAL IMPACT: To be determined..

CONTACT(S): Kimball Payne, 455-3990; Margaret Schmitt, 455-4208.

ATTACHMENT(S): AON Hewitt presentation.

REVIEWED BY: lkp

075L

Post-Reform.
New Paths. New Approaches.

City of Lynchburg and Lynchburg Public Schools

May 10, 2011

AON Hewitt

Today’s Agenda

- Aon Hewitt Point of View
- Focus Group Highlights
- Demographic and Plan Comparison
- Consolidation “Go” or “No Go” Discussion
- Next Steps/Timeline

Our Point of View—”Wait and See” is Over

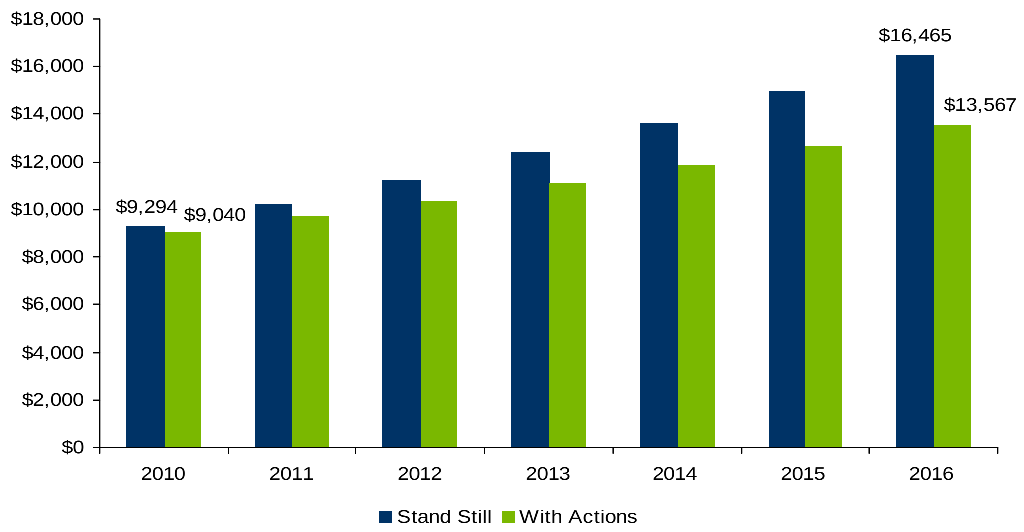
Are you prepared for health care’s new realities?

Creating a strategic plan is a business imperative, and regardless of the path you're on, employers need to take specific actions to support and influence a healthy, present, and productive workforce!

Stage Setting—The Realities in the Wake of Health Reform

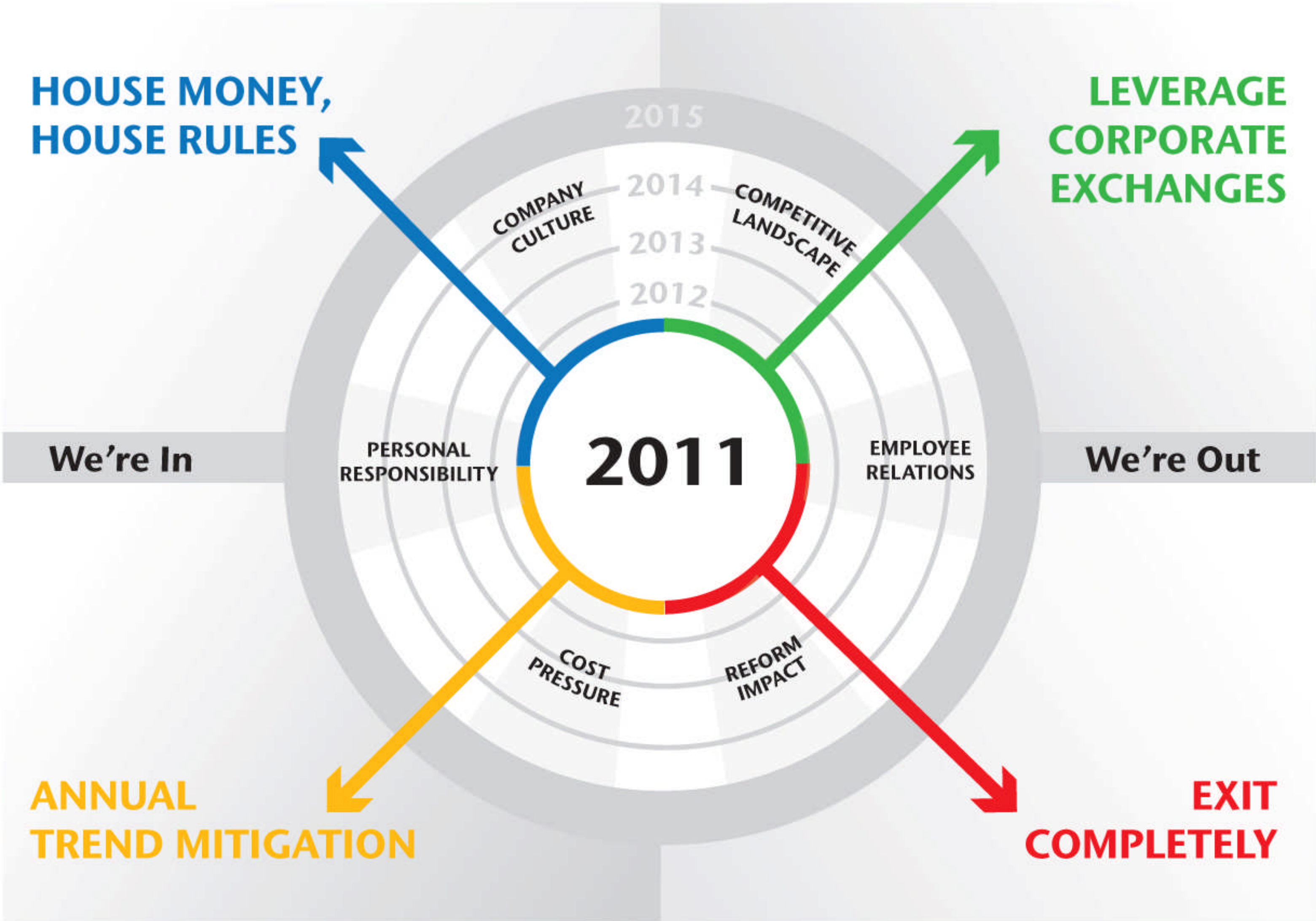
- This is just the beginning
  - Regulatory guidance, and potentially additional legislation, will be on the table…forever
- Without aggressive action, employer health care costs will increase 60% in the next five years
  - No one will be standing still
  - The era of the copay is over; designs will be meaner and leaner
  - Companies will be more requiring of their employees (carrots and sticks)
  - Some will move towards defined contribution approach in health care
  - All benefits are "on the table" as the employment deal is re-assessed

Annual gross trend of 10% per year; net trend of 7% per year

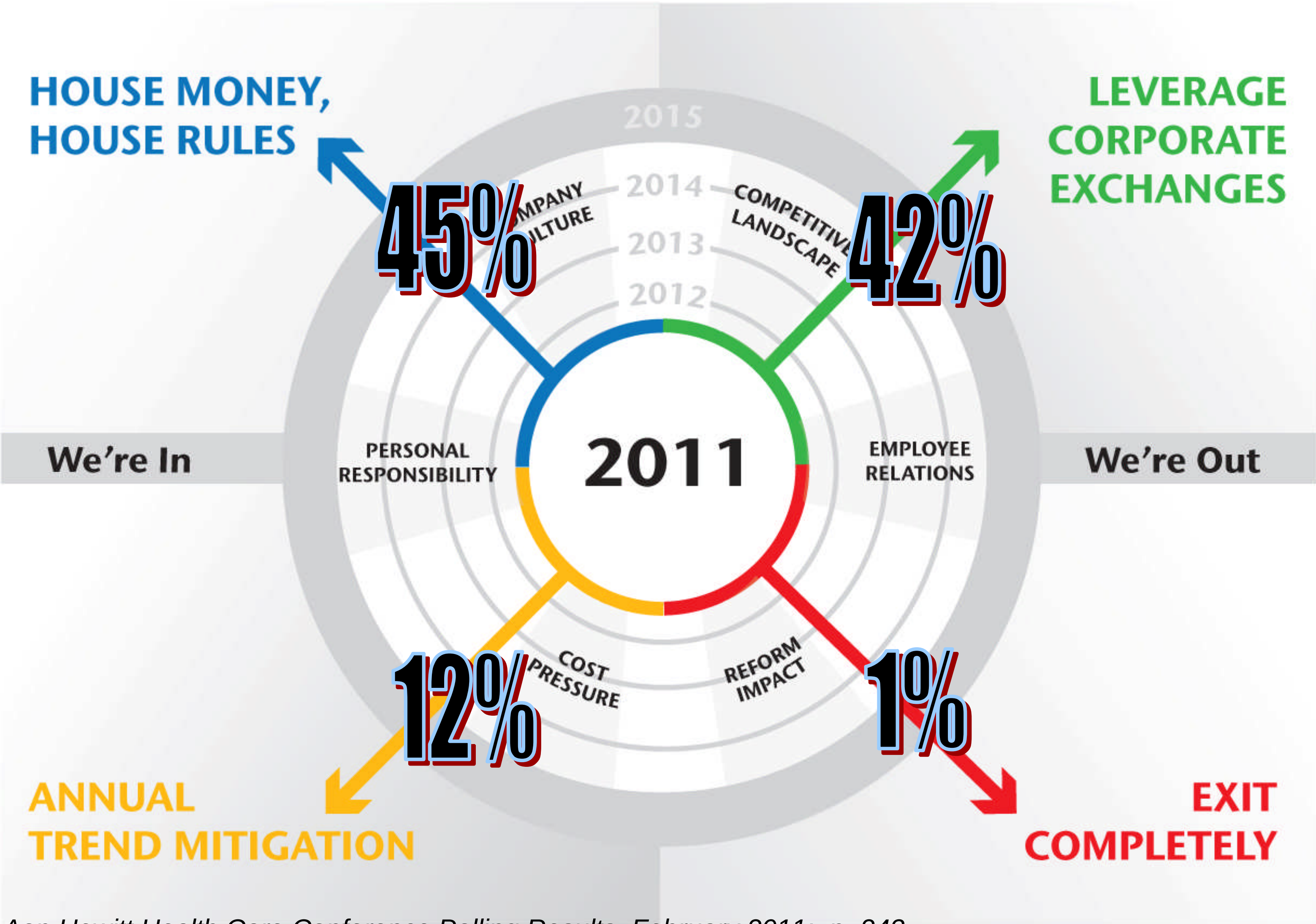


Even a 7% compound annual growth rate (CAGR) is unsustainable long-term; there needs to be a "new normal"

Develop a “What If” Plan Around Each of These Paths

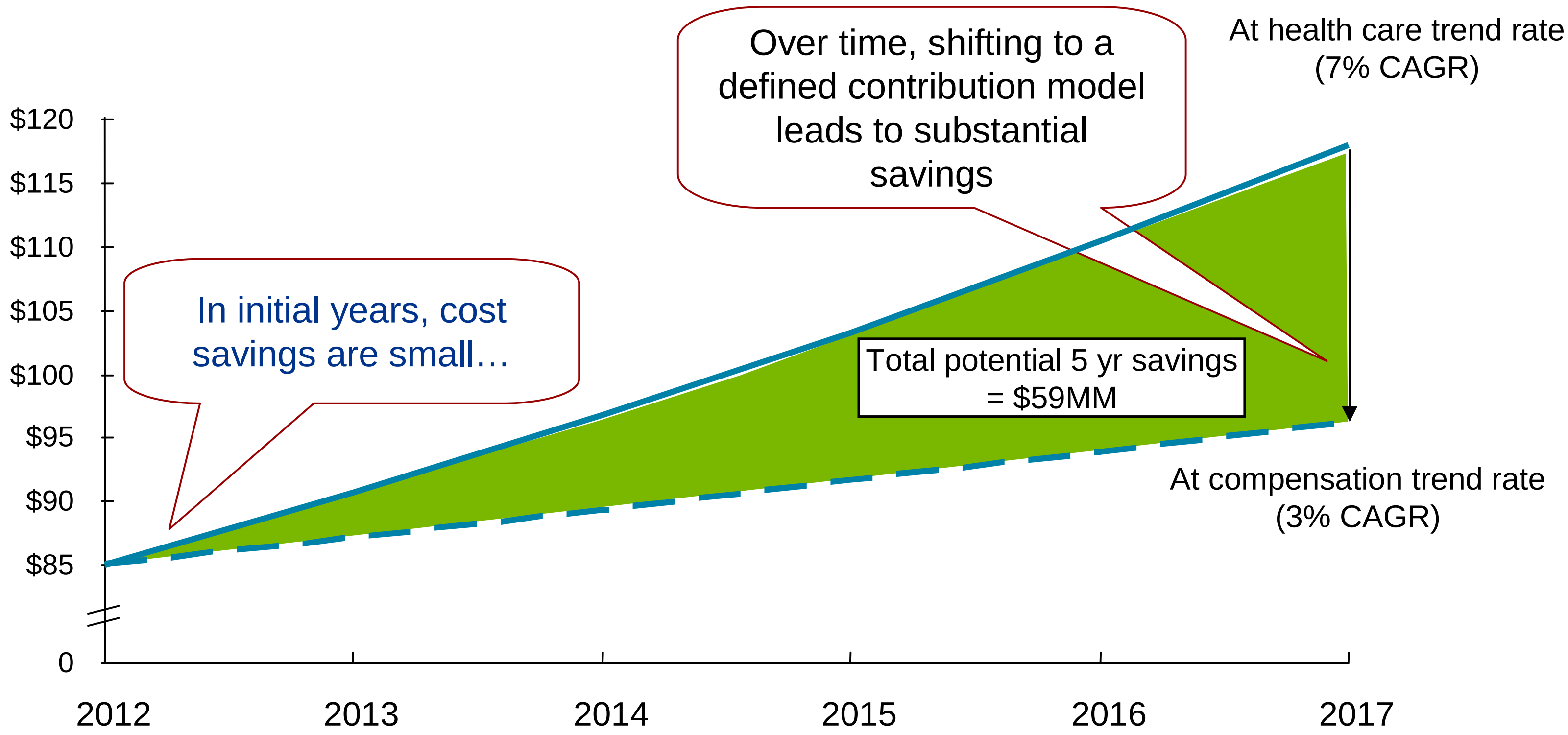


What We Are Hearing From Your Peers



Source: Aon Hewitt Health Care Conference Polling Results, February 2011: n=243

Getting Off the Health Care Trend Curve



Total estimated employer subsidy (current = $7,000 PEPY), care costs and health for a typical employer with 10k lives at varying growth rates

Annual savings of $21MM at Year 5 drops to bottom line
Equivalent to $315MM in shareholder value at PE of 15x

Benefit Program Consolidation Feasibility Study Overview

Lynchburg City and Lynchburg City Public Schools

AON Hewitt

Focus Group Highlights – Organizational

Major Challenges

- Broad spectrum of incomes, job requirements and education – complex workforce
- As economy improves, concern about retention
- Aging workforce

Compensation and Benefits Challenges

- Provide comprehensive benefits package to attract and retain employees
- Employees' pay has been frozen for 3 years
- Health Care Reform adds complexity and cost
- Develop long-term strategy to meet future Health Care Reform requirements

Focus Group Highlights – Organizational

Consolidation Drivers and Goals

- Save money
- Create communication and administrative efficiencies
- Access to additional resources such as nurse practitioner and other wellness initiatives
- Build on existing joint initiatives

Consolidation Barriers

- Different cultures
- Different benefits
- Different styles and goals for managing plan costs and design

Focus Group Highlights – Benefits

What Plans?

- Medical, dental, vision, wellness services and Rx

Plan Management Challenges

- Cost
- Strategy for upcoming changes due to Health Care Reform
- Retiree medical benefits
- Develop utilization controls and effective service delivery model

Focus Group Highlights – Benefits

Does Plan Consolidation Mean Consistent Plans and Cost Sharing?

- Not a requirement
- Plan design should be consistent where possible but must remain flexible to meet unique business requirements and goals

Plan Management and Oversight

- Have long-term outlook
- Develop long-term strategy and guiding principles
- Use data analytics for making design decisions
- Balance cost constraints with employees' well being

Focus Group Highlights – Cost Management

Expected Cost Savings, Plans are Merged

- Expect savings but amount not specified
- Reap administration and communications efficiencies
- Hold health plan cost increases to 5% to 10% (some percentage below trends – national & local)

Do Both Parties have to Benefit Equally?

- No, as long as there is some savings to each

Demographic and Utilization Review

- Active and Under 65 populations combined create a group with similar risk factors

Demographics for Active and Under 65 Population

	COL	LCS	Combined
% Female	37%	76%	58%
Average Age	46.1	48.6	47.4
Age/Sex Factor	**2.41**	**2.43**	**2.42**

- Average Years of Service for the Active population are similar
  - COL (11.7 years) and LCS (11 years)
- Members with Claims from $0 to $5K – 92.5% (COL); 90.5% (LCS)
- Members with Claims over $50K
  - COL: 20 (members); $134,813 (average cost per member)
  - LCS: 20 (members); $130,020 (average cost per member)
- 4 out of the Top 5 Major Diagnostic Groups are the same for COL & LCS

Plan and Vendor Comparison

- Aon Hewitt's Actuaries compared plan design for COL and LCS

Medical	COL Plan		LCS 400 Plan	LCS 1500 Plan
Relative Value (Medical)	1.00		1.06	0.96
Benefit Ratio (Medical)	81%		86%	78%
Pharmacy	**COL Plan**		**Plan A (%)**	**Plan B ($)**
Relative Value (Rx % & $ Plans)	1.00		1.01	1.10

- Using Aon Hewitt's relative values, the cost to adopt a common plan design can be estimated
    - LCS adopts COL's plan design the annual savings to LCS is estimated to be $230K
    - COL adopts LCS's two plan options the increase to the City is estimated to be $274K
- Common vendors were unwilling to provide significant savings to combine COL and LCS under one contract
- Rx vendors, Medco and Prescription Solutions, were more willing to provide savings with consolidation

“Go” or “No Go” Discussion

Reasons for “Go” Recommendation

- Health Care Reform creates challenges and opportunities
- Need to pool resources to develop long-term strategy for managing health plan in a complex environment
- Cost Savings by consolidating vendor contracts – some but small since most vendors are already common (except Rx)
- Expand and combine health & productivity initiatives (e.g. Wellness) and include dependents
  - building on current on-site healthcare services
- Develop administrative and communication efficiencies
- Recognize benefit plan merger does not require same benefits for all

Next Steps/Timeline

Begin Phase II

- Determine operational set up such as shared position for support of ongoing program, joint benefits committee, voting structure (included in this study as optional service June/July 2011).
- Consider Rx, Stop Loss and Vision vendor consolidation (June/July 2011).
- Determine if consultant needed and if so select consultant to serve joint group (July/Aug 2011)
- Adopt guiding principals, goals and focus. (Aug/Sep 2011)
- Develop long-term strategic plan (Oct/Nov 2011)
- Commence implementation of long-term strategic plan (Nov/Dec 2011)
- Launch competitive bidding of benefits and wellness vendors and conduct negotiations. (Dec 2011/Jan 2012)
- Develop communications program for employee population (Feb/Mar 2012)
- Open Enrollment (June 2012)
- Effective Date (Oct 2012)

LYNCHBURG CITY COUNCIL
Agenda Item Summary

MEETING DATE: **May 10, 2011**			AGENDA ITEM NO.: 2
CONSENT:	REGULAR:	WORK SESSION: **X**	CLOSED SESSION: (Confidential)
ACTION:		INFORMATION: **X**	

ITEM TITLE: **Region 2000 Water Supply Plan**

RECOMMENDATION: Receive a report on the Draft Region 2000 Water Supply Plan.

SUMMARY: On November 2, 2005, Title 62.1 of the Code of Virginia 9 VAC 25-780 et seq. Local and Regional Water Planning Regulations became effective. These regulations required that all local governments in the Commonwealth of Virginia submit a local or regional water supply plan to the State Water Control Board.

The purpose of this was multi-fold and included:

1. Ensure that adequate and safe drinking water is available to all citizens in the region;
2. Encourage, promote, and protect all other beneficial uses of the region's water resources;
3. Encourage, promote, and develop incentives for alternate water sources; and
4. Promote conservation.

Region 2000 recognized the benefits of a regional plan. As a result, the Region 2000 regional water supply planning group, comprised the City of Lynchburg and 11 other local governments and four service authorities, was formed and began working on the Plan in January, 2006. A draft of the Plan was submitted to the Department of Environmental Quality (DEQ) on March 18, 2008. In February, 2011, Region 2000 received comments of the draft of the Plan which have since been addressed.

A public hearing must be held and the Plan, which includes a Drought Response and Contingency Plan (which is modeled after the existing City Code Section 39-90. "Water Emergencies"), formally adopted by City Council,. The final adopted Plan must then be submitted to DEQ by the November 2, 2011 deadline.

Draper Aden Associates will provide an overview of the Plan and the process.

The attachments provide an Executive Summary of the plan and Lynchburg specific information. The complete plan is 406 pages long and will be made available upon request.

PRIOR ACTION(S): City Council previously authorized the City of Lynchburg to participate in a regional water supply plan.

FISCAL IMPACT: There is no fiscal impact that results from the adoption of the Regional Water Supply Plan.

CONTACT(S): Tim Mitchell, Director of Utilities 455-4252

ATTACHMENT(S):
Draper Aden Associates Memorandum
Locality Specific Executive Summaries of the Regional Water Supply Plan
Draft Resolution to adopt the Regional Water Supply Plan
Current Water Emergencies ordinance
Locality specific portions of the Drought Response and Contingency Plan
Water supply planning history
Required actions and schedule of activities

REVIEWED BY: lkp

073L

Draper Aden Associates
Engineering • Surveying • Environmental Services

Memorandum

To:	County Administrators, City Managers, Town Managers, Elected Officials
From:	Mike Lawless
Date:	April 14, 2011
Project Name:	Region 2000 Regional Water Supply Plan
Project Number:	B06144-03
Subject:	Briefing Packet
cc:	Bob White, Region 2000

Contents:

- Locality-specific Executive Summaries of Regional Water Supply Plan
- Draft Resolution to Adopt Regional Water Supply Plan
- Draft Drought Ordinance or Recommended Revisions to Current Ordinance, if any
- Locality-specific portions of Drought Response and Contingency Plan
- Water Supply Planning History
- Required Actions and Schedule of Activities

Required actions by each governing body:

- Adopt a Drought Management Ordinance which includes the components recommended by DEQ.
- Adopt a Drought Response and Contingency Plan which will be included in the Regional Water Supply Plan and will be adopted upon adoption of the Water Supply Plan; this does not need separate adoption.
- Hold a public hearing and pass a resolution adopting the Regional Water Supply Plan.

Region 2000 and/or Draper Aden Associates will make initial presentations to governing bodies in the spring if requested. The presentation will summarize the Regional Water Supply Plan, Drought Response and Contingency Plan, and Drought Management Ordinance, and respond to questions in order to facilitate the required actions. DEQ can attend these meetings as well if desired.

Schedule of activities:

March 2011	Meeting with administrators and managers to review the plan and actions required by elected officials

April/May	Presentations of the plan to governing bodies.
June/July	Public hearings and adoption of Drought Management Ordinance and Water Supply Plan Resolution
October	Submit Regional Water Supply Plan to DEQ, including Drought Response and Contingency Plan and Drought Management Ordinance

This schedule can be adjusted to meet local requirements. The ultimate deadline for submitting the plan to DEQ is November 2, 2011.

EXECUTIVE SUMMARY

Organization of the Region 2000 Regional Water Supply Plan (Plan) generally follows the State Water Control Board's regulation 9 VAC 25-780, Local and Regional Water Supply Planning. The major sections in the Plan include information on water sources, water use, and natural resources in the region; water demand management information including population and demand projections, water conservation practices, and drought response and contingency planning; a statement of need and alternatives analysis; and information on public participation. This executive summary provides a summary of the regional approach as well as a summary for each of the twelve participating jurisdictions. In addition, a separate table of contents is provided for each locality for ease in finding information regarding each locality.

The Plan complies with the State Water Control Board's regulation 9 VAC 25-780, Local and Regional Water Supply Planning, and is a functional plan supporting sustainable growth and economic development. The purpose of the regulation is to establish a comprehensive water supply planning process for the development of local, regional, and state water supply plans. This process is designed to:

- Ensure that adequate and safe drinking water is available to all citizens within the region;
- Encourage, promote, and protect all other beneficial uses of the region's water resources;
- Encourage, promote, and develop incentives for alternative water sources; and
- Promote conservation.

Local governments participating in the regional plan notified VDEQ of their intent to participate in the Plan before the November 2, 2008 deadline. The Plan will be submitted to the VDEQ prior to the November 2, 2011 deadline. A public hearing will be held by each participating jurisdiction and the local governments will pass resolutions approving the Plan and adopting other policies or ordinances that were developed during the planning process.

The Region 2000 regional water supply planning group (Region 2000) is made up of twelve local governments. Participating jurisdictions include the counties of Amherst, Appomattox, Bedford, Campbell, and Nelson; cities of Bedford and Lynchburg; and the towns of Altavista, Amherst, Appomattox, Brookneal, and Pamplin. The Amherst County Service Authority

(ACSA), Bedford County Public Service Authority (BCPSA), Campbell County Utilities and Service Authority (CCUSA), and Nelson County Service Authority (NCSA) also participate.

Region 2000 recognized the benefits of a regional plan and began developing their Plan in January 2006. Region 2000 was one of the first regions in the Commonwealth of Virginia to begin developing a Plan. Beginning in April 2006 through August 2006, the Region 2000 Local Government Council conducted a series of four workshops with representatives from the Region 2000 participants. The representatives for the Region 2000 participants included utility directors, water plant operators, county administrators, and city and town managers. The purpose of the workshops was to develop a consensus scope of services, work plan, and budget for completing the Plan.

Many of the participants in the region are already working together on water supply issues; therefore, it made sense for the region to continue to work together. One of the most important benefits to result from this regional planning effort is continued communication between participants. Many of the utility directors and water plant operators in the region are getting together on a regular basis (once a month or at least once a quarter) to share information with one another.

Region 2000 is located in the central portion of Virginia in the Blue Ridge Mountains and western piedmont region. According to an estimate provided by the U.S. Census Bureau, the total population for the region in 2000 was estimated to be 243,068, but has increased to an estimated 258,125 in 2007. The region is served by both surface water and groundwater sources. The major streams utilized in the region as water sources include the James River, Big Otter River, Buffalo River, Harris Creek, Reed Creek, and Staunton River. The major reservoirs in the region utilized as water sources include Smith Mountain Lake, Pedlar Reservoir, Graham Creek Reservoir, Black Creek Reservoir, Stoney Creek Reservoir, and Phelps Creek Reservoir. Much of the region is also dependent upon groundwater as well as several springs. The City of Lynchburg is one of the major water providers in the region selling water to the ACSA, BCPSA, and CCUSA.

Overall the region is considered to be a water rich region. Based on projected demands and the total existing public community water system capacities for the each locality, Region 2000 is projected to experience a water supply surplus of approximately 2.0 MGD by the year 2060. This surplus is based on current limiting capacities and total demands (excluding sales to jurisdictions). The majority of this surplus is due to the large surplus from the City of Lynchburg, which provides support to potential alternatives that involve an interconnection with the Lynchburg system. In addition, additional private demand (from groundwater and surface water sources) of approximately 17.0 MGD may be needed to supply residential and agricultural users outside the service areas of the public community water systems. It is important to note should any of the private community water systems become part of a public community water system; this may increase the future public community water system deficit projections.

City of Lynchburg

The City of Lynchburg is located in the heart of Region 2000 at the intersections of Route 29 and Route 460. According to the U.S. Census Bureau, the population in 2000 was 65,269. The two major water sources for the City of Lynchburg are the Pedlar Reservoir, located in Amherst County, and the James River. The College Hill WTP and Abert WTP both receive raw water from the Pedlar Reservoir. Additionally, each WTP can withdraw water from the James River from the Abert raw water pump station. The College Hill WTP can also receive raw water from the Dowtown Pump Station.

The City of Lynchburg serves approximately 66,000 people and has an average daily withdrawal of 11.25 MGD. In addition, the City of Lynchburg sells water to the ACSA, BCPSA, and CCUSA. The City of Lynchburg is water rich and will have sufficient water supply through 2060, even when including current sales to the ACSA, BCPSA, and CCUSA.

Please note that the Plan generally follows the Regional Water Supply Planning regulation (9 VAC 25-780). The major sections in the Plan, in order, are as follows: information on water sources, water use, and natural resources in the region; water demand management information including population and demand projections, water conservation practices, and drought response and contingency planning; a statement of need and alternatives analysis; and information on public participation. A separate table of contents (including figures and tables) is supplied for City of Lynchburg for ease in finding information specific to City of Lynchburg.

A RESOLUTION APPROVING THE REGION 2000 REGIONAL WATER SUPPLY PLAN.

WHEREAS, Virginia State Water Control Board Regulation 9 VAC 25-780, Local and Regional Water Supply Planning, requires all counties, cities and towns in the Commonwealth of Virginia to prepare and submit a water supply plan to the Department of Environmental Quality (DEQ); and

WHEREAS, [JURISDICTION] is a participant in the Region 2000 Regional Water Supply Planning Group as reported to DEQ by letter before the November 2, 2008 deadline; and

WHEREAS, on [DATE], [JURISDICTION] held a public hearing to accept public comment on the Regional Water Supply Plan; and

WHEREAS, the adopted Regional Water Supply Plan will be submitted to the DEQ on or before November 2, 2011.

NOW, THEREFORE BE IT RESOLVED that the [GOVERNING BODY] of the [JURISDICTION] hereby adopts the Region 2000 Regional Water Supply Plan as it pertains to [JURISDICTION] . Approval and adoption of this regional plan indicates support for and general agreement with the regional planning approach, but does not indicate approval or disapproval of conclusions and recommendations presented in the plan as they pertain to other localities. [JURISDICTION] reserves the right to comment on specific water supply alternatives in the future even though such alternatives may be recommended in this adopted plan. [JURISDICTION] will not be limited to specific water supply alternatives in this adopted plan and reserves the right to recommend additional alternatives for consideration in the future.

BE IT FURTHER RESOLVED that the [GOVERNING BODY] of the [JURISDICTION] intends that the Regional Water Supply Plan shall be revised to reflect changes in relevant data at least once every five years and resubmitted to DEQ every ten years in accordance with the regulation and sound planning practice.

PASSED, APPROVED AND ADOPTED by the [GOVERNING BODY] of the [JURISDICTION] at a meeting held on [DATE].

CITY OF LYNCHBURG

Sec. 39-90. Authority to declare water emergencies.

During the continued existence of climatic, hydrological and other extraordinary conditions the protection of the health, safety and welfare of the residents of the City of Lynchburg may require that certain uses of water, not essential to public health, safety and welfare, be reduced, restricted or curtailed. As the shortage of raw or potable water becomes increasingly more critical, conservation measures to reduce consumption or curtail nonessential water use may be necessary.

The city manager, with the approval of the mayor, is authorized to declare a water emergency in the city restricting the use of water in any area of the city. All water stages are built upon and require compliance with previous water stages. For example when stage 3 is declared all provisions of stage 2 are in effect. Also the city manager may declare any of the four stages, they do not have to be declared sequentially. (Ord. No. O-02-175, 9-24-02)

Sec. 39-91. Publication of declaration.

Upon the declaration of a water emergency, the city manager shall immediately post a written notice of the emergency at the front door of the city hall and shall place a notice in a newspaper of general circulation in the area in which such emergency has been declared. (Ord. No. O-02-175, 9-24-02)

Sec. 39-92. Water use considerations.

Upon the declaration of a water shortage or emergency, the city manager is authorized and directed to implement conservation measures by ordering the restricted use or absolute curtailment of the use of water for certain nonessential purposes for the duration of the water shortage or emergency in the manner hereinafter set out. In exercising this discretionary authority, and making the determinations set forth hereof, the city manager shall give due consideration to water levels, available/usable storage on hand, draw down rates and the projected supply capability in Pedlar reservoir and available James River flows; system purification and pumping capacity; daily water consumption and consumption projections of the system's customers; prevailing and forecast weather conditions; fire service requirements; pipeline conditions including breakages, stoppages and leaks; supplementary source data; estimates of minimum essential supplies to preserve public health and safety and such other data pertinent to the past, current and projected water demands. (Ord. No. O-02-175, 9-24-02)

Sec. 39-93. Limitation of restrictions.

The provisions of this article shall not apply to any governmental activity, institution, business or industry which shall be declared by the city manager, upon a proper showing, to be necessary for the public health, safety and welfare or the prevention of severe economic hardship or the substantial loss of employment. Any activity, institution, business or industry aggrieved by the finding of the city manager may appeal that decision to the city council. (Ord. No. O-02-175, 9-24-02)

Sec. 39-94. Water conservation measures.

Upon a determination by the city manager of the existence of the following conditions, the city manager shall take the following actions that shall apply to any person whose water supply is furnished from the city water system:

(a) Stage 1: When moderate but limited supplies of water are available, the city manager shall, through appropriate means, call upon the general population to employ prudent restraint in water usage, and to conserve water voluntarily by whatever methods available.

(b) Stage 2: When very limited supplies of water are available, the city manager shall order curtailment of less essential usages of water, including, but not limited to, one or more of the following:

(1) The watering of shrubbery, trees, lawns, grass, plants, or any other vegetation, except indoor plantings, greenhouse or nursery stocks and except limited watering for new lawns and watering by commercial nurseries of freshly planted plants upon planting and once a week for five (5) weeks following planting. Athletic fields are also exempt but shall only be watered to match the evaporation-transpiration rate. In all cases where the above exceptions apply, the watering is not to occur between the hours of 8:00 a.m. and 8:00 p.m. Watering with buckets that have a capacity of five (5) or fewer gallons is permitted at any time.

(2) The washing of automobiles, trucks, trailers, boats, buses, airplanes, or any other type of mobile equipment, except in facilities operating with a water recycling system. The facility shall post a notice in public view that a recycling system is in operation. Exceptions are for vactor trucks, refuse trucks, septage haulers and city buses. Other exceptions must be approved by the director of utilities or a designee and be demonstrated to be necessary for health and safety purposes.

(3) The washing of sidewalks, streets, driveways, parking lots, service stations aprons, office buildings, exteriors of homes or apartments, or other outdoor surfaces, unless the use is approved by the director of utilities for health and safety.

(4) The operation of any ornamental fountain or other structure making a similar use of water.

(5) The use of water from fire hydrants for any purpose other than fire suppression unless the use has been approved by the director of utilities.

(6) Water service lines from the meter box to the home or structure shall be maintained and have no visible leaks.

(7) Restaurants may serve water to customers only upon request.

(c) Stage 3: When critically limited supplies of water are available, the city manager shall institute a water surcharge on each residential and commercial customer as follows:

The maximum allowable water use at the prevailing city rate will be the average water billed in November through April of the previous year. The actual water use will be recorded for each month and the sum divided by the number of months. The result is the allowable water use in hcf. The result will be rounded down to the nearest whole hcf. This is the maximum amount of water use that will be allowed at the prevailing rate in hcf and is termed the base amount. Use of water over this amount is subject to a surcharge of twenty-five percent (25%) up to one hundred percent (100%). The surcharge is calculated by subtracting the base amount from the actual water use and the remaining hcf is multiplied by the prevailing water rate multiplied by as an example 1.25. The total water portion of the bill is the base amount times the prevailing rate, the amount in excess of the base amount at the surcharge rate plus other applicable fees. For accounts less than one year old the base amount is fixed at 11 hcf. Failure to pay the full amount of the bill, when due, can result in water service termination. A fifty dollar ($50.00) charge will be collected prior to service reconnection.

(d) Stage 4: When crucially limited supplies of water are available, the city manager shall restrict the use of water to purposes which are absolutely essential to life, health and safety. (Ord. No. O-02-175, 9-24-02)

Sec. 39-95. Penalty and enforcement.

(a) Any person who violates any provision of this article shall be subject to the following civil penalties:

(1) For the first offense, violators shall receive a written warning delivered in person or posted by a representative of the City of Lynchburg utilities division.

(2) For the second offense, violators shall be fined fifty dollars ($50.00), the fine to be imposed on the violator’s next water bill, or in the case of violators not on the city’s public water system, in a written notice.

(3) For the third and each subsequent offense, violators shall be fined one hundred dollars ($100.00) for each offense, the fine to be imposed on the violator’s next water bill, or in the case of violators not on the city’s public water system, in a written notice.

(4) Each violation by a person shall be counted as a separate violation by that person, irrespective of the location at which the violation occurs.

(5) The city manager may suspend water service to any person continuing to violate the provisions of this article or the regulations promulgated thereunder. If such water service is terminated, the person shall pay a reconnection fee of fifty dollars ($50.00) before service is restored.

(b) Persons who have been assessed a penalty shall have the right to challenge the assessment by providing a written notice to the director of utilities within ten (10) days of the date of the assessment of the penalty. The director or his designee shall determine that the penalty was properly assessed and notify the complaining person in writing of his determination. Should the director or his designee determine that the penalty was properly assessed, the person may appeal that determination by providing written notice to the public works director within ten (10) days of receiving the notice determination. The public works director or his designee shall determine whether the penalty was properly assessed and notify the complaining person in writing of his determination.

(c) The director of utilities or his designee may waive the penalty if he determines that the violation occurred due to no fault of the person. (Ord. No. O-02-175, 9-24-02)

Sec. 39-96. Notification of end of water emergency.

The city manager shall notify the city council when, in his opinion, the water emergency situation no longer exists. Upon concurrence of the city council, the water emergency shall be declared to have ended. When this declaration is made, the information shall be conveyed to the general public through the news media. (Ord. No. O-02-175, 9-24-02)

3.7 City of Lynchburg

The City of Lynchburg's primary public water supply is the Pedlar Reservoir. Additional supply is available from two intakes on the James River. The City may also withdraw all or a portion of its water from the James River through either or both intakes. The City's Utilities Department may chose to use either source solely or in combination as it deems best for the overall operation of the system based on a variety of situations including, but not limited to: drought (reservoir levels), water quality, system limitations, or emergencies.

Drought conditions will be monitored by reservoir level and stream flow. The reservoir level will be monitored based on the water level in inches below the spillway. To ensure adequate storage for emergency purposes, the City does not typically allow the level in the reservoir to drop more than 160 inches below the spillway. The James River will be monitored based on actual stream flow using the USGS stream gauging station No. 02025500 located on the James River at Holcomb Rock. This stream gauging station is located between the City's two stream intakes on the James River.

3.7.1 **Drought Declaration and Notice**

In the event of the onset of drought conditions, the City Manager may declare the appropriate drought response stage in the City in accordance with Virginia Code § 15.2-923, Local water-saving ordinances. Drought stages will be declared as appropriate and do not have to be declared sequentially. All water stages are built upon and require compliance with previous water stages. For example, when Stage 3 is declared all provisions of Stage 2 and Stage 1 are in effect.

The City currently sells water to the ACSA, BCPSA, and CCUSA; therefore, prior to declaring a drought response stage, the City will collaborate with the ACSA, BCPSA, and CCUSA as those authorities follow the City's drought response stages as referenced in their respective water purchase agreements.

In declaring a drought response stage, the City will run an item in a newspaper of general circulation in the affected area. Public notice of water use restrictions will be published in the Lynchburg News & Advance for a period of once per week while the restrictions are in effect.

Water use restrictions shall not apply to any governmental activity, institution, business or industry which by determination of the City Manager, upon a proper showing, to be necessary for the public health, safety and welfare or the prevention of severe economic hardship or the substantial loss of employment.

In the event that the Governor or the Virginia Drought Coordinator declares a drought emergency in a region that includes the City of Lynchburg, the mandatory conservation measures detailed in Section 3.7.2.2 will be implemented, unless the Governor's restrictions are more restrictive, or unless local conditions differ.

3.7.2 Drought Stages

In the City of Lynchburg, there are four drought stages that are governed by reservoir level and stream flow. The criteria for the Pedlar Reservoir are based on the reservoir level being greater than 160 inches below the spillway. The criteria for the James River are based on the instantaneous flow in the river and the average daily demands on the City's water system as a percentage of that stream flow (Please refer to Section 2.4.7 for a discussion on the City of Lynchburg's water rights). Please note to initiate any of the four drought stages both the criteria for the Pedlar Reservoir and the criteria for the James River must be met. The criteria for these stages are as follows:

Table 1: **City of Lynchburg - Drought Stages**

Drought Stage	Criteria
Stage 1	The reservoir level is greater than 160 inches below spillway AND the average daily demand is 80-84% of the 20% of actual river flow.
Stage 2	The reservoir level is greater than 160 inches below spillway AND the average daily demand is 85-89% of the 20% of actual river flow.
Stage 3	The reservoir level is greater than 160 inches below spillway AND the average daily demand is 90-94% of the 20% of actual river flow.
Stage 4	The reservoir level is greater than 160 inches below spillway AND the average daily demand is 95-100% of the 20% of actual river flow.

EXAMPLE

The following is to be used as an example only. Please note that the instantaneous stream flow for the James River at the Holcomb Rock stream gauge will change daily.

For example, the instantaneous stream flow for the James River at Holcomb Rock on November 19, 2008 was 765 cubic feet per second (cfs).

1. Calculate 20% of the "actual stream flow" or 20% of instantaneous stream flow:

   765 cfs (instantaneous stream flow on November 19, 2008) X 20% = 153 cfs

2. Convert 20% of "actual stream flow" from cfs to MGD (1 cfs = 646,320 gallons per day):

   153 cfs X 646,320 gallons per day = 98,886,960 gallons per day or 98.89 MGD

3. Calculate the percent of demand indicators for each drought stage:

   a. Stage 1: 80-84% of 98.89 MGD = 79.11 – 83.07 MGD

   b. Stage 2 – 85-89% of 98.89 MGD = 84.07 – 88.01 MGD

   c. Stage 3 – 90-94% of 98.89 MGD = 89.00 – 92.96 MGD

   d. Stage 4 – 95-100% of 98.89 MGD = 93.95 – 98.89 MGD

When the criteria for the Pedlar Reservoir and the percent of demand indicators are added back, the drought stages for November 19, 2008 would translate to:

Stage 1 – The reservoir is greater than 160 inches below spillway AND the average daily demand is 80-84% of the 20% of actual river flow (79.11-83.07 MGD).

Stage 2 – The reservoir is greater than 160 inches below spillway AND the average daily demand is 85-89% of the 20% of actual river flow (84.07-88.01 MGD).

Stage 3 – The reservoir is greater than 160 inches below spillway AND the average daily demand is 90-94% of the 20% of actual river flow (89.00-92.96 MGD).

Stage 4 – The reservoir is greater than 160 inches below spillway AND the average daily demand is 95-100% of the 20% of actual river flow (93.95-98.89 MGD).

3.7.2.1 Stage 1

Stage 1 is intended to increase public awareness of climatic conditions that are likely to precede the occurrence of a significant drought event and to encourage voluntary water conservation. When moderate but limited supplies of water are available, the City Manager shall, through appropriate means, call upon the general population to employ prudent restraint in water usage, and to conserve water voluntarily by whatever methods available.

3.7.2.2 Stage 2

When very limited supplies of water are available, the City Manager shall order curtailment of less essential usages of water, including, but not limited to, one or more of the following:

- The watering of shrubbery, trees, lawns, grass, plants, or any other vegetation, except indoor plantings, greenhouse or nursery stocks and except limited watering for new lawns and watering by commercial nurseries of freshly planted plants upon planting and once a week for five (5) weeks following planting. Athletic fields are also exempt but shall only be watered to match the evaporation-transpiration rate. In all cases where the above exceptions apply, the watering is not to occur between the hours of 8:00 a.m. and 8:00 p.m. Watering with buckets that have a capacity of five (5) or fewer gallons is permitted at any time.
- The washing of automobiles, trucks, trailers, boats, buses, airplanes, or any other type of mobile equipment, except in facilities operating with a water recycling system. The facility shall post a notice in public view that a recycling system is in operation. Exceptions are for vactor trucks, refuse trucks, septage haulers and city buses. Other exceptions must be approved by the director of utilities or a designee and be demonstrated to be necessary for health and safety purposes.
- The washing of sidewalks, streets, driveways, parking lots, service stations aprons, office buildings, exteriors of homes or apartments, or other outdoor surfaces, unless the use is approved by the director of utilities for health and safety.
- The operation of any ornamental fountain or other structure making a similar use of water.
- The use of water from fire hydrants for any purpose other than fire suppression unless the use has been approved by the director of utilities.
- Water service lines from the meter box to the home or structure shall be maintained and have no visible leaks.
- Restaurants may serve water to customers only upon request.

3.7.2.3 Stage 3

When critically limited supplies of water are available, the City Manager shall institute a water surcharge on each residential and commercial customer as follows:

- The maximum allowable water use at the prevailing city rate will be the average water billed in November through April of the previous year. The actual water use will be recorded for each month and the sum divided by the number of months. The result is the allowable water use in hundred cubic feet (hcf). The result will be rounded down to the nearest whole hcf. This is the maximum amount of water use that will be allowed at the prevailing rate in hcf and is termed the base amount. Use of water over this amount is subject to a surcharge of twenty-five percent (25%) up to one hundred percent (100%). The surcharge is calculated by subtracting the base amount from the actual water use and the remaining hcf is multiplied by the prevailing water rate multiplied by as an example 1.25. The total water portion of the bill is the base amount times the prevailing rate, the amount in excess of the base amount at the surcharge rate plus other applicable fees. For accounts less than one year old the base amount is fixed at 11 hcf. Failure to pay the full amount of the bill, when due, can result in water service termination. A fifty dollar ($50.00) charge will be collected prior to service reconnection.

3.7.2.4 Stage 4

When crucially limited supplies of water are available, the City Manager shall restrict the use of water to purposes which are absolutely essential to life, health and safety.

3.7.2.5 Other

The City reserves the right to declare a drought stage based on other factors independent of the drought stage criteria discussed above. Other factors independent of the criteria described above include, but are not limited to, major water main breaks, equipment failure, long range forecasts, time of the year, and/or peak demands.

In addition, the City may issue a public advisory in an effort to reduce peak water demands based on high City customer demand, chemical supply availability, or be issued during periods of high demand from the ACSA, BCPSA, or CCUSA. The purpose of an advisory is to increase public awareness in an effort to reduce water demands without specifically requesting voluntary water conservation from customers.

3.7.3 Enforcement

Enforcement of this plan will be conducted in accordance with the Water Emergency Ordinance (Appendix H).

Water Supply Planning History

Development of the Regulations

- In the Fall of 2002, a Water Policy Technical Advisory Committee (TAC) was formed to address ways to improve water supply planning in Virginia in response to the drought of 1999-2002.

- The General Assembly enacted SB1221 in 2003, which required the Virginia Department of Environmental Quality (DEQ) to develop criteria for local and regional planning and a preliminary state water resources plan.

- The Water Policy TAC completed a draft of the water supply planning regulation on October 1, 2004. The draft regulation was endorsed by the State Water Commission on November 22, 2004 and approved for public comment by the State Water Control Board on December 2, 2004.

- Title 62.1 of the Code of Virginia 9 VAC 25-780 et seq. Local and Regional Water Supply Planning Regulations became effective on November 2, 2005.

- The regulations require all local governments in the Commonwealth of Virginia to submit a local or regional water supply plan to the State Water Control Board.

- The purpose of the regulations is to:
  - Establish a comprehensive water supply planning process;
  - Ensure that adequate and safe drinking water is available;
  - Encourage, promote, and protect all other beneficial uses; and
  - Encourage, promote, and develop incentives for alternative water sources.

Development of the Region 2000 Regional Water Supply Plan

- Region 2000 began developing the Regional Water Supply Plan (Plan) in January 2006 and was one of the first regions in the Commonwealth to begin developing a Plan.

- Benefits to completing a regional plan include:
  - Participants in the region were already working together on water supply issues;
  - Continued communication between participants; and
  - A November 2, 2011 submittal date for regional plans compared to submittal for local plans beginning in November 2008.
  - DEQ encouraged regional approaches to plan development, including giving preference to regions in their evaluation of grant awards.

- Local governments participating in the Plan provided notification of their intent to participate in the Plan to DEQ by November 2, 2008.

- Beginning in April 2006 through August 2006, four workshops were conducted with representatives from the Region 2000 participants (e.g., utility directors, water plant operators, county administrators, and city and town managers). The purpose of the workshops was to develop a consensus scope of services, work plan, and budget for completing the Plan.

- Beginning in November 2006, presentations to introduce the regulatory requirements and scope of the planning process were made to the local governments in the region.

- Beginning in February 2008 through July 2008, a series of workshops were held to seek input from regional stakeholders (e.g., elected officials, planning commissioners, Economic Development Authorities, and Industrial Development Authorities).

- Region 2000 submitted a draft of the Plan on March 18, 2009.

- In February 2011, Region 2000 received comments on the draft Plan from DEQ.

- The Plan was revised based on DEQ comments in March 2011 and final comments from the planning group in April 2011.

The Region 2000 Regional Water Supply Plan (Plan) was developed in 2007-2008 and submitted to the Virginia Department of Environmental Quality (DEQ) for review and comment on March 18, 2009. Comments from DEQ regarding the Plan were received in February 2011. The 2000 U.S. Census data and jurisdictional water source and use data from 2006 and 2007 were used in the preparation of this Plan. Consistent with the Water Supply Planning Regulations (9 VAC 25-780), this Plan represents a starting point on water supply planning for the participating jurisdictions in the region and represents a snapshot of water supply and planning alternatives. Region 2000 and the participating jurisdictions in the Plan recognize that certain data and information are now dated. The final Plan must be submitted to DEQ no later than November 2, 2011; therefore, there is insufficient time to revise all aspects of Plan to incorporate current (2011) conditions. However, an addendum will be submitted with the Plan that will include revised population (2010 U.S. Census data) and associated demand projections. The Water Supply Planning Regulations (9 VAC 25-870) require the Plan be reviewed every 5 years and re-submitted to DEQ every 10 years. Region 2000 and the participating jurisdictions in the Plan reserve the right to review and update the Plan sooner should they choose to do so.

LYNCHBURG CITY COUNCIL
Agenda Item Summary

MEETING DATE: **May 10, 2011** AGENDA ITEM NO.: 3

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

ACTION: **X** INFORMATION:

ITEM TITLE: **ALLOCATION OF FISCAL YEAR (FY 2012) COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) AND HOME PROGRAM FUNDS**

RECOMMENDATION: Allocate FY 2012 Community Development Block Grant (CDBG) and HOME funds to eligible program activities. The FY 2012 estimated allocation is $927,728.54 in Community Development Block Grant (CDBG) and $428,903.80 in HOME Program funds.

SUMMARY: The U.S. Department of Housing and Urban Development (HUD) funds the CDBG and HOME Programs. The City has available the following funds to use for eligible CDBG and HOME activities during FY 2012:

CDBG AVAILABLE FUNDING/SOURCE	**FY 2011 FUNDS**	**FY 2012 ESTIMATED**	**FY 2012 ESTIMATED (REVISED 4/25/11)**	**INCREASE/DECREASE**
	AVAILABLE	**FUNDS AVAILABLE-**	**FUNDS AVAILABLE**	**FOR FY 2012**
		APRIL 7 FOR CDAC	**AMOUNT (HUD**	**CDAC VS.**
		RECOMMENDATIONS	**ESTIMATED)**	**HUD ESTIMATED**
HUD Allocation	$ 904,817.00	$ 841,480.00	$ 746,292.00	$ (95,188.00)
Reprogrammed Funds	142,415.10	124,570.86	179,406.54	54,835.68
Program Income	2,030.00	2,030.00	2,030.00	0
Total CDBG Funding Available	**$ 1,049,262.10**	**$ 968,080.86**	**$ 927,728.54**	**$ (40,352.32)**

HOME AVAILABLE FUNDING/SOURCE	**FY 2011 FUNDS**	**FY 2012 ESTIMATED**	**FY 2012 ESTIMATED (REVISED 4/25/11)**	**INCREASE/DECREASE**
	AVAILABLE	**FUNDS AVAILABLE-**	**FUNDS AVAILABLE**	**FOR FY 2012**
		APRIL 7 FOR CDAC	**AMOUNT (HUD**	**CDAC VS.**
		RECOMMENDATIONS	**ESTIMATED)**	**HUD ESTIMATED**
HUD Allocation	$ 467,942.00	$ 425,827.00	$ 412,279.00	$ (13,548.00)
Reprogrammed Funds	0	16,624.80	16,624.80	0
Program Income	(8,425.68)	0	0	0
Total HOME Funding Available	**$ 459,516.32**	**$ 442,451.80**	**$ 428,903.80**	**$ (13,548.00)**

At the time the Community Development Advisory Committee (CDAC) met and completed their funding recommendations, the City had not received the entitlement amounts for CDBG and HOME for FY 2012 from the U. S. Department of Housing and Urban Development (HUD). Early indications from HUD were that FY 2012 allocations would be reduced by the Federal government. As a result, City staff reduced for the CDAC recommendation process, the FY 2011 CDBG entitlement amount by 7%; and the HOME Program entitlement amount by 9% and incorporated these reductions into the worksheet for FY 2012 allocations. These reductions were based on informal information received from HUD staff in Richmond.

In addition, the Business Development Center (BDC), which managed a revolving loan program with CDBG funds had requested that a portion of the approximately $55,000 in the fund be reprogrammed for operating costs with the BDC. Staff advised the BDC that this was not an appropriate use of the CDBG funds. City staff was advised that the Board of Directors for the BDC had decided to return the money to the City for reprogramming. CDAC was made aware at their April 7th meeting of the availability of these funds; however, as the funds had not been received by the City, it was the consensus of the CDAC to not include these funds in the recommended allocations.   However, as noted in the attached CDAC meeting notes, there was consensus that these funds should be used to fully fund the Tinbridge Hill Neighborhood Council project.

On April 19th the Business Development Center returned to the City the funds remaining in the CDBG Revolving Loan Program. The total amount of these funds is $54,835.68. These funds have been incorporated into the CDBG reprogrammed amount available for the FY 2012 allocations.

As a result of the recent Congressional budget approval City staff was advised by HUD representatives that entitlement communities should reduce the FY 2011 CDBG entitlement amount by 16.5% and HOME entitlement amount by 10%. This additional estimated reduction further reduced the amount of CDBG and HOME funding available for FY 2012 by $85,958 and $4,679 respectively.

On April 25th HUD staff provided the Congressional-enacted estimated formula allocations for the CDBG and HOME Program for FY 2012. The FY 2012 estimated allocation for CDBG will be $746,292 and HOME will be $412,279. These estimated reductions will decrease the FY 2011 amounts by $158,525 and $55,663 respectively. Based on this final estimate from HUD and the funds from the BDC, City Council will need to consider a $40,352.32 reduction in CDBG and $13,548 reduction in HOME from the CDAC recommendations. If necessary, any further reductions received from HUD will be considered by City Council at a later date in FY 2012.

The CDAC met on April 7th and reviewed the applications that were submitted for funding consideration. The following lists of projects have been recommended for funding by the CDAC:

CDBG PROJECTS RECOMMENDED FOR FUNDING
BY THE COMMUNITY DEVELOPMENT ADVISORY COMMITTEE

	CDAC
Agency/Project Name	**Recommendations**
Bluffwalk Section 108	$ 301,859.00
City Administration	96,711.00
LRHA Administration	38,932.00
LRHA Delivery-Acquisition	86,430.00
LRHA Spot Blight Abatement	98,500.00
LRHA Delivery-Rehabilitation	0.00
LRHA Rental Rehabilitation	0.00
LRHA Delivery - Property Maint.	13,047.00
5th Street CDC Phase II - City	77,000.00
Tinbridge Hill Neighborhood	171,190.86
The Gateway House, Inc.	21,102.75
Smart Beginnings	21,102.75
YWCA DVPC	21,102.75
Miriam's House	21,102.75
TOTAL CDBG PROJECTS	**$ 968,080.86**

HOME PROJECTS RECOMMENDED FOR FUNDING
BY THE COMMUNITY DEVELOPMENT ADVISORY COMMITTEE

	CDAC
Agency/Project Name	**Recommendations**
City Administration	$ 28,752.00
Lyn-CAG Substantial Rehab	100,000.00
Lyn-CAG Homebuyer (CHDO)	75,000.00
LNDF Homeownership Fund	75,000.00
Housing 2000 Single Family Dev (CHDO)	33,699.80
LNDF Hilltop Homes	80,000.00
Greater Lynchburg Habitat for Humanity	50,000.00
TOTAL HOME PROJECTS	**$ 442,451.80**

All CDBG and HOME funds will be expended in accordance with primary objectives of these programs. Further, the City estimates that over 70 percent of the total funds for FY 2012 funding will benefit low/moderate income persons as required by HUD.

A copy of all applications submitted for funding consideration is available in the Department of Community Development, Second Floor, City Hall.

The final City Council allocations will be incorporated into the FY 2012 Annual Action Plan for submittal to HUD.

PRIOR ACTION(S): Community Development Advisory Committee – April 7, 2011
City Council Public Hearing – April 26, 2011

FISCAL IMPACT: FY 2012 reduction in CDBG and HOME funding based on latest estimates from HUD.

CONTACTS: Bonnie Svrcek, Deputy City Manager, 455-3987
Melva Walker, Grants Manager, 455-3916

ATTACHMENT(S): CDAC Meeting Notes – April 7, 2011 – Attachment A
CDAC Funding Recommendations Worksheet – Attachment B
Summary of CDBG and HOME Applications – Attachment C

REVIEWED BY: lkp

076L

Attachment A

Community Development Advisory Committee (CDAC) Meeting

April 7, 2011

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; Dr. Alexander Duncan, Jr.; Mr. Jeffery Schneider; Mr. Michael Bedsworth
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)
Guests:	Gayle Lucado (Smart Beginnings); Jane White (Friends of Tinbridge Hill); Edward McCann (LRHA); Bob Vincent (LRHA); Clark Charlton (LNDF); Laura Dupuy (LNDF) Susan Fiesthumel (YWCA); Mary Alex (Miriam's House); Deborah Silverman (GLHFH); Alicia Petska (*News and Advance*-reporter); Lisa Dibble (The Gateway House, Inc.)

Mr. Helgeson called the meeting to order at 9:05 a.m. Mr. Helgeson and Mr. Bedsworth advised that two minor corrections were needed on the meeting notes from March 1, 2011. Mr. Helgeson then asked for a motion on the minutes. Mr. Bedsworth made the motion to accept the minutes with the corrections and Mr. Schneider seconded. The minutes were approved unanimously (5-0).

Ms. Svrcek suggested that members of the audience introduce themselves for the benefit of the new CDAC members and other members of the audience. The guests noted above introduced themselves.

Ms. Walker stated to the Committee that Ashley Partridge had reviewed all of the audits that had been submitted with the applications and there were no concerns. Ms. Walker then advised CDAC that the Business Development Center (BDC), which managed a revolving loan program with CDBG funds had requested that a portion of the approximately $55,000 in the fund be reprogrammed for operating costs with the BDC.

Staff advised the BDC that this was not an appropriate use of the CDBG funds. BDC staff advised Ms. Walker that their Board had decided to return the money to the City for reprogramming. These funds are expected to be returned to the City within the next week. Mr. Helgeson then asked CDAC if they wished to include that money in the allocations decided today or to wait until the funds have been received by the City. CDAC members decided to wait until the money is in hand.

Ms. Walker explained part of the allocation spreadsheet to CDAC and that two of the HOME applications were Community Housing and Development Organizations (CHDO) and that certain criteria had to be met in order to be a certified CHDO. Both organizations (Lyn-CAG and Housing 2000) have met the criteria and had been certified as CHDO's by the City. A minimum of 15% of the HOME funds must be spent on CHDO's. A maximum of 20% of CDBG funds can be used for program administration and 10% of the HOME funds can be used for program administration. Bluffwalk funds have been designated, in the event the City has to make the payments on that loan. Ms. Walker stated that City Council had recommended a maximum of 10% of CDBG funds be used for public service activities. Ms. Walker also explained that because we do not have the final entitlement allocations from HUD, City staff has reduced 7% from last years CDBG allocation and 9% from last years HOME allocation on advice from our HUD representative.

Mr. Helgeson stated that he thought that was wise and if the numbers are better than expected then the funds can be allocated at a later date. Mr. Helgeson was supportive of planning on the conservative side in preparing the projected HUD allocation. Staff reiterated that a reduction of 7% for CDBG and 9% for HOME was based on the best available information from HUD.

Ms. Svrcek reminded CDAC of City Council's view on the redirection of funds for this year. Council's direction was to allocate funds to City projects, Lynchburg Redevelopment Housing Authority (LRHA) projects and targeted neighborhood redevelopment projects.

Mr. Helgeson then explained to CDAC that they would go through the allocation spreadsheet one section at a time. He stated that all of the project submittals warranted consideration and it was up to the Committee to decide how the money would be allocated.

Mr. Bedsworth suggested that $98,500 be allocated to Spot Blight (LRHA) and $0 to Rental Rehabilitation (LRHA). Dr. Duncan suggested the Tinbridge Hill be funded for $217,710. Dr. Johnson suggested that Fifth Street be funded for $77,000 and LRHA Administration be funded for $38,932. Mr. Bedsworth explained that he felt these funds should be used to help those who are less fortunate and if you have rental property, then his opinion was that you were not less fortunate. Mr. Helgeson stated that City Council's view was that LRHA serves as an arm of the City. Mr. Schneider stated that he felt Spot Blight and Acquisition were critical and should not be reduced. Mr. Schneider stated that he felt Tinbridge Hill could possibly be allocated a less substantial amount.

Mr. McCann was asked to explain some of the direct costs associated with their programs. Dr. Johnson asked Mr. McCann if Spot Blight-Acquisition could do with less in administrative fees. Mr. McCann said no, that these amounts were necessary. Mr. McCann stated that LRHA supported The Tinbridge Hill Neighborhood Council in their efforts.

Mr. Bedsworth suggested that CDAC allocate less money to Tinbridge Hill and when the money comes in from the BDC Development Center, that money could be reprogrammed to Tinbridge Hill.

Ms. Walker noted that the delivery costs for Property Maintenance at LRHA assists with the maintenance costs of the previously acquired properties acquired until disposition is complete.

If all of the recommended projects are funded, it would leave a negative balance of $46,519.14.

Dr. Johnson suggested that approximately $46,510.14 from the BDC be split between Tinbridge Hill and LRHA administrative costs.

Mr. McCann said that the Tinbridge Hill Neighborhood project would benefit from LRHA's Rental Rehabilitation project. The project is intended to repair properties, benefit tenants, improve properties in neighborhoods for homeowners and increase tax revenue.

Mr. McCann also stated that under the Rental Rehabilitation program, qualified property owners have to invest the first $5,000 and then can qualify for assistance to take care of Code violations, provide energy improvements and bring the homes up to minimum housing standards.

Mr. Bedsworth was concerned about paying slumlords for letting their property decay. Dr. Duncan asked about measurement processes, how you verify the work was done other than paperwork submitted. Mr. McCann stated that LRHA has inspectors. Their inspectors go through the same process as City inspectors.

Dr, Duncan asked if Mr. McCann had data on increased tax revenue and assessed values of property. Mr. McCann stated that he did have this information, but not with him.

Dr. Johnson stated that he was comfortable with the level given except for Rental Rehabilitation and the associated delivery costs.

Mr. Bedsworth again suggested that the funds be temporarily taken away from Tinbridge Hill to balance. Dr. Johnson again suggested that the negative balance be split between Tinbridge Hill and LRHA Administration.

Mr. Helgeson stated those were the two choices and the Tinbridge Hill project was new. Mr. Bedsworth stated that he was hesitant to fund Tinbridge Hill because of leveraging concerns. Mr. Schneider stated that he agreed with taking approximately $46,519.14 from Tinbridge Hill.

Dr, Johnson stated that he wanted the money split and then requested Jane White from Friends of Tinbridge Hill approach the Committee. Ms. White stated that Friends of Tinbridge Hill was not brand new and they had been meeting for three years on a monthly basis. She also stated that they are proposing 10% leverage. She stated that are several organizations that are involved in the Friends of Tinbridge Hill: Presbyterian Home, Legacy Museum, LNDF, Randolph College, LRHA, Rebuilding Together, City of Lynchburg Parks & Recreation, St. Johns Episcopal Church and residents of the neighborhood. She stated that the Tinbridge Hill Neighborhood Council was trying to be an example of a sustainable neighborhood. Mr. Bedsworth asked about a time period for this project to be completed. Ms. White stated that she did not know if the project could be completed within three to five years. She stated that there were significant infrastructure needs, including CSO. Dr. Duncan stated that he sees this as a grass roots organization and sees it as a model and it may inspire other neighborhoods to step up.

Dr. Johnson stated that he wants the money split and wanted the money to go back to the people who are moving in a positive direction.

Mr. Helgeson stated this was a continuous effort like the Neighborhoods in Bloom project in Richmond. Ms. Laura Dupuy of LNDF requested to come forward to state that an exit strategy needs to be determined for the Tinbridge Hill project. She stated the problem with the Neighborhood in Bloom project is that there was no exit strategy, and that benchmarks need to be created whether it is for one year or several years.

Dr. Duncan suggested that approximately $46,519.14 be brought back to Tinbridge Hill. Dr. Duncan and Dr. Johnson stated to split the difference.

Dr. Johnson recommends that Tinbridge Hill be fully funded and pointed out that the public service maximum of 10% was recommended by City Council. It does not have to be the full 10%.

Mr. Bedsworth recommended that The Gateway House, Inc. receive $25,000, Amazement Square $15,000 and YWCA $30,000 because of leveraging noted in their applications.

Mr. Helgeson pointed out to CDAC that The Gateway House, Inc. was not recommended for City funding (from the General Fund), but Amazement Square was, for a tax related issue.

Dr, Duncan asked about the success rate for The Gateway House, Inc. Ms. Lisa Dibble, from The Gateway House, Inc. came forward and stated that they have a 70% success rate. Their success rate is much better than the national average. She stated they have a zero tolerance policy and if a resident relapses during the two year program, they must move out, seek treatment and then may be allowed to move back in. Ms. Dibble stated that they try to turn these men into taxpayers. She stated that some of these men come in with a dual-diagnosis: with mental health issues as well as substance abuse issues. Mr. Helgeson mentioned that this program is unique and they are doing a great job with the success ratios. Mr. Helgeson suggested that the money allocated to The Gateway House, Inc. be bolded to indicate full funding for the project.

Mr. Schneider stated that he thought Amazement Square Arts Mentoring Project was a terrific project and did wonderful things but wanted to hear about other programs before he rendered judgment.

Mary Alex with Miriam's House was called forward to explain the funding request for Miriam's House. Ms. Alex stated that their program is now for 6-8 months maximum, instead of the previous program allowance of two years. She stated that they only accept women and children from Region 2000. They do get referrals from as far away as Washington D.C. The funds requested are for an aftercare support group. A needs assessment was done and there is not an aftercare support group in this area, for the demographic served by Miriam's House. Dr. Duncan asked if she had to turn women away. Ms. Alex stated that at any given time, there are 25-30 people on their waitlist. They work in tandem with the YWCA. They have a triage list and try to assist those with the most needs and children.

Dr, Johnson suggested that this block of money be split four ways, between The Gateway House, Inc., Smart Beginnings, YWCA and Miriam's House. Mr. Helgeson asked if the group felt that $0 should go to Amazement Square. Mr. Bedsworth stated he had concerns for funding Amazement Square because of $8,700 in bank service charges identified in their budget.

Dr, Johnson stated that he wanted an even amount, as all four are worthy and touch the City's population by addressing a critical need.

Mr. Bedsworth stated that he had a concern about Smart Beginnings and leveraging of other funds.

Mr. Schneider stated that Smart Beginnings addressed a critical need for our children and their future.

Ms. Gayle Lucado with Smart Beginning was called forward to address questions on Smart Beginnings. She stated that the United Way is the fiscal agent for Smart Beginnings and does not receive any United Way funding. They also have a partnership with Lynchburg City Schools for the last two years and the schools have provided a teacher and an aide. Because of the current budget situation with the Lynchburg City Schools, Ms. Lucado requested funding for the entire program. Ms. Lucado was asked about results from her program and stated that approximately 50 children were involved and only two did not meet their scores. One moved away and one dropped out of the program.

Dr. Duncan stated that perhaps the YWCA may have less of a struggle because they are associated with a national organization unlike Smart Beginnings.

Mr. Bedsworth stated that the YWCA had asked for 4-8% of their budget and Smart Beginnings had requested 100% funding for the program.

Dr. Johnson stated in the past all four organizations had asked for funding from City Council. He stated that Smart Beginnings is working with our highest risk children and still proposes even funding.

Mr. Helgeson stated that next year City Council had decided for 0% to be allocated to public service programs. Dr. Johnson stated this was the last chance to do something like this. Dr. Duncan stated this committee has to do something for our children.

Mr. Schneider stated he would like to see $20,000 allocated to Smart Beginnings. Dr. Johnson asked if we should give men more than women and children? Mr. Bedsworth stated he realized that children are our future but the Committee is giving them 25% of the requested amount. Mr. Helgeson asked if the salaries may still come from Lynchburg City Schools. Ms. Svrcek verified with Ms. Lucado that $78,000 may be covered by Lynchburg City Schools, but gas and the books would not be. Ms. Dibble stated that the men in her program face significant challenges to be employed, unlike homeless women, where that may be their only challenge.

Following discussion, the group agreed to split the funding between the four agencies. .

The Committee then began their review of the HOME Program applications.

Dr. Duncan stated that he was a great supporter of Greater Lynchburg Habitat for Humanity (GLHFH). He stated he would like them to receive $50,000.

Mr. Bedsworth stated he would like to see Lynchburg Community Action Group (Lyn-CAG) receive $75,000 for their Substantial Rehabilitation program and $75,000 for their Homebuyer program.

Ms. Laura Dupuy with LNDF was asked to come forward to speak on her LNDF's requests. She stated that Hilltop Homes was a large project and she has been coming to the City for several years. She stated she keeps coming back because her projects have never been fully funded.

Mr. Bedsworth asked if he was correct in noting that Hilltop Homes was a project that consisted of 24 rental housing units at an approximate cost of $5,000.000. He was concerned that this amount averaged out to over $200,000 for each unit.

Ms. Dupuy stated that this project consisted of 13 structures; some were single family homes and some were multi-unit homes. The buildings had been dilapidated and needed to be rehabilitated. She stated the rents are far below the market rate. The amount spent on the single family homes will be more like $100,000 as opposed to over $200,000.

Dr. Johnson stated he thought that $80,000 should go to Hilltop Homes and Lyn-CAG Substantial Rehabilitation $100,000 and Housing 2000 $33,699.80.

Mr. Bedsworth asked Denise Crews with Lyn-CAG to come forward. He asked about the salaries paid to employees compared to the requests made. Ms. Crews stated she had been with the organization only a short time and was not able to address the salary issue. Ms. Dibble stated she was a former comptroller for Lyn-CAG and offered to explain what she could. She stated that Lyn-CAG runs 27 programs and has two offices in the counties as well as Lynchburg. She stated all of the money requested would go to the rehabilitation projects.

Mr. Bedsworth stated that they were not helping as many people as he would like to see.

Ms. Walker asked Ms. Dupuy if $33,000 would help purchase the homes she had planned with the CHDO? Ms. Dupuy said she had five scheduled and this would only allow one to be purchased.

Mr. Helgeson stated that the worksheet was balanced. Mr. Helgeson then asked for a motion to accept. Dr. Duncan made the motion and Mr. Schneider seconded along with Mr. Bedsworth's footnote of the approximately $55,000 expected to be returned from the BDC, that $46,519.14 would be allocated to Tinbridge Hill. The remainder of the funds from BDC could be reprogrammed at a later date. The Committee voted unanimously to approve the recommendations (5-0),

The City Council public hearing will be on April 26, 2011 at 7:30 p.m. and Council will consider the comments made at their work session on May 10, 2011. City Council will make the final funding allocation at their meeting later that evening.

City staff reminded the Committee members that there will be a public hearing on May 10, 2011 at 7:30 p.m. for the final approval of the 2011-2012 Annual Action Plan. The final plan will be submitted to HUD on May 13, 2011.

There being no further business the meeting was adjourned at 11:12 a.m.

Prepared by: Sherry Pullum, Administrative Associate, April 11, 2011

ATTACHMENT B

CDBG and HOME Allocations Worksheet 2011-2012

CDAC Total CDBG Available	$ 968,080.86
HUD Revised CDBG Available	$ 927,728.54
CDAC CHDO Requirement	$ 63,874.05
HUD Revised CHDO Requirement	$ 61,841.85

CDBG Non-Public Service

CDAC Amount to Award	$ 883,669.86
HUD Revised Amount to Award	$ 853,099.54

NAME	Prior Year 10/11 Award	Amount Requested	CDAC Amount to Award	HUD Revised Amount to Award	City Council Amount to Award
Bluffwalk Section 108	$ 310,283.00	$ 301,859.00	$301,859.00	$ 301,859.00	$301,859.00
City Administration	125,979.00	96,711.00	96,711.00	96,711.00	96,711.00
LRHA Administration	43,545.00	38,932.00	38,932.00	38,932.00	
LRHA Delivery-Acquisition	96,455.00	86,430.00	86,430.00	86,430.00	
LRHA Spot Blight Abatement	80,000.00	98,500.00	98,500.00	98,500.00	
LRHA Delivery-Rehabilitation	14,479.00	47,291.00	0.00	0.00	
LRHA Rental Rehabilitation	0.00	100,000.00	0.00	0.00	
LRHA Delivery - Property Maint.	0.00	13,047.00	13,047.00	13,047.00	
5th Street CDC Phase II - City	100,000.00	77,000.00	77,000.00	77,000.00	
Tinbridge Hill Neighborhood	0.00	217,710.00	171,190.86	171,190.86	
Totals	**$ 770,741.00**	**$1,077,480.00**	**$883,669.86**	**$ 883,669.86**	**$398,570.00**
Available			**$883,669.86**	**$ 853,099.54**	**$853,099.54**
Balance			**$ -**	**$ (30,570.32)**	**$454,529.54**

HOME

CDAC HOME Amount to Award	$442,451.80
HUD Revised HOME Amount to Award	$428,903.80

NAME	Prior Year 10/11 Award	Amount Requested	CDAC Amount to Award	HUD Revised Amount to Award	City Council Amount to Award
City Administration	$ 16,353.00	$ 28,752.00	$ 28,752.00	$ 28,752.00	$ 28,752.00
Lyn-CAG Substantial Rehab	150,000.00	150,000.00	100,000.00	100,000.00	
Lyn-CAG Homebuyer (CHDO)	75,000.00	75,000.00	75,000.00	75,000.00	
LNDF Homeownership Fund	0.00	75,000.00	75,000.00	75,000.00	
Housing 2000 Single Family Dev (CHDO)	0.00	175,000.00	33,699.80	33,699.80	
LNDF Hilltop Homes	48,163.32	218,000.00	80,000.00	80,000.00	
Greater Lynchburg Habitat Humanity	65,000.00	50,000.00	50,000.00	50,000.00	
Totals	**$354,516.32**	**$771,752.00**	**$442,451.80**	**$442,451.80**	**$ 28,752.00**
Available			**$442,451.80**	**$428,903.80**	**$428,903.80**
Balance			**$ -**	**$ (13,548.00)**	**$400,151.80**
	CHDO				

CDBG Public Service 10% Allocation

CDAC Amount to Award	$ 84,411.00
HUD Revised Amount to Award	$ 74,629.00

NAME	Prior Year 10/11 Award	Amount Requested	Amount to Award	HUD Revised Amount to Award	City Council Amount to Award
The Gateway House, Inc.	$ 25,000.00	$ 25,000.00	$ 21,102.75	$ 21,102.75	
Amazement Square	0.00	15,000.00	0.00	0.00	
Smart Beginnings	10,722.55	88,400.00	21,102.75	21,102.75	
YWCA DVPC	25,000.00	30,000.00	21,102.75	21,102.75	
Miriams House	20,000.00	32,151.00	21,102.75	21,102.75	
Totals	**$ 80,722.55**	**$ 190,551.00**	**$ 84,411.00**	**$ 84,411.00**	**$ -**
Available			**$ 84,411.00**	**$ 74,629.00**	**$ 74,629.00**
Balance			**$ -**	**$ (9,782.00)**	**$ 74,629.00**
Total CDBG	**$ 851,463.55**	**$1,268,031.00**	**$968,080.86**	**$ 927,728.54**	**$927,728.54**

Summary of CDBG/HOME requests FY 2012

Following is a brief summary of each of the applications received for consideration of CDBG and HOME funding. Entire applications are available and can be reviewed in the Department of Community Development.

Community Development Block Grant Non-Public Service Applicants

Bluffwalk

FY 2011 Award	FY 2012 Request	CDAC Recommendation
$310,283	$301,859	$301,859

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 2011 Award	FY 2012 Request	CDAC Recommendation
$125,979	$96,711	$96,711

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

Lynchburg Redevelopment and Housing Authority (LRHA) – Administration

FY 2011 Award	FY 2012 Request	CDAC Recommendation
$43,545	$38,932	$39,932

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 Delivery (LRHA) – Acquisition

FY 2011 Award	FY 2012 Request	CDAC Recommendation
$96,455	$86,430	$86,430

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 2011 Award	FY 2012 Request	CDAC Recommendation
$80,000	$98,500	$98,500

Funding is requested to address five (5) vacant, deteriorated properties within the Tinbridge Hill neighborhood. This is part of a larger collaboration of eight (8) 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 (LRHA): Delivery – Rehabilitation

FY 2011 Award	FY 2012 Request	CDAC Recommendation
$14,479	$47,291	$0

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 2011 Award	FY 2012 Request	CDAC Recommendation
$0	$100,000	$0

This program issues grants to owners of rental property that have Code violations cited by a City Property Maintenance Code Inspector or have Housing Quality Standards deficiencies. The grant is a matching grant of 50% or $5,000 whichever is the lesser for the correction of all Code and/or Housing Quality deficiencies. The rental properties are all located within the City's Rental Inspection Area which includes Census Tracts 4, 5, 6, 7, 11, 12, and 13.

Lynchburg Redevelopment and Housing Authority Delivery (LRHA) – Property Maintenance

FY 2011 Award	FY 2012 Request	CDAC Recommendation
$0	$13,047	$13,047

Funding is requested for direct service costs associated with property maintenance and minor repairs to properties previously acquired with CDBG funds.

Fifth Street Community Development Corporation

FY 2011 Award	FY 2012 Request	CDAC Recommendation
$100,000	$77,000	$77,000

Funding is requested to stabilize two buildings located at 702 and 708 Fifth Street which are proposed for demolition by the Lynchburg Redevelopment and Housing Authority (LRHA). The buildings are located in the completed Phase I section, and the ultimate goal is rehabilitation, for sale or lease as retail or mixed use as identified in the Master Plan. Funding is also being requested for Phase II, street furnishings and new identity banners for the entire corridor.

The Fifth Street Master Plan was adopted by City Council on May 23, 2006. The Plan establishes the Vision for a rehabilitated and revitalized corridor that serves the needs of the surrounding neighborhoods. The 2010 Census indicates that 77% of the residents in the immediate study area are African American and the 2000 Census indicated that 40% of the households were below poverty level. The City has committed CDBG, and Capital funds to improve the streetscape with Phase I, being completed in September 2009 and Phase II scheduled start construction in June 2011 in conjunction with a water/sewer line replacement project.

Tinbridge Hill Neighborhood Council

FY 2011 Award	FY 2012 Request	CDAC Recommendation
$0	$217,710	$171,190.86

Funding is requested for implement a Sustainable Neighborhood Program model in Tinbridge Hill. The funds would be used to provide an access to Blackwater Creek Trail, clearing of overgrown lots, preservation of historic paths, housing rehabilitation projects and capacity building within the neighborhood.

The Tinbridge Hill Neighborhood Council (THNC), in partnership with the City of Lynchburg, and supported by the Friends of Tinbridge Hill propose a long-term, targeted investment of CDBG funds into Tinbridge Hill to assist its residents and outside stakeholders accomplish the goals of the 1996 Tinbridge Hill Plan as it is now being updated.

This proposal, therefore, has two purposes: The first is to ask that a Sustainable Neighborhoods Strategy be developed, using Tinbridge Hill as a model, that can be applied in other Lynchburg neighborhoods. The second is to request adequate and significant funding to Tinbridge Hill over a period of five years that is designed to accomplish those activities identified as essential to forming a Sustainable Neighborhood. As a model program, benchmarks will be established in the first year that will guide us through the remainder of the investment period.

Five focus areas are defined in Tinbridge Hill's original Neighborhood Plan and continue to be the issues for discussion and concern today. These areas are Housing, Community Beautification, Infrastructure Improvements, Neighborhood Services, and Safety. As funds are not available in any given year to conduct the work needed to meet these needs, THNC asks that Year One be devoted to obvious and achievable activities such as Blackwater Creek access, overgrowth clearing and housing improvement. In addition to these activities, direct funds to encourage neighborhood participation in the process and build capacity in the neighborhood are essential for long-term sustainability.

The proposal identifies the total first year costs anticipated to initiate the Sustainable Neighborhood Program model in Tinbridge Hill - $241,900. With a reasonable chance that 10% of these costs can be obtained from private sources, $24,190 in leveraged funds will be sought by the neighborhood and its strong stakeholders in the Friends of Tinbridge Hill.

Community Development Block Grant Public Service Applicants

The Gateway House, Inc.

FY 2011 Award	FY 2012 Request	CDAC Recommendation
$25,000	$25,000	$21,102.75

Funding is requested for ongoing operating costs.

The Gateway House, Inc. provides a residential substance abuse recovery program with supportive services to homeless men, age 18 and above, in recovery from drug and/or alcohol addiction. The Gateway's structured program holds residents accountable for their actions as they learn to make better choices and rebuild their lives. The Gateway is in its nineteenth year of operation and serves approximately 45 men per year. This two-year program takes homeless, unemployed, addicted men and primarily gives them the opportunity to focus on their substance abuse recovery and establish a strong network of support that results in long-term recovery. The program secondarily helps clients to obtain a job, learn to budget and save their money, obtain a credit report, pay off past-due debts and fines, get their driver's licenses back, obtain medical care and medications, improve their nutrition, and return to society as tax-paying citizens residing in permanent housing at the end of the program.

Amazement Square

FY 2011 Award	FY 2012 Request	CDAC Recommendation
$0	$15,000	$0

Funding is requested for costs associated with the *CityArts Mentoring Program's Mosaic Mural Project,* specifically the materials required to complete the wall as well as the costs to train and mentor the at-risk youth who participate in the project.

Amazement Square's *CityArts Mentoring Program's Mosaic Mural Project*, in existence since 2002, represents an effort to combine the museum's top priorities of enhancing its environment through further neighborhood development and expanding its community outreach initiatives for underserved and at-risk youth. Through the process of creating public art which enhances the surrounding environment of the museum and the downtown riverfront, this program will provide team-building mentoring experiences and job training for these youth. The past success of this program, conducted during the summer of each year, as well as the museum's dedication to bringing hands-on educational opportunities to children of all ages and backgrounds, is a testament to the project's potential for future achievements. The establishment of a structured mentoring program includes: targeting at-risk youth with the help of guidance counselors and art teachers at area middle and high schools, providing each participant with criteria for successful participation, holding workshops for youth participants to learn about public art and the techniques for installing a mosaic, and periodically evaluating each participant's progress during the summer. Through the provision of feedback and positive mentoring experiences, the goal of the program is to encourage youth participants to return to the *CityArts Mentoring Program's Mosaic Mural Project* in the summer of 2012 as mentors to younger participants. An added benefit to this program is the positive educational summer experience which keeps youth focused and safe during their break from school. This experience will demonstrate to them the value of being productive community members, encouraging them to find gainful employment after they graduate from high school and to give back to their city.

Smart Beginnings Central Virginia - Mobile Preschool Programs

FY 2011 Award	FY 2012 Request	CDAC Recommendation
$10,722.55	$88,400	$21,102.75

Funds are requested for a teacher and teacher's aid ($78,400), fuel/maintenance ($5,000), and educational materials ($5,000).

Funding will be used to support two converted school buses, Gus the Learning Bus and Rex the Resource Bus, in visiting at-risk children and parents. Gus the Learning Bus provides a completely furnished preschool classroom that children who are not enrolled in preschool can visit on a weekly basis. Rex the Resource Bus is a parent resource center with educational materials that parents can check out to use in preparation as their child's first teacher.

YWCA – Domestic Violence Prevention Center (DVPC)

FY 2011 Award	FY 2012 Request	CDAC Recommendation
$25,000	$30.000	$21,102.75

Funding is requested to assist in providing direct staff costs to support the Community Advocate Program position and a portion of the DVPC director's salary for outreach services in Lynchburg.

The YWCA has been operating the Domestic Violence Prevention Center (DVPC) Emergency Shelter since 1978. The Shelter provides an essential service to the City and surrounding areas. It meets the urgent community need of protecting women and children in a crisis situation and gives them the opportunity to move on to a home of self-sufficiency and safety.

The DVPC is a partner with the Lynchburg Office of the Commonwealth's Attorney Community Advocate Program to provide Community Advocacy. Funding is provided through an Office on Violence Against Women/US Department of Justice grant for a part-time position. We are requesting funding to complete one year's salary and benefits to make this a full-time position, as well as for our DVPC Director to cover her outreach services in Lynchburg.

The Community Advocacy will provide increased access to community resources and assistance for victims of domestic violence, dating violence, and stalking, empowering victims to get the support and help needed to live violence-free lives. This process requires initiating immediate contact with the aforementioned victims, upon receiving referrals for service from a first responder and/or any other designated service agency, to provide court advocacy, support, and referrals for community assistance. We also provide educational and awareness through speaking engagements and ongoing community activities.

Miriam's House

FY 2011 Award	FY 2012 Request	CDAC Recommendation
$20,000	$32,151	$21,102.75

Funding is requested for direct costs associated with providing an After Care/Case Management Support Group and Night Shift Manager position. Miriam's House is a transitional and supportive housing program with a mission of empowering women to overcome obstacles and move to permanent housing.

An After Care/Case Management Support Group would ameliorate the rate of recidivism and ultimately keep this vulnerable population in their permanent housing upon their discharge from Miriam's House (MH). This is NO OTHER therapeutic group like this in all of Lynchburg and its time has come in staff's professional opinion. This group would help MH "track" the residents after their discharge, and thus ascertain that the progress they made during their time at MH is sustained.

Miriam's House would also hope to receive continued funding for the Night Shift Manager's position. This position is vital to the therapeutic community which provides 24-hour a day, seven day a week and clinical oversight of the program at MH.

<u>HOME Program Applicants</u>

City Administration

FY 2011 Award	FY 2012 Request	CDAC Recommendation
$16,353	$28,752	$28,752

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

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

FY 2011 Award	FY 2012 Request	CDAC Recommendation
$150,000	$150,000	$100,000

Funding is requested for labor/material ($135,000) and administration ($15,000). Lyn-CAG projects that four (4) low-to-moderate income homeowners 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 2011 Award	FY 2012 Request	CDAC Recommendation
$75,000	$75,000	$75,000

Funding is requested for labor/material ($67,500,000) 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.

Lynchburg Neighborhood Development Foundation (LNDF) – Homeownership Fund

FY 2011 Award	FY 2012 Request	CDAC Recommendation
$0	$75,000	$75,000

Funding is requested to provide affordable mortgage financing assistance for ten (10) 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 funding through mortgage lender 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 are comprised 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, the Virginia Housing Development Authority (VHDA), the primary source of first mortgage loans, is rethinking its program in order to let the private sector handle the originating loan.

Through this program, LNDF has brought more than $15 million into the region for this purpose; creating more than 230 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 2011 Award	FY 2012 Request	CDAC Recommendation
$0	$175,000	$33,699.80

Funding is requested to provide assistance for the development of five housing structures for low-to-moderate income families.

Housing 2000, Inc., the Community Housing Development Organization (CHDO) affiliate of Lynchburg Neighborhood Development Foundation (LNDF), is prepared to engage in development activities in partnership with LNDF. 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. In the mid 1990s, LNDF became a single-family developer, working primarily in very low-income neighborhoods of Lynchburg where property values are low and overall community revitalization is needed. Since then, LNDF has developed and sold 21 newly renovated or built single family homes, to qualified low- and moderate-income buyers. Last year, LNDF received HOME funds to use as development subsidies in three Tinbridge Hill projects, two of which are in pre-development phases. With this request, LNDF proposes to develop another five houses for resale to HOME-eligible borrowers in the City.

Lynchburg Neighborhood Development Foundation (LNDF) – Hilltop Homes

FY 2011 Award	FY 2012 Request	CDAC Recommendation
$48,163.32	$218,000	$80,000

Funding is requested for rehabilitation construction costs.

Hilltop Homes is a scattered-site, multi-family rental project that LNDF has been working on for several years. It consists of 12 parcels with 13 buildings that will be completely renovated to create 24 affordable, quality rental units in the downtown neighborhoods of Lynchburg. The total projects costs are approximately $5.1 million. In past funding allocations, the City has awarded HOME funds in the amount of $84,312 (FY 2008) and $48,163 (FY 2011) that was used for predevelopment and soft costs.

Greater Lynchburg Habitat for Humanity (GLHFH) – Homeownership Program

FY 2011 Award	FY 2012 Request	CDAC Recommendation
$65,000	$50,000	$50,000

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 CITY COUNCIL
Agenda Item Summary

MEETING DATE: **May 10, 2011** AGENDA ITEM NO.: 8

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

ACTION: **X** INFORMATION:

ITEM TITLE: **Termination of Contract Between the City and the Lynchburg Neighborhood Development Foundation**

RECOMMENDATION: Adopt the attached resolution terminating the contract between the City and the Lynchburg Neighborhood Development Foundation (LNDF).

SUMMARY: During Council's budget deliberations staff was instructed to move LNDF from a "Contractual" external service provider to a "Discretionary" external service provider. The rationale for this move was twofold; the City's relationship with LNDF has changed since the contract of 1999 (attached) was entered into and, since extension of the contract is contingent on an annual appropriation, the relationship between the City and LNDF is, in reality, discretionary on the part of the City.

Since the appropriation of funds to LNDF through adoption of the budget resolution would automatically renew the contract, in order to make City funding to LNDF discretionary, the City Attorney has advised that Council should act to terminate the contract prior to approving the appropriation. The attached resolution does that.

PRIOR ACTION(S): 1999 Contract (attached)

FISCAL IMPACT: None

CONTACT(S): Kimball Payne, 455-3990

ATTACHMENT(S): 1999 Contract between the City and LNDF; Resolution

REVIEWED BY: lkp

RESOLUTION:

NOW, THEREFORE, BE IT RESOLVED that the Lynchburg City Council does hereby terminate that certain Agreement between the City and the Lynchburg Neighborhood Development Foundation, Inc. dated July 1, 1999.

Adopted:

Certified: ________________________________
Clerk of Council

071L

AGREEMENT

THIS AGREEMENT made and dated this 1st day of July, 1999, by and between the City of Lynchburg, a municipal corporation of the Commonwealth of Virginia, hereinafter referred to as the "City," and the Lynchburg Neighborhood Development Foundation, Inc., a Virginia corporation, hereinafter referred to as "LNDF."

WHEREAS, LNDF is dedicated to promoting the development and financing of affordable and safe housing within the City and the Region 2000 area; and,

WHEREAS, the City and its citizens receive significant benefits from LNDF's activities; and,

WHEREAS, the City and LNDF wish to enter into an agreement that will help fund LNDF's activities;

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions contained herein, the City and LNDF agree and covenant as follows:

<u>Services by LNDF</u>

During the 1999-2000 fiscal year LNDF agrees to provide the following services and activities within the City and the Region 2000 area:

(1) LNDF will act as a consultant to public and private sector persons and groups, providing expertise in the areas of housing development, real estate and community development finance, issues related to low income populations, and corporation creation.

(2) LNDF will continue its efforts to attract funds to the City and the Region 2000 area in order to support affordable and safe housing development.

(3) LNDF will continue its efforts to assist and coordinate the efforts of other nonprofit organizations to support affordable and safe housing development within the City and the Region 2000 area.

(4) LNDF will engage in such other services and activities that it believes will assist in the development of safe and affordable housing within the City and the Region 2000 area.

(5) LNDF's services and activities will be provided in the general manner described in the December 10, 1999 letter to Charles Church, City Manager, a copy of which is attached to this agreement and by this reference made a part hereof.

Payment by City

In order to assist LNDF in providing the services and activities described above the City agrees to provide funding to

LNDF in the amount of $25,000 for the 1999-2000 fiscal year.

Term of Agreement

This agreement shall be for an initial term of one year, beginning July 1, 1999 and ending June 30, 2000. The City and LNDF may renew this agreement for additional one year terms upon such conditions as are mutually agreeable to the City and LNDF. Any extensions of this agreement are contingent upon the appropriation of additional funding by the City. If the City fails to appropriate funds for additional one year terms this agreement shall automatically terminate.

WITNESS the following signatures and seals all as of the day and year first above written.

CITY OF LYNCHBURG

By Druie L. Warren
Druie L. Warren, Mayor

LYNCHBURG NEIGHBORHOOD
DEVELOPMENT FOUNDATION, INC.

By Laura N. Dupuy
Laura N. Dupuy, Executive Director

927 Church Street
Lynchburg, VA 24504

Phone (804) 846-6964
Fax (804) 846-6966

Laura N. Dupuy
Executive Director

COMMUNITY PLANNING & DEVELOPMENT _ General - #1

December 10, 1999

Charles Church, Manager
City of Lynchburg
P.O. Box 60
Lynchburg, VA 24505

Council Meeting of
February 11, 2000

Agenda Item: 11

RE: Request for Payment for Services to City

Dear Chuck:

We, the Board of Directors of the Lynchburg Neighborhood Development Foundation (LNDF), are responding to your request for a description of LNDF's activities and how they have benefited the City. The enclosed information exhibits the work LNDF performs, and supports our proposal that there be a contractual relationship between LNDF and the City through which LNDF can be paid for the services it provides.

Attached are several sheets that outline LNDF activities and summarize the funds that we have attracted into the region. Please note that more than $9.5 million in housing and community development funds have been brought to Central Virginia through LNDF's efforts. Lynchburg sees more than half of these dollars. On average, about one-half of the mortgage funds are used in the City, with the remainder being spread throughout the four surrounding counties. Our home-repair program directs 75% of its funds into Lynchburg. And, of course, all of the HUD Lead Hazard Control Grant goes to City houses. While we have been successful in drawing program dollars, there are restrictions on the use of these funds which do not allow us to fully recover administrative and operating costs.

Of the activities identified, we would put greatest weight to LNDF's ability to attract substantial financial resources. This not only benefits the low- and moderate income families we serve, but results in an increased tax base for the City. We also see that LNDF has had success in coordinating the efforts and interests of our non-profit colleagues to the maximum benefit of all concerned, including the City. Additionally, the work LNDF does to assist neighborhood-based organizations is unique, and could not be shifted to any other service provider since it is based on a long-standing relationship between LNDF and these organizations.

If LNDF is to continue its work and deliver services of real value, its size and its cash-flow demands necessitate compensation on a regularly scheduled basis from those who benefit from the services. We charge some fees for administering funds that are paid out of loan closings, but much of the work LNDF does is not compensated. Therefore, we must face the choice of stopping this work or seeking compensation for administrative and operating costs. The Board believes that LNDF's work has value to the City and to other institutions and for this reason, we ask the City to consider entering into a contractual relationship with LNDF at a cost of $25,000 annually for the current level of service.

Charles Church
December 10, 1999
Page two

Similar proposals are being made to others who benefit from LNDF's work so that we can match the funds requested from the City. We anticipate soliciting these matching funds as part of our ongoing, regular revenue stream.

Enclosed are several documents that support the Board's request: 1) a list of projects in which LNDF has been prominent during the past year with descriptions of LNDF's role; 2) summary of funds brought to the City, either directly by LNDF or with significant input from LNDF; and 3) description of two events in which LNDF was the primary coordinator.

Please review these documents and consider our request for this contractual relationship with the City. Thank you for your time, your input and your assistance.

Sincerely,

Board of Directors of LNDF

Aubrey Barbour	Tom Jividen
Hal Craddock	Schaeffer Oglesby
Ron Dolan	Tracey Shaw
Marva Dunn	Jerry Smith
Gus Fagan	Charles Warren
Chip Garcia	Jane White

The Finance and Planning Committee has considered this matter, and the following Resolution is presented for Council consideration:

#R-00-025

BE IT-RESOLVED That $25,000 is appropriated from the General Fund Reserve for Contingencies upon execution of an agreement with the Lynchburg Neighborhood Development Foundation for the provision of services as outlined in its December 10, 1999, letter to the City; and

BE IT FURTHER RESOLVED That the Mayor is hereby authorized to sign the agreement on behalf of the City with the Lynchburg Neighborhood Development Foundation for these services.*

Introduced: February 8, 2000 Adopted: February 22, 2000

Certified: Patricia W. Kost
Clerk of Council

cc: L. Dupuy
M. W. Hill
M. K. Wallace
C. J. Bibb

141P

VALUE TO CITY

1. LNDF acts as consultant to public and private sector persons and groups. The areas of expertise include:

   Housing Development
   Real Estate and Community Development Finance
   Issues related to low-income populations
   Corporation creation

2. LNDF has been successful in attracting funds into the City and the region (see attached page four) primarily to support affordable and safe housing development. LNDF places a priority on securing resources to:
   - leverage local dollars
   - address issues of concern in the City, such as blight, deteriorated housing, increasing homeownership rate, compliance with fair housing laws
   - increase capacity of community groups [Tinbridge $42,000; College $12,000; White Rock $76,000; Diamond Hill $90,000]

3. Due to the ability to direct program funds to assist and increase the capacity of other non-profits, LNDF has grown into a coordinating role in this community (see attached page five). Some of the activities in which LNDF has taken this role include:
   - Housing development, repair, rehabilitation priorities
   - CDBG and HOME funds distribution
   - Promote Housing initiatives and direct housing policies
   - Expanding and coordinating housing counseling resources

4. LNDF has developed strong institutional partners and has drawn them into greater collaboration on City projects

   Lynchburg College
   Banks
   Centra Health
   Outside collaborators: VMH

5. LNDF sees itself as a community-driven organization. Therefore, LNDF has placed a value on assisting the many community-based organizations in the City with respect to legal and financial activities. LNDF staff have, in the past, assisted these groups in the process of incorporation, securing of tax-exempt status, increasing organizational development, preparing and securing outside funds, and providing specific technical assistance as needed. The groups that LNDF works with most closely are:

   Tinbridge Hill Neighborhood Council
   College Hill Neighborhood Council
   White Rock Hill Neighborhood Council
   Christmas in April
   Diamond Hill Neighborhood Watch & Restoration

6. LNDF has had the opportunity to work with most of the City departments on various projects, and especially with:
   - Economic Development (IDA)
   - City Attorney
   - Community Planning & Development

Funds Brought into Region through LNDF

LNDF has been directly involved in bringing nearly $10,000,000 new dollars into the region over the past four years. Either through our action alone, or as a primary participant in collaborative projects, LNDF has succeeded in improving resources for low-income persons and increasing the capacity of existing organizations for that purpose.

Sources for Mortgage Program and Other Homeowner assistance programs:

Regional Loan Fund (State program)

Demonstration Program (1995-96)	$1,672,900	
Round I (1997)	$1,077,900	
Round II (1998)	$1,128,000	
Round III (1999)	$ 840,000	
Round IV (1999-2000)	$ 780,000	
Total		**$5,498,800**

Affordable Housing Program (Fed. Home Loan Bank, Atlanta)

96-99:	$259,000 mortgage assistance	
99	$240,000 owner-occupied home repair	
00	$360,000 owner-occupied home repair	
	$270,000 mortgage assistance	
	Total:	**$1,129,000**

Lynchburg Lead Initiatives (HUD via City)

98-01	$2,300,000	
[*local funds (Centra)*	*$ 70,000*]	
	Total	**$2,300,000**

Lynchburg College Community Outreach Partnership Centers

Bringing resources of LC to the neighborhoods of Tinbridge Hill, College Hill, and White Rock Hill.

J.B. Dupont	$200,000	
HUD	$400,000	
	Total:	**$ 600,000**

$9,527,800

Programs in which Funds are used

LNDF operates and manages several programs that have increased the homeownership rate in the City and the region, and improved and made safer the housing conditions of Lynchburg residents and homeowners.

I. Overall Mortgage Program activities

	Funds into Region	New homeowners	
1995-96	$1,574,485	32	
1997	$1,222,021	20	
1998	$1,189,212	21	
1999	$1,397,114 to date	23 to date	
TOTAL	**$5,382,832**	96	*avg. cost per house $56,000*

II. Owner-Occupied Home Repair Projects

Source	LNDF (19 units to date)	LynCAG (14 units to date)
AHP	$90,000	$82,000
City HOME	$55,962	

Avg. cost per house $7,000

III. Lead Safe Lynchburg

Completed Units (cleared to EPA standards): **20**
Units under contract: **12**; under construction: **2**
Avg. cost of intervention per unit $7,767

* * * * * * * * * * * * *

Funds distributed to Non-profits
LNDF incorporates the funding needs of our colleagues in the non-profit housing community when we seek funds. In this way, LNDF can show collaboration and production to potential funders and centralize the administrative activities to the benefit of our partner non-profits. The following funds have been directed to the following housing providers in the City and the region:

Source	Habitat	LynCAG	Habitats Amherst & Bedford
City HOME	$142,540	$ 4,830	
AHP 96-99	$ 55,000	$129,000	
99-00	$100,000	$180,000	$30,000
Total	**$297,540**	**$313,830**	**$30,000**

The following are two examples of LNDF as coordinating entity to further goals of the affordable housing community and those of the City.

1. Each year, LNDF meets with the non-profit housing developers currently receiving HOME funds to discuss future projects in the upcoming funding year. At that meeting, each group discusses its needs and anticipated proposals to the City for these funds. We discuss the advantages and disadvantages of combining requests and we are aware that our combined requests will exceed the amount of funds available. We then each go back to our respective offices and prepare our proposals. At a time just prior to the scheduled meeting of the Community Advisory Committee who review and recommend on CDBG and HOME funds, LNDF meets again with our colleagues and review the total requests for HOME funds. We then negotiate reduced pro-rata shares of the existing funds and prepare a compromise request to the Chair of the Committee. In this way we collectively agree on how to share available funds and avoid others making uninformed decisions about our funding requests.

The advantage to the City is that little or no constituency demand is placed on City Council members and the affordable housing providers appear as one mind on the distribution of available City entitlement funds.

2. Last week, the liaison between the Virginia Housing Development Authority (VHDA), Karl Brenn, and the recently appointed Executive Director of VHDA, Susan Dewey, came to Lynchburg to observe the housing activity that has been going on, especially that occurring with financing by VHDA. They toured the City and saw the many individual and collaborative projects that are underway. They then came to a lunch, hosted by LNDF, at which 18 persons, representing non-profit organizations, the City, the press and the Housing Authority, were gathered as part of a regular meeting about our collective activities in College Hill. As we went around the room, each organization described a project in which they were active in the City and especially in College Hill. LNDF was involved in each in either a development role or a financing role.

The advantage to the City is that LNDF's involvement in projects can assure appropriate collaboration and a degree of quality control that might otherwise be missing. Additionally, LNDF can provide an overview and integration of the long-term effects of projects so that long-term benefit is seen as well as the immediate benefit to a new homeowner.

LYNCHBURG CITY FINANCE COMMITTEE
Agenda Item Summary

MEETING DATE: **May 10, 2011** AGENDA ITEM NO.: 9

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

ACTION: **X** INFORMATION:

ITEM TITLE: **FY 2011 Department of Emergency Management Grant for Thermal Imaging Equipment**

RECOMMENDATION:
Adopt a resolution to amend the FY 2011 City/Federal/State Aid Fund budget and appropriate $33,000 with resources from a Department of Emergency Management grant to purchase thermal imaging equipment for use in critical incident response.

SUMMARY:
The Police Department is eligible to receive $33,000 in Department of Emergency Management grant funding. This funding would be utilized to purchase thermal imaging equipment for use in critical incident response by the Tactical Unit. Total equipment cost is $33,000, which is fully reimbursable by the grant; no local matching funds are required.

PRIOR ACTION(S):
Finance Committee, April 26, 2011

FISCAL IMPACT:
None, no local match is required.

CONTACT(S):
Police Chief Parks Snead, 455-6104
Captain R.M. Zuidema, 455-6052

ATTACHMENT(S):
Resolution

REVIEWED BY: lkp

RESOLUTION:
BE IT RESOLVED that the FY 2011 City/Federal/State Aid Fund budget is amended and $33,000 is appropriated with resources from a Department of Emergency Management grant to purchase thermal imaging equipment for use in critical incident response.

Introduced: Adopted:

Certified: ______________________________
Clerk of Council

065L

LYNCHBURG CITY COUNCIL
Agenda Item Summary

MEETING DATE: **May 10, 2011** AGENDA ITEM NO.: 10

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

ACTION: **X** INFORMATION:

ITEM TITLE: **Transfer of Capital Improvement Program Funds to Lynchburg City Schools for the Tennis Courts at E. C. Glass High School**

RECOMMENDATION:
Adopt a resolution to amend the FY 2011 Schools Capital Projects Fund and appropriate $200,000 with resources transferred from the City Capital Projects Fund Parks Paving and Lighting project to renovate the tennis courts at E. C. Glass High School.

SUMMARY:
As part of the City/Schools Consolidation discussions, the suggestion was made to transfer the management and maintenance responsibilities of the tennis courts located at E. C. Glass and Heritage High Schools from the City's Departments of Parks and Recreation and Public Works – Buildings and Grounds to Lynchburg City Schools (LCS). This proposal has been accepted by both the City and LCS.

Although there is no direct cost savings associated with placing the management and maintenance of the high school tennis courts under LCS, transferring these responsibilities to LCS should increase staff efficiencies and align the maintenance of the tennis courts with all other school grounds responsibilities. The transfer of responsibilities is made with the understanding that the tennis courts will remain open for public and recreation use, similar to other facilities located on LCS grounds, as dictated by existing agreements and policies.

In FY 2011, $278,000 is appropriated in the City's Capital Improvement Program (CIP) for Parks Paving and Lighting (page 72 of the Adopted FY 2011 – 2015 CIP). Parks and Recreation has set aside $200,000 of these funds to renovate the E. C. Glass High School tennis courts. Parks and Recreation is requesting the CIP be amended and $200,000 be transferred to the Schools Capital Projects fund; LCS will manage this capital improvement project.

PRIOR ACTION(S):
Finance Committee April 26, 2011

FISCAL IMPACT:
None

CONTACT(S):
Kay Frazier, Director of Parks and Recreation, 455-5868
Donna Witt, Director of Finance, 455-3968

ATTACHMENT(S):
Resolution
Capital Improvement Program, FY 2011-2015, page 72

REVIEWED BY: lkp

<u>Resolution</u>

BE IT RESOLVED that the FY 2011 Schools Capital Projects Fund is amended and $200,000 is appropriated with resources transferred from the City Capital Projects Fund Parks Paving and Lighting project to renovate the tennis courts at E. C. Glass High School.

Introduced: Adopted:

Certified: ______________________________
Clerk of Council

064L

SERVICE AREA	DEPARTMENT	LOCATION
Parks and Recreation	**Parks and Recreation**	**Various**

PROJECT TITLE/PROJECT NUMBER
PARKS PAVING AND LIGHTING/RECONSTRUCTION

PROJECT TYPE
Maintenance

DEPARTMENT PRIORITY
Project required to support important but not essential services
Project contributes to generation of new revenue

PROJECT DESCRIPTION
Renovation of courts, walks/trails, steps, parking lots, and lighting. FY 2011: EC Glass Tennis Courts; FY 2012: Bikeway Trail, Sandusky Park Trail, Heritage Tennis Courts; FY 2013; Riverside Park Trails/Courts, Daniels Hill parking lot; FY 2014: Miller Park BB Courts/Parking; FY 2015: Peaks View Tennis, Parking, and BB Courts.

RELATIONSHIP TO COMPREHENSIVE PLAN
Chapter 13, Page 13.4, Objective 1.B: Upgrade existing facilities in parks to meet current codes and to improve their appearance and function.

PROJECT MANAGER(S)
Andrew Reeder, Parks Service Manager

PROJECT START DATE Continuing
PROJECT COMPLETION DATE Continuing

COMPLETION SCHEDULE

Activity	Complete - Quarter
Consultant Engineering	Continuing
Construction	Continuing

OPERATING BUDGET IMPACT (OVERALL OPERATING EXPENSES & PROJECTED STAFFING REQUIREMENTS):
None anticipated.

FIVE YEAR PROPOSED PROJECT **APPROPRIATIONS** BY SUB-PROJECT

Sub-Projects	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	Program Period Estimate
Consultant Engineering	62,735	62,735	62,735	62,735	62,735	**$313,675**
Construction	215,265	215,265	215,265	215,265	215,265	**$1,076,325**
TOTAL	**$278,000**	**$278,000**	**$278,000**	**$278,000**	**$278,000**	**$1,390,000**

TOTAL PROJECT COST

TOTAL PRIOR APPROPRIATIONS THROUGH 7/1/09	FY 2011-2015 APPROPRIATIONS	BEYOND FY 2015 APPROPRIATIONS	TOTAL PROJECT APPROPRIATIONS
Continuing	$1,390,000	Continuing	**Continuing**

FIVE YEAR PROPOSED PROJECT **EXPENDITURE CASH FLOW PROJECTIONS** BY SOURCE OF FUNDING

Funding Source	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	Program Period Total
Local: Pay-As-You-Go	278,000	278,000	278,000	278,000	278,000	**$1,390,000**
TOTAL	**$278,000**	**$278,000**	**$278,000**	**$278,000**	**$278,000**	**$1,390,000**

SOURCES OF PROJECT FUNDING FY 2011 - 2015 (%): LOCAL = 100% STATE = 0% FEDERAL = 0% OTHER = 0%

LYNCHBURG CITY COUNCIL
Agenda Item Summary

MEETING DATE: **May 10, 2011**		AGENDA ITEM NO.: 11
CONSENT:	REGULAR: **X**	CLOSED SESSION: (Confidential)
ACTION: **X**	INFORMATION:	

ITEM TITLE: **Public Hearing Regarding School Board Appointments**

RECOMMENDATION:

To conduct a public hearing to receive input from citizens regarding appointments (or reappointments) to vacancies that will exist June 30 in each of the three (3) School Board representational districts.

SUMMARY:

The Code of Virginia stipulates that Council may appoint only those nominees or applicants whose names have been considered at a public hearing. Following the public hearing City Council may either conclude the public hearing or continue it to the next meeting to allow more time for citizen input. The City Code requires that these appointments be made during the month of June; so therefore, no action may be taken on this matter except at the June 14 or June 28 meetings.

PRIOR ACTION(S):

None

FISCAL IMPACT:

None

CONTACT(S):

Valeria P. Chambers 455-3995

ATTACHMENT(S):

None

REVIEWED BY: lkp

063L

LYNCHBURG CITY COUNCIL
Agenda Item Summary

MEETING DATE: **May 10, 2011** AGENDA ITEM NO.: 12

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

ACTION: **X** INFORMATION:

ITEM TITLE: **Fiscal Year (FY) 2012 Annual Action Plan for the Community Development Block Grant (CDBG) and HOME Program**

RECOMMENDATION: Conduct a public hearing to receive comments on the Community Development Block Grant (CDBG) and HOME Program FY 2012 Annual Action Plan and adopt a resolution approving the FY 2012 Annual Action Plan.

SUMMARY: The Department of Housing and Urban Development (HUD) requires local governments, which receive federal community development funds, to prepare an Annual Action Plan as a component of the approved 2010-2015 Five-Year Consolidated Plan. The Annual Action Plan outlines the City's needs, goals, and objectives for community development (both housing and non-housing areas). The Plan has been prepared and is comprised of the required Action Plan components and the CDBG and HOME projects that will be initiatied during the program year to address the identified needs and objectives.

On April 9, 2011 a public notice was published in *The News and Advance* stating that a draft of the proposed 2011-2012 Annual Action Plan was available for public review for a 30-day public comment period. The public comment period began on April 9, 2011 and will continue until May 9, 2011. The advertisement for the Annual Action Plan included the projects recommended by CDAC at its April 7, 2011 meeting.

City staff has not yet received any public comments regarding the draft Plan. City Council and citizen comments received at tonight's public hearing regarding the contents of the Annual Action Plan will be incorporated into the final document and submitted to HUD for approval.

Upon HUD approval of the Plan, CDBG and HOME applicants will be notified of the final allocations and HUD's release of funds.

PRIOR ACTION(S): May 10, 2011: City Council Work Session Regarding the FY 2012 Allocation of Community Development Block Grant and HOME Program Funds

FISCAL IMPACT: N/A

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

ATTACHMENT(S): Fiscal Year 2012 Annual Action Plan
Resolution

REVIEWED BY: lkp

RESOLUTION

BE IT RESOLVED that the Community Development Block Grant (CDBG) and HOME Program Fiscal Year 2012 Annual Action Plan is hereby approved for submittal to the Department of Housing and Urban Development (HUD).

Adopted:

Certified: ______________________________
Clerk of Council

066L

Second Annual Action Plan for 2010-2015 Consolidated Plan

The CPMP Annual Action Plan includes the SF 424 and Narrative Responses to Action Plan questions that CDBG, HOME, HOPWA, and ESG grantees must respond to each year in order to be compliant with the Consolidated Planning Regulations.

Narrative Responses

ACTION PLAN

Executive Summary

Mission: The mission of the City of Lynchburg' s Consolidated Annual Action Plan for Program Year 2011 is to obtain the Community Development Block Grant (CDBG) and HOME Program funds that are fundamental to attaining the priorities and objectives identified in the 2010-2015 Consolidated Plan, thereby contributing to the health, welfare and future viability of the City, and specifically in the targeted low-to-moderate income areas.

Since 1975 the City of Lynchburg, as an entitlement jurisdiction through the Department of Housing and Urban Development (HUD), has received annual allocations for the Community Development Block Grant (CDBG) Program. In 1994 the HOME Investment Partnerships (HOME) Program began and the City was designated as a participating jurisdiction and began receiving annual formula allocations through the HOME Program.

The City of Lynchburg, as an entitlement jurisdiction in the CDBG and HOME Program, is required by HUD to submit a Consolidated Plan every five years and an Annual Action Plan within each of the five years of the Consolidated Plan. The Consolidated Plan and Annual Action Plan are mandated documents for receipt of Federal funds and are designed to be a collaborative process whereby the community establishes a unified vision for community development actions. It offers local jurisdictions the opportunity to shape the various housing and community development programs into effective, coordinated neighborhood and community development strategies. It also creates the opportunity for strategic planning and citizen participation to take place in a comprehensive context while reducing duplication of effort.

The Plan describes the resources available, the programs and projects to be funded and the proposed accomplishments for Program Year 2011.

The Federal regulations set forth three basic goals against which HUD will evaluate the Consolidated Plan and Annual Action Plan and the jurisdiction's performance under the plan. Each jurisdiction's plan must state how it will pursue these goals for all community development programs, as well as all housing programs. These statutory program goals are as follows:

• Housing - The housing programs are to provide decent housing which includes: assisting homeless persons obtain affordable housing; assisting persons at risk of becoming homeless; retaining the affordable housing stock; increasing the availability of affordable permanent housing in standard condition to low-income and moderate-income families, particularly to members of disadvantaged minorities without discrimination on the basis of race, color, religion, sex, national origin, familial status, or disability; increasing the supply of supportive housing which includes structural features and services to enable persons with special needs (including persons with HIV/AIDS) to live in dignity and independence; and providing affordable housing that is accessible to job opportunities.

• Community Development - The community development programs are to provide a suitable living environment which includes: improving the safety and livability of neighborhoods; eliminating blighting influences and the deterioration of property and facilities; increasing access to quality public and private facilities and services; reducing the isolation of income groups within areas through spatial deconcentration of housing opportunities for lower income persons and the revitalization of deteriorating neighborhoods; restoring and preserving properties of special historic, architectural, or aesthetic value; and conserving energy resources and use of renewable energy sources.

• Economic Development - The economic development programs are to expand economic opportunities which include: job creation and retention; establishment, stabilization and expansion of small businesses (including micro-businesses); the provision of public services concerned with employment; the provision of jobs to low-income persons living in areas affected by those programs and activities, or jobs resulting from carrying out activities under programs covered by the plan; availability of mortgage financing for low-income persons at reasonable rates using non-discriminatory lending practices; access to capital and credit for development activities that promote the long-term economic and social viability of the community; and empowerment and self-sufficiency for low-income persons to reduce generational poverty in federally assisted housing and public housing.

This Annual Action Plan corresponds to the City's next fiscal year (FY 2012), which begins July 1, 2011 and ends June 30, 2012. The City anticipates that HUD will provide approximately $1.2 million new funds this year. CDBG is expected to be the largest at $841,480 and HOME about $425,827. The primary federal funding resources for the FY 2012 is the following:

Community Development Block Grant (CDBG): The primary objectives of this program is to develop viable urban communities by providing decent housing, a suitable living environment, and economic opportunities, principally for persons of low and moderate income levels. Funds can be used for a wide array of activities, including: housing rehabilitation, homeownership assistance, lead-based paint detection and removal, construction or rehabilitation of public facilities and infrastructure, removal of architectural barriers, public services, rehabilitation of commercial or industrial buildings and loans or grants to businesses.

HOME Investment Partnership Program (HOME): The HOME program provides federal funds for the development and rehabilitation of affordable rental and ownership housing for low and moderate income households. HOME funds can be used for activities that promote affordable rental housing and homeownership by low and moderate income households, including reconstruction, moderate or substantial rehabilitation, homebuyer assistance and tenant-based rental assistance.

The Consolidated Plan and Annual Action Plan define a specific course of action for meeting the community development and housing needs of the community. It is the means to analyze the full local context and the linkages to the larger region. It builds on local assets and coordinates a response to the needs of the community. It integrates economic, physical, environmental, community and human development in a comprehensive and coordinated fashion so that families and communities can work together and thrive. A strategic plan also sets forth program goals, specific objectives, annual goals, and benchmarks for measuring progress. In so doing, it helps local governments and citizens keep track of results and learn what works in a community.

This year, the City will continue to make significant investments in our housing stock by way of the targeted neighborhood strategy, code enforcement actions, removal of blighted properties, rental rehabilitation grants, direct homeownership assistance and owner-occupied rehabilitation projects. In addition to servicing our neighborhoods and providing for public service activities, the City will use some of our CDBG resources to help in the effort to revitalize the Fifth Street commercial corridor.

It is the intent of the City of Lynchburg to encourage and facilitate the participation of residents of the City in the formulation of priorities, strategies, and funding allocations in the Annual Action Plan. To expand and broaden citizen participation, City staff posted public notices on the City's web site (www.lynchburgva.gov/grants), at community centers and other neighborhood anchors (i.e. schools, neighborhood health centers, and public housing agencies/complexes).

In accordance with the City's adopted Citizen Participation Plan below is a summary of the public meetings and public hearings that were held to allow citizens the opportunity to participate and comment on the development of the Annual Action Plan in conjunction with the goals and objectives established for the 2010-2015 Consolidated Plan and the FY 2012 Annual Action Plan.

■ On January 25, 2011 City Council conducted a public hearing to receive citizen comments regarding the goals for the development of the 2011-2012 Annual Action Plan and adopt a resolution approving the goals. One individual spoke representing the Friends of Tinbridge Hill and stated that the goals both housing and non-housing, are completely consistent with the goals of the Friends of Tinbridge Hill and endorses the 2011-2012 Housing and Non-housing goals and suggested that a focused effort to dedicate CDBG and HOME funding towards Tinbridge Hill would not only create lasting change but also provide a model by which similar efforts could be conducted in other areas and neighborhoods of the City. There were no other public comments.

■ On March 1, 2011 Community Development Advisory Committee (CDAC) held a public meeting to discuss the Annual Action Plan process and to provide an overview of City Council's redirection and restructure of funds for this year. For Program Year 2011 CDAC will be making recommendations on the allocation of a maximum of 10% of the CDBG funds on public service projects, as directed by City Council, and the remaining funds will be allocated to City projects, Lynchburg Redevelopment Housing Authority (LRHA) projects and targeted neighborhood redevelopment projects.

■ During the period of March 9-23, 2011 the acceptance of applications for CDBG and HOME program funds for the City's Fiscal Year 2012 was conducted.

■ On April 7, 2011 CDAC conducted a public meeting for the purpose of reviewing submitted CDBG and HOME Program applications and formulating recommendations for consideration by City Council regarding the allocation of approximately $841,480 in CDBG funds and approximately $425,827 in HOME funds.

■ On April 26, 2011 City Council conducted a public hearing regarding the CDAC Annual Action Plan recommended projects. A public notice advertisement was placed in *The News and Advance* on April 11, 2011 advising the public of this hearing.

■ On April 9, 2011 a public notice was published in *The News and Advance* stating that a draft of the proposed 2011-2012 Annual Action Plan was available for public review for a thirty-day public comment period. The public comment period began on April 9, 2011 and will continue until May 9, 2011. The advertisement for the Annual Action Plan included the projects recommended by CDAC at its April 7, 2011 meeting along with the projects from previous years that were being reprogrammed into the 2011-2012 Annual Action Plan projects.

■ On May 10, 2011 the recommendations of CDAC and the comments made at the April 26 public hearing will be discussed at a City Council work session. Final approval will be given for the funding allocations for Fiscal Year 2012.

■ On May 10, 2011 City Council will conclude the Annual Action Plan process by conducting a public hearing regarding the draft Action Plan that has been available for public review since April 9, 2011.

(Note: Public hearing comments from the City Council meeting on May 10, 2011 will be incorporated into the final 2010-2011 Annual Action Plan that will be submitted to HUD.)

In addition to public meetings and hearings, copies of the draft Annual Action Plan were made available for public review at the following locations in and throughout the City:

- Community Development Department, Grants Administration Office, Second Floor, City Hall, 900 Church Street, Lynchburg, Virginia 24504
- Lynchburg Public Library, 2311 Memorial Avenue, Lynchburg, Virginia
- Downtown Branch Library, City Hall, Basement Floor, 900 Church Street, Lynchburg, Virginia 24504
- Community Development Department, Grants Administration Division website

The City's past performance in the administration and implementation of the CDBG and HOME Program has met the intent of the federal legislation creating these programs. Through years of effective planning, partnership and monitoring, Lynchburg has facilitated affordability for decent housing, availability and accessibility to a suitable living environment, sustainability of a suitable living environment and accessibility to economic opportunities. The following is a summary of the City's past performance as reported to HUD in the Consolidated Annual Performance Report (CAPER) for overall performance in Program Year 2009. The CAPER noted that the City's performance in Program Year 2009 met or exceeded regulatory expectations in regard to the following:

- Serving low and moderate income persons

Approximately 97% of Lynchburg's CDBG aggregate allocation ($742,717) was used for activities that benefited LMI persons within the City well above the minimum threshold of 70% set in 24 CFR570.901 (a).

- Mandated budget category caps

Approximately 18% of Lynchburg's CDBG allocation was spent on planning and administration, under the maximum of 20% allowed according to 24 CFR 570.206(g).

Approximately 12% of Lynchburg's CDBG allocation funded public service activities, under the maximum of 15% mandated by 24CFR 570.201(e).

Timeliness

Lynchburg carried out its CDBG-assisted activities in a timely manner, with 1.29 times the entitlement grant amount for the current program year in the line of credit 60 days prior to the year's conclusion, within the statutory requirements of 24 CFR 570.902.

The CAPER provided a comprehensive account of how its Program Year 2009 HUD funds were expended and what was accomplished. The City identified each goal as contained in the 2010-2015 Consolidated Plan and provided information on the amount of CDBG and/or HOME funds that were expended and what was accomplished for each corresponding activity.

For the second year of the 2010-2015 Consolidated Plan, the City will receive approximately $841,480* in CDBG entitlement funds and $425,827* in HOME program funds. Along with these funds, reprogrammed funds, program income, and offsetting adjustments ($143,226) the following projects will be implemented:

CDBG Program

NAME	Allocation Amount
Bluffwalk Section 108	$301,859.00
City Administration	96,711.00
LRHA Administration	38,932.00
LRHA Delivery-Acquisition	86,430.00
LRHA Delivery-Property Maintenance	13,047.00
LRHA Spot Blight Abatement	98,500.00
Fifth Street Community Development Corporation (CDC)	77,000.00
Tinbridge Hill Neighborhood Council	171,190.86
The Gateway House, Inc	21,102.75
Smart Beginnings	21,102.75
YWCA-DVPC	21,102.75
Miriam's House	21,102.75
Total	$968,080.86

HOME Program

NAME	Allocation Amount
City Administration	$28,752.00
Lyn-CAG Substantial Rehabilitation	100,000.00
Lyn-CAG Homebuyer (CHDO)	75,000.00
LNDF Homeownership Program	75,000.00
Housing 2000 Single Family Dev (CHDO)	33,699.80
LNDF Hilltop Homes	80,000.00
Greater Lynchburg Habitat for Humanity	50,000.00
Total	$442,451.80

LRHA = Lynchburg Redevelopment and Housing Authority
Lyn-CAG = Lynchburg Community Action Group
LNDF = Lynchburg Neighborhood Development Foundation

*Note: **The City has not received the entitlement amounts for CDBG and HOME for FY 2012 from the U. S. Department of Housing and Urban Development (HUD). Early indications are that FY 2012 allocations will be reduced by the Federal government. As a result, City staff has reduced the FY 2011 CDBG entitlement amount by 7%; and the HOME Program entitlement amount by 9%.**

The City of Lynchburg realizes that it cannot meet all the housing and community development needs contained with this Plan. The responsibilities for these efforts must be shared among all facets of the community. The City will make every effort to direct federal, state, and other funds for community development and housing into projects and activities that will best achieve the goals of the Plan.

For more information or to submit comments regarding this Consolidated Plan, please contact Melva Walker, Grants Manager, at (434) 455-3916; 900 Church Street, Lynchburg, VA 24504; or email at: melva.walker@lynchburgva.gov

Citizen Participation

The Grants Administration office ensured that the Community Development Advisory Committee (CDAC) and City Council were kept advised of the annual consolidated planning process.

In accordance with the City's adopted Citizen Participation Plan below is a summary of the public meetings and public hearings that were held to allow citizens the opportunity to participate and comment on the development of the Annual Action Plan in conjunction with the goals and objectives established for the 2010-2015 Consolidated Plan. Copies of the public notices are included in Appendix A.

It is the intent of the City of Lynchburg to encourage and facilitate the participation of residents of the City in the formulation of priorities, strategies, and funding allocations in the Annual Action Plan. To expand and broaden citizen participation, City staff posted public notices on the City's web site (www.lynchburgva.gov/grants), at community centers and other neighborhood anchors (i.e. schools, neighborhood health centers, and public housing agencies/complexes).

On January 25, 2011 City Council conducted a public hearing to receive citizen comments regarding the goals for the development of the 2011-2012 Annual Action Plan and adopt a resolution approving the goals. One individual spoke representing the Friends of Tinbridge Hill and stated that the goals both housing and non-housing, are completely consistent with the goals of the Friends of Tinbridge Hill and endorses the 2011-2012 Housing and Non-housing goals and suggested that a focused effort to dedicate CDBG and HOME funding towards Tinbridge Hill would not only create lasting change but also provide a model by which similar efforts could be conducted in other areas and neighborhoods of the City. There were no other public comments.

Based on the public comments and City Council discussion of the Consolidated Plan goals, City Council approved the revision of one of the Housing Goals that now states "Promote programs that assist individuals in retaining their homes." With this one change the goals for the 2011-2012 Annual Action Plan are as follows:

The primary objective of the CDBG program is to continue to develop viable urban communities through decent housing, suitable living environments and expanded economic opportunities for low- and moderate-income persons; the City of Lynchburg supports assisting individuals with disabilities, substance abuse or addiction, persons with AIDS, persons that are homeless, and elderly persons.

<u>Housing Goals</u>
- Increase the number of owner-occupied units.
- Rehabilitate substandard housing units. Emphasis is to be placed on programs that require an investment of funds and/or labor on the part of the owner commensurate with the owner's resources.
- Support initiatives to increase permanent affordable rental and housing ownership opportunities.
- Promote programs that assist <u>eligible</u> individuals in retaining their homes.

Non-Housing Goals
- Eliminate neighborhood deterioration, blight and blighting influences.
- Support the organized efforts in neighborhoods to leverage their resources to improve and sustain community livability and services.
- Support economic development efforts which will expand job opportunities and retention.
- Promote activities which support the healthy development of the City's at-risk youth, adults and families.

CDAC held a public meeting on March 1, 2011 to discuss the Annual Action Plan process and to provide an overview of City Council's redirection and restructure of funds for this year. For Program Year 2011 CDAC will be making recommendations on the allocation of a maximum of 10% of the CDBG funds on public service projects, as directed by City Council, and the remaining funds will be allocated to City projects, Lynchburg Redevelopment Housing Authority (LRHA) projects and targeted neighborhood redevelopment projects.

The acceptance and application process for CDBG and HOME program funds for Fiscal Year 2012 began on March 9, 2011 and ended on March 23, 2011. In accordance with the process outlined in the City's Citizen Participation Plan, a notice was published in *The News and Advance* on March 9, 2011, indicating the acceptance of applications for funding programs, projects and activities under the CDBG and HOME Programs. The advertisement indicated the expected amount of funding for both programs. This public advertisement notice was posted on the City's web site, bulletin boards in City Hall, neighborhood community centers, the public libraries, and public housing complexes.

City staff received 13 applications for CDBG funding and 6 applications for HOME funding. Prior to the receipt of applications, the Grants Administration staff held an Information Session on the Instructions and Application on March 14, 2011. Organizations and individuals making application for funding, as well as others interested in the process, attended and received information. City staff used this opportunity to discuss the application process and the requirements for funding under both the CDBG and HOME programs.

CDAC conducted a public meeting on April 7, 2011 and received information from staff regarding the Annual Action Plan allocation of project funds. In accordance with the process outlined in the City's Citizen Participation Plan, a notice was published in *The News and Advance* on March 23, 2011 stating the purpose of this meeting is to review submitted CDBG and HOME Program applications and formulate recommendations for consideration by City Council regarding the allocation of approximately $841,480 in CDBG funds and approximately $425,827 in HOME funds.

At the time the Community Development Advisory Committee (CDAC) met and completed their funding recommendations, the City had not received the entitlement amounts for CDBG and HOME for FY 2012 from the U. S. Department of Housing and Urban Development (HUD). Early indications from HUD were that FY 2012 allocations would be reduced by the Federal government. As a result, City staff reduced for the CDAC recommendation process, the FY 2011 CDBG entitlement amount by 7%; and the

HOME Program entitlement amount by 9% and incorporated these reductions into the CDAC recommendations.

CDAC reviewed the applications, summary allocation worksheet, and the various requirements for the allocation of funds for administration, non-public service, public service and the HOME Program. CDAC members discussed and developed their recommendations for CDBG and HOME Program projects for FY 2012. CDAC and the public that were present were advised that City Council will hold a public hearing on April 26, 2011 on the project recommendations of the CDAC.

CDAC made recommendations to City Council for projects that they concluded would be most beneficial to the low and moderate income persons within the targeted neighborhoods and within the broad national goals established by HUD of providing decent housing, a suitable living environment and expanding economic opportunities.

On April 26, 2011 City Council conducted a public hearing to allow citizen input regarding the CDAC Annual Action Plan recommended projects. A public notice advertisement was placed in *The News and Advance* on April 11, 2011 advising the public of this hearing.

At this pubic hearing seven persons spoke regarding the CDAC recommended funding allocations. Two persons spoke supporting the Tinbridge Hill Neighborhood Council project. They stated that not only was this a public/private partnership with the City and various nonprofit groups, but once completed would be a model sustainable neighborhood plan that could be used by other neighborhoods in the targeted areas for redevelopment. One person from Lynchburg Community Action Group (Lyn-CAG) spoke thanking the CDAC for the recommended HOME funding allocations and the housing benefit that these funds provide to low and very low income persons. The representative from the YWCA Domestic Violence Prevention Center (DVPC) Program provided an overview of the services that the DVPC provides to abused spouses and children and summarized the need for the funding recommended for the Community Advocate Program. The representative from Miriam's House provided an overview of the services this agency provides to homeless women and children and that the proposed funding allocation for the After Care/Case Management Support Group would provide a much needed service to the clients once they have exited the Miriam's House program and are in permanent housing. The representative from The Gateway House, Inc., which provides a residential substance abuse recovery program with supportive service to homeless men, age 18 and above, in recovery from drug and/or alcohol addiction expressed appreciation for the CDAC recommended funding, however, stated that the reduction in funding would not be sufficient for the continued operation of the program for men and asked that City Council please consider increasing the recommended funding for this agency. A representative from the Lynchburg Redevelopment and Housing Authority (LRHA) spoke regarding the CDBG programs that are operated at LRHA with CDBG funds. He stated that City Council had previously determined that the partnership between the City and LRHA needed to be enhanced and that the funding requests for the Spot Blight Program, Rental Rehabilitation Program, and administrative/direct costs were necessary in order to continue these programs. He further provided data that supported the number of properties addressed and the increased tax values of these properties.

On April 9, 2011 a public notice was published in *The News and Advance* stating that a draft of the proposed Annual Action Plan was available for public review for a 30-day public comment period. The public comment period began on April 9, 2011 and will continue until May 9, 2011. The advertisement for the Annual Action Plan included the projects recommended by CDAC at its April 7, 2011 meeting along with the projects from previous years that were being reprogrammed into the 2011-2012 Annual Action Plan projects.

On May 10, 2011 the recommendations of CDAC and the comments made at the April 26 public hearing will be discussed at a City Council work session. Final approval will be given for the funding allocations for Fiscal Year 2012.

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In addition to public meetings and hearings, copies of the draft Annual Action Plan were made available for public review at the following locations in and throughout the City:

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- Lynchburg Public Library, 2311 Memorial Avenue, Lynchburg, Virginia
- Downtown Branch Library, City Hall, Basement Floor, 900 Church Street, Lynchburg, Virginia 24504
- Community Development Department, Grants Administration Division website: www.lynchburgva.gov/grants

There were no public comments that will not be considered by CDAC or City Council in the development of the Annual Action Plan.

While CDAC and City Council could not incorporate every comment and/or recommendation from the public hearings, they are aware of the various housing and non-housing needs and have considered each comment in their development of the goals and objectives and the annual allocation of funds.

Resources

City Resources

The following are the federal, state, and local resources expected to be made available to address the needs identified in the Annual Action Plan.

Federally-funded City Programs

Shelter Plus Care Program
The City of Lynchburg received $320,700 in HUD funds in 2002 for the Shelter Plus Care Program. This funding was provided for a five-year period. In March 2011 there was a one-year renewal grant that was issued in the amount of $81,168.

The program provides rental assistance to approximately ten housing/household units. The overall goal of this grant is to identify homeless persons, ready for permanent housing, and offer additional time, financial assistance, and services to reinforce their own resources, skills and motivation to live independently and achieve self-sufficiency. The City conducts the program in collaboration with the Lynchburg Neighborhood Development Foundation (LNDF). Participants must be considered homeless, have a documented disability, and must cooperate with necessary services. LNDF secures the housing and provides services. Funds are received through the Supportive Housing Program.

Federal Housing Programs – Nonprofits Supportive Housing

The following agencies will receive $375,610 McKinney Vento Homeless Act funds through the Supportive Housing Program.

Applicant	Project	Amount
Lynchburg Community Action Group	The Family Living Center	$ 44,665
Lynchburg Neighborhood Development Foundation	The Cornerstone	$ 64,748
Miriam's House	Housing Management Information System	$ 21,357
Miriam's House	Supportive Housing	$ 87,252
Rush Lifetime Homes, Inc	Rush Homes	$ 51,100
	Total:	**$ 269,122**

Community Development Financial Institution (CDFI): The U.S. Treasury has supported the development of financial institutions that primarily operate in distressed communities and offer credit to low- and moderate-income households. Lynchburg Community Loan Fund (LCLF) is a CDFI that provides housing loans in the form of subordinate mortgages for the purchase and repair of homes. The investment area includes the more blighted areas of the City of Lynchburg, and the target population is borrowers earning at or below 80% of the Area Median Income (AMI). LCLF received seed funds from a previous CDBG allocation and has provided loans to the target population.

Historically, the larger banking community has been the major investors in CDFIs. This has been seen in Lynchburg as several local banks offered long-term pledges of contributions to LCLF for its loans. As a non-profit CDFI, LCLF can obtain grant funds to reduce the cost of borrowing and further spread its resources. As it grows, LCLF will consider additional loan products, such as facilities lending, and expanding the territory it serves under Treasury certification. The Board of LCLF is conducting feasibility studies of such expansion and the effect on the original target market.

State Housing Programs
State program funds are funneled to the City through other non-profit organizations, which assist with homeownership and weatherization of homes for low-income residents.

Affordable Housing Preservation Program: Funds from this flexible source distributed by the Virginia Department of Housing and Community Development (DHCD) have been used by several housing development agencies including Rush Homes and LNDF. Coupling these funds with other funds specifically directed to projects serving special needs populations has resulted in a significant increase in the number of accessible houses available in Lynchburg.

Private Equity Investment through Tax Credit Programs
Federal Low Income Housing Tax Credits (LIHTC)
This source of financing affordable housing development has been used in Lynchburg since the program's inception in the mid-1980s. Two completed LIHTC projects include College Hill Homes and Central City Homes. These two projects provided 65 affordable rental units through renovation and adaptive re-use of existing houses and buildings throughout Lynchburg's central city neighborhoods. In some cases, buildings were donated to the projects from LRHA, and the City invested HOME funds in both.

Other scattered site projects have been developed for affordable rental housing throughout the City using a combination of private equity investment and federal rental assistance programs. Most recently two projects, Victoria Ridge that is being developed by Rush Homes and Hilltop Homes which is under development by LNDF have utilized LIHTC.

Victoria Ridge is an affordable housing development of 24 units for individuals with disabilities. There is $3.1 million of LIHTC in this project. Of the 24 Tax Credit Assistance Program (TCAP) units, there is a subset of 11 HOME-assisted units which will meet the HOME Program affordability and rent restrictions. The City has provided $183,525 of HOME Program funds for this project. The project will have 12 units that are fully accessible units designed for individuals with disabilities whose rents will be affordable at the tax credit limit and the HOME limit whichever is the least amount.

Hilltop Homes is an acquisition and rehabilitation project consisting of 12 existing buildings in a scattered site development which will result in 24 affordable housing units. This project includes approximately $2.8 million in LIHTC.

Federal and State Historic Preservation Tax Credits
Lynchburg is a historic city and one that, over a century ago, was the second wealthiest city in the country on a per-capita basis. It was a port and distribution center on the James River and its leadership was comprised of wealthy merchants. Therefore, the housing stock, especially in the older City, is of varied historic design and architecture. Preserving these buildings has not always been a City priority but, in recent years has taken on major significance. The Lynchburg Historical Foundation (LHF) is a non-profit organization that supports preservation efforts and works with local professionals and residents to maintain this important part of the City's history. LHF also works with other organizations such as Lynchburg College's Center for the History and Culture of Central Virginia to research and develop the record of Lynchburg's past. As revitalization of the City's downtown continues, the momentum and preservation will be a critical issue in terms of construction and in terms of funds. Many local residents, businesses, and non-profit organizations have begun to use the federal and state historic tax credits and enterprise zone tax credits. The amount of investment from the sale of these credits has increased substantially since the State credits have become effective.

The investment opportunities in the development of historic properties in Virginia are two-fold. In addition to credits against federal income tax liability, investors can also seek credits against State income tax liability. A combined maximum of 25% of the cost of approved basis is available for tax credits under the State program and 20% is available under the federal program. This incentive for investors to participate in the revitalization of the City, its downtown, and its residential neighborhoods is a positive boost to the City's renaissance.

New Market Tax Credits
The City has benefited from equity investment as the private sector has utilized this mechanism for some downtown projects and for projects included in the vision of the Fifth St. Master Plan. The City has invested in the projects and supports the ongoing work of its partners to increase the private resources available to assist in implementing its plans.

Local Programs

City Code

The City Code of Ordinances of the City of Lynchburg authorizes City Council to designate rehabilitation districts and to waive customer availability charges for connection to the water and sewer systems. Non-profit housing developers may petition Council for the above designation when redeveloping residential property for low- and moderate-income households. This program has been used by Habitat for Humanity in the past.

Real estate tax relief is available to the elderly and persons with disabilities earning $30,000 or less per year, with a net worth of $60,000 or less excluding the house in which they live.

The City may also exempt from real estate taxes for 15 years qualified properties in which the structure is 50 years of age or older and the improvements that are considered as substantial rehabilitation/renovation to the existing structure will increase the assessed value by 40 percent or more. For commercial or industrial real estate, the existing structure must be 25 years of age or older and the improvements to the existing structure will increase the assessed value by 60 percent or more.

There are also tax incentives provided to businesses that locate within the two designated enterprise zones.

Code Compliance

The City Inspections and Code Compliance Division supports neighborhood revitalization by providing code enforcement of existing structures in need of repair, and the enforcement of the abandoned vehicle program, the weed enforcement/inmate labor program, and the illegal dumping program. The goals of the program include strengthening cooperation between residents, businesses, religious organizations, non-profit agencies, and City departments to improve the livability of neighborhoods. One example of this type of collaboration exists in the creation of the Code Enforcement Task Force chartered by City Council. The Task Force develops and implements a coordinated and focused long-term strategy to improve living conditions through consistent code enforcement, thereby facilitating a positive impact on the quality of life in Lynchburg. This group conducts bi-monthly neighborhood walk-throughs to observe and hear citizen concerns first-hand.

Private Resources

Greater Lynchburg Habitat for Humanity provides new single-family housing for purchase by low- and moderate-income families. Habitat has constructed over 271 such houses to date using mostly private donations and significant support from the churches and faith communities. The City has provided some CDBG funds to cover the costs of water and sewer connection fees, and land acquisition. Habitat serves the low- and very low-income population able to purchase a home. The City continues to encourage Habitat to renovate historic homes in the CDBG eligible area. This preserves the fabric of the City's historic neighborhoods and prevents further deterioration and vacancy in these areas.

The City will continue to cooperate with local non-profits, neighborhood groups, and others to address obstacles to meeting underserved need, foster and maintain affordable housing, remove barriers to affordable housing, evaluate and reduce lead based paint hazards, develop institutional structures, enhance coordination between public and private housing and social service agencies, and foster public housing improvements and resident initiatives. Agencies and groups that coordinate this effort are the LNDF, Rebuilding Together, Housing and Homeless Coalition, Lyn-CAG, LRHA, Code Enforcement Task Force, and the Lynchburg Department of Social Services.

According to LRHA's 2010-2015 Public Housing Authority Plan (PAH) the estimated amount of Section 8 Tenant-Based Rental Assistance for Calendar Year 2011 is $4,083,437.

LNDF received $1 million in Neighborhood Stabilization Program funds to leverage and address priority needs in the 2010 Annual Action Plan year. During this program year these funds will continue to be utilized by LNDF to complete projects that have been implemented.

Annual Objectives

Goals and objectives to be carried out during the action plan period are indicated by placing a check in the following boxes.

☒	**Objective Category Decent Housing** Which includes:	☒	**Objective Category: Suitable Living Environment** Which includes:	☒	**Objective Category: Expanded Economic Opportunities** Which includes:
☒	assisting homeless persons in obtaining affordable housing	☒	improving the safety and livability of neighborhoods	☐	job creation and retention
☒	assisting persons at risk of becoming homeless	☒	eliminating blighting influences and the deterioration of property and facilities	☐	establishment, stabilization and expansion of small business (including micro-businesses)
☒	retaining the affordable housing stock	☒	increasing the access to quality public and private facilities	☐	the provision of public services concerned with employment
☒	increasing the availability of affordable permanent housing in standard condition to low-income and moderate-income families, particularly to members of disadvantaged minorities without discrimination on the basis of race, color, religion, sex, national origin, familial status, or disability	☒	reducing the isolation of income groups within areas through spatial deconcentration of housing opportunities for lower income persons and the revitalization of deteriorating neighborhoods	☒	the provision of jobs to low-income persons living in areas affected by those programs and activities under programs covered by the plan
☒	increasing the supply of supportive housing which includes structural features and services to enable persons with special needs (including persons with HIV/ADOS) to live in dignity and independence	☒	restoring and preserving properties of special historic, architectural, or aesthetic value	☒	availability of mortgage financing for low income persons at reasonable rates using non-discriminatory lending practices
☒	providing affordable housing that is accessible to job opportunities	☒	conserving energy resources and use of renewable energy sources	☒	access to capital and credit for development activities that promote the long-term economic social viability of the community

The City of Lynchburg will use an estimated $332,601.86 of its CDBG allocation and $413,699.80 of its HOME Program allocation to fund activities that benefit low-to-moderate income persons and $197,977 from CDBG funds to address slum and blighted properties in FY 2012.*

In addition to established CDBG-funded projects, the City will continue to fund and complete the housing activities using federal funds granted under the American Recovery and Reinvestment Act of 2009 (CDBG-R). These projects will continue to help to rehabilitate and maintain housing units for low income households.

As stated in the Consolidated Plan, in March 2006, HUD issued the “Notice of Outcome Performance Measurement System for Community Planning and Development Formula Grant Programs.” The HUD Outcome Measurement System includes Objectives, Outcome Measures and Indicators. The City must choose one of the three objectives and Outcomes for each activity. In identifying the outcome/objective, HUD has developed a numbering system that ties to the CPD Performance Measurement System (PMS).

The Housing Objective category is:

Provide Decent Housing. Activities that are categorized in this objective are designed to cover the wide range of housing activities under CDBG and HOME. The objective focuses on housing programs where the purpose of the program is to meet individual, family or community needs.

The three Outcome categories for housing are:

1. **Availability/Accessibility**. Applies to activities that make service, infrastructure, public service, public facilities, housing, or shelter available or accessible to low and moderate-income persons including persons with disabilities. Accessibility does not only refer to physical barriers, but also to making the basic of daily living available and accessible to low- and moderate-income persons who live in the housing unit or use the facility.
2. **Affordability**. Applies to activities that provide affordability in various ways in the lives of low- and moderate-income persons. It may include the creation or maintenance of affordable housing, basic infrastructure hook-ups, or services such as transportation or day care.
3. **Sustainability**. Promoting Livable or Viable Communities. Applies to activities that focus on improving communities or neighborhoods, helping to make them livable or viable by providing benefit to low- and moderate-income or by removing or eliminating slums or blighted areas, through multiple activities or services that sustain the communities or neighborhoods.

The charts below illustrate the allocated priorities and objectives and outcomes the City plans to meet during the 2011-2012 Annual Action Plan to promote the development, sustainability and suitability of housing and fair housing within the community:

	Availability/Accessibility	Affordability	Sustainability
Decent Housing	DH-1	DH-2	DH-3

Housing Ownership and Rehabilitation

PROGRAM	ANNUAL ACTION PLAN GOALS
	2011
Homeownership-Owner-occupied (CHDO) (DH-1)	2
Homeownership-Homebuyer (DH-1)	10
Homeownership-Retention (DH-2)	5
Housing Rehabilitation (DH-2)	25
Rental Units (DH-1)	24

The City of Lynchburg supports assisting individuals with disabilities, substance abuse or addiction, persons with AIDS, persons that are homeless, and elderly persons.

The overarching strategy for accomplishing the housing goals of the City is to conduct activities that complement and enhance the work being done by City departments and their partners using the various sources of public and private funding available.

The two objective categories for Community Development are:

1. **Creating Suitable Living Environment**. Relates to activities that are designed to benefit communities/neighborhoods, families, or individuals by addressing issues in their living environment. This objective relates to activities that are intended to address a wide range of issues faced by low- and moderate-income persons, from physical problems with their environment, such as poor quality infrastructure to social issues such as crime prevention, literacy, or elderly health services.
2. **Creating Economic Opportunities**. Applicable to activities that are related to economic development, commercial revitalization or job creation.

The three Outcome categories are:

1. **Availability/Accessibility**. Applies to activities that make service, infrastructure, public service, public facilities, housing, or shelter available or accessible to low and moderate-income persons, including persons with disabilities. Accessibility does not only refer to physical barriers, but also to making the basic of daily living available and accessible to low- and moderate-income persons who live in the housing unit or use the facility.
2. **Affordability**. Applies to activities that provide affordability in various ways in the lives of low- and moderate-income persons. It may include the creation or maintenance of affordable housing, basic infrastructure hook-ups, or services such as transportation or day care.
3. **Sustainability**. Promoting Livable or Viable Communities. Applies to activities that focus on improving communities or neighborhoods, helping to make them livable or viable by providing benefit to low- and moderate-income or by removing or eliminating slums or blighted areas, through multiple activities or services that sustain the communities or neighborhoods.

The charts below illustrate the allocated priorities and objectives and outcomes the City plans to meet during the 2011-2012 Annual Action Plan to meet the community development needs of the citizens**.**

	Availability/Accessibility	Affordability	Sustainability
Suitable Living Environment	SL-1	SL-2	SL-3
Economic Opportunity	EO-1	EO-2	EO-3

Support of Neighborhoods

PROGRAM	ANNUAL ACTION PLAN GOALS
	2011 (FY 2012)
Neighborhood/Community Meetings (SL-1)	5
Infrastructure Improvements (SL-1)	1

Economic Development Efforts

PROGRAM	ANNUAL ACTION PLAN GOALS
	2011 (FY 2012)
Enterprise Zone (EO-3)	2
Downtown Redevelopment Improvements (EO-3)	1

Public Service Providers for At-risk Youth, Adults and Families

PROGRAM	ANNUAL ACTION PLAN GOALS
	2011 (FY 2012)
Housing for Homeless (SL-1)	2
Education, Youth Activities, Elderly Programs Services for Supportive Housing (SL-1)	2

Residential Rental Property Inspections Program and Property Maintenance Inspections

PROGRAM	ANNUAL ACTION PLAN GOALS
	2011 (FY 2012)
Rental Property Inspections (SL-3)	450
Property Maintenance Inspections (SL-3)	2300

Demolition and Code Enforcement*

PROGRAM	ANNUAL ACTION PLAN GOALS
	2011 (FY 2012)
Demolitions (SL-3)	2
Weed Ordinance- Property Clearance (SL-3)	250
Removal of Abandoned Vehicles (SL-3)	85

*Organizational changes are being made to be more responsive and develop a presence in the neighborhoods.

Description of Activities

For the second year of the 2010-2015 Consolidated Plan, the City will receive approximately $841,480* in CDBG entitlement funds and $425,827* in HOME program funds. Along with these funds, reprogrammed funds, program income, and offsetting adjustments for a total of $143,226 the following projects will be implemented:

CDBG Program

NAME	Allocation Amount
Bluffwalk Section 108	$301,859.00
City Administration	96,711.00
LRHA Administration	38,932.00
LRHA Delivery-Acquisition	86,430.00
LRHA Delivery-Property Maintenance	13,047.00
LRHA Spot Blight Program	98,500.00
Fifth Street Community Development Corporation (CDC)	77,000.00
Tinbridge Hill Neighborhood Council	171,190.86
The Gateway House, Inc	21,102.75
Smart Beginnings	21,102.75
YWCA-DVPC	21,102.75
Miriam's House	21,102.75
Total	$968,080.86

HOME Program

NAME	Allocation Amount
City Administration	$28,752.00
Lyn-CAG Substantial Rehab	100,000.00
Lyn-CAG Homebuyer (CHDO)	75,000.00
LNDF Homeownership Program	75,000.00
Housing 2000 Single Family Dev (CHDO)	33,699.80
LNDF Hilltop Homes	80,000.00
Greater Lynchburg Habitat for Humanity	50,000.00
Total	$ 442,451.80

LRHA = Lynchburg Redevelopment and Housing Authority
Lyn-CAG = Lynchburg Community Action Group
LNDF = Lynchburg Neighborhood Development Foundation

*Note: The City has not received exact totals on how much it will receive in federal entitlement grant dollars, thus dollar figures are estimates based on previous year allocations.

Summary of Fiscal Year 2012 CDBG and HOME Activities

The following *Summary of Activities* provides a narrative description of each activity to be funded through the Annual Action Plan. The summary identifies the agency or organization to be funded, the amount of the award, the activities to be undertaken, and if known, the location of the project.

Community Development Block Grant (CDBG) Activities

The City of Lynchburg will have available $968,080.86 in CDBG funds to support administrative and service delivery operations, housing, community development, economic development, and public service activities for twelve projects and activities.

Program Administration (City) - The City will use $96,711 of its CDBG allocation for the payment of reasonable administrative charges related to the planning and execution of community development activities. The majority of these funds will be used to pay a percentage of the salary and benefits of Community Development staff dedicated to managing the CDBG and HOME Programs.

Section 108 Loan (Bluff Walk) - A total of $301,859 in CDBG funds has been set aside for debt repayment on the Section 108 Loan to the Bluff Walk Center.

In June 2003, the City of Lynchburg was awarded a Section 108 Loan in the amount of $3.2 million for the Bluff Walk Center - a boutique hotel, upscale restaurant, microbrewery, and conference center that opened in the spring of 2007. This $23 million dollar renovation project added new permanent full-time positions to the zone, stimulated additional public and private investment, and serves as a tourist attraction in the City.

The Center is one of the major redevelopment projects included in the Downtown Riverfront Master Plan 2000. The purpose of creating the Master Plan was to restore the economic vitality and dignity of our once prosperous downtown, riverfront and surrounding neighborhoods. The City's downtown and surrounding neighborhoods have significant blighting conditions and have officially been determined by HUD as a slum and blighted area since the 1970's.

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.

Program Administration (Lynchburg Redevelopment and Housing Authority-LRHA) – This agency has been awarded $38,932 in CDBG funds to provide 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 & Housing Authority – Delivery Costs - Acquisition - The City has allocated $86,430 in CDBG funds for direct costs associated with acquiring real property and coordinating work with appraisers and legal counsel under contract with LRHA..

Lynchburg Redevelopment & Housing Authority – Delivery Costs – Property Maintenance - The City has allocated $13,047 in CDBG funds for direct property maintenance costs associated with previously-acquired properties until such time as disposition of the properties occur.

Lynchburg Redevelopment & Housing Authority – Spot Blight Program - The City has allocated $98,500 in CDBG funds to address five (5) vacant, deteriorated properties within the Tinbridge Hill neighborhood. This is part of a larger collaboration of eight (8) other organizations and the City to concentrate efforts in this area to make a significant impact in the neighborhood.

Section 36-19.5 of the Code of Virginia allows a local housing authority and a local governing body to work together in identifying structures that are deteriorated and have a detrimental influence on surrounding properties. This program also allows the enforcement of housing codes.

Fifth Street Community Development Corporation (CDC) - The City has allocated $77,000 in CDBG funds for Phase II of the 5th Street Master Plan. Phase II of the Master Plan mirrors many of the elements of Phase I with wider sidewalks, installation of street trees, installation of street lighting and the consolidation of overhead utility lines. Phase II includes a four block area from Harrison Street to Church Street.

The Fifth Street Master Plan was adopted by City Council on May 23, 2006. The Plan establishes the vision for a rehabilitated and revitalized corridor that serves the needs of the surrounding neighborhoods. The 2010 Census indicates that 77% of the residents in the immediate study area are African American and the 2000 Census indicated that 40% of the households were below poverty level. The City has committed CDBG, and Capital funds to improve the streetscape with Phase I, being completed in September 2009 and Phase II scheduled start construction in June 2011 in conjunction with a water/sewer line replacement project.

The CDBG funds will be used to stabilize two buildings located at 702 and 708 Fifth Street which are proposed for demolition by the Lynchburg Redevelopment and Housing Authority (LRHA). The buildings are located in the completed Phase I section, and the ultimate goal is rehabilitation, for sale or lease as retail or mixed use as identified in the Master Plan. Funding is also being requested for Phase II, street furnishings and new identity banners for the entire corridor.

Tinbridge Hill Neighborhood Council - The City has allocated $171,190.86 in CDBG funds to initiate a Sustainable Neighborhood Program model in Tinbridge Hill. The funds would be used to provide an access to Blackwater Creek Trail, clearing of overgrown lots, preservation of historic paths, housing rehabilitation projects and capacity building within the neighborhood.

The Tinbridge Hill Neighborhood Council (THNC), in partnership with the City of Lynchburg, and supported by the Friends of Tinbridge Hill propose a long-term, targeted investment of CDBG funds into Tinbridge Hill to assist its residents and outside stakeholders accomplish the goals of the 1996 Tinbridge Hill Plan as it is now being updated.

This proposal, therefore, has two purposes: The first is to ask that a Sustainable Neighborhoods Strategy be developed, using Tinbridge Hill as a model, that can be applied in other Lynchburg neighborhoods. The second is to request adequate and significant funding to Tinbridge Hill over a period of five years that is designed to accomplish those activities identified as essential to forming a Sustainable Neighborhood. As a model program, benchmarks will be established in the first year that will guide us through the remainder of the investment period.

Five focus areas are defined in Tinbridge Hill's original Neighborhood Plan and continue to be the issues for discussion and concern today. These areas are Housing, Community Beautification, Infrastructure Improvements, Neighborhood Services, and Safety. As funds are not available in any given year to conduct the work needed to meet these needs, THNC asks that Year One be devoted to obvious and achievable activities such as Blackwater Creek access, overgrowth clearing and housing improvement. In addition to these activities, direct funds to encourage neighborhood participation in the process and build capacity in the neighborhood are essential for long-term sustainability.

The proposal identifies the total first year costs anticipated to initiate the Sustainable Neighborhood Program model in Tinbridge Hill - $241,900. With a reasonable chance that 10% of these costs can be obtained from private sources, $24,190 in leveraged funds will be sought by the neighborhood and its strong stakeholders in the Friends of Tinbridge Hill.

The Gateway House, Inc. (Public Service) - The City has allocated $21,102.75 in CDBG funds for staff and overhead associated with this agency.

The Gateway House, Inc. provides a residential substance abuse recovery program with supportive services to homeless men, age 18 and above, in recovery from drug and/or alcohol addiction. The Gateway's structured program holds residents accountable for their actions as they learn to make better choices and rebuild their lives. The Gateway is in its nineteenth year of operation and serves approximately 45 men per year. This two-year program takes homeless, unemployed, addicted men and primarily gives them the opportunity to focus on their substance abuse recovery and establish a strong network of support that results in long-term recovery. The program secondarily helps clients to obtain a job, learn to budget and save their money, obtain a credit report, pay off past-due debts and fines, get their driver's licenses back, obtain medical care and medications, improve their nutrition, and return to society as tax-paying citizens residing in permanent housing at the end of the program.

Smart Beginnings (Public Service) – The City has allocated $21,102.75 to provide funds for staff, materials, and fuel/maintenance costs for Gus the Learning Bus and Rex the Resource Bus. Gus the Learning Bus and Rex the Resource Bus, visit at-risk children and parents in targeted neighborhoods. Gus the Learning Bus provides a completely furnished preschool classroom that children who are not enrolled in preschool can visit on a weekly basis. Rex the Resource Bus is a parent resource center with educational materials that parents can check out to use in preparation as their child's first teacher.

YWCA Domestic Violence Prevention Center (Public Service) - The YWCA has been allocated $21,102.75 in CDBG funds to assist in providing direct staff costs to support the Community Advocate Program position and a portion of the DVPC director's salary for outreach services in Lynchburg.

The YWCA has been operating the Domestic Violence Prevention Center (DVPC) Emergency Shelter since 1978. The Shelter provides an essential service to the City and surrounding areas. It meets the urgent community need of protecting women and children in a crisis situation and gives them the opportunity to move on to a home of self-sufficiency and safety.

The DVPC is a partner with the Lynchburg Office of the Commonwealth's Attorney Community Advocate Program to provide Community Advocacy. Funding is provided through an Office on Violence Against Women/US Department of Justice grant for a part-time position. We are requesting funding to complete one year's salary and benefits to make this a full-time position, as well as for our DVPC Director to cover her outreach services in Lynchburg.

The Community Advocacy will provide increased access to community resources and assistance for victims of domestic violence, dating violence, and stalking, empowering victims to get the support and help needed to live violence-free lives. This process requires initiating immediate contact with the aforementioned victims, upon receiving referrals for service from a first responder and/or any other designated service agency, to provide court advocacy, support, and referrals for community assistance. We also provide educational and awareness through speaking engagements and ongoing community activities.

Miriam's House (Public Service) – The City has allocated $21,102.75 in CDBG funds for direct costs associated with providing an After Care/Case Management Support Group and Night Shift Manager position. Miriam's House is a transitional and supportive housing program with a mission of empowering women to overcome obstacles and move to permanent housing.

An After Care/Case Management Support Group would ameliorate the rate of recidivism and ultimately keep this vulnerable population in their permanent housing upon their discharge from Miriam's House (MH). This is NO OTHER therapeutic group like this in all of Lynchburg and its time has come in staff's professional opinion. This group would help MH "track" the residents after their discharge, and thus ascertain that the progress they made during their time at MH is sustained.

Miriam's House would also hope to receive continued funding for the Night Shift Manager's position. This position is vital to the therapeutic community which provides 24-hour a day, seven day a week and clinical oversight of the program at MH.

HOME ACTIVITIES

The City of Lynchburg will have available $442,451.80 in HOME program funds to support housing activities during fiscal year 2011-2012. Seven (7) projects have been allocated funding for HOME eligible activities and the City has set aside the allowed 10% of the entitlement award for program administration. The required 15% of Community

Housing Development Organization (CHDO) funds has been designated. Two of the seven (7) activities are CHDO projects.

HOME Administration (City) – The City will utilize $28,752 of its HOME allocation for eligible administrative and planning costs. The majority of these funds will be used to pay a percentage of the salary and benefits of Community Development staff dedicated to managing the program.

Lynchburg Community Action Group (Lyn-CAG) Rehabilitation Program -The $100,000 in HOME funds will be used for eligible repair and rehabilitation services. In the 2011 program year, Lyn-CAG anticipates assisting four (4) eligible households with this program.

Funding is requested for labor/material ($135,000) and direct costs ($15,000). Lyn-CAG projects that four (4) low-to-moderate income homeowners 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) Homebuyer Program – CHDO Project - This agency has been awarded $75,000 in HOME/CHDO funds 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. CHDO 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.

Lynchburg Neighborhood Development Foundation (LNDF)–Homeownership Fund
This organization and program has been awarded $75,000 in HOME program funds to provide affordable mortgage financing assistance for ten (10) 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 funding through mortgage lender 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 are comprised 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, the Virginia Housing Development Authority (VHDA), the primary source of first mortgage loans, is rethinking its program in order to let the private sector handle the originating loan.

Through this program, LNDF has brought more than $15 million into the region for this purpose; creating more than 230 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 (CHDO)–Lynchburg Neighborhood Development Foundation (LNDF)

Created in 2010, this organization and program has been awarded $33,699.80 in HOME program funds to provide assistance for the development of one housing structure for a low-to-moderate income family.

Housing 2000, Inc., the Community Housing Development Organization (CHDO) affiliate of Lynchburg Neighborhood Development Foundation (LNDF), is prepared to engage in development activities in partnership with LNDF. 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. In the mid 1990s, LNDF became a single-family developer, working primarily in very low-income neighborhoods of Lynchburg where property values are low and overall community revitalization is needed. Since then, LNDF has developed and sold 21 newly renovated or built single family homes, to qualified low- and moderate-income buyers. Last year, LNDF received HOME funds to use as development subsidies in three Tinbridge Hill projects, two of which are in pre-development phases. With this request, LNDF proposes to develop another home for resale to a HOME-eligible borrower in the City.

Lynchburg Neighborhood Development Foundation (LNDF) Hilltop Homes –This organization and program has been awarded $80,000 in HOME program funds to use for the continuation of the Hilltop Homes project. The HOME funds will be used for rehabilitation costs.

Hilltop Homes is a scattered-site, multi-family rental project that LNDF has been working on for several years. It consists of 12 parcels with 13 buildings that will be completely renovated to create 24 affordable, quality rental units in the downtown neighborhoods of Lynchburg. The total projects costs are approximately $5.1 million. In past funding allocations, the City has awarded HOME funds in the amount of $84,312 (FY 2008) and $48,163 (FY 2011) that was used for predevelopment and soft costs.

Greater Lynchburg Habitat for Humanity (GLHFH) – Homeownership Program – The City has allocated $65,000 to provide closing costs assistance that is required for mortgage closings for low-to-moderate income persons. GLHFH plans on serving five (5) households with the HOME Program funds.

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.

The final Annual Action Plan will include the Project Worksheets that list the Objective and Outcome for each of the projects. (Attachment A)

Geographic Distribution/Allocation Priorities

Geographic Distribution of Assistance

According to the 2010 Census, the population in Lynchburg was 75,568 and the Metropolitan Statistical Area (MSA) was 252,634. White citizens account for 64% of the City's population, African-American citizens' account for 29%, and the remaining 7% is made up of two or more races. The Hispanic/Latino population was at 3%.

The median household income in the 2000 Census was $32,234 and the number of persons below poverty was 16.4% of the population. (Note: Income data from the 2010 Census has not yet been released, therefore all income data reported is from the 2000 Census.)

Minorities in Lynchburg tend to be concentrated in the older portion of the City that is identified as Census Tracts 4, 5, 6, 7, 11, 12, and 13. Minority concentration is defined as a census tract with a minority population of greater than 40%. This area, with the addition of Census Tract 14, corresponds to the area where a majority of persons are low- and moderate-income as defined by the United States Department of Housing and Urban Development (HUD) and are the Census Tracts in which the Community Development Block Grant (CDBG) and HOME funds are distributed in the Annual Action Plan. (See Appendix B– Targeted Census Tract Map)

Basis for Allocating Investments

The City of Lynchburg's Consolidated Action Plan draws attention to the housing needs and services in seven contiguous census tracts that comprise the CDBG targeted area: Census Tracts 4, 5, 6, 7, 11, 12, and 13. This area comprises the central city neighborhoods of Lynchburg that surround the Downtown Central Business District. Demographics and surveys in these neighborhoods indicate that this is where the highest degree of housing problems exists, where the most blight is observed, and where most of the City's low- and low-to-moderate-income persons reside.

The 2000 Census reported the median family income for a family of four in Lynchburg as $32,234, slightly more than that of the 1990 Census. This compares to an income range of $14,000 - $24,000 in the target census tracts. Incomes in these neighborhoods are significantly lower than incomes City-wide. A disproportionate number of non-whites live in the target market (66.6%) while the city-wide non-white population is 33.4% of the population.

In 2000, Lynchburg had 25,477 occupied housing units (a slight increase since the 1990 census). Of these, 38% were rental units (10,573), and 54% were owner-occupied (14,903). The rental vacancy rate was at 8% while vacancies of units' for-sale were only 2%. The Citywide median value of owner-occupied property was $85,300, according to 2000 census data, compared to an average home value of $42,400 in the target census tracts. Since each census tract in the target CDBG area contains at least one historic district in which property values and purchase prices are quite high, this average value is not fully reflective of actual property conditions throughout the target census tracts. While property values are seen as relatively low for owner-occupied units in the target neighborhoods, the average rents there are higher than the City average.

African-American households experience the burden of housing problems more so than any other category of residents. A greater percent of African-American renters (45%) experience housing problems, when compared to the percentage of all renters (38%) with housing problems. A greater percentage of African-American homeowners (24%) experiences housing problems than do their white counterparts (13%).

Annual Affordable Housing Goals

The goals identified by City Council form the housing priorities for the Annual Action Plan, and guide the direction of City funds and other available resources. The following are the goals and allocation priorities to reach them.

Increase the number of owner-occupied units
The City supports and encourages owner-occupied housing units within distressed neighborhoods. The City's Comprehensive Plan states that a range of housing options is desirable but a greater proportion of owner-occupied is determined to create more stable neighborhoods as personal investment in long-range trends is stronger.

The 2000 Census reported 58.5% of the City's occupied housing units were owner-occupied, compared with 41.5% rental units. This represents a slight increase in the owner-occupied units city-wide. A corresponding increase was also identified in the census tracts that make up the target market. However, the ratio of owner-occupied units to rental units is lower than in more stable areas of the city, or than in other parts of the country. Efforts to build attractive markets for homeownership in the neighborhoods surrounding downtown is a necessary part of this undertaking.

In order to achieve long-term stability and investment in City neighborhoods, homebuyers must be encouraged to purchase in these areas. This will entail incremental strategies that include working with developers, banks, and others to take collaborative action to achieve the goal of improving and retaining owner-occupancy and housing conditions for existing homeowners. With limited government resources, the City believes the participation of the private, for-profit sector is necessary, with government involvement limited to leveraging other resources with CDBG and HOME dollars for those low- and moderate-income households, which require more assistance in order to, become owners.

Additional strategies include: (1) support of new and rehabilitated housing for ownership in a wide range of prices; (2) encourage developers, banks, and homeowners to take individual action in this regard; and (3) provide incentives for buyers and homeowners to invest a portion of personal funds into the project; and (4) assisting service providers to develop full-service housing counseling programs, including a homebuyers' club to develop qualified new purchasers. As a related matter, the City believes that the buyer should enter the process with some equity to minimize the need for subsidy and to spread City investment as broadly as possible.

Rehabilitate substandard housing units. Emphasis is to be placed on programs that require an investment of funds and/or labor on the part of the owner commensurate with the owner's resources.

The City's Comprehensive Plan identified housing deficiencies in nearly 3,500 rental properties and 1,460 owner-occupied properties. The City's goal to make all housing safe, decent, and affordable will require that a variety of strategies be implemented simultaneously over the next 5 years. One strategy is to support financial mechanisms and incentives that encourage individuals in their efforts to repair and keep their homes and properties in good condition. To the extent feasible, owners should provide their own resources so that limited government funds will be spread to the maximum number of houses.

Another strategy is to extend some assistance programs to private landlords as well as homeowners. As business owners, these landlords are responsible for providing a quality product to the public, i.e. renting out only those properties which comply with the Building Code. Landlords who do not correct Code violations within a thirty-day time frame will be denied a Certificate of Occupancy for those units, and therefore, cannot legally rent them out. Potential loss of rental income provides a direct incentive for the landlord to correct the problems. The City is taking a proactive rather than a reactive approach to prevent the further decline of the targeted neighborhoods. The LRHA Rental Rehabilitation Program has received CDBG funds to address observed and eligible repairs according to this strategy.

Clearly, collaboration with other public and private resources is necessary. The primary home-repair agencies, Lyn-CAG and LNDF, will continue their owner-occupied home repair programs in order to assist the City in achieving its goal.

Strategies will include City support of resident education and training programs that: (1) identify rights and responsibilities of residents; (2) provide skills in home maintenance and upkeep; and (3) support individuals seeking to improve their housing situations.

The City's Residential Rental Property Inspections Program will continue to be a key strategy through the routine inspections of all rental properties throughout the City. In March 2005, City Council unanimously approved a new ordinance focusing on property maintenance of rental housing. This ordinance requires owners of rental property to register any rental unit in the CDBG-targeted area and confirm that the unit complies with the Property Maintenance Code of the Uniform Statewide Building Code (USBC). The City's Comprehensive Plan states that it will explore the effectiveness of incentives that encourage the rehabilitation of older rental properties, or possibly develop an awards program to recognize quality rehabilitation and maintenance of rental properties.

City funds will be made available for other housing providers, combining these with investment resources, such as the Low Income Housing Tax Credits program which can be expanded to increase the stock of safe and affordable housing. However, the City's support of such equity investment for low-income rental units is limited to renovation of existing buildings so that the current stock of housing and structures appropriate for adaptive reuse can be exhausted before new units are constructed.

Acquisition and donation of vacant, blighted properties, by the City and LRHA, and the subsequent transfer to non-profits to develop affordable housing, both rental and owner-occupied, will continue and be expanded, as will the support Lyn-CAG and other organizations that provide assistance to low-income owners.

Support initiatives to increase permanent affordable rental and housing ownership opportunities.
The City supports the national priority to increase the homeownership rate, particularly for low- or moderate-income families. Homeownership promotes stable neighborhoods and an increased sense of community along with personal financial investment. Owning a home is usually the largest investment, and largest asset, of most households. Data reveals that homeowners are less likely to experience housing problems (substandard conditions, cost-burdens) than renting families. There are several public and private efforts ongoing in the City to attract more first-time buyers by offering various incentives. The City's Comprehensive Plan states that the City will foster and expand relationships with local lenders to develop partnerships for first-time home buyers.

In order to increase homeownership, the City must be prepared to assist families who are unable to meet the entrance profiles for conventional lending but are still credit-worthy and able to meet their financial obligations. This will mean that the City will need to partner with lenders and/or support alternative lending opportunities, by investing subsidies into the financing. The following are strategies that have been successful in Lynchburg and other places in meeting this priority: (1) continued and increased collaboration with area non-profit agencies, through the distribution of HOME and CDBG program funds; (2) expanded partnerships in the private sector, including corporate and banking sponsorship of homebuyer initiatives; and (3) new incentives to support private developers who build/renovate affordable single-family homes.

These strategies include exploring other public and private funding programs throughout the country to see if they can form models for us to maximize the available loan programs for first-time homebuyers. The use of CDBG and HOME funds to adjust market factors that sometime prohibit credit-worthy homebuyers from access to mainstream lending programs will make a difference in making new homeowners.

Moderate-income renters are an obvious target market for some of these programs. Most moderate-income persons could purchase a suitable house through programs that provide assistance in the form of lower interest rates and flexible loans for down payments and closing costs City partners, such as LNDF, LRHA, Lyn-CAG, and Greater Lynchburg Habitat for Humanity (GLHFH), share this goal and offer several homeownership programs to meet the needs of the City's low income families.

The need for permanent housing for homeless, the disabled, and those with special needs is documented in the Continuum of Care. The scope of the Continuum is regional and therefore, the City's desire is to support permanent housing development throughout the Central Virginia Planning District (Planning District 11). All persons in the region should have housing choices and assistance available.

Special needs populations include, but are not limited to, persons who are mentally ill, mentally disabled, physically disabled, and substance abusers/addicts, have AIDS, are homeless, and are elderly and in need of supportive housing. This population is spread throughout the region, but many of the supportive resources are located in the City of Lynchburg. Increased support of regional homeless and special needs facilities and services, such as the regional Disabilities Services Board, will continue to be specific objectives of the City. Another objective will be to improve regional transportation, especially for persons with special needs so as to maximize access to limited resources.

Promote programs that assist eligible individuals in retaining their homes.
The review of promising programs to address the challenges facing low-income families living in distressed neighborhoods reveals three key themes: (1) Earnings and asset development programs are used to increase the economic self-sufficiency of low-income families and include: place-based employment programs, a focus on "good jobs," the use of work incentives, programs that promote banking, car and home ownership, and the use of the Earned Income Tax Credit; (2) Family strengthening programs are used to improve health and educational outcomes, as well as link families to needed support and benefit services and include: nurse home visitation, parenting education, early childhood educational programs, and facilitating the receipt of support services; and (3) Neighborhood strengthening programs are used to improve features of the neighborhood, collaboration among service providers, and resident involvement in neighborhood affairs and include: the use of community development corporations, comprehensive community initiatives and community organizing strategies.

Whether they originate from federal programs, such as HOME or CDBG, or local sources, such as housing trust funds or housing bonds, local or state governments are generally the source for the subsidies that make homes affordable to low- and moderate-income families. These subsidies generally cover the difference between what it costs to develop the home and the purchase price that families in the targeted income range can afford and retain once purchased.

The City will continue to support homeowner rehabilitation programs and homebuyer programs that provide interest write-down loans to make the home affordable and allow homebuyers/homeowners to retain their home in challenging economic times.

Non-homeless Special Needs

The City is fortunate to have several resources through which services are delivered to the community. Some of these receive funding from the public sources, such as federal and state grants. Others are private activities operating solely with donated funds from the private sector. In all cases, the City encourages this work and relies on it to complement its social service functions to City residents. The following describes a few programs and lists others that are active in the City.

The Johnson Community Health Center (JCHC), a full-service medical facility has been designated a Federally-Qualified Community Health Center and recipient of significant federal grants. Several years ago CENTRA created JCHC with funds from its Foundation to meet the observed and severe primary health care needs of the community, especially those of low-income. CENTRA invested more than $1 million to build and staff JCHC and provided ongoing support through the Foundation to continue its progress. When seeking the federal qualifications, JCHC split from CENTRA and established itself as a separate organization with more than 50% of its Board of Directors coming from patients at JCHC. The goals of JCHC have been met and it continues to expand to meet health needs in Lynchburg and the surrounding region.

Security concerns in multi-family housing are addressed by LRHA who employs a security company to provide security to all four public housing complexes. The security guards who are employed work closely with the Lynchburg Police Department to make sure all Police Department policies are followed. This successful collaboration has allowed LRHA to quickly respond to illegal activity and enforce the "One Strike You're Out" policy and stop undesirable tenant activity.

Numerous civic groups provide gifts of volunteer time and money to assist low-income persons. The YWCA-Downtown Branch offers transitional housing for battered women, along with permanent housing above their offices, located in downtown. The ARC of Central Virginia provides enhanced physical and occupational therapy, supported employment, communication facilitation, and nursing care to individuals with mental retardation. The Lynchburg Area Center for Independent Living, Inc. is a private non-profit, non-residential consumer driven organization that promotes the efforts of persons with disabilities to live independently in the community and supports the efforts of the community to be open and accessible to all citizens.

In addition to the multiple public and private agencies providing supportive services to low-income citizens, the City currently operates a Citizens First Information Center phone hotline that coordinates with the United Way-sponsored Information and Referral Hot Line to inform citizens of the available services.

Public Housing

LRHA's efforts over the next year will be to continue to increase the awareness of the community of existing assistance programs, to attract more landlords to participate in the Section 8 Housing Choice Voucher Program and continue to work in partnership with other local housing providers such as Lyn-CAG, LNDF, and GLHFH. LRHA will continue to work with Rush Homes to provide assistance needed for physically and mentally challenged applicants. These efforts are also expanded by working closely with the Lynchburg Area Center for Independent Living (LACIL).

Homeless and Special Needs

Most homelessness initiatives in the City are coordinated through the Housing and Homeless Coalition of Central Virginia (HHC-CVA), a recipient of funding through the Stewart B. McKinney programs (Supportive Housing Program, Shelter Plus Care, etc.) Also participating in the HHC-CVA are the counties of Amherst, Appomattox, Bedford, and Campbell.

HHC-CVA is a regional organization comprised of agencies that serves as the lead entity for Supportive Housing Programs. The HHC-CVA currently has more than 35 listed member organizations, agencies, individuals, programs and businesses.

Sources of Funds
Most homelessness initiatives in the City are coordinated through HHC-CVA, a recipient of funding through the Stewart B. McKinney programs (Supportive Housing Program, Shelter Plus Care, etc.) Also participating in the HHC-CVA are the counties of Amherst, Appomattox, Bedford, and Campbell.

The City of Lynchburg will utilize its Shelter Plus Care annual allocation to provide rental assistance to homeless persons for permanent housing.

IN 2010 Lyn-CAG received $363,000 in funding through the Homelessness Prevention and Rapid Re-Housing Program (HPRP) under Title XII of the American Recovery and Reinvestment Act of 2009 ("Recovery Act"). The primary objective of the HPRP is to prevent displacement of households who are potentially homeless, to assist homeless persons in securing permanent housing, to assist potentially homeless who may be in danger of becoming in arrears, and to ensure that the persons who receive assistance become self-sufficient. Several ways to measure these objectives include tabulating the number of clients who remain in their housing situation (rental) and successfully complete financial literacy training, home-ownership counseling and/or budgeting counseling. This project will serve the cities of Lynchburg and Bedford, and the counties of Amherst, Appomattox, Bedford, and Campbell.

Homelessness
The City is a member of the HHC-CVA, which is a regional Continuum of Care (CoC) comprised of agencies that focuses on issues pertaining to homelessness.

Through the participation of its members of the HHC-CVA the Coalition can more effectively address the needs of homeless individuals and families, including the following: homelessness prevention; outreach/assessment (i.e. case management); emergency services; transitional housing; and permanent supportive housing

The specific priority needs outlined in the CoC strategy place high priority on the creation of new permanent housing beds for the chronically homeless, job training, and employment programs, and the journey from transitional to permanent housing for both families and individuals. The CoC's homeless activities during the five-year period of this Consolidated Plan will also coordinate homeless prevention services to those at risk of becoming homeless.

Chronic Homelessness
The HHC-CVA has designated the creation of new permanent housing beds for chronically homeless individuals as one of its strategic planning objectives.

The HHC-CVA provides a comprehensive response to the different needs of homeless individuals and families so that they can make the critical transition from the streets to independent living.

It is important that a balance of emergency, transitional, and permanent supportive housing be provided, along with homeless prevention, case management and other supportive services, so that the transition of homeless persons to self-sufficiency becomes permanent.

Homelessness Prevention
Homelessness prevention is achieved using a variety of means, often through a connected network of services coordinated with public and nonprofit agencies. The HHC-CVA plans to continue its objectives to reduce the numbers of unsheltered households with children. The HHC-CVA will identify major prevention/intervention funding sources and agencies, collate regulations and limitations of each source or entity, create a tool for regular reporting of utilization of funds, and analyze gaps and utilization.

The HHC-CVA also plans to maintain or increase the number of persons employed at program exit. Employment is a critical step for homeless persons to achieve greater self-sufficiency. The HHC-CVA is comprised of several employers that work with homeless agencies to secure employment for clients. Case managers continuously work to ensure the appropriate evaluation of skills and abilities of clients in order to locate employment opportunities prior to exit.

Discharge Coordination Policies
In relation to youth aging out of foster care, patients released from medical facilities, patients released from mental health institutions, and prisoners released from correctional institutions, the HHC-CVA continues to work in cooperation with individuals from local law enforcement agencies, supportive service agencies, and other interested parties to coordinate discharge. The following are supportive service agencies that coordinate discharge:

Foster Care:
The Virginia Department of Social Services mandates that youth in foster care must be moved to a permanent housing setting when they age out of the system. In rare instances, local youth turning 18 in foster care settings voluntarily become homeless. Locally, the Department of Social Services follows the State mandate for discharge planning including assisting youth with securing employment and housing. Local CoC agencies observe State protocol.

Health Care:
Locally, the private hospital system will release individuals to shelters or to the streets, although hospital discharge planners work closely with agencies and organizations in the CoC to ensure safe and adequate placement. The CoC will continue to work with the hospitals to prevent individuals from being discharged without a permanent discharge address.

Mental Health:
The Community Services Board works with the State Hospital System in Virginia to coordinate discharge planning.

Corrections:
The Virginia Department of Corrections mandates that a juvenile leaving incarceration can only be discharged to an authorized person. The Department requires adult inmates to work with their Community Release Unit and local Probation Officer to plan discharge and must have a verifiable address in order to be released. Local CoC agencies observe State protocol.

The following objectives have been established for the CoC agencies for the period of this Annual Action Plan.

Objective 1: Create new permanent housing beds for chronically homeless individuals. The CoC will continue meeting with current housing providers to identify ways to designate housing for chronically homeless persons. Providers identified and engaged are the local housing authority and an upcoming program intended to offer second-stage housing to persons in recovery.

The CoC will work to increase resources (private and public) that will provide permanent housing for the chronically homeless. In 2008 the Salvation Army in Lynchburg added new beds as it completed a new facility for shelter, The Center for Hope, and is committed to correcting conditions that do not serve the chronically homeless.

Objective 2: Increase percentage of homeless persons staying in permanent housing over 6 months to at least 77%.
The CoC plans to: (1) institute pilot aftercare programs that serve permanent supportive housing residents to enhance their independent experience; (2) offer money management and eviction prevention training to all persons in permanent supportive housing; and (3) implement APR tracking of all permanent housing projects with quarterly monitoring.

The measures identified as short-term steps have increased the number of persons staying in PH and will be continued. In addition, identifying services that enhance remaining in PH housing, including services that increase access to employment and training opportunities.

Objective 3: Increase percentage of homeless persons moving from transitional housing to permanent housing to at least 65%.

The CoC plans to: (1) develop centralized referral system to all mainstream resources; and (2) expand aftercare and recovery services to all transitional housing programs.

The CoC will work with local governments and other policy making entities to advocate for increases in assistance for rental subsidies and the availability of support services to increase the number of individuals who can successfully transition to permanent housing.

Objective 4: Increase percentage of persons employed at program exit to at least 20%. The CoC plans to: (1) coordinate with Workforce Investment Board (WIB) to advertise jobs and coordinate transportation specifically for homeless persons; (2) provide employment cross training between homeless services agencies; and (3) utilize CET (Lyn-CAG employment training program) to move homeless persons into employment.

The CoC will continue to work with service providers and workforce groups in the region to increase employment opportunities and offer services which will assist clients to develop marketable skills to meet these opportunities.

Objective 5: Decrease the number of homeless households with children. The CoC plans to: (1) direct Shelter/Transitional Housing Committee to focus on homeless family issues and identify barriers to housing and employment and report on initiatives to assist families in distress; and (2) work with LRHA to ensure greater access to housing for homeless families.

Partnerships with non-CoC members whose focus is children's services and family issues will be developed so that additional resources may be available to avoid homelessness. Homeless intervention and prevention strategies will be pursued within the CoC.

Barriers to Affordable Housing

Lynchburg is a city of relatively low housing costs. However average income and cost-of-living also reflect these somewhat lower housing costs. In recent years there has been a resurgence of housing development, primarily in the outlying areas of the City. Development in the CDBG area remains limited to non-profit and subsidized activity. This is due to the very low property values in these census tracts and a greater value placed on improvements to property than to the land itself. In the target area, this high value on improvements, or buildings, had the effect of costing more than clearing land and, thereby, negating the opportunities of redevelopment. This was also a large disincentive to development through renovation because the cost of repair typically exceeds the value of the renovated property. Therefore, subsidized development has been the primary construction in the CDBG neighborhoods to off-set the resistance of these neighborhoods to general real-estate market forces.

Even though the City's Zoning Ordinance has been amended there are still outdated requirements that can be viewed as barriers to affordable housing. The City's Zoning Ordinance was adopted in 1978 after the City annexed portions of Amherst, Bedford, and Campbell counties in 1976. The ordinance is "suburban" in style and does not serve the older "traditional" areas of the City well. Existing dwellings in older areas of the City are typically located on smaller lots and do not conform to the Zoning Ordinances standards for setbacks or lot sizes. These large suburban setbacks and lot size requirements have prevented homes from being expanded and prevented the construction of affordable infill housing. The City is beginning an assessment of the City Zoning Ordinance to determine an action plan for revision.

In some cases the City has approved waiver of certain City fees that create undue costs on development of housing by non-profit organizations. These and other strategies will continue to be considered so that increased development costs would not be passed on to low-income home buyers.

Other Actions

Addressing Obstacles to Meeting Underserved Needs

The City will continue to cooperate with local non-profits, neighborhood groups, and others to address obstacles to meeting the underserved need, foster and maintain affordable housing, remove barriers to affordable housing, evaluate and reduce lead based paint hazards, develop institutional structure, enhance coordination between public and private housing and social services agencies, and foster public housing improvements, and resident initiatives. Agencies and groups that coordinate this effort are the Lynchburg Neighborhood Development Foundation (LNDF), Housing and Homeless Coalition of Central Virginia, Lynchburg Community Action Group (Lyn-CAG), Rebuilding Together Lynchburg, Lynchburg Redevelopment and Housing Authority (LRHA), Code Enforcement Task Force, and the Lynchburg Department of Social Services.

Access to Public Transportation

Public transportation is one of the public systems that play a central role in supporting and sustaining the livability and economic vitality of the City. Ensuring that actions at all levels of government are coordinated, market-responsive, and sensitive to community development goals and objectives is of fundamental importance to the City. To the extent practicable, the City will review its housing strategy and in coordination with the Greater Lynchburg Transit Company strive to provide residents of affordable housing access to public transportation.

COMMUNITY DEVELOPMENT

The goals identified by City Council form the Community Development needs for this plan, and guide the objectives and direction of City funds and available resources. The following are the priorities and strategies to reach them.

Eliminate neighborhood deterioration, blight, and blighting influences.
The City will continue its coordinated and aggressive code enforcement of dealing with weeds, abandoned motor vehicles, litter, and vacant buildings in an effort to improve the safety and appearance of neighborhoods, in which people live, work and play. The City will continue to use supervised inmate labor from the local jail to secure abandoned buildings against illegal entry, clean illegal dumpsites, and cut weeds on neglected properties. The Community Development staff will continue to involve the Police Department, Fire Marshall, and LRHA in determining the priority for demolition of substandard housing. The above is part of the City's ongoing Neighborhood Initiatives/Code Enforcement Program, and is a high priority activity.

Another segment of this program is the continued support of the Code Enforcement Task Force, a group of City employees whose job responsibilities relate to enforcement and/or quality of life issues. This Task Force will continue to focus on enforcing codes in a fair and effective manner; devise new strategies to address neighborhood/citizen concerns; and walk neighborhood streets as a group so that they can see and hear concerns first-hand and respond with their own observations.

The City will continue its selective demolition program in the targeted neighborhoods. The program is focused on demolition of non-historic structures and site preparation for the collaboration with non-profit housing providers to offer the sites for housing construction and the waiver of fees for landfill and demolition costs.

Public infrastructure in the downtown area is being addressed by the Combined Sewer Overflow (CSO) project and street improvements as part of the downtown redevelopment. The City will seek to complete the CSO project within the next three to five years. The Riverfront Park will meet recreational and entertainment needs for the City and region, in particular the targeted neighborhoods.

Support the organized efforts in neighborhoods to leverage their resources to improve and sustain community livability and services.
Neighborhoods are an important foundation for improving and sustaining community livability and services. Strong neighborhoods help to create more active and informed citizens which in turn result in a stronger community. Within neighborhoods there are shared identities, issues, concerns, and interests. Each neighborhood has its own unique priorities and character. The neighborhoods within Lynchburg's Historic Districts may be working to preserve the historical aesthetics of the neighborhood. Some neighborhoods have traffic problems while others are dealing with beautification, crime, youth, socioeconomic, and/or family concerns. There are a variety of neighborhood

issues, each neighborhood needs an avenue to deal with their own needs so that the community continues to be strengthened and protected.

Supporting the work of neighborhoods in order to create opportunities for citizens to take a leading role in their future is important for improving and sustaining community livability and services. The process must include citizens, government, community organizations and other stakeholders working together to develop a common goal, mission and vision to address neighborhood concerns. The purpose of supporting organized neighborhood efforts to leverage their resources to improve and sustain community livability and services is ultimately to develop mutual responsibility and collaboration in community building and problem solving.

Another important aspect of improving and sustaining community livability and services is to build on the existing assets within the various neighborhoods by investing in existing housing stock through revitalization and rehabilitation efforts. Also, creating opportunities to make home ownership available to qualified individuals and providing assistance to help homeowners keep their homes helps to strengthen neighborhoods.

The City is moving towards focusing funds and efforts on the Tinbridge Hill Neighborhood. Several non-profit groups and churches (Friends of Tinbridge Hill) have joined together to focus on improving the quality of housing and infrastructure in this neighborhood. Tinbridge Hill is anchored by the very active Yoder Community Center which recently underwent a renovation which was partially funded with CDBG funds, City funds, and private funds.

City staff is in the process of developing a formalized effort regarding the sustainability of neighborhoods. Although still under development, operating principles that are proposed to guide the City's work in neighborhoods include:

- Sustaining neighborhoods through partnerships with non-profits, developers, businesses, neighborhood groups, and citizens.
- Recognizing and preserving neighborhood identity, character, history, and diversity.
- Public safety is necessary for vibrant and sustainable neighborhoods.
- Promoting well designed neighborhoods where residents are able to work, shop, and play close to home.
- Fostering connectivity within and among neighborhoods.

Proposed Goals that support the draft operating principles for neighborhoods include:
- Supporting mixed-use neighborhoods with accessible green space.
- Encouraging innovative, safe, and affordable housing choices.
- Recognizing the uniqueness of all neighborhoods and partnering in revitalization efforts.
- Promoting neighborhood partnerships to maximize community resources and facilitate self-sufficiency.
- Connecting neighborhoods through infrastructure and public services.

Objectives and specific benchmarks will be closely linked with the goals noted above.

Support Economic Development efforts which will expand job opportunities and retention.
The City's goal is to encourage more commercial and industrial development in order to provide more jobs in the inner city. We will use the following strategies: (1) increase participation in downtown redevelopment and revitalization especially to support the majority of residents who are low- and moderate-income; (2) review and seek to continue to provide financial assistance for facade improvement grants to businesses in the downtown census tract to further redevelopment in this area and instill pride in our Main Street; (3) encourage continued support from the area banks in the privately-funded Enterprise Zone Loan Pool, which provides reduced rate loans to eligible businesses; (4) continue to support the Business Development Centre, a non-profit organization which provides Small Business Administration loans, other loans, and technical assistance to emerging businesses; and (5) continue participation in the Welfare to Work program that encourages welfare recipients to take advantage of job opportunities that will promote work and encourage the formation and maintenance of stable families. The City will also support projects that recruit and train low income persons and assist them in obtaining employment. The City will continue its efforts to establish a third enterprise zone and continue implementation of the downtown master plan for the redevelopment of downtown.

Promote activities which support the healthy development of the City's at-risk youth, adults and families
The City supports and will continue to serve at-risk youth, adults and families to provide comprehensive, collaborative, and quality services that empower youth and families. Goals established include: identifying the needs of youth and families and working collaboratively to meet those needs, providing high quality service and programs needed by youth and community programs that impact youth and families, and development of prevention resources and programs.

In addition, the City will continue to support public service providers in order to meet the needs of the low-to-moderate income persons, individuals with disabilities, substance abuse or addiction, persons with AIDS, persons that are homeless, and elderly persons. In addition to the services provided by the City's Human Services Department, there are many nonprofit organizations that coordinate with the City to provide the services needed.

PROGRAM SPECIFIC REQUIREMENTS

CDBG

1. Identify program income expected to be received during the program year, including:
   - amount expected to be generated by and deposited to revolving loan funds;
   - total amount expected to be received from each new float-funded activity included in this plan; and
   - amount expected to be received during the current program year from a float-funded activity described in a prior statement or plan.

   The City expects to receive $2,030.00 from Lynchburg Redevelopment and Housing Authority (LRHA) from an amortized loan which was described in a prior plan.

2. Program income received in the preceding program year that has not been included in a statement or plan.

   The City does not have any prior year program income that has not been included in a plan. However for the 2011 plan, the City has made adjustments for additional program income received in the 2009 plan year.

3. Proceeds from Section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in its strategic plan.

   The City does not have any proceeds from a Section 108 loan guarantee.

4. Surplus funds from any urban renewal settlement for community development and housing activities.

   The City does not have an urban renewal settlement.

5. Any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan.

   The City does not have any returned grant funds.

6. Income from float-funded activities.

   The City does not have any float-funded activities.

7. Urgent need activities, only if the jurisdiction certifies.

   The City does not have any urgent need activities.

HOME PROGRAM

HOME Assistance

The City of Lynchburg expects to utilize HOME funding for homeownership, rehabilitation, new construction, and development of rental assistance projects.

Other Forms of Investment

The City of Lynchburg does not intend to use other forms of investment.

Guidelines for Financing and Refinancing

Not applicable. During FY 2012, the City of Lynchburg does not anticipate using HOME funds to finance or refinance existing debt secured by multi-family housing that is being rehabilitated with HOME funds.

Recapture Provisions for Homebuyer and Homeownership Activities

In accordance with HOME program regulations at 24 CFR Part 92, properties assisted must remain affordable during the affordability period. Under recapture provisions, this period is based on the direct HOME subsidy to the homebuyer and includes down payment assistance, “gap” financing, and interest rate buy-downs, as available.

The HOME affordability periods are as follows:

HOME Investment Per Unit	Length of the Affordability Period
Less than $15, 000 subsidy	5 years
$15, 000 - $40,000 subsidy	10 years
More than $40,000 subsidy	15 years
New construction of rental housing	20 years

HOME-assisted units are subject to affordability for the entirety of the affordability period. These HOME-assisted units are subject to a recapture provision in order to assure that the units either remain affordable (i.e. housing eligible clients) or that the City recovers its investment based on the terms of the agreement. Funds are recaptured only from the net proceeds of the sale or foreclosure. Please see specific HOME Program details for recapture provision specifics.

Tenant-based Rental Assistance

The HOME funds are not used for tenant-based rental assistance.

HOME Affirmative Marketing

The City’s Affirmative Marketing Procedures that will be followed to affirmatively market housing containing five or more HOME-assisted units is attached. (See Appendix C)

HOME Minority Outreach Program

The City's Minority Outreach Program procedures that will be followed in accordance with Section 281 of the HOME Investment Partnership Act and 24 CFR 92.350 is attached. (See Appendix C)

HOME Matching Requirements

HOME matching requirements are met by volunteer hours committed through non-profit agencies.

HOPWA

The City of Lynchburg does not receive Housing Opportunities for Persons with AIDS (HOPWA) funds.

OTHER NARRATIVES AND ATTACHMENTS

Available Resources - The table below reflects the CDBG and HOME financial resources expected to be available during Fiscal Year 2012.

Program	FY 2011/2012 Anticipated Federal Funding*
Community Development Block Grant Program (CDBG) Entitlement	**$ 841,480.00**
Prior Year Funds Available for Reprogramming:	
Bluffwalk (Interest Payment 2010-2011)	63,085.00
College Hill Neighborhood School (2007-2008)	63.68
College Hill Neighborhood School (2008-2009)	3,481.00
Fifth Street Master Plan & Façade Improvements (2005-2006)	15,230.32
Fifth Street Master Plan & Façade Improvements (2006-2007)	6,735.58
Fifth Street Master Plan & Façade Improvements (2007-2008)	35,619.60
Program Income (2009-2010)	200.00
United Way (2008-2009)	155.68
Total Amount of Funds to Reprogram:	**124,570.86**
Anticipated Program Income 2011-2012	**2,030.00**
Total Anticipated CDBG	**$968,080.86**
HOME Program-Entitlement	**425,827.00**
Prior Year Funds Available for Reprogramming:	
City Program Administration (2009-2010)	7,178.00
LNDF Funds Returned to HUD	2,697.96
Program Income (2002-2003)	524.40
Program Income (2003-2004)	2,133.69
Program Income (2004-2005)	4,090.75
Total Amount of Funds to Reprogram:	**16,624.80**
Total Anticipated HOME	**442,451.80**
Total Federal Resources	**$1,410,532.66**

Note: The City has not received the entitlement amounts for CDBG and HOME for FY 2012 from HUD. Early indications are that FY 2012 allocations will be reduced by the Federal government. As a result, City staff has reduced the FY 2011 CDBG entitlement amount by 7%; and the HOME Program entitlement amount by 9% and incorporated these reductions into the worksheet for FY 2012 allocations.

Low/Mod Benefit (91.220(1)(1)(iv):

At least seventy percent (70%) of the CDBG and HOME funds will be used for activities that benefit persons of low- and moderate income or that live in a low- and moderate income area. The activities include housing rehabilitation, targeted neighborhood revitalization, acquisition, slums and blight, and public services. The project detail sheets identify the location of each project, which includes the CDBG-targeted areas (Census Tracts 4, 5, 6, 7, 11, 12 and 13).

Fair Housing

The City is in the process of preparing and updating the current Analysis to the Impediments to Fair Housing (AI). This update is going to be reviewed in conjunction with the overall housing needs in the City including affordable, transitional, homelessness, and public housing. City staff is awaiting updated Census data so that all components of housing/fair housing can be incorporated into the final AI.

During this Annual Action Plan the following actions will be taken to further affirmative fair housing:

- Fair Housing brochures will be available to the public through the CDBG subrecipients and to persons visiting City Hall, the public libraries, and the Community Development Department.
- City staff will participate in the Homeless and Housing Coalition, composed of service providers who prepare the Continuum of Care to address the needs of homeless persons and the special needs of persons that are not homeless but require supportive housing.
- The equal housing opportunity logo will be included on all newspaper ads placed by the Grant Administration Office.
- Provide fact sheets for bulletin boards within work areas and public common area.
- LRHA will continue to post in every building for which Section 8 occupants are located a Federal Fair Housing Poster. There is also a poster in each staff person's office located at 918 Commerce Street.
- A public notice will be published in *The News and Advance* regarding fair housing rights and telephone numbers for concerned individuals to call if they felt their fair housing rights have been violated, or they wanted additional information. (See Appendix D)
- Information regarding fair housing and Fair Housing month (April 2011) will be posted on the City of Lynchburg web site. (See Appendix D)
- In addition to the web site and newspaper advertisements, City staff ensured that all bid documents and contract solicitation for City, Federal and State projects include solicitation of minority-owned and women-owned businesses. All non-profits that receive CDBG and HOME funds also have their own marketing policy that indicates recruitment and solicitation of minority-owned and women-owned businesses where possible.
- City staff will assist contractors in obtaining the certified list of minority-owned and women-owned businesses. The vendor/contractor list provided on the State of Virginia's web site will be distributed to contractors, as requested.

Section 108 Loan Guarantee

Project Name: **Bluffwalk Center Project**
Section 108 Project Number: **B-00-MC-51-0014**

Project Description:
In June 2003, the City was awarded a Section 108 Loan for the Bluffwalk Center. The Center consisted of a Boutique Hotel, Upscale Restaurant – Shoemakers, Microbrewery and Conference Center. The project later added another restaurant - Waterstone. This project has added new permanent full time jobs benefiting low and moderate income recipients.

Current Status:
The Bluffwalk Center Project has been completed**.** Repayment of principal and interest is in progress**.**

Section 108 Loan Amount: **$3,200,000**

Economic Development Initiative (EDI) Grant: **$800,000**

Total Amount of CDBG Funds Provided to Project for Repayment: **$752,970**

Matrix Code: **19F-Planned Repayment of Section 108 Loan Principal**

The number of jobs made available to low and moderate income recipients was actually 90. However, the number of FTE jobs made available to low and moderate income recipients was 54.6. The projected amount for the Bluffwalk Center Project was 61. The number of jobs made available to low income recipients was determined by comparing the annual salaries to 50% of the median income for Lynchburg per the 2000 census. The number of jobs made available to moderate income recipients was determined by comparing the annual salaries to 80% of the median income for Lynchburg per the 2000 census.

LYNCHBURG CITY COUNCIL
Agenda Item Summary

MEETING DATE: **May 10, 2011** AGENDA ITEM NO.: 13

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

ACTION: **X** INFORMATION:

ITEM TITLE: **Safe Routes to School Travel Plan and Grant Application Endorsement**

RECOMMENDATION: Endorsement of the Safe Routes to School Travel Plan and Grant Application for Perrymont Elementary School, T. C. Miller Elementary School and Dearington Elementary School.

SUMMARY: Safe Routes to School (SRTS) is a transportation program created through Section 1404 of the 2005 Safe, Accountable, Flexible and Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) Act and administered by the Virginia Department of Transportation (VDOT) to encourage children in grades K-8 to walk or bicycle to school. In FY2011 the SRTS program provided 100% grant funding to localities for infrastructure improvements around schools to create safe walking and biking facility improvements; similar SRTS allocations are expected for FY2012. Only schools, school districts and localities that are actively working to promote walking, biking and healthy activities for students are considered for funding.

To be eligible for SRTS funding a locality must complete and submit a SRTS Travel Plan for approval. The Travel Plan is a planning document that outlines the goals, barriers and opportunities to establish safe pedestrian access, as well as a summary of programmatic and infrastructure activities necessary to meet the goal of safe pedestrian access for students. The travel plan must be endorsed by both the City of Lynchburg School Board and City Council. With approval of the Travel Plan, the locality may then submit grant applications to VDOT for funding consideration to implement the physical improvements identified within the plan no later than June 3, 2011.

Kelly Hitchcock, Region 2000 Local Government Council, will make a brief presentation about the Travel Plan and other SRTS activities conducted in partnership with Lynchburg City Schools.

PRIOR ACTION(S): None

FISCAL IMPACT: None

CONTACT: Kelly Hitchcock, Region 2000 Local Government Council – 845-5678
Kent White, Director of Community Development - 455-3900
Bonnie Svrcek, Deputy City Manager – 455-3990

ATTACHMENTS:
- Resolution
- Travel Plan Infrastructure and Action Strategy Maps

REVIEWED BY: lkp

RESOLUTION:

A RESOLUTION ENDORSING THE SAFE ROUTES TO SCHOOL TRAVEL PLAN AND GRANT APPLICATION FOR PERRYMONT ELEMENTARY SCHOOL, T.C. MILLER ELEMENTARY SCHOOL AND DEARINGTON ELEMENTARY SCHOOL

NOW, THEREFORE, BE IT RESOLVED that the City of Lynchburg endorses the Safe Routes to School Travel Plan and Grant Application for Perrymont Elementary School, T.C. Miller Elementary School and Dearington Elementary School to support the programmatic and infrastructure activities necessary to meet the goal of safe pedestrian access for students.

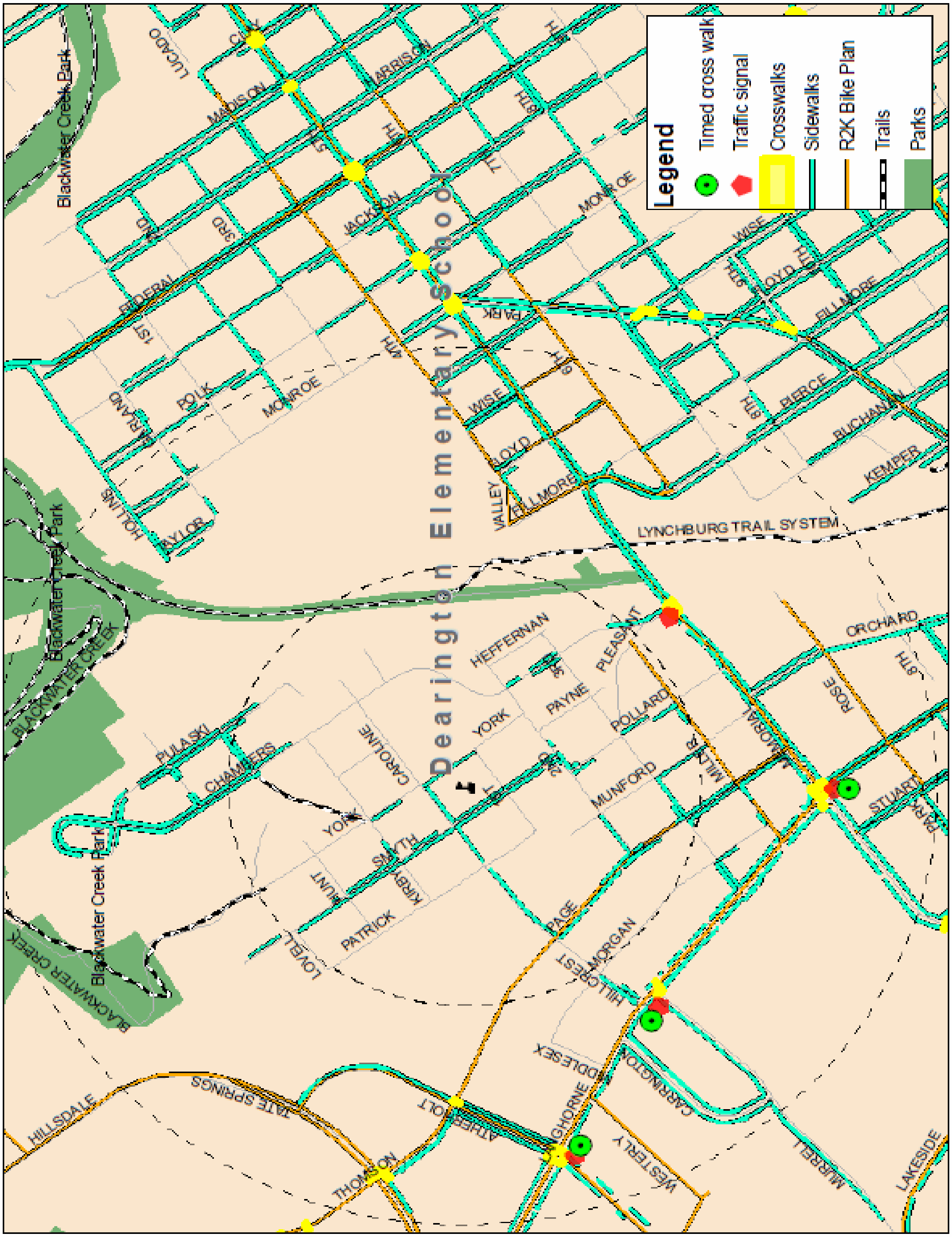
BE IT FURTHER RESOLVED that L. Kimball Payne, III, City Manager, is authorized to execute the necessary documents for this project.

Adopted:

Certified: ______________________________
Clerk of Council

069L

Map B: Existing Pedestrian and Bicycle Infrastructure within ½ Mile of Dearington




Map C: Dearington Elementary School
SRTS Infrastructure Recommendations
Dearington Elementary School
Point improvement
Paint crosswalk
Construct new sidewalks
Region 2000 Bike Plan
Existing sidewalks
Trails
Lynchburg City Parks
School Property
SMYTH
HUNT
YORK
PATRICK
KIRBY
CAROLINE
1ST
2ND
3RD
ATHERHOLT
HEFFERNAN
CHAMBERS
PAYNE
PLEASANT
MILLER
MUNFORD
HILLCREST
MIDDLESEX
WESTERLY
MORGAN
PAGE
POLLARD
CARRINGTON
MURRELL
LANGHORNE
MEMORIAL
5TH
LYNCHBURG TRAIL SYSTEM
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Safe Route to School

Dearington Elementary School

Sidewalks / Handicap Ramps / Ped. Crossings

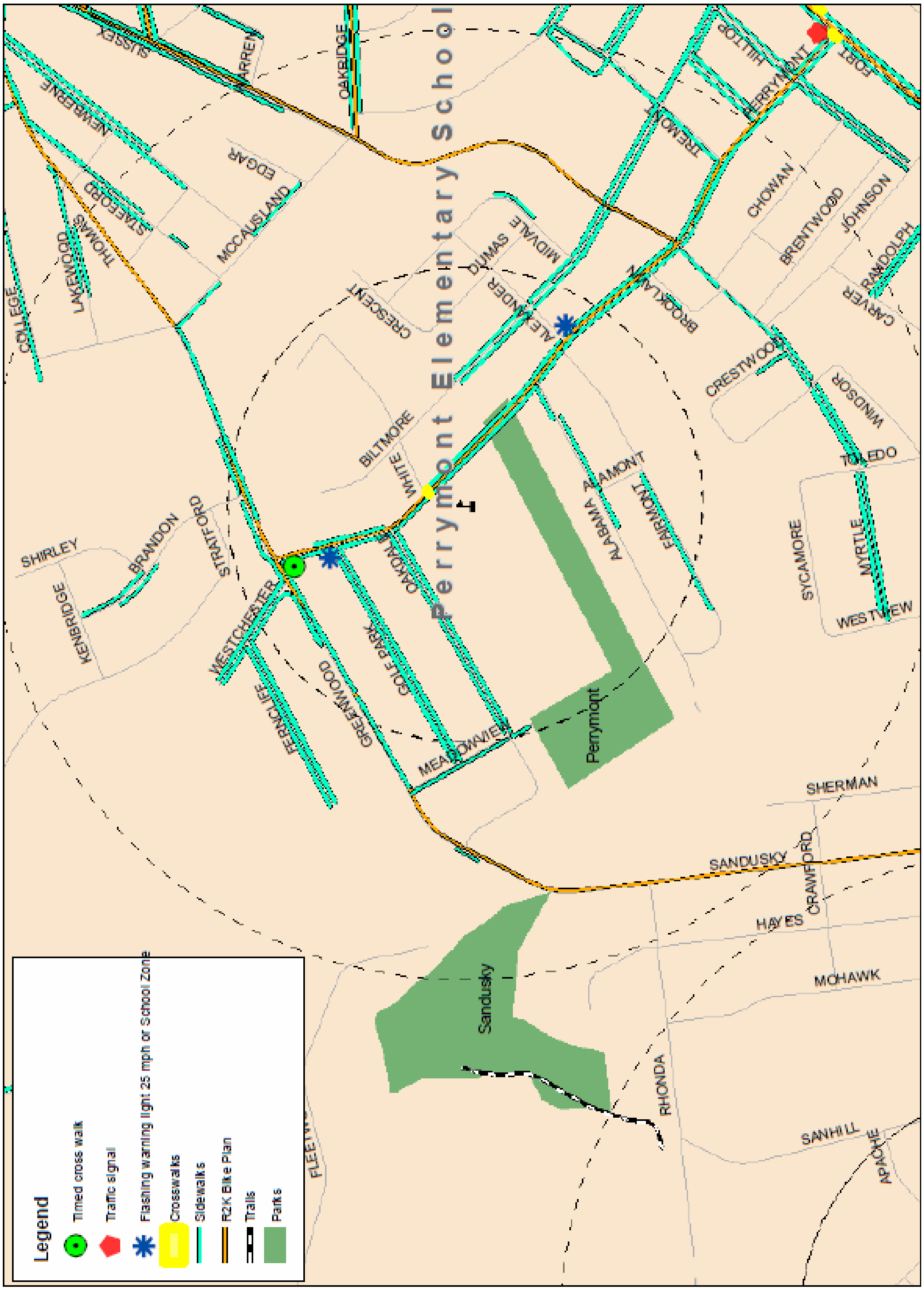
12-Apr-11

Map #	Streets	From	To	Sidewalk LF	Width	4" Sidewalk Sq. Yds.	4" Sidewalk Total Cost	# of Handicap Ramps	Handicap Ramps Total Cost		Ped. Crossing (12") Pavement Lines LF	Ped. Crossing (12") Pavement Lines Cost	S1-1 Sign	W16-7P sign	Total Sign Cost	Total
3	Stoneridge	Kirby	Caroline	320.00	4.50	160.00	**$ 6,160.00**		**$ -**			**$ -**			**$ -**	**$ 6,160.00**
4	Kirby	York	The Trail	390.00	4.50	195.00	**$ 7,507.50**		**$ -**			**$ -**			**$ -**	**$ 7,507.50**
5	Chambers	Caroline	Hunt	450.00	4.50	225.00	**$ 8,662.50**		**$ -**			**$ -**			**$ -**	**$ 8,662.50**
6 & 9	Caroline	Chambers	Smyth	665.00	4.50	332.50	**$ 12,801.25**	7	**$ 2,618.00**		116	**$ 1,276.00**			**$ -**	**$ 16,695.25**
7	Smyth	Kirby	Caroline	175.00	4.50	87.50	**$ 3,368.75**		**$ -**			**$ -**			**$ -**	**$ 3,368.75**
8	York	Kirby	Caroline	270.00	4.50	135.00	**$ 5,197.50**		**$ -**			**$ -**			**$ -**	**$ 5,197.50**
13	Hillcrest	Morgan	Page	290.00	4.50	145.00	**$ 5,582.50**	4	**$ 1,496.00**		35	**$ 385.00**			**$ -**	**$ 7,463.50**
14	2nd	Page	Chambers	350.00	4.50	175.00	**$ 6,737.50**	5	**$ 1,870.00**			**$ -**			**$ -**	**$ 8,607.50**
16	Pollard	2nd	Memorial	600.00	4.50	300.00	**$ 11,550.00**	3	**$ 1,122.00**		35	**$ 385.00**			**$ -**	**$ 13,057.00**
17	Munford	2nd	3rd	335.00	4.50	167.50	**$ 6,448.75**		**$ -**			**$ -**			**$ -**	**$ 6,448.75**
18	Page	2nd	3rd	150.00	4.50	75.00	**$ 2,887.50**		**$ -**			**$ -**			**$ -**	**$ 2,887.50**
	Crosswalks / Handicap Ramps			-	-	-	**$ -**		**$ -**			**$ -**			**$ -**	**$ -**
	Streets	**At**		-	-	-	**$ -**		**$ -**			**$ -**			**$ -**	**$ -**
2	Kirby	Kirby	Stoneridge	-	-	-	**$ -**	2	**$ 748.00**		40	**$ 440.00**	2		**$ 242.92**	**$ 1,430.92**
10	Caroline	Smyth	Caroline	-	-	-	**$ -**	2	**$ 748.00**		26	**$ 286.00**			**$ -**	**$ 1,034.00**
11	Caroline	Patrick	Caroline	-	-	-	**$ -**	2	**$ 748.00**		40	**$ 440.00**			**$ -**	**$ 1,188.00**
12	Hillcrest	Page	Hillcrest	-	-	-	**$ -**	2	**$ 748.00**		36	**$ 396.00**	2	2	**$ 308.92**	**$ 1,452.92**
15	2nd	Smyth	2nd	-	-	-	**$ -**	2	**$ 748.00**		45	**$ 495.00**			**$ -**	**$ 1,243.00**
				-	-	-	**$ -**		**$ -**			**$ -**			**$ -**	**$ -**
				-	-	-	**$ -**		**$ -**			**$ -**			**$ -**	**$ -**
	Totals			3,995.00		1,997.50	**$ 76,903.75**	29	**$ 10,846.00**		373	**$ 4,103.00**	4	2	**$ 551.84**	**$ 92,404.59**

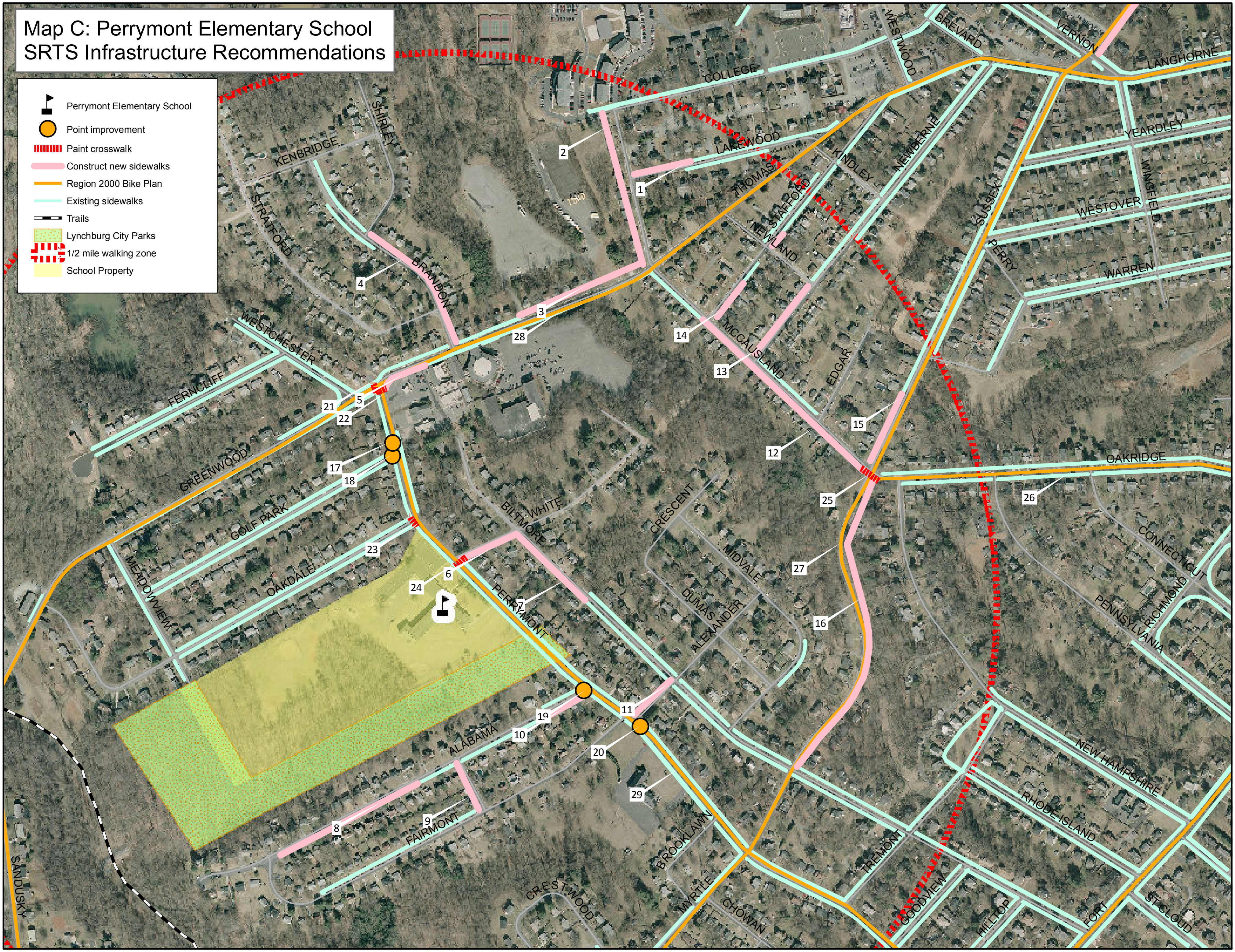
Notes:

Total Street Crosswalks Construction Cost -	$ 4,654.84	
Total Sidewalk Construction Cost -	$ 87,749.75	**# of Ents.**
Total Driveway Ent. Cost	$ 4,472.00	**26**
Preliminary Construction Cost	$ 55,000.00	
Total Project Reconstruction Cost -	**$ 151,876.59**	

Map B: Existing Pedestrian and Bicycle Infrastructure with ½ Mile of School



Map C: Perrymont Elementary School SRTS Infrastructure Recommendations



Safe Route to School

Perrymont Elementary School

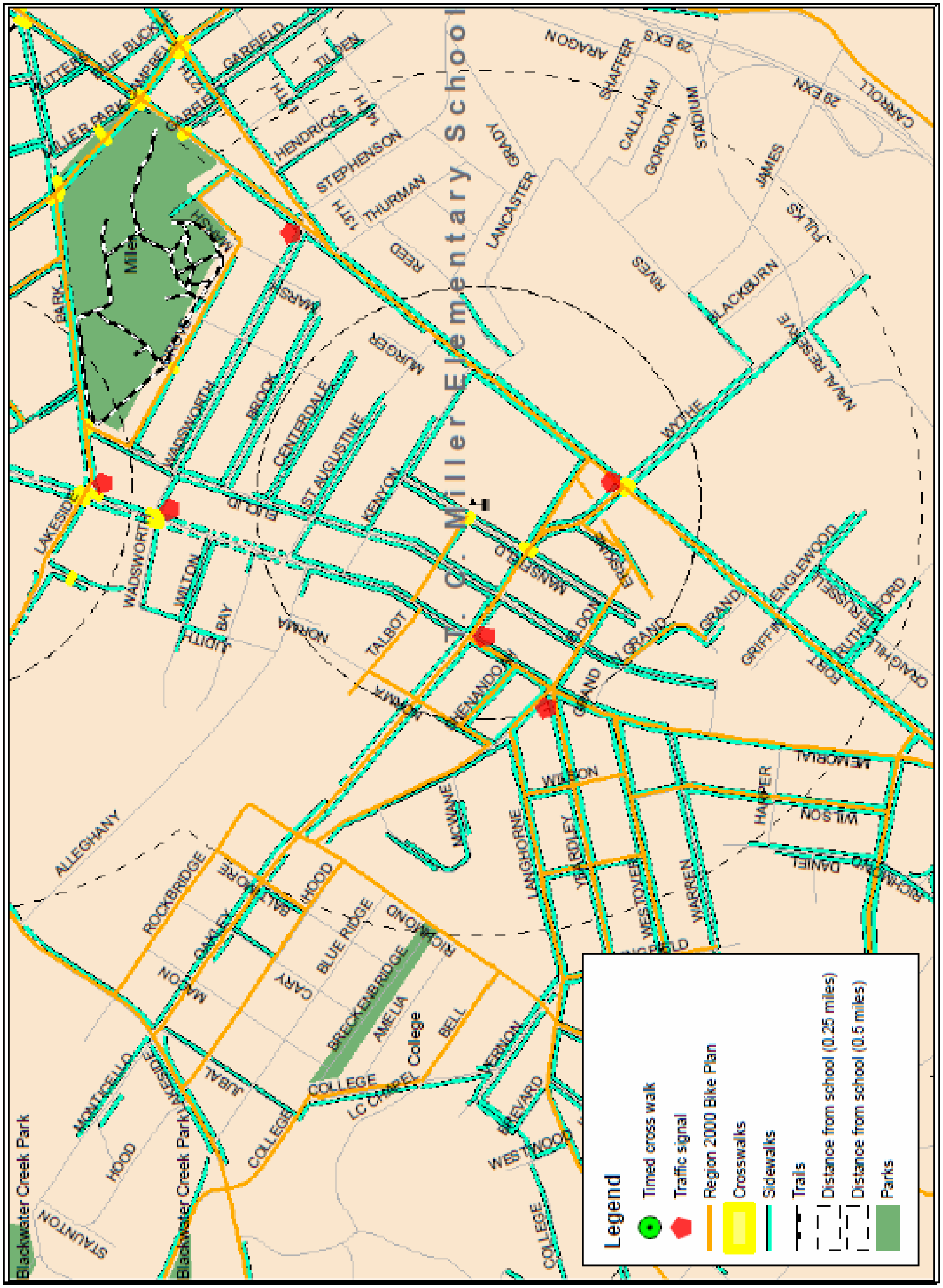
Sidewalks / Handicap Ramps / Ped. Crossings
April 27, 2011 Kelly Hitchcock

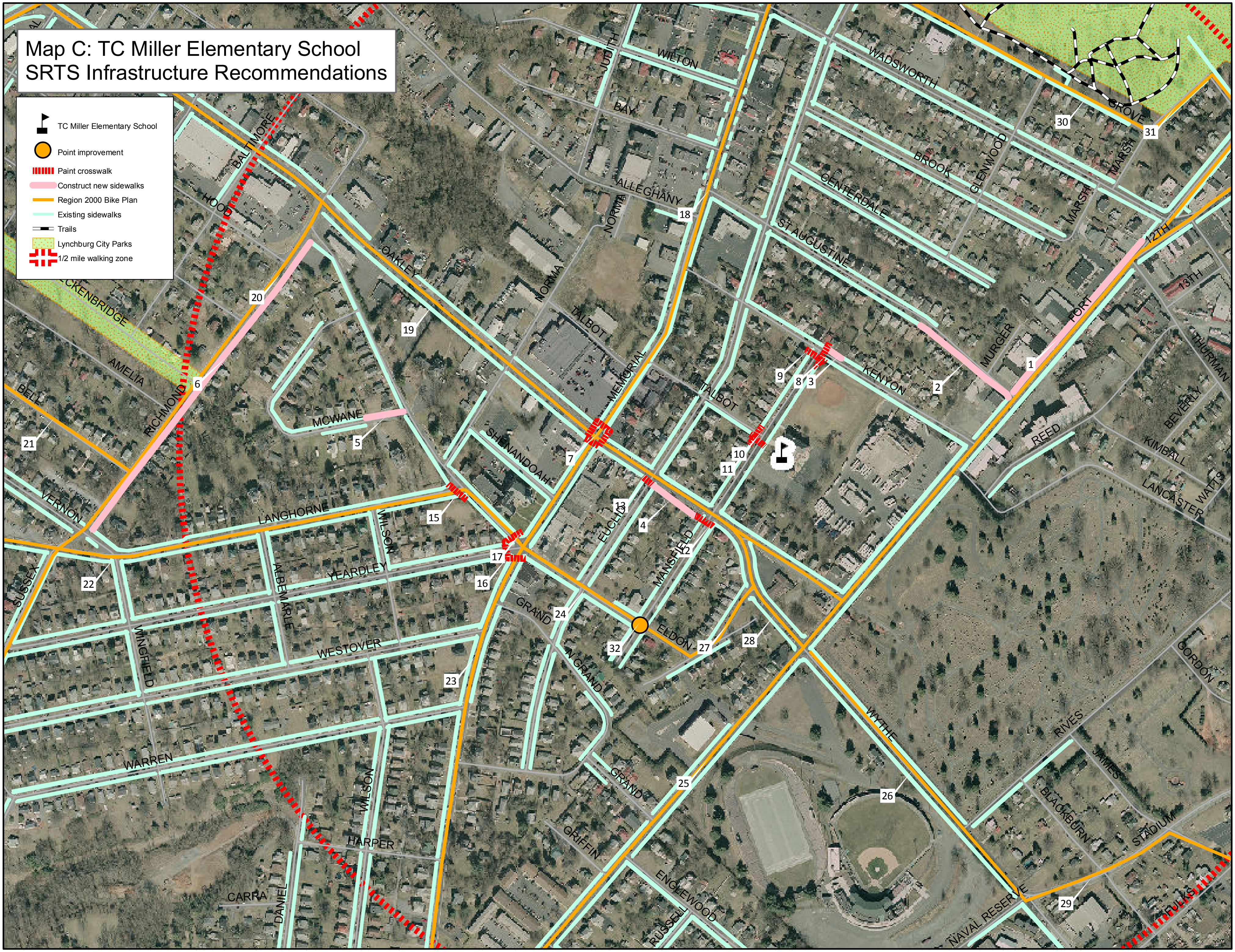
Old Map #	*New Map #*	Streets	From	To	Sidewalk LF	Width	4" Sidewalk Sq. Yds.	4" Sidewalk Total Cost	Preliminary Construction Costs (retaining wall, etc.)	# of Handicap Ramps	Handicap Ramps Total Cost	Ped. Head Cost	Ped. Crossing (12") Pavement Lines LF	Ped. Crossing (12") Pavement Lines Cost	S1-1 Sign	W16-7P sign	Total Sign Cost	Total
1	**11**	Alexander	Perrymont	Biltmore	240.00	4.50	120.00	**$ 4,620.00**			**$ -**			**$ -**			**$ -**	**$ 4,620.00**
2	**7**	Biltmore	White	end of sidewalk	460.00	4.50	230.00	**$ 8,855.00**		1	**$ 374.00**			**$ -**			**$ -**	**$ 9,229.00**
3	**6**	White	Biltmore	Perrymont	290.00	4.50	145.00	**$ 5,582.50**		1	**$ 374.00**			**$ -**			**$ -**	**$ 5,956.50**
4	**10**	Fairmont	end of sidewalk	Perrymont	225.00	4.50	112.50	**$ 4,331.25**			**$ -**			**$ -**			**$ -**	**$ 4,331.25**
5	**8**	Alabama	Fairmont	sidewalk at Perrymont	740.00	4.50	370.00	**$ 14,245.00**			**$ -**			**$ -**			**$ -**	**$ 14,245.00**
no #	**1**	Lakewood	End on Lakewood	McCausland	277.00	4.50	138.50	**$ 5,332.25**	**35,000.00**	1	**$ 374.00**							**$ 40,706.25**
22	**2**	McCausland	College	Thomas Rd.	748.00	4.50	374.00	**$ 14,399.00**	**45,000.00**		**$ -**							**$ 59,399.00**
21	**3**	Thomas Rd.	McCausland	sidewalk on Thomas Rd.	635.00	4.50	317.50	**$ 12,223.75**	**10,000.00**		**$ -**							**$ 22,223.75**
23	**4**	Brandon	end of sidewalk	Thomas Rd.	677.00	4.50	338.50	**$ 13,032.25**	**10,000.00**		**$ -**							**$ 23,032.25**
24	**5**	Thomas Rd.	end of sidewak on Thomas	Corner Perrymont	277.00	4.50	138.50	**$ 5,332.25**		1	**$ 374.00**							**$ 5,706.25**
not on map	**9**	Alamont	Fairmont	Alabama	245.00	4.50	122.50	**$ 4,716.25**			**$ -**							**$ 4,716.25**
17	**12**	McCausland	Sussex	end of sidewalk on McCausland	1,054.00	4.50	527.00	**$ 20,289.50**	**65,000.00**									**$ 85,289.50**
18	**13**	Newburne	end sidewalk	McCausland	408.00	4.50	204.00	**$ 7,854.00**		1	**$ 374.00**							**$ 8,228.00**
19	**14**	Strafford	gaps along Stafford	McCausland	202.00	4.50	101.00	**$ 3,888.50**	**25,000.00**	3	**$ 1,122.00**							**$ 30,010.50**
16	**15**	Sussex	End of sidewalk on Sussex	McCausland	353.00	4.50	176.50	**$ 6,795.25**		1	**$ 374.00**							**$ 7,169.25**
14	**16**	Sussex	Oakridge/McCausland	Biltmore	1,508.00	4.50	754.00	**$ 29,029.00**	**75,000.00**	2	**$ 748.00**							**$ 104,777.00**
								$ 160,525.75										**$ 429,639.75**
		Crosswalks / Handicap Ramps			-	-	-	**$ -**			**$ -**			**$ -**			**$ -**	**$ -**
		Streets	**At**		-	-	-	**$ -**			**$ -**			**$ -**			**$ -**	**$ -**
9	**18**	Perrymont	Perrymont	Golf Park	-	-	-	**$ -**		2	**$ 748.00**			**$ -**			**$ -**	**$ 748.00**
6	**19**	Perrymont	Perrymont	Alabama	-	-	-	**$ -**		2	**$ 748.00**			**$ -**			**$ -**	**$ 748.00**
7	**24**	Perrymont	White	Perrymont	-	-	-	**$ -**		2	**$ 748.00**		30	**$ 330.00**	2	2	**$ 308.92**	**$ 1,386.92**
8	**23**	Perrymont	Oakdale	Perrymont	-	-	-	**$ -**		2	**$ 748.00**		35	**$ 385.00**			**$ -**	**$ 1,133.00**
10	**21/22**	Perrymnot	Greenwood	Thomas Rd.	-	-	-	**$ -**		3	**$ 1,122.00**	**$ 5,295.75**	90	**$ 990.00**			**$ -**	**$ 7,407.75**
13	**17/20**	Perrymont	School Mark		-	-	-	**$ -**			**$ -**			**$ -**			**$ -**	**$ -**
					-	-	-	**$ -**			**$ -**			**$ -**			**$ -**	**$ -**
		Totals			8,339.00		4,169.50	**$ 321,051.50**	**265,000.00**	22	**$ 8,228.00**	**$ 5,295.75**	155	**$ 1,705.00**	2	2	**$ 308.92**	**$ 870,703.17**

Notes:

Total Street Crosswalks Construction Cost -	$ 2,013.92	
Total Sidewalk Construction Cost -	$ 329,279.50	**# of Ped. Heads**
Total Ped. Head Cost	$ 5,295.75	**1**
***** School Pavement Mark Total Cost (Map # 13)	$ 700.00	**# of Ents.**
Total Draveway Ent. Cost	$ 4,988.00	**29**
Preliminary Construction Cos	$ 280,000.00	
Trail Construction Cos	$ 28,500.00	
Total Project Reconstruction Cost -	**$ 650,777.17**	

Map B: Existing Pedestrian and Bicycle Infrastructure with ½ Mile of T. C. Miller School




Map C: TC Miller Elementary School
SRTS Infrastructure Recommendations
TC Miller Elementary School
Point improvement
Paint crosswalk
Construct new sidewalks
Region 2000 Bike Plan
Existing sidewalks
Trails
Lynchburg City Parks
1/2 mile walking zone
WILTON
JUDITH
BAY
ALLEGHANY
NORMA
BALTIMORE
HOOD
OAKLEY
WADSWORTH
BROOK
GLENWOOD
CENTERDALE
ST AUGUSTINE
GROVE
MARSH
12TH
13TH
FORT
MURGER
KENYON
TALBOT
MEMORIAL
RICHMOND
AMELIA
BELL
MCWANE
SHENANDOAH
LANGHORNE
WILSON
VERNON
SUSSEX
ALBEMARLE
YEARDLEY
WINGFIELD
WESTOVER
WARREN
HARPER
CARRA
DANIEL
EUCLID
MANSFIELD
ELDON
GRAND
N GRAND
GRIFFIN
ENGLEWOOD
RUSSELL
WYTHE
NAVAL RESERVE
RIVES
JAMES
BLACKBURN
STADIUM
REED
KIMBALL
LANCASTER
WATTS
BEVERLY
THURMAN
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Safe Route to School

TC Miller

Sidewalks / Handicap Ramps / Ped. Crossings

12-Apr-11

Map #	Streets	From	To	Sidewalk LF	Width	4" Sidewalk Sq. Yds.	4" Sidewalk Total Cost	# of Handicap Ramps	Handicap Ramps Total Cost	Ped. Heads Cost	Ped. Crossing (12") Pavement Lines LF	Ped. Crossing (12") Pavement Lines Cost	S1-1 Sign	W16-7P sign	Total Sign Cost	Total
10	Richmond St.	Vernon St.	Eldon St.	1,575.00	4.50	787.50	**$ 30,318.75**	12	**$ 4,488.00**			**$ -**			**$ -**	**$ 34,806.75**
11	McWane Cr.	McWane Cr.	Eldon St.	170.00	4.50	85.00	**$ 3,272.50**	-	**$ -**			**$ -**			**$ -**	**$ 3,272.50**
1	Oakley	Euclid	Mansfield	230.00	4.50	115.00	**$ 4,427.50**	1	**$ 374.00**			**$ -**			**$ -**	**$ 4,801.50**
5	Kenyon	Trail	Mansfield	80.00	4.50	40.00	**$ 1,540.00**		**$ -**			**$ -**			**$ -**	**$ 1,540.00**
3	St Augustine	Fort Ave.	Euclid	500.00	4.50	250.00	**$ 9,625.00**		**$ -**			**$ -**			**$ -**	**$ 9,625.00**
2	Fort Ave.	Brook St.	St Augustine	600.00	4.50	300.00	**$ 11,550.00**		**$ -**			**$ -**			**$ -**	**$ 11,550.00**
	Crosswalks / Handicap Ramps			-	-	-	**$ -**		**$ -**			**$ -**			**$ -**	**$ -**
	Streets	**At**		-	-	-	**$ -**		**$ -**			**$ -**			**$ -**	**$ -**
12	Langhorne	Langhorne	Eldon St.	-	-	-	**$ -**	2	**$ 748.00**		60	**$ 660.00**			**$ -**	**$ 1,408.00**
13	Memorial	Yeardly	Eldon St.	-	-	-	**$ -**		**$ -**	**$ 17,681.25**	120	**$ 1,320.00**			**$ -**	**$ 19,001.25**
18	Euclid	Euclid	Oakley	-	-	-	**$ -**	1	**$ 374.00**		40	**$ 440.00**			**$ -**	**$ 814.00**
6	Mansfield	Mansfield	Kenyon	-	-	-	**$ -**		**$ -**		55	**$ 605.00**			**$ -**	**$ 605.00**
7	Kenyon	Mansfield	Kenyon	-	-	-	**$ -**		**$ -**		30	**$ 330.00**			**$ -**	**$ 330.00**
20	Memorial	Memorial	Oakley	-	-	-	**$ -**		**$ -**	**$ 7,503.75**	230	**$ 2,530.00**			**$ -**	**$ 10,033.75**
8	Talbot	Talbot	Mansfield	-	-	-	**$ -**	3	**$ 1,122.00**		25	**$ 275.00**			**$ -**	**$ 1,397.00**
16	Oakley	Oakley	Mansfield	-	-	-	**$ -**		**$ -**			**$ -**	2	2	**$ 308.92**	**$ 308.92**
19	Mansfield	Mansfield	Oakley	-	-	-	**$ -**		**$ -**		30	**$ 330.00**			**$ -**	**$ 330.00**
14	Eldon	Eldon	Mansfield	-	-	-	**$ -**	3	**$ 1,122.00**			**$ -**			**$ -**	**$ 1,122.00**
9	Mansfield	Talbot	Mansfield	-	-	-	**$ -**		**$ -**			**$ -**	2	2	**$ 308.92**	**$ 308.92**
	Totals			3,155.00		1,577.50	**$ 60,733.75**	22	**$ 8,228.00**	**$ 25,185.00**	590	**$ 6,490.00**	4	4	**$ 617.84**	**$ 101,254.59**

Notes:

Total Street Crosswalks Construction Cost -	$ 7,107.84	
Total Sidewalk / Handicap Ramps Construction Cost	$ 68,961.75	
		# of Ped. Heads
Total Ped. Head Cost	$ 25,185.00	**5**
		# of Ents.
Total Driveway Ent. Cost	$ 4,988.00	**29**
Preliminary Construction Cost	$ 75,000.00	
Total Project Construction Cost -	**$ 181,242.59**	

LYNCHBURG CITY COUNCIL
Agenda Item Summary

MEETING DATE: **May 10, 2011** AGENDA ITEM NO.: 14

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

ACTION: **X** INFORMATION:

ITEM TITLE: **Open-Space Easement Endorsement for 300 and 304 Overstreet Lane**

RECOMMENDATION: Consideration of an endorsement of an open-space easement, as well as the City's preference to hold the easement or delegate the role to the Virginia Outdoors Foundation (VOF).

SUMMARY: An open-space easement is a legal document between a landowner and a public body designed for the long-term protection of the land. VOF's application process requires that the applicant receive an endorsement from the locality for the easement and Dr. Peter Houck is requesting City Council's endorsement for his properties at 300 and 304 Overstreet Lane. The proposed open-space easement would maintain the private ownership of the land but generally restrict the use of the property to a single-family home, forest, open space and/or natural area. Although there are currently four (4) conservation easements within the City of Lynchburg, the City does not have a policy on holding open-space easements. Since these easements are held in perpetuity, the request was forwarded to the Planning Commission for their recommendation prior to sending the petition to City Council.

In addition, VOF staff indicated their Board generally inquires as to the locality's preference as to whether the locality or VOF hold the easement. The public entity that holds the easement monitors the property to ensure that the conservation values agreed to in the easement documents remain intact. The public body also serves as the enforcement agent for any violations of the terms of the easement.

PRIOR ACTION(S):

April 13, 2011: Planning Commission recommended endorsement of the open-space easement petition (6-0, with one absence, Hannon). Planning Commission chose not to make a recommendation regarding the City's preference to hold the easement or delegate the role to the VOF.

FISCAL IMPACT: Reduction in the assessed values of the subject properties results in the loss of $1,079.40 in real property taxes

Taxable Values		
	Current Land Use	**Projected with Open-Space Easement**
300 Overstreet Lane		
Land	$74,800	$1800
Building	$25,600	$25,600
Total	$100,400	$27,400
304 Overstreet Lane		
Land	$31,600	$1800
Building	$0	$0
Total	$31,600	$1800

CONTACT: Kent White, Director of Community Development - 455-3900

ATTACHMENTS:

- Resolution(s)
- Planning Commission Report
- Planning Commission Minutes
- Vicinity Zoning Pattern
- Vicinity Proposed Land Use
- Watershed Location Map
- Virginia Outdoors Foundation Easement Application – Peter Houck
- Richard A. Barnes, Louise A. Searle, Erin L. Sudol, David R. Perault; *Environmental Characteristics of Vacant Land in Lynchburg, Virginia,* July 2010

REVIEWED BY: lkp

RESOLUTION “A”:

A RESOLUTION ENDORSING AN OPEN-SPACE EASEMENT BETWEEN PETER HOUCK AND THE VIRGINIA OUTDOORS FOUNDATION AT 300 AND 304 OVERSTREET LANE.

NOW, THEREFORE, BE IT RESOLVED that the City of Lynchburg endorses Peter Houck’s petition to the Virginia Outdoors Foundation for the execution of an open-space easement at 300 and 304 Overstreet Lane.

BE IT FURTHER RESOLVED that L. Kimball Payne, III, City Manager, is authorized to execute the necessary documents for the endorsement of the open-space easement.

Adopted:

Certified: ______________________________
Clerk of Council

068LA

RESOLUTION “B”:

A RESOLUTION DECLINING TO ENDORSE AN OPEN-SPACE EASEMENT BETWEEN PETER HOUCK AND THE VIRGINIA OUTDOORS FOUNDATION AT 300 AND 304 OVERSTREET LANE.

NOW, THEREFORE, BE IT RESOLVED that the City of Lynchburg does not endorse Peter Houck’s petition to the Virginia Outdoors Foundation for the execution of an open-space easement at 300 and 304 Overstreet Lane.

Adopted:

Certified: ______________________________

Clerk of Council

068LB

The Department of Community Development

City Hall, Lynchburg, VA 24504 **434-455-3900**

To: Planning Commission
From: Planning Division
Date: April 13, 2011
Re: **Open-Space Easement Endorsement – 300 and 304 Overstreet Lane**

I. PETITIONER

Peter W. Houck, 3801 Manton Lane, Lynchburg, VA 24503
Representative: Henry C. Devening, 1900 Memorial Avenue Lynchburg, VA 24501

II. LOCATION

The subject properties include two (2) tracts totaling fifty and thirty-seven hundredths (50.37) acres at 300 and 304 Overstreet Lane.
Property Owner: Peter W. Houck, 3801 Manton Lane, Lynchburg, VA 24503

III. PURPOSE

The petitioner has applied to Virginia Outdoors Foundation (VOF) to hold an open-space easement for the subject properties. VOF's application process requires the applicant receive an endorsement from the locality for the easement. The purpose of this request is for Planning Commission's recommendation to City Council regarding the City of Lynchburg's endorsement of an open-space easement. VOF staff have also indicated that their Board would likely inquire as to whether the City would prefer VOF to hold the easement or whether the City would prefer to hold the easement.

IV. SUMMARY

- An open-space easement is a legal document between a landowner and a public body designed to protect the land in perpetuity.
- The easement would maintain the private ownership of the land but generally restrict the use of the property to a single-family home, forest, open space, and/or natural area.
- The *Comprehensive Plan 2002-2020*'s *Future Land Use Map (FLUM)* recommends Low Density Residential and Resource Conservation uses for the subject property.

V. FINDINGS OF FACT

1. **Comprehensive Plan.** The *Comprehensive Plan 2002-2020* recommends Low Density Residential and Resource Conservation uses in this area. Low Density Residential **(page 5.5)** areas "are dominated by single-family detached housing at densities of up to four dwelling units per acre … [and] may include public and institutional uses compatible in scale with single-family residential homes. Private recreation uses, including country clubs and swim and racquet clubs, and private open space are also appropriate for Low Density Residential areas." Resource Conservation areas **(page 5.2) "**encompass lands with special natural characteristics that make their preservation in open space particularly important to the City's environmental health. The mapped Resource Conservation Areas include the City's stream valleys … streams and rivers, their 100-year floodplains, connected wetlands and adjacent steep slopes. The delineation of Resource Conservation Areas on the *Future Land Use Map* is based on existing mapped floodplain, slope, and soils information collected for the preparation of Chapter 12, Natural

Systems." The *Comprehensive Plan 2002-2020* recommends that the "actual boundaries of the Resource Conservation Area…be determined on a site-by-site basis using the best available environmental data and the environmental performance standards recommended in Chapter 12, Natural Systems." The plan also provides "Resource Conservation Areas are planned to remain in vegetated open space with development limited to: 1) trails and other passive recreational facilities that involve minimal removal of vegetation, and 2) public facilities that must be located in stream valleys. The goal is to keep Resource Conservation Areas as natural as possible so as to stabilize slopes, prevent soil erosion, provide natural absorption areas for urban runoff, moderate climate, and provide wooded areas for wildlife and for the respite of City dwellers. Many of the stream valley Resource Conservation Areas are recommended to become greenways in the Parks and Recreation element, and thus may have public access trails. Other Resource Conservation Areas, not designated as greenways on the Parks & Recreation Map, are to remain in natural vegetation for purely environmental protection reasons."

2. **Zoning.** The subject property was annexed into the City in 1976. The existing R-2, Low-Medium Density Single-Family Residential and R-C, Conservation zoning districts were established in 1978 with the adoption of the City's *Zoning Ordinance*.
3. **Board of Zoning Appeals (BZA).** N/A
4. **Surrounding Area.** There have been several items requiring City Council approval in the immediate area:

   - On March 8, 1988, City Council approved the conditional use permit petition of Dr. David Case to allow the operation of a veterinary hospital with indoor kennels at 6097 Boonsboro Road.
   - On April 11, 1989, City Council approved the conditional use permit petition of Holcomb Rock Baptist Church to allow the construction of an office addition at 5184 Boonsboro Road.
   - On September 12, 1989, City Council approved the "Northwest Expressway" Land Use Study.
   - On April 28, 1993, City Council approved the conditional use permit petition of Brett Smith for the conversion of an existing shed into a grounds keeper cottage with kitchen facilities at 5913 Raiford Circle.
   - On May 11, 1999, City Council approved the rezoning petition of Perry Karnes at 5909 Raiford Circle from R-2, Low-Medium Density Residential to B-1, Limited Business District (Conditional) to allow the construction of office buildings.
   - On September 14, 1999, City Council approved the rezoning petition of Workman Oil Company at 6002 Boonsboro Road from R-1, Low Density Residential and B-3, Community Business District to B-3, Community Business District (Conditional) to allow the construction of a convenience store.
   - On October 10, 2000, City Council approved the conditional use permit petition of Holcomb Rock Baptist Church to allow the construction of a new parking area at 5184 Boonsboro Road.
   - On May 13, 2003, City Council approved the conditional use permit petition of Michael & Cheryl Davis to allow the operation of a bed & breakfast at 2010 Wiggington Road.

5. **Site Description.** The subject properties include a small, single-room cabin and a two (2)-acre pond; the balance of the property is forestal land. The properties are bound to the north, south and west by existing single-family homes and forestal land. The petitioner's application notes approximately fifty (50) acres to the west of the site should remain undeveloped due to a power line easement, a designated floodplain and access issues. The application also indicates the owner of the adjacent property along the eastern border, which includes a thirty-two (32)-acre tract and a historic structure, also intends to submit an application to VOF to hold an easement.
6. **Proposed Use of Property.** The provisions of an open-space easement generally restrict the use of the property to a single-family home, forest, open space, and/or natural area.
7. **Traffic, Parking and Public Transit.** N/A
8. **Stormwater Management.** N/A
9. **Emergency Services.** N/A
10. **Impact.** The Virginia Outdoors Foundation was established in 1966, "to promote the preservation of open-space lands and to encourage private gifts of money, securities, land or other property to preserve the natural, scenic, historic, scientific, open-space and recreational areas of the Commonwealth." The primary mechanism for accomplishing VOF's mission is through open-space easements. Open-space easements allow land to continue to be privately owned but restricted to serve and protect land for the public good. A gift of a qualified open-space easement in perpetuity may qualify as a non-cash charitable gift which may yield a deduction for federal income tax purposes and a credit for state income tax purposes. In addition, there may be local property tax reductions and federal estate tax exemptions. An independent certified appraiser must establish the value of the easement that is primarily based on the value of the development rights forgone. Once that value is established, it becomes the basis for calculating tax benefits.

    Although there are currently four (4) conservation easements within the City of Lynchburg, the City does not have a policy on holding open-space easements. Since open-space easements are legal documents between a landowner and a public body designed to protect the land in perpetuity, the request has been forwarded to the Physical Development Committee and the Planning Commission for their recommendation prior to sending the request to City Council.

    In addition, VOF staff indicated their Board generally inquires as to the locality's preference as to whether the locality or VOF hold the easement. The public entity that holds the easement monitors the property to ensure that the conservation values agreed to in each easement remain intact. The public body also serves as the enforcement agent for any violations of the terms of the easement.
11. **Technical Review Committee.** N/A

VI. PLANNING DIVISION REQUEST

Planning Commission's Recommendation to City Council regarding the City of Lynchburg's endorsement of an open-space easement at 300 and 304 Overstreet Lane

Planning Commission's Recommendation to City Council regarding the preference of the City of Lynchburg to hold the easement or delegate the role to the Virginia Outdoors Foundation.

This matter is respectfully offered for your consideration.

Kent White
Director, Community Development

pc: Mr. L. Kimball Payne, III, City Manager
Ms. Bonnie M. Svrcek, Deputy City Manager
Mr. Walter C. Erwin, City Attorney
Mr. Tom Martin, City Planner
Mr. Greg Daniels, City Assessor
Mr. J. Lee Newland, City Engineer
Mr. Robert Fowler, Zoning Administrator
Mr. Jacob Dorman, Environmental Reviewer
Mr. Peter Houck, Applicant
Mr. Henry Devening, Representative

VII. ATTACHMENTS

1. **Vicinity Zoning Pattern**
2. **Vicinity Proposed Land Use**
3. **Watershed Location Map**
4. **Virginia Outdoors Foundation Easement Application – Peter Houck**
5. **Richard A. Barnes, Louise A. Searle, Erin L. Sudol, David R. Perault; *Environmental Characteristics of Vacant Land in Lynchburg, Virginia*; July 2010**

MINUTES FROM THE APRIL 13, 2011 PLANNING COMMISSION MEETING (MINUTES HAVE BEEN APPROVED):

a. Open-Space Easement Endorsement at 300 and 304 Overstreet Lane: Mr. White explained that the two properties together are approximately 50.37 acres. The *Future Land Use Map* recommends Low Density Residential and Resource Conservation for the properties. Although open-space easements allow land to continue to be privately owned, it puts a restriction on it in perpetuity as far as its future development potential. It can remain a farm, forest land and sometimes a single-family home or two single-family homes, depending on how the easement is laid out. You could donate it for park land or dedicate it for open space, but there is no going back to commercial development, industrial development or rezoning, anything like that in the future. It supersedes the locality's say. The benefit to the landowner is that a gift of the open-space easement may qualify as a non-charitable gift and qualify for a tax deduction.

The City has four conservation easements. Since they are private documents between the landowner and the public body that holds it, ultimately the City was asked its opinion on whether or not this was a good thing—whether it fit within its land use. Unfortunately, we do not really have a policy. Staff has suggested that this go before the Planning Commission for a general recommendation. It will also be forwarded to the City's Physical Development Committee and ultimately to City Council for a determination.

Virginia Outdoors Foundation (VOF), which is the body that the petitioner applied to that would serve as the holder is asking two questions. Do you think this is an appropriate use of the land? Should the City be the holder or should VOF be the holder? Mr. White explained that the holder takes the inspection and maintenance responsibilities. If there is some violation of the document, the holder becomes the enforcement agent.

Mr. White explained that staff is not looking for a motion as much as a consensus on the commission's recommendation. Mr. White pointed out that staff did not have any really way to recommend this, so staff quoted the documentation from the *Comprehensive Plan* that talks about what natural and resource conservation areas are supposed to be. Commissioner Barnes, along with assistance from others at Randolph College and Lynchburg College, had independently developed a method for establishing criteria for assessing the conservation priority of vacant land in the City. That was provided to the commissioners. The specific rating for this property was a four, which is exactly in the middle of the rating criteria. This was a really useful tool for staff because it gave us some criteria on which to gauge the value of conservation land. It is distance from water bodies, distance from greenways and access to public lands, percent of forested area and steep slopes. Planning Commission has not adopted this document and is not required to use it.

Commissioner Swienton asked where this would be in relationship to the proposed Cheese Creek TND. Mr. White said it is not within the boundaries. It is on the opposite side and considerably upstream from this property. Commissioner Barnes asked who holds the other four conservation easements in the City. Mr. White outlined the four conservation easements in the City. Two are associated with Rock Castle Creek, the development they saw last year off Nationwide Drive. The City is the holder of both of those, which actually makes it five conservation easements in the City. There is an easement held by VOF off Lynchpin Industrial Park. The bulk of that easement is actually in Bedford County, but there is a portion of about 15 to 20 acres that lies within the City. There is a small conservation easement on Fifth Street that was held as a historic easement but is still considered an open-space easement. That is held by the City. Lynchburg Grows, the Schenkel nursery, is held as a conservation easement by the City.

Chair Hamilton asked what kind of burden it places on the City to enforce the easement. Mr. White said they are still working through that and are looking at developing some sort of policy, since this has started to become more prevalent. The majority of the conservation easements he just mentioned have come into play in about the past year and a half to two years. They are uncertain as to the burden. Inspection and maintenance is generally just a site visit and they think they could probably look to staff resources for that. The question is what would happen if someone were to ever break the easement. At that point, you are dealing with legal proceedings and it is difficult to detail without any previous experience how cumbersome that would be. If VOF were the holder, it would be the Attorney General's office.

Mr. White explained that open-space easements are popular not only for the tax benefit but because a lot of people like to leave the land to their children. It is when you deal with heirs that the court proceedings can become a little interesting. Chair Hamilton clarified that once the easement is established in perpetuity, it is done. Mr. White said it is done but it could be challenged like any other legal document. Mr. White thought it was probably too soon to tell if being the holder of these easements is burdensome from a legal standpoint.

Commissioner Sale asked if there has been anything so far that would make an argument for one way or the other, as far as who should be the holder of the easement. Mr. White said there have been no challenges on the current easements. VOF is typically the body that would handle any challenges. As a matter of fact, they were really established for this purpose. Just as they ask for a locality's opinion, their board always defers to allow a locality to be the holder. The majority of localities do not take on that role. However, VOF likes large tracts of land. Fifty acres is about their minimum. A lot of our local participants generally have less land than that.

Chair Hamilton asked for clarification that this land has a house on it. Mr. White said it has a one-room cabin and about a two-acre pond. Staff has not heard from the petitioner that they would do anything with those amenities.

Commissioner Sale made a motion, which was seconded by Commissioner Swienton, to endorse this petition as an appropriate use of the land. Commissioner Sale commented that we all know how rare open space is in Lynchburg and we desire in the *Comprehensive Plan* to maintain as much as we can. It would seem to him that this is an easy plan to move forward with. He would presume that the neighboring property owners are aware of this and have been able to have some kind of comment about it. Mr. White said he knows of at least one neighbor that is aware of it because he may have interest in also applying for an easement.

Commissioner Barnes commented that he is in support of this application. Since this property is mostly surrounded by residential properties, it is unlikely that it would ever be developed for commercial or industrial purposes in the foreseeable future, which means the City would not be losing any significant tax benefits.

Commissioner Swienton commented that he thinks that a landowner has a right, given that there are legal mechanisms, to place land in an easement. He fully supports their right to do so.

Commissioner Sale pointed out this property is about as far as you can get upstream in the City's bounds. Protection of that watershed is also of concern to him.

Commissioner Coleman commented that he was also concerned about future industrial use. He is probably not the biggest advocate of open space but he does believe there should be places where this is done. If there is no controversy about this piece of property, he would support it for that reason.

Commissioner Hooper indicated that he is in support of the application. Chair Hamilton agreed and says that it speaks for itself.

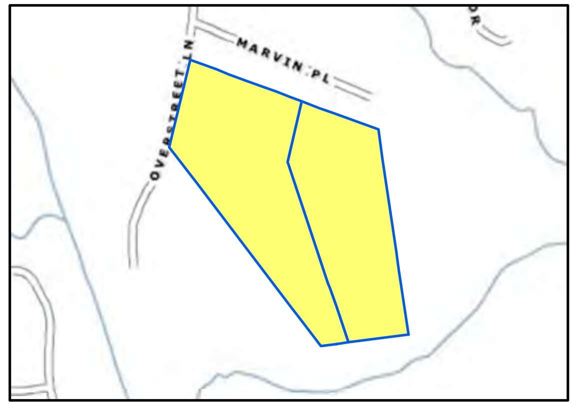
The motion passed by the following vote:

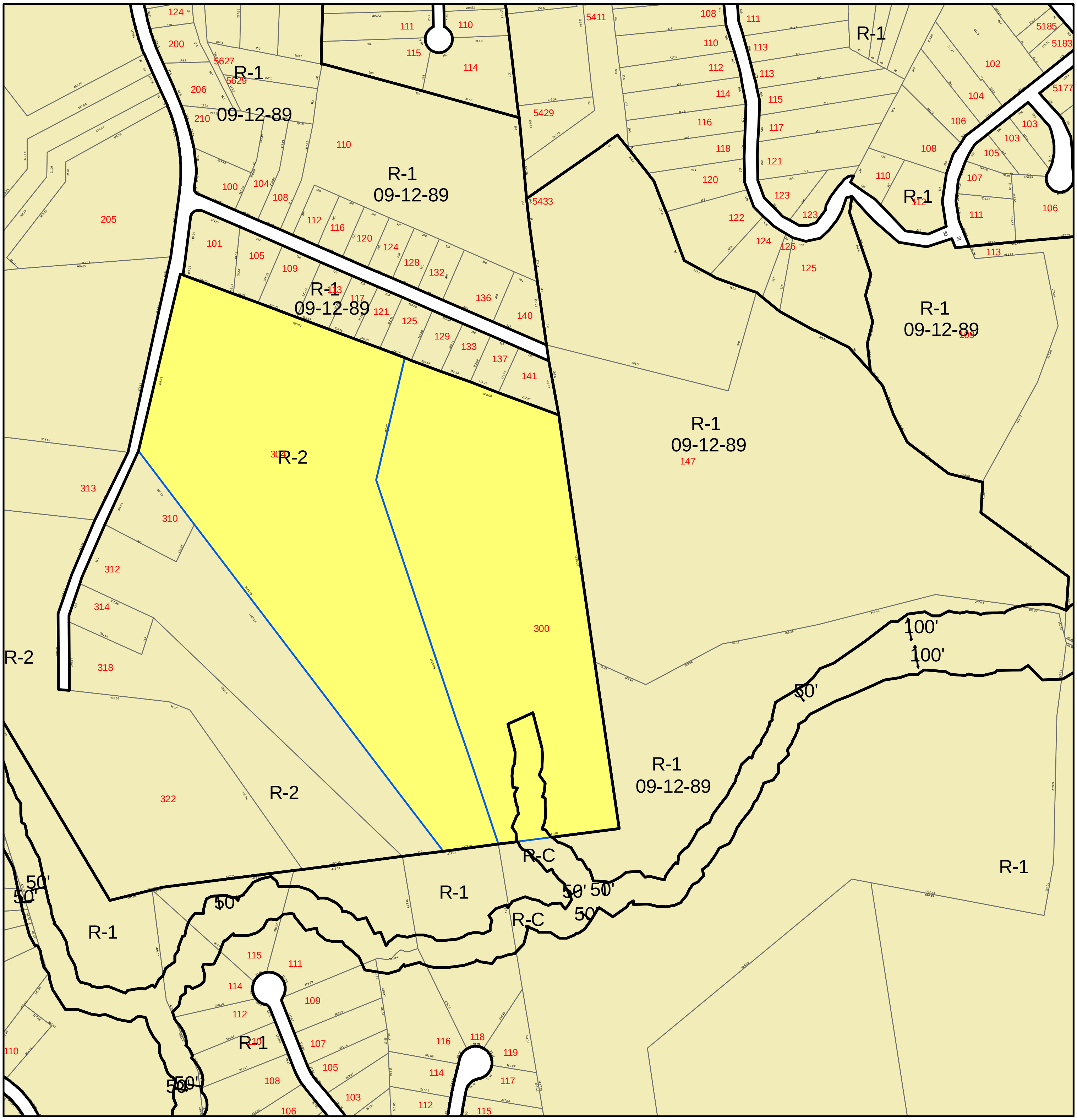
AYES:	Barnes, Coleman, Hamilton, Hooper, Sale and Swienton	6
NOES:		0
ABSTENTIONS:		0
ABSENT:	Hannon	1

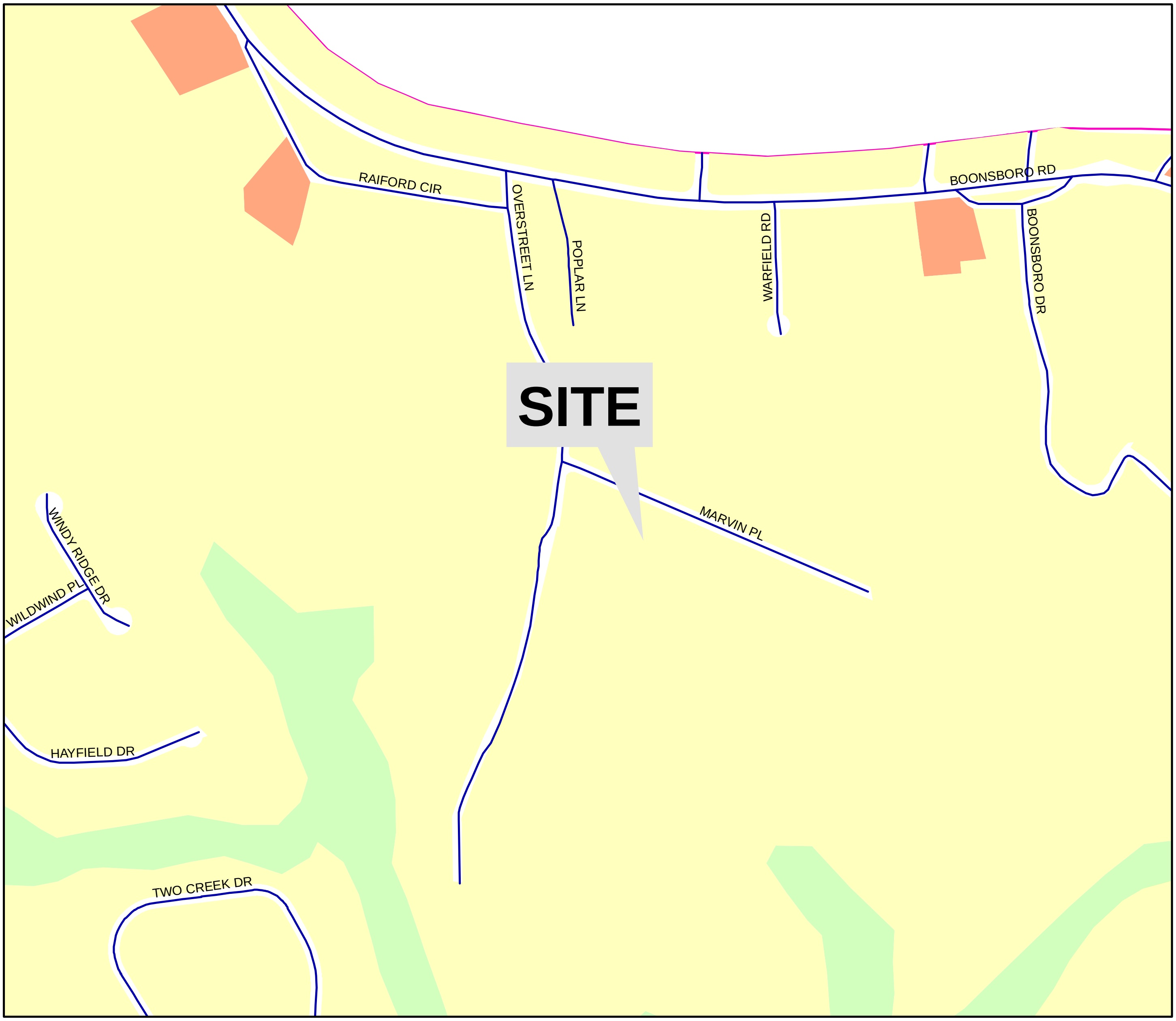
The commissioners felt that they did not have all the information they needed to make a recommendation as to who should hold the easement. They would like to defer to the City Attorney for a recommendation. Commissioner Barnes commented that his initial leaning is that VOF would hold the easement, since it relieves the City of potential burdens. Chair Hamilton said she felt that way as well but ultimately it is up to City Council as to how much risk they would like to take.

VICINITY ZONING MAP
300 AND 304 OVERSTREET LANE

Subject Property







- LocalHistoricDistrict
- Traditional Residential
- Low Density Residential
- Medium Density Residential
- High Density Residential
- Neighborhood Commercial
- Community Commercial
- Regional Commercial
- Employment 1
- Employment 2
- Office
- Institution
- Downtown
- Public Use
- Public Parks
- Resource Conservation
- Residential Mixed Use
- General Mixed Use
- Employment Mixed Use

300 AND 304 OVERSTREET LANE LAND USE MAP

N

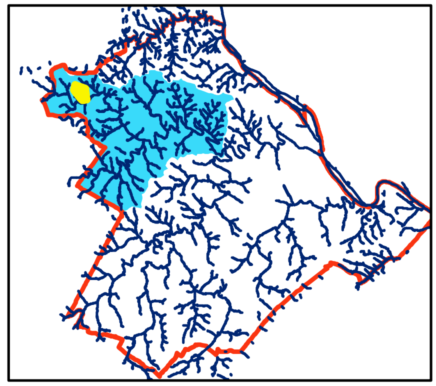
300 AND 304 OVERSTREET LANE

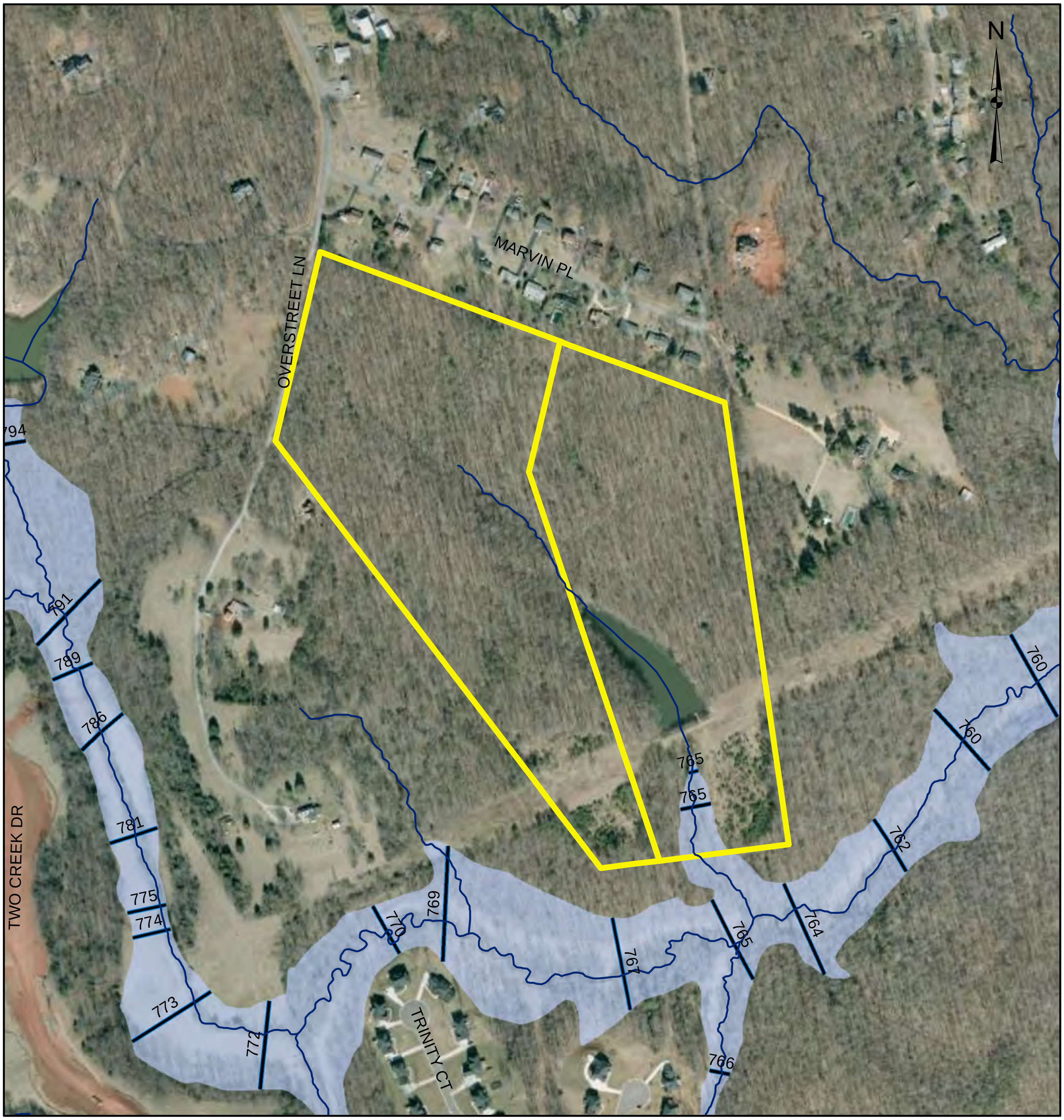
Watershed Location Map

Project Site

Ivy Creek

Corporate Limit





VIRGINIA OUTDOORS FOUNDATION

www.virginiaoutdoorsfoundation.org

February 2010

EASEMENT APPLICATION

Consult a VOF easement specialist before completing this form. Locate the VOF office that serves your locality by visiting our Web site or calling (540) 347-7727.

(OFFICE USE ONLY)	
Date received:	

I. LANDOWNER AND PROPERTY INFORMATION

County/City:	Lynchburg		Acres:	Fifty	
Property owner(s) as listed on deed. *Indicate relationship of owners, if applicable (single, married, siblings, etc.)*					
Peter W. Houck					
Contact Person(s):	Peter W. Houck				
Address:	3801 Manton Lane				
City/Town:	Lynchburg	State:	VA	Zip Code:	24503
Home Phone:	434-384-6039	Work:	434-200-6404	Cell:	434-660-3162
Fax:	434-947-5971	E-mail:	papadoc7@aol.com		
Preferred Contact Method:	Henry C. Devening (attorney) 434-847-6787 or hdevening@verizon.net				

Address of property (if different from above):

Street	City/Town	State	Zip

Tax Map or PIN (contiguous parcels to be included in easement)	Parcel Acreage (by county records)
# 20808001	27.83
# 20809001	22.52

1. Do you own other property in the immediate area? If so, please list the tax map parcel(s) or PIN:
No

2. Road Frontage (please list route numbers and road names on which the property lies):
Overstreet Lane & Marvin Place

3. Does the property receive land-use taxation from the county? YES [X] NO [ ]

4. Is there a mortgage on the property? (Lender will need to agree to the easement donation)

YES [ ] NO [X] Lender(s). ______________________

5. To the best of your knowledge, is there a survey of the property or of any portion of the property?

YES [X] NO [ ] Describe. ______________________

II. ATTORNEY INFORMATION

Landowner's Attorney:	Henry C. Devening				
Address:	P.O. Box 900, Lynchburg, VA 24505				
Phone:	434-847-6787	Fax:	434-847-1292	E-mail:	hdevening@verizon.net

III. PROPERTY FEATURES & PUBLIC CONSERVATION VALUES

PLEASE CHECK ALL THAT APPLY

Agriculture and Forestry

Length of family ownership: sixty years

- [ ] Land is being farmed by the owner/children
- [ ] Land is currently being farmed by a renter
- [ ] VDACS Virginia Century Farm
- [ ] USDA Farm Plan in place

Agriculture and Forestry Uses

- [ ] Livestock __________
- [ ] Crops __________
- [x] Managed forestry __________
- [ ] Horticulture __________
- [ ] Other __________

Natural

- [x] Contains streams/waterways

Describe: Stream and two acre pond

- [ ] Contains caves/unique geological feature
- [ ] Contains wetlands/tidal wetlands
- [ ] Lies on waterway used for public drinking water
- [ ] Federal or state documented rare species

Describe: __________

Historic

- [ ] Located within National Rural Historic District
- [ ] Listed on National Register of Historic Places
- [ ] Documented on local historic survey
- [ ] Federally documented battlefield (ABPP)
- [ ] Contains important archaeological features

Scenic

- [ ] Visible from officially designated scenic road
- [ ] Visible from designated Virginia Scenic River
- [ ] Visible to public from recreational waters
- [ ] Visible from public greenway or trail

Open Space

- [ ] Adjacent to local, state or federal park
- [ ] Adjacent to National Forest
- [ ] Adjacent to existing conservation easement
- [ ] Highly visible ridgetop/mountainside/scenic landscape

IV. ADDITIONAL INFORMATION

1. Number of dwellings on the property: Occupied 1 Vacant ____ Uninhabitable ____

2. Are there any agricultural buildings larger than 4,500 square feet? YES ☐ NO ■

3. Do you own your mineral rights (i.e. oil, gas, coal)? YES ■ NO ☐ NOT SURE ☐

4. Please describe any additional information relating to the property that might be important for VOF staff to know. *For example: boundary line dispute with adjacent owner, significant farm dumps or junk cars, family ownership issues (including life estate), or 3rd party easements through the property (major utility transmission lines, etc.)*

The property is in a low density residential/resource conservation area on the comprehensive plan for the City of Lynchburg. Both of these districts focus on open space and the resource conversation section focuses on streams and wetlands. The property contains a pond, springs, and wetland forebays. The city has been informed of this application and supports the application.

This property lies adjacent to an approximately thirty-two (32) acre parcel upon which is situated an historic property built in 1758. The owner of that property will submit an application with VOF and wishes to offer her property as well to be placed in a conservation easement, making the total adjoining acreage in excess of eighty (80) acres. In addition, a significant amount of adjoining property should remain undeveloped because of a power line easement, a flood plain, and access issues which, at the present time, do not permit development of approximately fifty (50) acres which adjoins the Houck property on the west.

Because this property is situated in the City of Lynchburg and is surrounded by development, this property as well as the adjacent property which is not likely to be developed serves as a wildlife refuge and supports of variety of wildlife habitat.

Financial Assistance

The Open-Space Land Preservation Trust Fund is available to help with the costs of conveying a conservation easement, which can be prohibitive to some landowners. The most common costs that can be covered are fees charged by attorneys and appraisers. Priority is given to applicants who demonstrate financial need, who seek assistance with costs only and who wish to convey an easement on a family farm.

Would you like to learn more about this fund? YES ☐ NO ☐

V. CONSERVATION EASEMENT CONSENT

Donation of a conservation easement is an act of land protection which will permanently affect how your land may be used in the future. Your easement donation is completely voluntary, and you may change your mind at any time until the easement is signed and delivered to the Virginia Outdoors Foundation (VOF). All restrictions on the use of your easement property that you are agreeing to are contained in the deed of easement. After the deed of easement is signed and recorded, these restrictions become permanently binding on you and all subsequent owners of the easement property. The easement and other information related to the donation that you provide to VOF will become a matter of public record after VOF Board approval. **All information contained in your VOF file, including photos of your property, is subject to Freedom of Information Act (FOIA) requests. Photos of your property taken by VOF staff may also be used for promotional purposes.**

VOF does not require an appraisal and is not involved in the appraisal process; however, if you intend to take a federal tax deduction or claim a state tax credit for a non-cash charitable gift, you will need to engage an independent appraiser to determine the value of the gift. VOF strongly recommends the use of a Certified General Appraiser.

In order to claim a state tax credit you will be required to submit a form to the Virginia Department of Taxation describing the easement being donated, the conservation purpose(s) being served by the donation, the fee simple value of the property being donated in absence of the restrictions set forth in the easement, the public benefit being derived from the donation, the extent to which water quality best management practices will be implemented on the property, whether the property is fully or partially forested, and, if so, whether a forest management plan is included in the terms of the donation. In addition, if you think that the appraised value of the easement may equal or exceed $2.5 million and you intend to claim a state tax credit for the gift, then you and your attorney should make certain that the terms of the easement meet or exceed the conservation value review criteria adopted by the Virginia Land Conservation Foundation.

You may transfer unused but otherwise allowable tax credit for use by another taxpayer on Virginia income tax returns. In the event that you decide to transfer a state tax credit to another taxpayer, the Virginia Department of Taxation will charge a fee on the transfer of the tax credit.

If there is a mortgage on the property to be placed under easement, the mortgage holder must subordinate the mortgage to the easement so that the easement will continue to protect the property after sale in the event of a foreclosure. In addition, subordination by the holder is necessary for the easement to be tax deductible under federal tax law. You or your attorney should contact the mortgage holder as soon as a final draft of the easement is complete, as the subordination process may take some time.

The Virginia Outdoors Foundation does not provide legal or tax advice. You should consult with your advisors on estate planning, real estate and tax matters and have an attorney assist you in the drafting and review of the easement throughout the process. You will also need your attorney to review with you the effect of the gift of easement on your estate plan.

I acknowledge that I have read the above information and understand the issues presented, and the information provided is correct to the best of my knowledge.

Landowner's Signature: T Rouche   Date: 9-20-10

0500048603

NOTES:

1. THIS COMPOSITE MAP WAS PREPARED AT THE REQUEST OF LEIGHTON HOUCK.
2. NO DETERMINATION OF WETLANDS HAS MADE NOR DOES THIS COMPOSITE MAP ADDRESS THE EXISTENCE OR DELINEATION OF ANY ENVIRONMENTALLY SENSITIVE AREAS IN OR AROUND THE BOUNDARIES OF THIS PROPERTY.
3. SUBSURFACE AND ENVIRONMENTAL CONDITIONS WERE NOT SURVEYED OR EXAMINED OR CONSIDERED AS PART OF THIS COMPOSITE MAP. NO EVIDENCE OR STATEMENT IS MADE CONCERNING THE EXISTENCE OF UNDERGROUND OR OVERHEAD CONDITIONS, CONTAINERS OR FACILITIES THAT MAY AFFECT THE USE OR DEVELOPMENT OF THIS PROPERTY.
4. THIS SURVEYOR HAS MADE NO INVESTIGATION OR INDEPENDENT SEARCH FOR EASEMENTS OF RECORD, ENCUMBRANCES, RESTRICTIVE COVENANTS, OWNERSHIP TITLE EVIDENCE, OR ANY OTHER FACTS THAT AN ACCURATE AND CURRENT TITLE SEARCH AND BOUNDARY SURVEY MAY DISCLOSE. THIS MAP WAS PREPARED WITHOUT THE BENEFIT OF A TITLE REPORT AND DOES NOT THEREFORE NECESSARILY INDICATE ALL ENCUMBRANCES OR IMPROVEMENTS ON THIS PROPERTY. ALL ADJOINING OWNERS ARE NOW OR FORMERLY.
5. THIS PROPERTY AS PLATTED FALLS WITHIN THE FLOOD ZONE "C" AS DETERMINED BY F.E.M.A. AND SHOWN ON THEIR MAP. NO CERTIFICATION BY THIS SURVEYOR IS MADE TO THE ACCURACY OF THE F.E.M.A. MAP.
6. IN PROVIDING THIS COMPOSITE MAP NO ATTEMPT HAS BEEN MADE TO OBTAIN OR SHOW DATA CONCERNING EXISTENCE, SIZE, DEPTH, CONDITION, CAPACITY OR LOCATION OF ANY UTILITY EXISTING ON THE SITE, WHETHER PRIVATE, MUNICIPAL OR PUBLIC OWNED.
7. IF THE SURVEYORS SIGNATURE ON THIS COMPOSITE MAP IS NOT SIGNED WITH BLUE INK, THIS PLAT IS A COPY AND COULD CONTAIN UNAUTHORIZED ALTERATIONS. CERTIFICATION APPLIES TO ORIGINAL COPIES.
8. ANY SUBAQUEOUS BEDS LOCATED WITHIN THE BOUNDARIES OF THIS PROPERTY MAY BE THE PROPERTY OF THE COMMONWEALTH OF VIRGINIA. THIS SURVEYOR HAS MADE NO ATTEMPT TO DETERMINE SAID OWNERSHIP. THEREFORE THE AREA SHOWN ON THIS PLAT IS PLUS OR MINUS AND IS INCLUSIVE OF ANY SUBAQUEOUS BEDS UNLESS OTHERWISE NOTED.
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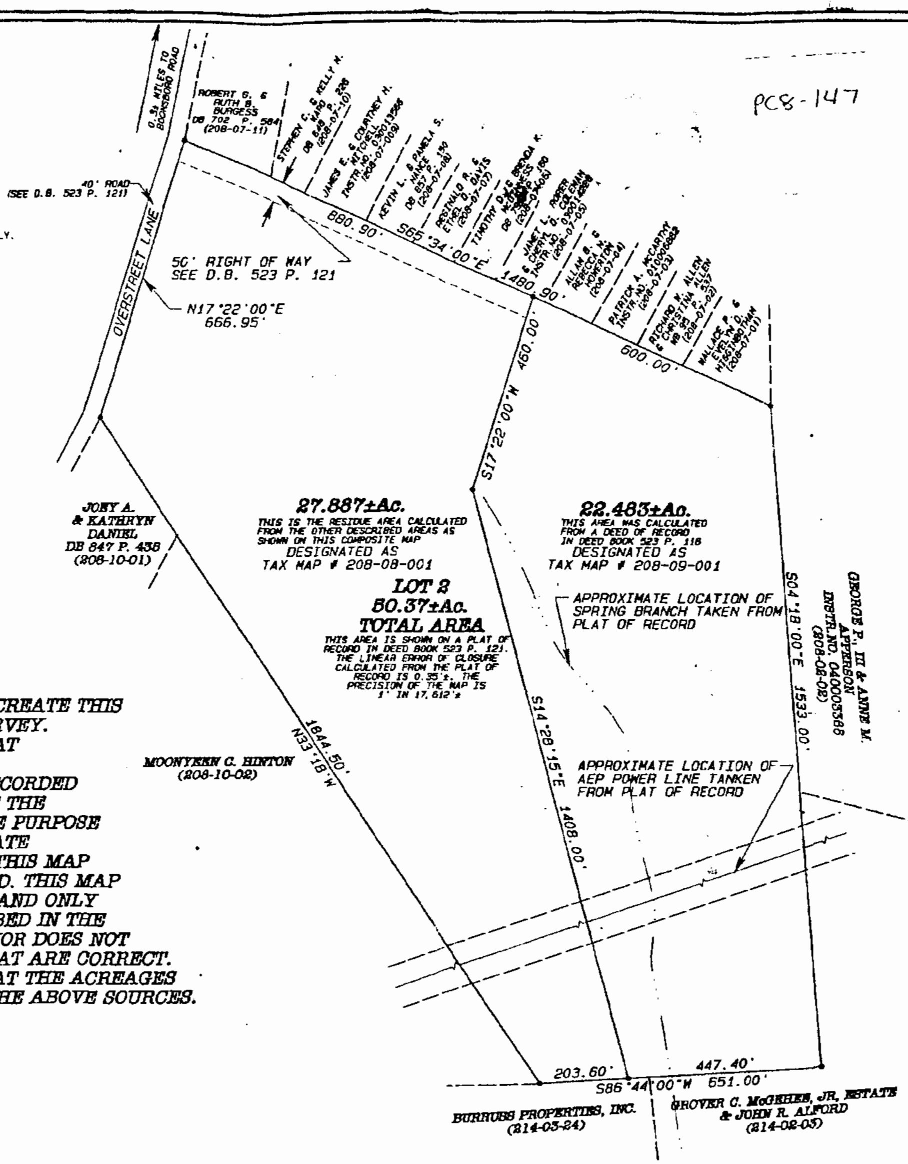
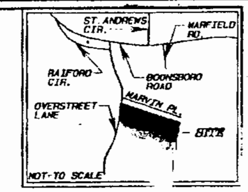
PCS-147





VICINITY MAP

PLEASE NOTE NO FIELD WORK WAS DONE TO CREATE THIS COMPOSITE MAP. THIS IS NOT A CURRENT SURVEY. THIS IS A COMPOSITE MAP MADE USING A PLAT BY ERSKINE W. PROFFITT RECORDED IN D.B. 523 P. 121 AND A DEED DESCRIPTION RECORDED IN D.B. 523 P. 116 IN THE CLERK'S OFFICE OF THE CIRCUIT COURT OF LYNCHBURG VIRGINIA. THE PURPOSE OF THIS MAP IS TO COMPUTE THE APPROXIMATE ACREAGES OF THE TWO PARCELS SHOWN ON THIS MAP FROM THE CURRENT INFORMATION OF RECORD. THIS MAP DOES NOT ESTABLISH ANY BOUNDARY LINES AND ONLY REPRESENTS METES AND BOUNDS AS DESCRIBED IN THE AFOREMENTIONED DOCUMENTS. THIS SURVEYOR DOES NOT CERTIFY THAT THE LINES SHOWN ON THIS PLAT ARE CORRECT. HOWEVER THIS SURVEYOR DOES CERTIFY THAT THE ACREAGES SHOWN ON THIS MAP WERE DERIVED FROM THE ABOVE SOURCES.

SOURCE OF TITLE:

THIS PROPERTY WAS CONVEYED TO PETER W. HOUCK BY DEED OF PARTITION DATED MAY 30, 1997 AND RECORDED IN DEED BOOK 1004 PAGE172 IN THE CLERK'S OFFICE OF THE CIRCUIT COURT OF LYNCHBURG, VIRGINIA.

THIS COMPOSITE MAP WAS PREPARED (AUGUST 18, 2004) FROM A PLAT AND DEED DESCRIPTION OF RECORD THIS COMPOSITE MAP WAS MADE UNDER MY SUPERVISION AND COMPLIES WITH THE MINIMUM STANDARDS AND PROCEDURES PERTAINING TO COMPOSITE MAPS AS ESTABLISHED BY THE VIRGINIA STATE BOARD OF ARCHITECTS, PROFESSIONAL ENGINEERS, LAND SURVEYORS, CERTIFIED INTERIOR DESIGNERS AND LANDSCAPE ARCHITECTS TO THE BEST OF MY KNOWLEDGE AND BELIEF.

COMMONWEALTH OF VIRGINIA
THOMAS C. BROOKS JR.
No. 2417
08/18/04
LAND SURVEYOR

GRAPHIC SCALE 1"=200'
0 200 400 600

ACRES OF VIRGINIA, INC.

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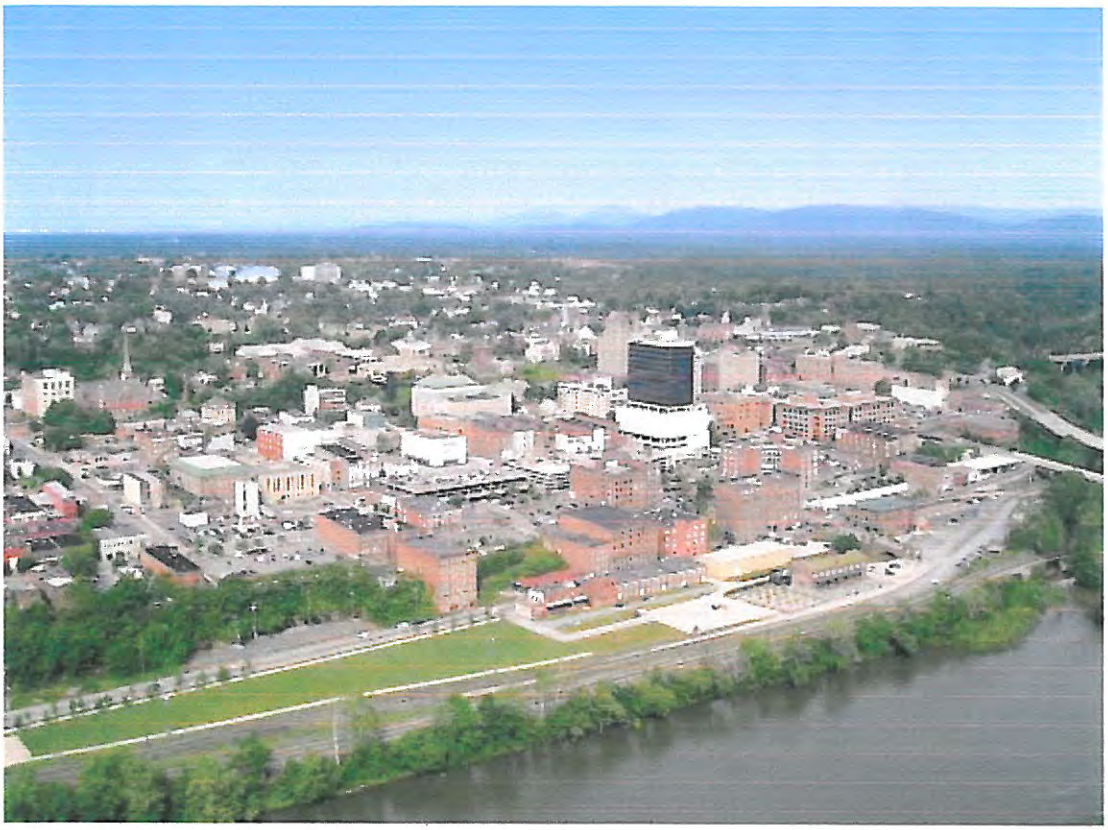
OFFICE COMPOSITE MAP
SHOWING
TAX MAP PARCEL 208-08-001 AND TAX MAP PARCEL 208-09-001
FORMERLY KNOWN AS LOT 2
PROPERTY OF
PETER W. HOUCK
LYNCHBURG, VIRGINIA
SURVEYED FOR: LEIGHTON HOUCK

SCALE: 1"=200'	DATE: AUGUST 18, 2004
COMM. NO. 04816/AD4816-SYSTEM-0-04	
TAX MAP 208-08-01 & 208-09-001	DATA COLLECTOR

Environmental Characteristics of Vacant Land in Lynchburg, Virginia



Richard D. Barnes, Louise A. Searle, and Erinn L. Sudol
Randolph College

David R. Perault
Lynchburg College

July, 2010

Introduction

The City of Lynchburg is blessed with outstanding natural beauty and abundant natural resources. As the City has developed, the rolling topography of hills, streams and ravines has led to a pattern of residential and commercial development interspersed with areas of undeveloped forest. Residents often cite the City's beauty and easy access to natural areas for recreation and relaxation as significant contributors to the quality of life in Lynchburg. The importance of natural systems in maintaining and enhancing residents' quality of life is recognized in the City's Comprehensive Plan (City of Lynchburg, 2002). Chapter 12 of the Comprehensive Plan lays out goals and objectives for protecting and managing the City's natural systems:

Goal 1. Promote an understanding of the value of natural systems (geology, landforms, vegetation, wildlife, air, water, noise, and energy, among others) in providing a pleasant, healthy, and safe environment for human activity.
Goal 2. Evaluate the potential effects, both positive and negative, of human activities (such as new development, redevelopment, installation of infrastructure, and resource use and disposal, among others) on natural systems.
Goal 3. Temper and refine human activities to promote and enhance the value of natural
systems.
Goal 4. Manage natural systems to improve the health and enjoyment of future generations.

The current project is based on Objective 4.B.9 of the Comprehensive Plan:

> Utilize GIS and other tools, such as the Virginia Conservation Lands Needs Assessment, to guide prioritization for conservation of current city open spaces and assessing impact of new development on surrounding natural systems.

The project applies principles of conservation development (Arendt, 1999, 2010) to the analysis of undeveloped land in the City of Lynchburg. Lynchburg covers approximately 50 square miles of land in three watersheds that drain into the James River. Because of state restrictions on annexation, the City cannot expand into the surrounding counties any time in the foreseeable future. Therefore, in order to accommodate increasing population while maintaining and protecting the quality of the city's environment, Lynchburg must carefully evaluate use of its remaining vacant properties. The City's Department of Community Development and City Council have recognized this need and have taken some initial steps toward analysis of Lynchburg's vacant land. In recent years, the city collaborated with the Region 2000 Partnership in a study of greenways and blueways in the city (Regional Greenway Steering Committee, 2003), and the City cooperated in a green infrastructure study conducted by graduate students from the University of Virginia's architecture and urban planning program (University of Virginia, 2008). However, neither of these studies specifically looked at the overall relationship between development and natural systems in Lynchburg. The primary goal of the current project is to develop a method for prioritizing vacant land parcels in Lynchburg based on environmental criteria, as a way of informing decisions about conservation and development.

Benefits of Conserving Open Space in Urban Areas

> "It is a scientific fact that the occasional contemplation of natural scenes of an impressive character ... is favorable to the health and vigor of men."
>
> --- Frederick Law Olmstead, 1865 (cited in Hartig, 2007)

Maintaining an appropriate balance between open space and development in urban areas can have number of benefits for a community. Environmental benefits include green infrastructure services such as filtration of pollutants in the air and stormwater, recharging of groundwater aquifers, reduction of soil erosion, and buffering for slowing stormwater runoff. In addition, undeveloped urban land can be a habitat for a number of species of birds and wildlife.. Urban open space also provides psychological benefits to a community. A number of studies indicate that exposure to natural environments has a restorative effect on human attention, and can decrease stress and contribute to an enhanced quality of life (Berman, Jonides & Kaplan, 2008; Jaffe, 2010; Kaplan & Berman, 2010; van den Berg, Hartig, & Staats, 2007). Specifically, studies indicate that exposure to nature can improve concentration and lower impulsivity (Taylor, Kuo and Sullivan, 2002), decrease irritability, conflict, and aggression (Kuo & Sullivan, 2001), and increase ability to tolerate frustration (Cackowski & Nasar, 2003). A classic study by Roger Ulrich showed that patients recovered faster from gall bladder surgery and required less pain medication when their hospital room had a view of nature (Ulrich, 1984). Taken together, these studies show that regular exposure to natural environments can measurably increase quality of life. Finally, urban open space can be an economic benefit for a community. Several studies have found that property values increase the closer the property is to a permanently preserved open space, such as a park or nature preserve (Geoghegan, 2002; Morancho, 2003; Tajima, 2003). The location of urban open space can influence the pattern of a city's development. Open space located within a city can draw development toward the open space, whereas open space on the perimeter of a city can pull development away from the center (Wu & Plantinga, 2003). These studies suggest that people perceive urban open space as an amenity and are willing to pay to live closer to it.

Sustainable Development and Conservation Development

Sustainable urban development is a low impact form of development in which there is efficient and effective use of energy and other resources, so that human habitats can coexist with the habitats of other species and quality of life can be preserved for future generations. A number of definitions for sustainable development have been proposed. The World Conservation Union defines sustainable development as "improving the quality of human life while living within the carrying capacity of supporting ecosystems." In *Planning for Sustainability*, Stephen Wheeler gives a simpler definition: "Sustainable development is development that improves the long term health of human and ecological systems" (Wheeler, 2008, p. 24). Sustainable development is explicitly stated as a goal in the City of Lynchburg's Comprehensive Plan:

> "Lynchburg will take pride in being a sustainable community; one that protects and manages its limited natural, historical, and cultural resources in such a way that the community environment, which its residents value and which sustains us today, will sustain future generations." (City of Lynchburg, 2002, p. 2)

Over the past few years the City has taken significant steps toward that goal by creating a Natural Resources Advisory Committee composed of local citizens and environmental scientists, by organizing a Sustainable City Committee to monitor and improve the sustainability of the City's internal operations, and by joining the International Council on Local Environmental Initiatives, an organization devoted to promotion of sustainability at the local level (http://www.iclei.org/). Lynchburg's Parks and Recreation Department maintains an extensive network of parks and trails throughout the City.

The current project expands on the principles of conservation subdivision design described by Arendt (1996). Arendt's model most often has been applied at the level of individual subdivision developments, however he also has discussed application of the principles to the local community level (Arendt, 1999, 2010). Traditional development often involves clear cutting and grading of a development site to maximize the number and size of level lots. In contrast, conservation development involves analysis of the natural and culturally significant features of a site, and then layout of lots for development in a way that protects these features. As described by Arendt, conservation subdivision development includes four steps: (1) identification of significant environmental and cultural resources on the site (2) identification of potential development areas, (3) location of specific sites within the development area, and (4) layout of transportation networks (streets and trails). An example of conservation development can be seen in the Town of Cary, North Carolina's Open Space and Historic Resources Plan (Town of Cary Planning Department, 2001)

The conversion of green space to low-density developments threatens both biodiversity and the land's ability to provide services to the city such as water and air filtration. Conservation development is an alternative growth strategy aimed to accommodate developers, homeowners, the city, and the environment by clustering construction on one part of a property in order to preserve the most ecologically important parts of the land and hence, its ecological services to the city (Pejchar, Morgan, Caldwell, Palmer, & Daily, 2007). Conservation subdivisions are ones built using this principle of offset density, resulting in a cluster of homes adjacent to a conserved green space. Such homes are attractive to residents because the green space is protected, guaranteeing the commodity of open space into the future (Bowman & Thompson, 2009; Bowman, Thompson, & Colletti, 2009). Successful conservation subdivisions are often ones that adhere to a conservation ordinance in their community and that have the green portion of the property adjoining the green space of surrounding parks, nature preserves, or conservation developments (Arendt, 2004). Conservation subdivisions, when integrated into planning, can save considerable amounts of green space at little or no cost to the community. For example, Hamburg Township in Michigan (about 10 square miles smaller than Lynchburg) preserved 2,000 acres of land using conservation development design principles (www.landchoices.com).

Methods and Results

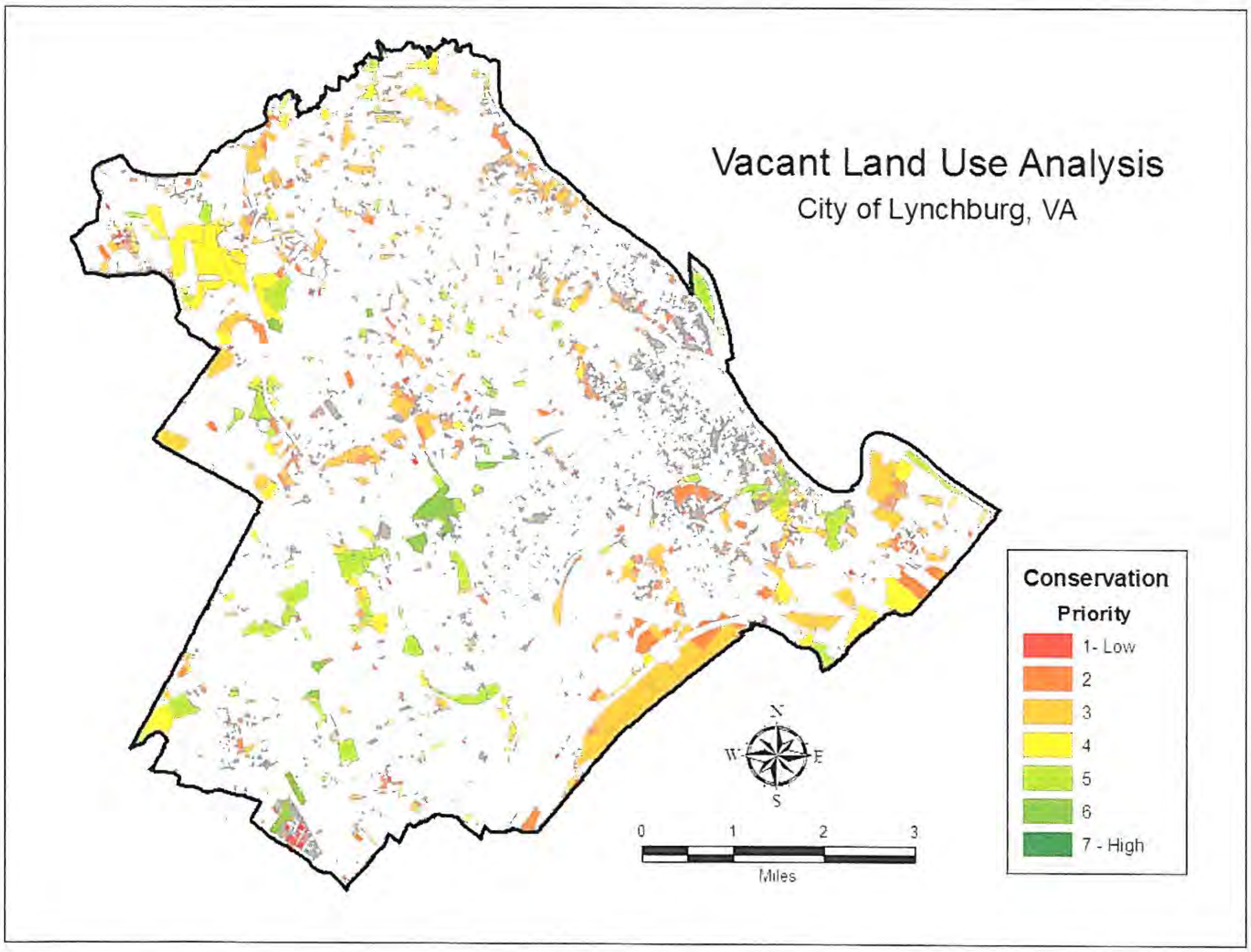
In the recently published *Smart Growth Manual*, a ten-step process is described for developing a smart growth plan in a community (Duany, Speck, & Lydon, 2010). The first four of these steps are similar to Arendt's conservation subdivision process, but applied on a community wide level:

1. Map the Greenprint. Identify the community's cumulative natural resources, including wetlands, floodplains, steep slopes, aquifer recharge areas, woodlands, and significant wildlife habitats.
2. Map the Rural Preserve. Identify land that is already protected from development, such as parks, land under conservation easement and land zoned for resource conservation.
3. Map the Rural Reserve. Identify additional land that should be protected.
4. Map Development Priorities. Identify and rank the areas best suited for growth.

Duany, Speck and Lydon suggest that a range of priorities areas for growth be identified, from high priority Intended Growth Sectors, to Controlled, Restricted, and No-Growth Sectors. This is similar to what the City does in developing the Future Land Use Map, but the emphasis here is on environmental characteristics of the land and clustering of development, rather than on identification of areas based on function (residential, commercial, employment, and others).

The current project applied this process to the City of Lynchburg's vacant land parcels. Geographic Information System (GIS) data files and maps were obtained from the City of Lynchburg Department of Community Development and from the Region 2000 Partnership. Information from the Region 2000 Greenways and Blueways Plan was used to identify the location of proposed greenways (Regional Greenway Steering Committee, 2003). The GIS data files and maps identified environmental characteristics such as the location of wetlands, flood plains, riparian buffers for local streams, steep slopes, location of forested land, land adjacent to parks, and land designated for Resource Conservation on the Future Land Use Map.

Data from these files were integrated into a GIS map of vacant land parcels in the city. If a parcel met the criterion for an environmental characteristic, it received a "1" for that characteristic. If the parcel did not meet the criterion, it received a "0". This resulted in a rating for each vacant parcel based on the number of environmental characteristics it contained. Since eight criteria were used, scores could range from 0 (low priority for conservation) to 8 (high priority for conservation). There were no properties with an overall rating of 0, and no property received a rating of 8, so the effective range of the scale is from 1 to 7. The resulting map of conservation priorities for vacant land parcels is shown below:



In addition, maps for individual environmental criteria were generated along with a map of currently conserved land. Maps for individual criteria are available in the electronic file that accompanies this report.

A Tool for Prioritizing Vacant Land for Conservation or Development

The method developed in this project provides a powerful and flexible structure for asking questions about the appropriateness of vacant land for conservation or development. In addition to an overall score, a parcel of interest can easily be further investigated to see which criteria contributed to that score. Many of the properties that scored as high priority for conservation in the current study are parcels that are close to Lynchburg's streams and lakes. This is not surprising since several of the criteria used in the rating process concern the location of the property relative to wetlands and waterways. While these criteria reflect the importance of protecting the quality of Lynchburg's streams and lakes, the same analysis could be performed using other criteria. For instance, criteria concerning wildlife habitats, land cover, soil condition, viewshed, or other issues or concerns could be added to the analysis. In addition, other criteria related to the suitability of the property for development could be included in the analysis, such as the proximity of the property to utility infrastructure, or the location of the property relative to density recommendations from other studies such as the Region 2000 Transportation Master Plan. The current study weighted the importance of each of the environmental criteria equally, but a weighted analysis also could be done, giving greater or lesser importance to specific criteria.

The primary strength of this method is that it provides a transparent way of generating quantitative ratings of a parcel's suitability for development or conservation. As such it has the potential to provide useful input into the City's land use decisions. Specifically, information generated by these analyses could be used in revisions to the City's Future Land Use map and to inform the Planning Commission and City Council in their deliberations on zoning and conditional use permit petitions. By identifying land that is appropriate for development and for conservation, the City may then develop incentives to encourage sustainable development in Lynchburg to maintain and enhance the quality of life in our City for future generations.

Acknowledgements

This project was funded through the 2010 Randolph College Summer Research Program. We are extremely grateful for the generous support and encouragement of The City of Lynchburg Department of Community Development and GIS staff, Virginia's Region 2000 Partnership, and the Lynchburg College Department of Environmental Sciences.

Appendix A: Definition of Vacant Parcels

According to the City of Lynchburg Department of Community Development, a vacant parcel is defined as properties in which there are no

- structures
- parks
- railroads
- electric substations
- cell towers
- radio towers
- parking
- cemeteries
- athletic areas

The primary data in the GIS vacant land file is from 2007, but City staff updated it by researching construction permits and demolition permits since then, so the data file is current as of March 2010.

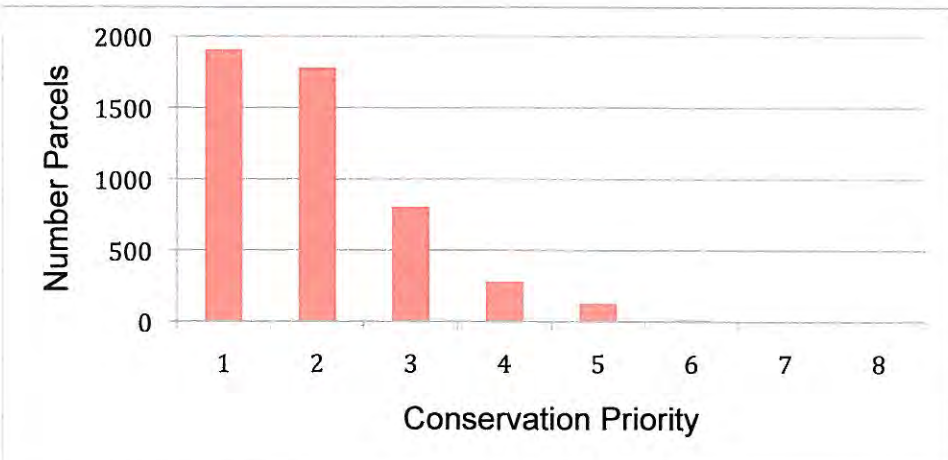
Appendix B: GIS Selection Criteria Matrix

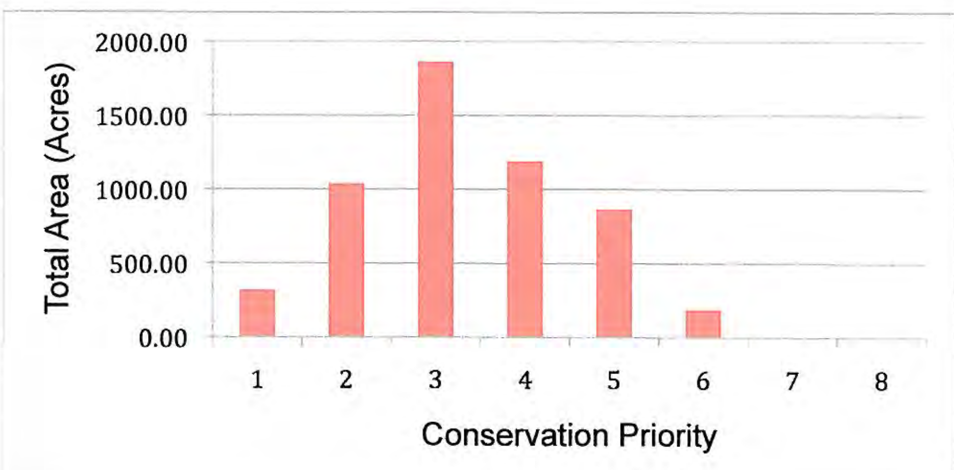
The following environmental criteria were used in conducting the current vacant land analysis:

Vacant Land Analysis Criteria				
Category of Data	**Source**	**GIS Criterion**	**Conserve if**	**Develop if**
Wetlands	City	within a distance of	< 100'	> 100'
Floodplains	City	within a distance of	< 50'	> 50'
Hydro	City	within a distance of	< 100'	> 100'
Steep Slopes	City	contains	> 25%	< 25%
Woodlands/Treeline	City, Green Infrastructure	intersects	intersects	does not intersect
Greenways	Greenways Plan	crossed by the outline of	crossed by	not crossed by
Parks	City	within a distance of	0'	> 0'
FLUM Resource Conservation	City	contains	contains	does not contain

Appendix C: Distribution of Parcels by Conservation Priority Rating

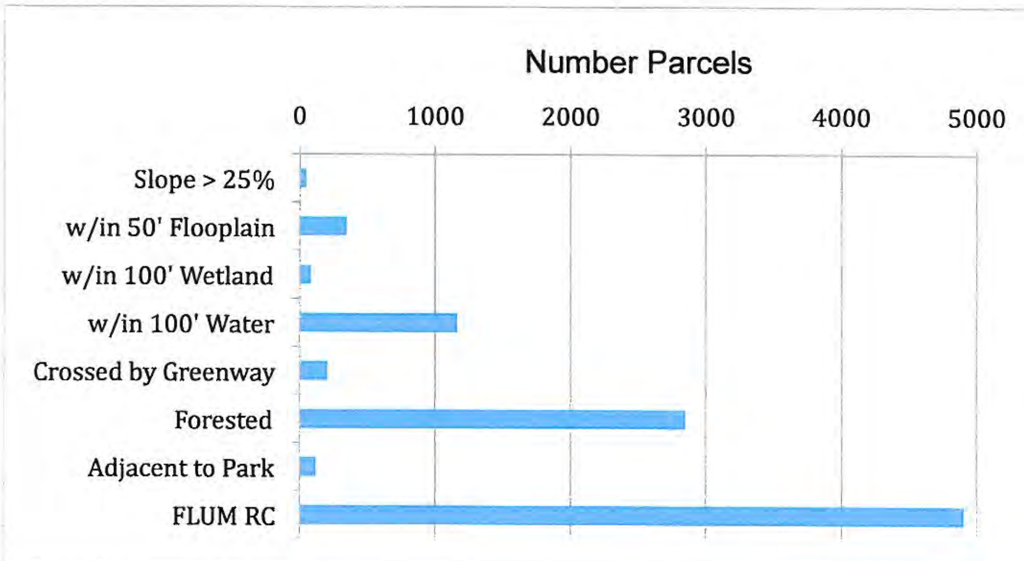
Conservation Priority	Number Parcels	Total Area (Acres)
1	1907	317.38
2	1780	1038.10
3	804	1863.56
4	280	1189.50
5	127	865.06
6	13	186.81
7	1	1.80
8	0	0.00
	4912	5462.20

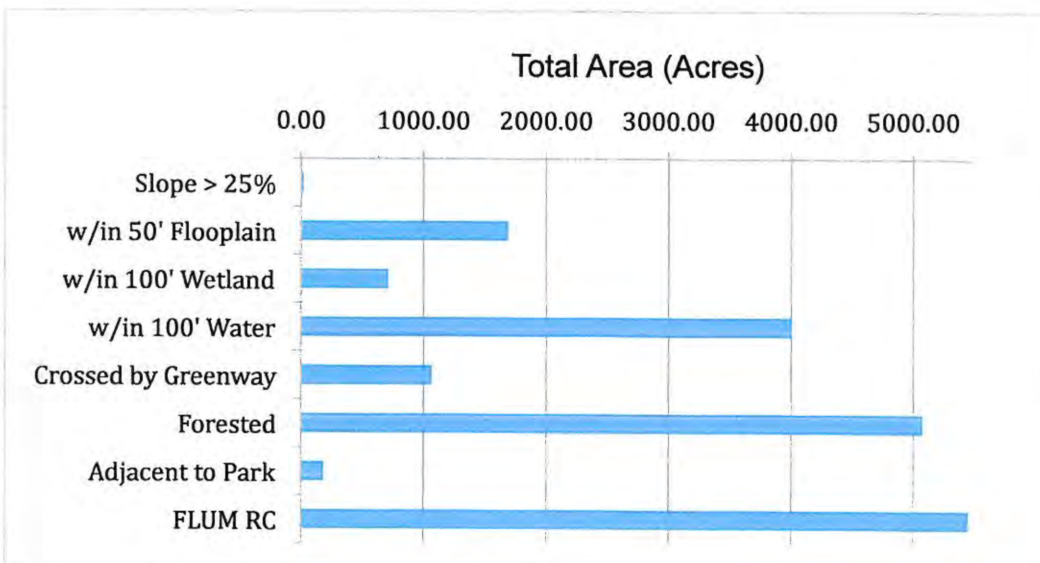




Appendix D: Distribution of Parcels by Environmental Criterion

Criteria (Conserve)	Number Parcels	Total Area (Acres)
Slope > 25%	46	20.15
w/in 50' Flooplain	346	1689.40
w/in 100' Wetland	83	713.36
w/in 100' Water	1164	4004.30
Crossed by Greenway	205	1065.65
Forested	2849	5075.43
Adjacent to Park	120	184.95
FLUM RC	4906	5447.77





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LYNCHBURG CITY COUNCIL
Agenda Item Summary

MEETING DATE: **May 10, 2011** AGENDA ITEM NO.: 15

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

ACTION: **X** INFORMATION:

ITEM TITLE: **Adoption of Resolutions Authorizing Borrowing by the Central Virginia Community Services Board**

RECOMMENDATION: Adopt the attached resolutions authorizing the Central Virginia Community Services Board (CVCSB) to borrow funds for two projects as described below.

SUMMARY: The CVCSB has adopted the attached resolutions indicating its intention to borrow funds for two projects as follows:

- $800,000 in State bond funds to build and operate an intermediate care facility for adults with intellectual disabilities in the Central Virginia area
- $1,000,000 for electronic health record software and related hardware

The member jurisdictions of the CVCSB are required to authorize the borrowing through the adoption of resolutions. Each resolution includes the following statement: *"Borrowing of any funds and the execution of any loan documents shall not directly, indirectly or contingently obligate The City of Lynchburg to pledge its faith and credit or to levy any taxes for the payment of the principal of or premium, if any, and interest on any obligations for borrowed funds of Central Virginia Community Services Board."*

PRIOR ACTION(S): None

FISCAL IMPACT: None

CONTACT(S): Kimball Payne, 455-3990

ATTACHMENT(S): CVCSB Resolutions; Proposed Resolutions for Council adoption.

REVIEWED BY: lkp

RESOLUTION OF CENTRAL VIRGINIA COMMUNITY SERVICES TO SEEK FINANCING AND UTILIZE GRANT OF STATE BOND FUNDS TO BUILD INTERMEDIATE CARE FACILITY FOR ADULTS WITH INTELLECTUAL DISABILITIES

WHEREAS, Central Virginia Community Services Board (the "Board") is a governmental entity of the Commonwealth of Virginia duly created pursuant to Chapter 5, Title 37.2 of the Code of Virginia of 1950, as amended (the "Act"), and is organized and operated in accordance with a Charter Agreement by and among the Counties of Amherst, Appomattox, Bedford and Campbell, and the Cities of Bedford and Lynchburg (collectively, the "Member Jurisdictions").

WHEREAS, Central Virginia Community Services Board has determined to seek financing and utilize a grant of State bond funds to build and operate an intermediate care facility for adults with intellectual disabilities in the Central Virginia area; and,

WHEREAS, Central Virginia Community Services Board may deem it necessary and prudent to borrow funds necessary to carry out the purposes for which it was organized.

NOW, THEREFORE, BE IT RESOLVED:

1. The Board of Directors of Central Virginia Community Services (the "Board") hereby approves the execution and compliance with the Funding Agreement between the Commonwealth of Virginia Department of Behavioral Health and Developmental Services and Central Virginia Community Services Board and authorizes the acceptance of funds pursuant to said Funding Agreement, and hereby authorizes the Officers of the Board to borrow funds for said project not in excess of **$ 800,000.00** and to recommend to the Member Jurisdictions that each Member Jurisdiction adopt a resolution substantially in the form attached hereto in order to comply with the provisions of Section 37.2-504 of the Code of Virginia.

2. Borrowing of any funds and the execution of any loan documents shall not directly, indirectly or contingently obligate the Commonwealth of Virginia or any Member Jurisdiction to pledge its faith and credit or to levy any taxes for the payment of the principal of or premium, if any, and interest on any obligation for borrowed funds or other costs incident to it.

3. All prior acts of the Officers of Central Virginia Community Services Board and other officers, agents or representatives of the Board that are in conformity with the purposes and intent of this Resolution and in furtherance of the execution of the Funding Agreement, the financing and utilization of grants funds to acquire and/or construct an intermediate care facility for adults with intellectual disabilities, are hereby ratified, reaffirmed and approved.

[Remainder of Page Intentionally Left Blank]

The undersigned Chairman of the Board of the Central Virginia Community Services Board of Central Virginia, hereby certifies that the foregoing is a true, correct and a complete copy of a resolution adopted by a majority of the Board of Directors of the Board present and voting at a meeting duly called and held on February 23, 2011, and that such resolution has not been repealed, revoked, rescinded or amended, but is in full force and effect on the date hereof. A summary of the members present or absent at such meeting, and the recorded vote with respect to the foregoing resolution, is set forth below:

			Voting		
Director Name	**Present**	**Absent**	**Yes**	**No**	**Abstaining**
CLARK, Clyde	X		X		
CRAFT, William	X		X		
DRAKE, Debbie		X			
GOLDSMITH, Stan	X		X		
HELGESON, Jeff		X			
HULLETTE, Krystal (Absent during voting)		X			
KOENIG, Dana		X			
MARPLE, Gary	X		X		
PARRISH, Leon		X			
ROSE, Marsha		X			
SNEAD, Parks	X		X		
SPIGGLE, Mary Lou	X		X		
SCHNEIDER, William	X		X		
STELLE, Terry	X		X		
THEISEN, Phil	X		X		

Gary E. Marple

Gary Marple, Chairman of the Board of Directors,
Central Virginia Community Services Board

RESOLUTION OF CENTRAL VIRGINIA COMMUNITY SERVICES TO SEEK FINANCING TO PURCHASE ELECTRONIC HEALTH RECORD SYSTEM

WHEREAS, Central Virginia Community Services Board (the "Board") is a governmental entity of the Commonwealth of Virginia duly created pursuant to Chapter 5, Title 37.2 of the Code of Virginia of 1950, as amended (the "Act"), and is organized and operated in accordance with a Charter Agreement by and among the Counties of Amherst, Appomattox, Bedford and Campbell, and the Cities of Bedford and Lynchburg (collectively, the "Member Jurisdictions").

WHEREAS, Central Virginia Community Services Board has determined to seek financing to purchase electronic health record software and related hardware in order to be in compliance with federal regulations and to operate more efficiently; and,

WHEREAS, Central Virginia Community Services Board may deem it necessary and prudent to borrow funds necessary to carry out the purposes for which it was organized and to purchase electronic health record software and related hardware.

NOW, THEREFORE, BE IT RESOLVED:

1. The Board of Directors of Central Virginia Community Services (the "Board") hereby authorizes the Officers of the Board to borrow funds to purchase electronic health record software and related hardware not in excess of **$ 1,000,000.00** (one million dollars) and to recommend to the Member Jurisdictions that each Member Jurisdiction adopt a resolution substantially in the form attached hereto in order to comply with the provisions of Section 37.2-504 of the Code of Virginia.

2. Borrowing of any funds and the execution of any loan documents shall not directly, indirectly or contingently obligate the Commonwealth of Virginia or any Member Jurisdiction to pledge its faith and credit or to levy any taxes for the payment of the principal of or premium, if any, and interest on any obligation for borrowed funds or other costs incident to it.

3. All prior acts of the Officers of Central Virginia Community Services Board and other officers, agents or representatives of the Board that are in conformity with the purposes and intent of this Resolution and in furtherance of the execution of the Funding Agreement, the financing and utilization of grant funds to acquire and/or construct an intermediate care facility for adults with intellectual disabilities, are hereby ratified, reaffirmed and approved.

[Remainder of Page Intentionally Left Blank]

The undersigned Chairman of the Board of the Central Virginia Community Services Board of Central Virginia, hereby certifies that the foregoing is a true, correct and a complete copy of a resolution adopted by a majority of the Board of Directors of the Board present and voting at a meeting duly called and held on February 23, 2011, and that such resolution has not been repealed, revoked, rescinded or amended, but is in full force and effect on the date hereof. A summary of the members present or absent at such meeting, and the recorded vote with respect to the foregoing resolution, is set forth below:

			Voting		
Director Name	**Present**	**Absent**	**Yes**	**No**	**Abstaining**
CLARK, Clyde	X		X		
CRAFT, William	X		X		
DRAKE, Debbie		X			
GOLDSMITH, Stan	X		X		
HELGESON, Jeff		X			
HULLETTE, Krystal (Absent during voting)		X			
KOENIG, Dana		X			
MARPLE, Gary	X		X		
PARRISH, Leon		X			
ROSE, Marsha		X			
SNEAD, Parks	X		X		
SPIGGLE, Mary Lou	X		X		
SCHNEIDER, William	X		X		
STELLE, Terry	X		X		
THEISEN, Phil	X		X		

Gary E. Marple

Gary Marple, Chairman of the Board of Directors,
Central Virginia Community Services Board

RESOLUTION FOR CENTRAL VIRGINIA COMMUNITY SERVICES TO SEEK FINANCING AND UTILIZE GRANT OF STATE BOND FUNDS TO BUILD INTERMEDIATE CARE FACILITY FOR ADULTS WITH INTELLECTUAL DISABILITIES

WHEREAS, Central Virginia Community Services Board is a governmental entity of the Commonwealth of Virginia created pursuant to provisions of Chapter 5 of Title 37.2 of the Code of Virginia pursuant to a joint agreement between the Counties of Amherst, Appomattox, Bedford and Campbell, and the Cities of Bedford and Lynchburg, in order to provide those jurisdictions with mental health, intellectual disability, and substance abuse services; and,

WHEREAS, Section 37.2-504. A.8. and 11. of the Code of Virginia, 1950, as amended, allows Community Services Boards such as Central Virginia Community Services Board to accept grants of money or property from any source and utilize them as authorized by the governing body of each city or county that established it, and to obtain loans as authorized by the governing body of each city or county that established it; and,

WHEREAS, Central Virginia Community Services Board has determined to build an intermediate care facility for adults with intellectual disabilities utilizing grant funds from the Commonwealth of Virginia, and possible other sources, and to borrow funds in amounts determined necessary by Central Virginia Community Services Board to utilize said grants and to purchase and/or build an intermediate care facility for adults with intellectual disabilities, provided, however, said borrowing shall not exceed **$800,000.00**.

NOW, THEREFORE, BE IT RESOLVED that Central Virginia Community Services Board is hereby authorized by The City of Lynchburg to pay said loans or to accept and utilize such grant funds at it receives from the Commonwealth of Virginia or other entities and to borrow funds necessary in an amount not to exceed **$800,000.00** to acquire, build, and operate an intermediate care facility for adults with intellectual disabilities pursuant to such terms and provisions as Central Virginia Community Services Board deems appropriate for such purposes.

Adopted:

Certified: ______________________________

Clerk of Council

072L1

Borrowing of any funds and the execution of any loan documents shall not directly, indirectly or contingently obligate The City of Lynchburg to pledge its faith and credit or to levy any taxes for the payment of the principal of or premium, if any, and interest on any obligations for borrowed funds of Central Virginia Community Services Board.

I herby certify that the foregoing is a true and exact copy of a Resolution adopted at an adjourned meeting of the City Council of The City of Lynchburg, Virginia, held on May 10, 2011, at which said meeting a quorum was present and voted.

____
Valeria Chambers

Title: Clerk of Council_________________

RESOLUTION FOR CENTRAL VIRGINIA COMMUNITY SERVICES TO SEEK FINANCING TO PURCHASE ELECTRONIC HEALTH RECORD SYSTEM

WHEREAS, Central Virginia Community Services Board is a governmental entity of the Commonwealth of Virginia created pursuant to provisions of Chapter 5 of Title 37.2 of the Code of Virginia pursuant to a joint agreement between the Counties of Amherst, Appomattox, Bedford and Campbell, and the Cities of Bedford and Lynchburg, in order to provide those jurisdictions with mental health, intellectual disability, and substance abuse services; and,

WHEREAS, Section 37.2-504. A.8. and 11. of the Code of Virginia, 1950, as amended, allows Community Services Boards such as Central Virginia Community Services Board to accept grants of money or property from any source and utilize them as authorized by the governing body of each city or county that established it, and to obtain loans as authorized by the governing body of each city or county that established it; and,

WHEREAS, Central Virginia Community Services Board has determined that it is required to acquire electronic health record software and related hardware in order to be in compliance with federal regulations, provided, however, said borrowing shall not exceed **$ 1,000,000.00** (one million dollars).

NOW, THEREFORE, BE IT RESOLVED that Central Virginia Community Services Board is hereby authorized by The City of Lynchburg to purchase electronic health record software and to borrow funds necessary in an amount not to exceed **$ 1,000,000.00** (one million dollars) to purchase said software and related hardware.

Adopted:

Certified: ______________________________
Clerk of Council

072L2

Borrowing of any funds and the execution of any loan documents shall not directly, indirectly or contingently obligate The City of Lynchburg to pledge its faith and credit or to levy any taxes for the payment of the principal of or premium, if any, and interest on any obligations for borrowed funds of Central Virginia Community Services Board.

I herby certify that the foregoing is a true and exact copy of a Resolution adopted at an adjourned meeting of the City Council of The City of Lynchburg, Virginia, held on May 10, 2011, at which said meeting a quorum was present and voted.

____
Valeria Chambers

Title: Clerk of Council __________________

LYNCHBURG CITY COUNCIL
Agenda Item Summary

MEETING DATE: **May 10, 2011**			AGENDA ITEM NO.: 16
CONSENT:	REGULAR: **X**	WORK SESSION:	CLOSED SESSION: (Confidential)
ACTION: **X**		INFORMATION:	

ITEM TITLE: **Resolution to Participate in the Virginia Department of Transportation (VDOT) Revenue Sharing Grant Program**

RECOMMENDATION: Adopt a resolution to support a $1.0 million grant application to VDOT to compete in the Revenue Sharing Grant Program. If successful, these funds will be used for transportation improvements in the City.

SUMMARY: VDOT is accepting applications for their Revenue Sharing Grant Program. A resolution adopted by City Council is needed to support the City's $1.0 million application to be used for transportation improvements. The resolution is due sooner this year and needs to be adopted before the Commonwealth Transportation Board meeting on May 18. The City must provide $1.0 million in local matching funds. The total State budget for the grant program is $50 million.

This grant will give the City potential to accelerate one project within the City's Capital Improvement Program that has been pushed out into later years previously. The Timberlake Road / Wards Ferry Road area has been under observation by City Staff since 2003 when a study was conducted. The improvements would consist of several safety and capacity improvements between the Northwest Expressway and Leesville Road including turn-lane, ramp and signal improvements to reduce the queuing and back-ups at the adjacent interchange.

The State is scheduled to make its award determination in June 2011. If awarded, the City project associated with this grant will be accelerated and consultant engineering could be procured after January 2012.

PRIOR ACTION(S): None

FISCAL IMPACT: To meet the State matching fund requirement, a $1.0 million allocation will need to be programmed in to the FY 2012 Capital Improvement Program for transportation improvement projects.

CONTACT(S): Lee Newland, PE, City Engineer, 455-3947
Dave Owen, Director of Public Works, 455-4469

ATTACHMENT(S): Resolution

REVIEWED BY: lkp

RESOLUTION TO PARTICIPATE IN THE REVENUE SHARING GRANT PROGRAM

WHEREAS, the Council of the City of Lynchburg desires to submit an application for an allocation of funds of up to $1,000,000 through the Virginia Department of Transportation Fiscal Year 2011-2012, Revenue Sharing Program; and,

WHEREAS, $1,000,000 of these funds are requested to support the rehabilitation, and improvements needed for the continued safe operation at Timberlake Road and Wards Ferry Road intersection within the City of Lynchburg; and,

NOW, THEREFORE, BE IT RESOLVED That the Council of the City of Lynchburg does hereby support this application for an allocation of $1,000,000 through the Virginia Department of Transportation Revenue Sharing Program.

BE IT FURTHER RESOLVED That L. Kimball Payne, III, City Manager, is authorized to execute any and all Agreements for this project.

Adopted:

Certified: ______________________________
Clerk of Council

067L

LYNCHBURG CITY COUNCIL
Agenda Item Summary

MEETING DATE: **May 10, 2011** AGENDA ITEM NO.: 17

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

ACTION: **X** INFORMATION:

ITEM TITLE: **Revision to City's Financial Management Policies for Fund Balance**

RECOMMENDATION:
Review and adopt the revisions to the City's Financial Management Policies for Fund Balance.

SUMMARY:
In February 2009, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 54 – Fund Balance Reporting and Governmental Fund Type Definitions. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2010. This Statement establishes criteria for classifying Fund Balance into five classifications for the governmental funds. The classifications are:
Nonspendable Fund Balance: includes amounts that cannot be spent because they are either not in spendable form such as inventories and prepaids or they are legally or contractually required to be maintained intact.
Restricted Fund Balance: includes amounts that have constraints placed on their use by external sources such as creditors, grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.
Committed Fund Balance: includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the highest level of decision making authority.
Assigned Fund Balance: includes amounts that are constrained by the government's intent to be used for specific purposes but are neither restricted nor committed.
Unassigned Fund Balance: the positive fund balance within the General Fund which has not been classified as Restricted, Committed or Assigned and negative fund balances in other governmental funds.

As a result of these new classifications of Fund Balance, the City's Financial Management Policies for Fund Balance must be updated to incorporate the requirements of GASB 54. The City complies with the GASB recommended practice of adopting Financial Management policies, including a Fund Balance Policy.

For Committed Fund Balance, the City must state the highest level of decision making authority and the formal action required to establish, modify or rescind a fund balance commitment. For Assigned Fund Balance, the City must state the body or official authorized to assign amounts to a specific purpose and the policy established by the governing body pursuant to which that authorization is given. Finally, the City must indicate whether the City considers restricted or unrestricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available and whether committed, assigned or unassigned amounts are considered to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used. The attached policy addresses all of the requirements of GASB 54.

The former classification of Undesignated Fund Balance will be replaced with Unassigned Fund Balance.

PRIOR ACTION(S):
The Fund Balance Financial Policy was originally adopted by Council on August 10, 1999 and has been periodically revised or reaffirmed.
November 14, 2000 Reaffirmed
October 29, 2002 Revised
September 23, 2004 Reaffirmed
December 12, 2006 Reaffirmed
December 9, 2008 Reaffirmed
November 23, 2010 Reaffirmed

FISCAL IMPACT:
No fiscal impact.

CONTACT(S):
Donna Witt, Director of Financial Services, 455-3968

ATTACHMENT(S):
Resolution
Proposed Financial Management Policy for Fund Balance

REVIEWED BY:
bms

RESOLUTION:

BE IT RESOLVED that City Council adopts the Financial Management Policies for Fund Balance as updated in accordance with the requirements of GASB 54, Financial Management Policies – Fund Balance (revised May 10, 2011).

Adopted:

Certified: ________________________
Clerk of Council

070L

Financial Management Policies
Policy I – Fund Balance
Proposed New Policy in accordance with GASB 54
May 2011

General Fund

***Unassigned* Fund Balance:**

- The City of Lynchburg's ~~Undesignated~~ *Unassigned* General Fund Balance will be maintained at a level to provide the City with sufficient working capital and a comfortable margin of safety to address emergencies and unexpected declines in revenue without borrowing.
- The City shall not use the ~~Undesignated~~ *Unassigned* General Fund Balance to finance recurring operating expenditures.
- The City will maintain an ~~Undesignated~~ *Unassigned* General Fund Balance (UGFB) equal to 10% of General Fund revenues. In the event the UGFB is used to provide for temporary funding of unforeseen emergency needs, the City shall restore the ~~Undesignated~~ *Unassigned* General Fund Balance to the minimum of 10% over five years.
- Funds in excess of the targeted 10% fund balance may be considered to supplement "pay-as-you-go" capital outlay expenditures, other non-recurring expenditures or as additions to fund balance.

Committed Fund Balance:

Committed fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the highest level of decision making authority - City Council. Formal Council action includes the annual adoption of the City's Budget Ordinance/Resolution, Council Resolutions appropriating funds and/or resources, Budget amendments appropriating funds and resources from third quarter adjustments and Budget amendments to carry forward appropriations that were unexpended at fiscal year end.

Assigned Fund Balance:

Assigned fund balance includes amounts that are constrained by the government's intent to be used for specific purposes but are neither restricted nor committed. Fund Balance may be assigned either through the encumbrance process as a result of normal purchasing activity (which includes the issuance of a purchase order), or by the City Manager or his designee.

Restricted Fund Balance:

Restricted fund balance includes amounts that have constraints placed on their use by external sources such as creditors, grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

NonSpendable Fund Balance:

Nonspendable Fund Balance includes amounts that cannot be spent because they are either not in spendable form such as inventories and prepaids or they are legally or contractually required to be maintained intact.

***Policy on the order of spending resources**:*

The City considers restricted fund balance to be spent when an expenditure is incurred for purposes for which restricted and unrestricted fund balance are available unless prohibited by legal documents or contracts. When an expenditure is incurred for purposes for which committed, assigned or unassigned amounts are available, the City considers committed fund balance to be spent first, then assigned fund balance, and lastly unassigned fund balance.

LYNCHBURG CITY COUNCIL
Agenda Item Summary

MEETING DATE: **May 10, 2011** AGENDA ITEM NO.: 18

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

ACTION: **X** INFORMATION:

ITEM TITLE: **1) Adoption and Appropriation of the FY 2012 Operating Budget; 2) Adopt a Resolution Authorizing the City Manager to Award Monetary Incentives, Awards, and Bonuses to Employees for Exceptional Services; 3) Adopt the personal property tax relief rate.**

RECOMMENDATION:
Adopt and appropriate the FY 2012 Operating Budget; adopt a resolution authorizing the City Manager to award monetary incentives, awards, and bonuses to employees for exceptional services; adopt a resolution to set the personal property tax relief rate.

SUMMARY:
Following the April 5, 2011 Public Hearing for the FY 2012 Budget, Council incorporated several adjustments to the Proposed FY 2012 General Fund Budget as follows:

General Fund

Revenues and Use of Fund Balance	**Proposed Operating Budget**	**Adjustments**	**Revised Budget**
Revenues	$154,001,703	$301,398	$154,303,101
Use of Fund Balance	9,562,649	(543,536)	$9,019,113
Total Revenues and Use of Fund Balance	**$163,564,352**	**($242,138)**	**$163,322,214**
Expenditures			
Operations	$103,398,921	($519,521)	$102,879,400
Debt Service	14,727,384	205,887	$14,933,271
Schools-Operations	31,942,103	0	$31,942,103
Greater Lynchburg Transit Company	1,143,714	0	$1,143,714
Transfers to Other Funds	2,179,781	(333,265)	$1,846,516
Reserves	1,074,362	848,297	$1,922,659
Capital Improvements	9,098,087	(443,536)	$8,654,551
Total Expenditures, Reserves, and Transfers	**$163,564,352**	**($242,138)**	**$163,322,214**

Details of these adjustments can be found in Attachment A.

Also, state code requires that the personal property tax relief rate be set at the time the budget is adopted.

Adopting Resolutions A, B, E, F, G, M, N, O, P, Q and R require a majority vote of all of the members of City Council in attendance, said vote to be taken by ayes and noes.

Adopting Resolutions C, D, H, I, J, K, and L require a two-thirds majority vote (i.e. five of seven) among the members elected to City Council, said vote to be taken by ayes and noes.

Fund Balance
With the adjustments noted above, the General Fund undesignated fund balance as of June 30, 2012 is projected to be $15,830,783, or 10.3% of revenues. Council's target for undesignated fund balance is 10.0% of revenues.

PRIOR ACTION(S):
March 8, 15, 22, 29, April 12, 26, 2011 – City Council Work Sessions
April 5, 2011 – Public Hearing on the Proposed FY 2012 Budgets for City Government, Public Schools, Water, Sewer, Airport and Other Funds, and the FY 2012 - 2016 Capital Improvement Program

BUDGET IMPACT:
See attached budget resolution.

CONTACT(S):
L. Kimball Payne, III, City Manager, 455-3990
Bonnie Svrcek, Deputy City Manager, 455-3990
Donna Witt, Director of Financial Services, 455-3968

ATTACHMENT(S):
Attachment A: Balancing the FY 2012 General Fund Budget, and
Resolutions to 1) adopt and appropriate the FY 2012 Operating Budget; 2) approve a resolution authorizing the City Manager to award monetary incentives, awards, and bonuses to employees for exceptional services; and 3) adopt a resolution to set the personal property tax relief rate.

REVIEWED BY: lkp

077L

ATTACHMENT A

Revenues and Use of Fund Balance	
Proposed Revenues (from the FY 2012 Proposed Operating Budget)	**$154,001,703**
Use of Fund Balance	9,562,649
Total Proposed Revenues and Use of Fund Balance	**$163,564,352**
Adjustments: Revenue Summary (discussed at the 4/26/11 Work Session)	
Dedicated Revenue Adjustments	
Compensation Board	($48,450)
Local Law Enforcement Funding (House Bill 599)	210,783
Social Services Administration State Aid	(110,597)
Social Services Administration Federal Aid	249,662
Use of Fund Balance	
Schools FY 2010 Year End Fund Balance	($543,536)
Revised Revenues and Use of Fund Balance	**$163,322,214**

Expenditures, Reserves and Transfers	
Proposed Expenditures, Reserves and Transfers (*from the FY 2012 Proposed Operating Budget)*	**$163,564,352**
Adjustments: Expenditures, Reserves, and Transfers (discussed at the 4/26/11 Work Session)	
Add funding for operations and maintenance of Ivy Creek and Riverfront Parks	$145,417
Additional cost for Lynchburg Health Department	37,917
Reduce contractual obligation for Lynchburg Regional Convention and Visitors Bureau	(17,275)
Eliminate cost associated with Virginia Retirement System Benefit Option	(816,793)
Remove Capital Outlay funds for the E911 telephone system	(100,000)
Increase Transfer to Capital for radio replacements	100,000
Restore temporary personnel funding for Sheriff	32,295
Additional temporary personnel funding for Sheriff to provide security in the Juvenile and Domestic Relations District Court	21,540
Add funding for Lynchburg Community Action Group (LynCAG)	25,000
Add funding for Rebuilding Together	25,000
Add to the Reserve for Heritage High School Debt	800,000
Establish a reserve for future needs	48,297
Reduce the transfer for School Capital Projects	(543,536)
Eliminate transfer to the Stadium Fund (close into General Fund)	(333,265)
Add cost of City Baseball Stadium maintenance to Public Works	127,378
Add City Stadium Debt	205,887
Move Lynchburg Neighborhood Development Foundation from a Contractual to Discretionary Agency	0
Revised Expenditures	**$163,322,214**

A. BE IT RESOLVED that by majority vote the FY 2012 General Fund Operating Budget (excluding External Service Provider and Component Unit expenditures) including the revenues and expenditures proposed by the City Manager and amended by City Council be adopted as the annual operating budget of the City of Lynchburg for the fiscal year beginning July 1, 2011 and ending June 30, 2012 and said funds be appropriated:

GENERAL FUND INCOME		**GENERAL FUND EXPENDITURES**	
Beginning Balance	$22,830,783	General Government	$12,154,537
Non-Dedicated Revenues		Judicial Administration	4,440,872
General Property Taxes	68,149,861	Public Safety	31,167,912
Other Local Taxes	44,629,115	Public Works	15,969,158
Permits, Privilege Fees and Licenses	454,300	Health and Welfare	17,205,506
Fines & Forfeitures	470,000	Parks, Recreation and Cultural	5,173,245
Use of Money & Property	508,966	Community Development	2,330,921
Charges for Services	3,539,744	Non-Departmental	5,935,258
Miscellaneous	245,300	Transfer to Other Funds	1,846,516
Revenue from the Commonwealth	6,048,584	Debt Service	7,923,558
Revenue from Lynchburg City Schools	30,153	Schools (Local Share Only) - Debt Service	7,009,713
Dedicated Revenues		Reserves	1,922,659
Revenue from Use of Money & Property		Transfer to Capital - City	7,624,033
Charges for Services	1,889,671	Transfer to Capital - Schools	1,030,518
Recreation Revenue	373,800	Ending Balance	15,830,783
Miscellaneous	2,239,138	**Subtotal**	**$137,565,189**
Revenue from the Commonwealth			
Categorical Aid - State Shared Expenditures	2,911,234	External Service Providers [1]	$8,501,991
Categorical Aid	15,838,225		
Revenue from the Federal Government	6,975,010	Component Units [1]	$33,085,817
Use of Reserves and Designated Fund Balance	2,019,113		
Total	**$179,152,997**	**Total**	**$179,152,997**

[1] *To be considered separately*

Introduced:

Adopted:

Certified: ______________________________
Clerk of Council

077L_A

B. BE IT RESOLVED that by majority vote the FY 2012 Mandated and Contractual External Service Providers Budget of $8,291,272 proposed by the City Manager be adopted as part of the operating budget of the City of Lynchburg for the fiscal year beginning July 1, 2011 and ending June 30, 2012 and said funds be appropriated:

MANDATED	
Blue Ridge Regional Jail Authority	$5,484,852
Central Virginia Community Services Board	444,003
Health Department	830,977
Region 2000 Local Government Council	41,614
TOTAL MANDATED	**$6,801,446**
CONTRACTUAL	
Lynchburg Humane Society	$104,500
Lynchburg Lifesaving/Rescue Squad	10,000
Lynchburg Regional Chamber of Commerce-Tourism	1,223,725
Southern Memorial Association (Old City Cemetery)	122,438
Virginia Cooperative Extension Service	29,163
TOTAL CONTRACTUAL	**$1,489,826**

Introduced: Adopted:

Certified: ______________________________
Clerk of Council

077L_B

C. BE IT RESOLVED that by two – thirds vote (five of seven) the FY 2012 Central Virginia Area Agency on Aging Budget of $15,000 proposed by the City Manager be adopted as part of the operating budget of the City of Lynchburg for the fiscal year beginning July 1, 2011 and ending June 30, 2012 and said funds be appropriated.

Introduced: Adopted:

Certified: ______________________________
Clerk of Council

077L_C

D. BE IT RESOLVED that by two – thirds vote (five of seven) the FY 2012 Central Virginia Community College Board and Related Operations Budget of $1,831 proposed by the City Manager be adopted as part of the operating budget of the City of Lynchburg for the fiscal year beginning July 1, 2011 and ending June 30, 2012 and said funds be appropriated.

Introduced: Adopted:

Certified: ______________________________
Clerk of Council

077L_D

E. BE IT RESOLVED that by majority vote the FY 2012 Court Appointed Special Advocate Budget of $12,000 proposed by the City Manager be adopted as part of the operating budget of the City of Lynchburg for the fiscal year beginning July 1, 2011 and ending June 30, 2012 and said funds be appropriated.

Introduced: Adopted:

Certified: ______________________________
Clerk of Council

077L_E

F. BE IT RESOLVED that by majority vote the FY 2012 Region 2000 Economic Development Council Budget of $81,586 proposed by the City Manager be adopted as part of the operating budget of the City of Lynchburg for the fiscal year beginning July 1, 2011 and ending June 30, 2012 and said funds be appropriated.

Introduced: Adopted:

Certified: ______________________________
Clerk of Council

077L_F

G. BE IT RESOLVED that by majority vote the FY 2012 Robert E. Lee Soil & Water Conservation District Budget of $10,000 proposed by the City Manager be adopted as part of the operating budget of the City of Lynchburg for the fiscal year beginning July 1, 2011 and ending June 30, 2012 and said funds be appropriated.

Introduced: Adopted:

Certified: ______________________________
Clerk of Council

077L_G

H. BE IT RESOLVED that by two – thirds vote (five of seven) the FY 2012 Virginia Legal Aid Society Budget of $10,000 proposed by the City Manager be adopted as part of the operating budget of the City of Lynchburg for the fiscal year beginning July 1, 2011 and ending June 30, 2012 and said funds be appropriated.

Introduced: Adopted:

Certified: ______________________________
Clerk of Council

077L_H

I. BE IT RESOLVED that by two – thirds vote (five of seven) the FY 2012 Amazement Square Real Estate Tax Refund Budget of $5,302 proposed by the City Manager be adopted as part of the operating budget of the City of Lynchburg for the fiscal year beginning July 1, 2011 and ending June 30, 2012 and said funds be appropriated.

Introduced: Adopted:

Certified: ______________________________
Clerk of Council

077L_I

J. BE IT RESOLVED that by two – thirds vote (five of seven) the FY 2012 Lynchburg Community Action Group Budget of $25,000 proposed by the City Manager be adopted as part of the operating budget of the City of Lynchburg for the fiscal year beginning July 1, 2011 and ending June 30, 2012 and said funds be appropriated.

Introduced: Adopted:

Certified: ______________________________
Clerk of Council

077L_J

K. BE IT RESOLVED that by two – thirds vote (five of seven) the FY 2012 Lynchburg Neighborhood Development Foundation Budget of $25,000 proposed by the City Manager be adopted as part of the operating budget of the City of Lynchburg for the fiscal year beginning July 1, 2011 and ending June 30, 2012 and said funds be appropriated.

Introduced: Adopted:

Certified: ______________________________
Clerk of Council

077L_K

L. BE IT RESOLVED that by two – thirds vote (five of seven) the FY 2012 Rebuilding Together Budget of $25,000 proposed by the City Manager be adopted as part of the operating budget of the City of Lynchburg for the fiscal year beginning July 1, 2011 and ending June 30, 2012 and said funds be appropriated.

Introduced: Adopted:

Certified: ______________________________
Clerk of Council

077L_L

M. BE IT RESOLVED that by majority vote the FY 2012 School Operating Budget, including the revenues and expenditures proposed by the City Manager, be adopted for the fiscal year beginning July 1, 2011 and ending June 30, 2012 and said funds be appropriated:

SCHOOL INCOME		SCHOOL EXPENDITURES	
Beginning Balance	$0	Operations	$75,705,953
State	41,514,583	Grant Funded Expenditures	10,022,828
Federal	461,000	Ending Balance	0
Grants	10,022,828	**Total**	**$85,728,781**
Local – Operating	31,942,103		
Local – Debt Service	33,627		
Miscellaneous	1,754,640		
Total	**$85,728,781**		

Introduced: Adopted:

Certified: ______________________________
Clerk of Council

077L_M

N. BE IT RESOLVED that by majority vote the FY 2012 Greater Lynchburg Transit Budget including the revenues and expenditures proposed by the City Manager be adopted for the fiscal year beginning July 1, 2011 and ending June 30, 2012 and said funds be appropriated:

GREATER LYNCHBURG TRANSIT COMPANY INCOME		GREATER LYNCHBURG TRANSIT COMPANY EXPENDITURES	
Beginning Balance	$0	Operations	$7,049,103
Fares	963,000	Ending Balance	0
Contracts	184,720	**Total**	**$7,049,103**
Federal	1,923,000		
State	1,368,000		
Local - Operating	1,143,714		
Partners	1,296,626		
Miscellaneous	170,043		
Total	**$7,049,103**		

Introduced: Adopted:

Certified: ______________________________
Clerk of Council

077L_N

O. BE IT RESOLVED that by majority vote the budgets of the funds mentioned herein be adopted for the purposes herein mentioned and said funds be appropriated from the funds and resources of the City of Lynchburg for the fiscal year beginning July 1, 2011 and ending June 30, 2012:

FLEET SERVICES INCOME		**FLEET SERVICES EXPENDITURES**	
Beginning Balance	$956,018	Operations	$4,887,465
Revenues	5,440,330	Debt Service	366,116
Total	**$6,396,348**	Ending Balance	1,142,767
		Total	**$6,396,348**

AIRPORT INCOME		**AIRPORT EXPENDITURES**	
Beginning Balance	$100,000	Operations	$2,134,843
Revenue from Cost Centers	1,687,683	Debt Service	269,791
Transfer from General Fund	494,536	Ending Balance	100,000
Interest and Other	222,415	**Total**	**$2,504,634**
Total	**$2,504,634**		

WATER FUND INCOME		**WATER FUND EXPENDITURES**	
Beginning Balance	$4,504,515	Operations	$8,487,008
Water Sales	7,388,160	Debt Service	3,782,678
Meter, Sewer Fund & General Fund Hydrant Charges	1,656,900	Transfer to Water Capital Fund	700,000
Cut-on/off Charges	92,000	Ending Balance	4,621,033
Availability, Connection Fees	120,000	**Total**	**$17,590,719**
Other Charges for Service	798,849		
Water Contracts (Amherst/Bedford/Campbell/Industrial)	2,649,695		
Interest and Other	380,600		
Total	**$17,590,719**		

SEWER FUND INCOME		**SEWER FUND EXPENDITURES**	
Beginning Balance	$9,508,366	Operations	$10,182,881
Charges for Services	16,703,158	Debt Service	8,141,619
Sewer Contracts (Amherst/Bedford/Campbell/Industrial)	2,832,938	Capital Outlay	170,000
Interest and Other	883,989	Transfer to Sewer Capital Fund	2,000,000
Total	**$29,928,451**	Ending Balance	9,433,951
		Total	**$29,928,451**

ASSET FORFEITURE FUND INCOME		**ASSET FORFEITURE FUND EXPENDITURES**	
Beginning Balance	$51,268	Operations	$0
Revenue	0	Ending Balance	51,268
Total	**$51,268**	**Total**	**$51,268**

C. VA. RADIO COMMUNICATIONS INCOME		**C. VA. RADIO COMMUNICATIONS EXPENDITURES**	
Beginning Balance	$300,137	Operations	$897,814
Charges for Services	897,814	Ending Balance	300,137
Total	**$1,197,951**	**Total**	**$1,197,951**

HOME FUND INCOME		**HOME FUND EXPENDITURES**	
Beginning Balance	$0	Operations	$467,742
Revenue from the Federal Government	467,742	Ending Balance	0
Total	**$467,742**	**Total**	**$467,742**

COMPREHENSIVE SERVICES ACT INCOME		**COMPREHENSIVE SERVICES ACT EXPENDITURES**	
Beginning Balance	$0	Operations	$5,073,600
Miscellaneous	110,000	Ending Balance	0
Transfer from General Fund	1,349,591	**Total**	**$5,073,600**
Lynchburg City School Transfer	196,541		
Revenue from the Commonwealth	3,417,468		
Total	**$5,073,600**		

LYNCHBURG BUSINESS DEVELOPMENT CENTRE INCOME		**LYNCHBURG BUSINESS DEVELOPMENT CENTRE EXPENDITURES**	
Beginning Balance	$125,385	Operations	$0
Revenue	0	Ending Balance	125,385
Total	**$125,385**	**Total**	**$125,385**

LEAF FUND INCOME		LEAF FUND EXPENDITURES	
Beginning Balance	$125,159	Operations	$0
Pledges/Donations	0	Ending Balance	125,159
Total	**$125,159**	**Total**	**$125,159**

REGIONAL JUVENILE DET. CENTER INCOME		REGIONAL JUVENILE DET. CENTER EXPENDITURES	
Beginning Balance	$0	Operations	$2,616,673
Charges for Services	1,760,603	Debt Service	284,050
Intergovernmental	1,140,120	Ending Balance	0
Total	**$2,900,723**	**Total**	**$2,900,723**

RISK MANAGEMENT FUND INCOME		RISK MANAGEMENT FUND EXPENDITURES	
Beginning Balance	$2,765,381	Operations	$289,587
Charges for Services	950,202	Insurance and Claims	724,967
Interest	35,000	Ending Balance	2,761,029
Subrogation	25,000	**Total**	**$3,775,583**
Total	**$3,775,583**		

SPECIAL WELFARE FUND INCOME		SPECIAL WELFARE FUND EXPENDITURES	
Beginning Balance	$57,110	Operations	$54,250
Donations and Restitutions	18,000	Ending Balance	31,360
Interest	2,000	**Total**	**$85,610**
Revenue from the Commonwealth	8,500		
Total	**$85,610**		

TECHNOLOGY FUND INCOME		TECHNOLOGY FUND EXPENDITURES	
Beginning Balance	$2,067,553	Operations	$468,754
Use of Money & Property	15,000	Capital Outlay	348,113
Transfer from General Fund	636,773	Ending Balance	1,902,459
Total	**$2,719,326**	**Total**	**$2,719,326**

CITY/FEDERAL/STATE AID FUND INCOME		CITY/FEDERAL/STATE AID FUND EXPENDITURES	
Beginning Balance	$0	Operations	$2,593,177
Revenue from the Federal Government	1,697,914	Ending Balance	0
Revenue from the Commonwealth	822,398	**Total**	**$2,593,177**
Transfer from General Fund	27,171		
Other Contributions	45,694		
Total	**$2,593,177**		

COMMUNITY DEV. BLOCK GRANT INCOME		COMMUNITY DEV. BLOCK GRANT EXPENDITURES	
Beginning Balance	$0	Operations	$904,816
Intergovernmental	904,816	Ending Balance	0
Total	**$904,816**	**Total**	**$904,816**

Introduced: Adopted:

Certified: ______________________________
Clerk of Council

077L_O

P. BE IT RESOLVED that by majority vote the FY 2012 Capital Budget is hereby adopted and said funds be appropriated from the funds and resources of the City of Lynchburg for the fiscal year beginning July 1, 2011 and ending June 30, 2012, in the total amount of $11,908,494 for the City Capital Projects Fund; $1,030,518 for the School Capital Projects Fund; $1,850,000 for the Airport Capital Projects Fund; $5,088,000 for the Water Capital Projects Fund and $22,553,000 for the Sewer Capital Projects Fund.

Introduced: Adopted:

Certified: ______________________________
Clerk of Council

077L_P

Q. BE IT RESOLVED that by majority vote in accordance with Section 15.2-1508 of the Code of Virginia, 1950, as amended, City Council authorizes~~,~~ and subject to the availability of appropriated funds, the payment of monetary incentives, awards, and bonuses to City employees for exceptional services rendered by those employees. Such monetary incentives, awards, or bonuses may not exceed $5,000 or five percent of the employee's annual salary, whichever is greater. Such incentives, awards, and bonuses may be offered and paid for such exceptional services as defined in the procedural directives issued by the City Manager or his/her designee, including, but not necessarily limited to, any or all of the following purposes:

(1) Individual incentive awards,
(2) Special recognition awards,
(3) Outstanding performance awards, and
(4) Cost savings or revenue generating suggestion awards.

The Director of Human Resources shall administer the incentive award and bonus program. The types of incentives, awards, and bonuses and the types of exceptional services for which they may be granted; the amount of particular incentives, awards, and bonuses; and the selection criteria and process for particular incentives, awards, and bonuses shall be set forth in the procedural directives issued by the City Manager. The total amount paid in monetary incentives, awards, and bonuses shall not exceed $60,000 annually.

Introduced: Adopted:

Certified: ______________________
Clerk of Council

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R. BE IT RESOLVED that by majority vote in accordance with Section 14.2 (b) 2 of the Code of Virginia, 1950, as amended, the personal property tax relief rate for the fiscal year beginning July 1, 2011 through June 30, 2012 shall be set at 55.44%.

Introduced: Adopted:

Certified: ______________________________

Clerk of Council

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