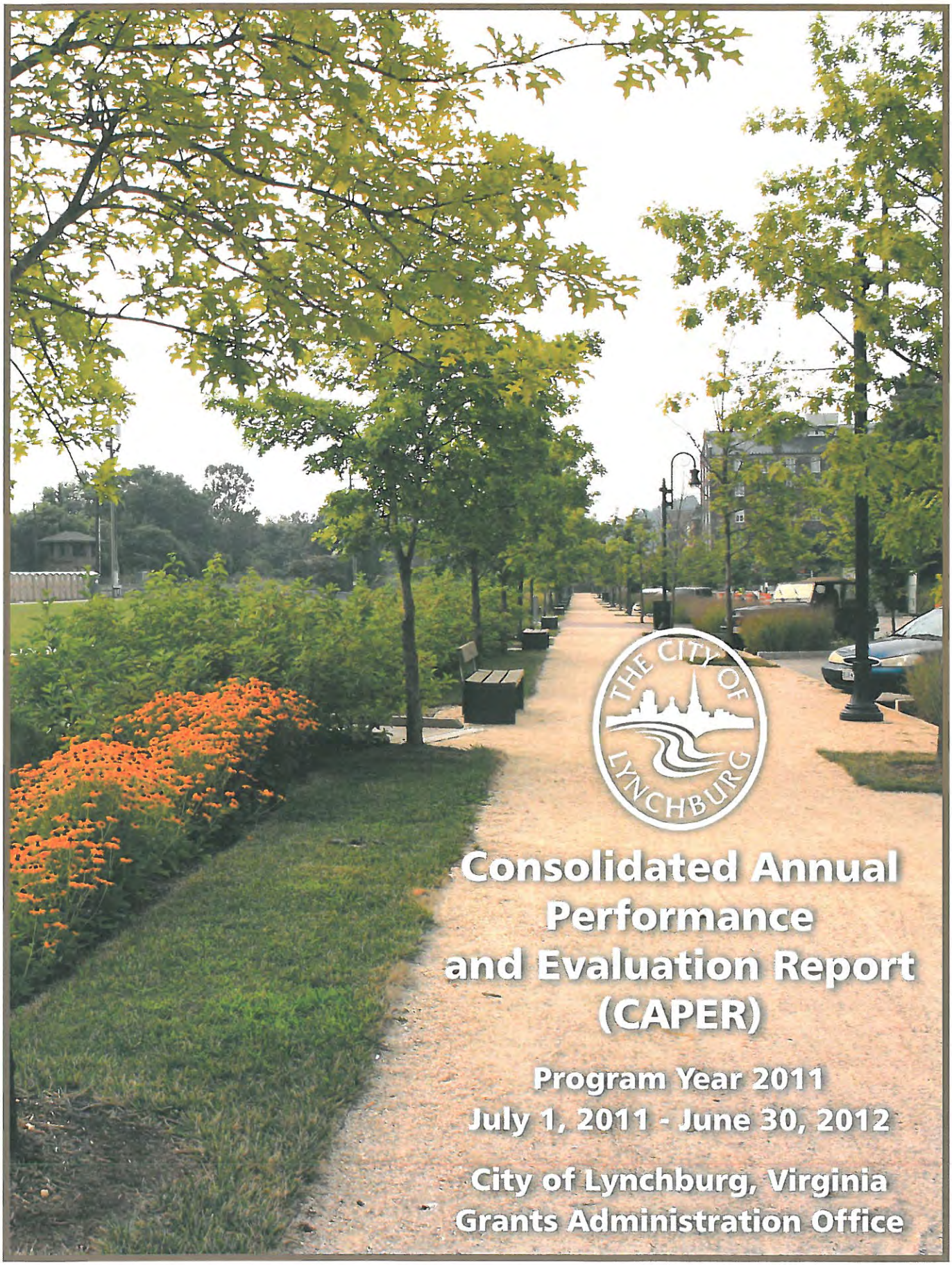

Consolidated Annual Performance and Evaluation Report (CAPER)

Program Year 2011
July 1, 2011 - June 30, 2012

City of Lynchburg, Virginia
Grants Administration Office

Second Program Year (2011) CAPER

The Consolidated Plan Management Process (CPMP) Tool Consolidated Annual Performance and Evaluation Report (CAPER) includes Narrative Responses to CAPER questions that Community Development Block Grant (CDBG), HOME, Housing Opportunities for Persons with Aids (HOPWA), and Emergency Shelter Grant (ESG) grantees must respond to each year in order to be compliant with the Consolidated Planning Regulations. The Executive Summary narratives are optional.

As a grantee, the City must also submit an updated Financial Summary Report (PR26) in the Department of Housing and Urban Development (HUD) Integrated Disbursement Information System (IDIS).

GENERAL

Executive Summary

Program Year 2 CAPER Executive Summary response:

The City of Lynchburg reports annually to the U.S. Department of Housing and Urban Development (HUD) on program and project accomplishments funded through the Community Development Block Grant (CDBG) and Home Investment Partnerships (HOME) entitlement grant programs through the Consolidated Annual Performance and Evaluation Report (CAPER). The questions reflected in the CAPER are drawn from the requirements of the 1995 Consolidated Plan regulations, which were subsequently interpreted in memorandum format and submitted to all Field Directors and Entitlement Grantees in 1998. The City has provided narrative responses, tables, charts, and other supporting data to assure compliance with HUD Consolidated Planning regulations and requirements.

Lynchburg's Program Year 2011 (PY11)/Fiscal Year 2012 (FY12) CAPER is the second report for the Five-Year 2010-2015 Consolidated Plan. The report describes the City's progress towards the housing and community development goals for the period of July 1, 2011 through June 30, 2012. During this period, the City received entitlement funds in the amount of $746,307 and $412,258 in the CDBG and HOME Program, respectively, for programs and activities to assist our community. This funding was utilized to facilitate the City's and HUD's mutual goals of providing decent housing, creating a suitable living environment, and expanding economic opportunity for persons and families earning at or below 80% of the Area Median Income (AMI).

The City's Grants Administration Office retains the primary responsibility for the program administration of the CDBG and HOME Program.

The CAPER is prepared each year to summarize expenditures made in the previous year for the CDBG and HOME Program. The CAPER is intended to present community development accomplishments from a broad perspective, in addition to demonstrating what has been accomplished with the programs made possible with HUD funding.

On January 25, 2011, City Council approved the goals for housing and non-housing development, which constitute the priority needs stated in the Plan. The primary objective of the CDBG 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, persons who suffer from substance abuse or addiction, persons with AIDS, persons the homeless, and the elderly. The goals are to:

1. Increase the number of owner-occupied units.

2. 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.

3. Support initiatives to increase permanent affordable rental and housing ownership opportunities.

4. Promote programs that assist eligible persons in retaining their homes.

5. Eliminate neighborhood deterioration, blight and blighting influences.

6. Support the organized efforts in neighborhoods to leverage their resources to improve and sustain community livability and services.

7. Support economic development efforts which will expand job opportunities and retention.

8. Promote activities which support the healthy development of the City's at-risk youth, adults, and families.

Within the City of Lynchburg's Five-Year Consolidated Plan, the City committed to the overarching goal of undertaking activities that would result in substantial public benefit through the revitalization of depressed areas and in assistance to low and moderate-income residents. These are the central City neighborhoods that surround the downtown business district and are the six contiguous census tracts that comprise the CDBG target area: Census Tracts 4, 5, 6, 7, 11, and 19. The Census Tract Map attached to this document (Appendix A - Map 1) depicts the boundaries of the CDBG target areas in the City.

Population, demographics, and surveys of the target areas show that these neighborhoods have the highest degree of housing need and are where many of the City's very low and low-to-moderate-income persons reside. CDBG and HOME funds were allocated citywide providing persons and/or households assistance who met the eligibility criteria of the applicable program. The Project Map attached to this document (Appendix A -Map 2) illustrates the location of all projects funded with Program Year 2011 CDBG and HOME grant funds, with the exception of project activities conducted on a City-wide basis.

The 2011 HUD income guidelines for area median family income (AMFI) for Lynchburg is $59,300 for a family of four. Income levels in these neighborhoods continually trend below income levels City-wide. In addition, a disproportionately greater number of non-whites live in the target market (69.5%) while the City-wide non-white population is 30.5% of the population. There is a high incidence of rental

units in these tracts. Indications of housing cost-burdens, overcrowding, substandard conditions, and the presence of boarded/vacant units is predominate in these neighborhoods.

Within the City there are many public and private resources assisting residents of these neighborhoods in meeting their housing and community development needs. Current market conditions and available resources are documented in the Plan and the service and housing providers identified. Many of these providers receive funds from the CDBG and HOME programs. The Consolidated Plan lays out specific objectives that are designed to reach the goals and that provide quantifiable benchmarks for review during the subsequent yearly process of the Action Plan.

An overriding objective stated in the Plan is to maximize existing partnerships between the private and public sector so that City funds will continue to be leveraged with outside resources. It is through such collaborative efforts that the citizens of Lynchburg can address housing and non-housing needs where they are felt the greatest. Other objectives include:

1) Setting an optimum balance in neighborhoods where 70% are owner-occupants;
2) Placing a priority on helping existing owners maintain their homes;
3) Coordinating services with housing, especially for persons with special needs;
4) Preserving existing housing by identifying appropriate present uses for structures and by applying available resources, such as tax credits, for low-income and for historic renovation;
5) Continuing the rental inspection program; and
6) Coordinating the City's downtown revitalization efforts with housing improvement efforts in the target area.

SUMMARY OF RESOURCES AND DISTRIBUTION OF FUNDS

In the Second Year of the Consolidated Plan, Program Year 2011 (FY12), the City received $746,307 in CDBG entitlement funds and $412,258 in HOME entitlement funds. Along with these entitlement funds, reprogrammed prior year funds of $196,031.34 in CDBG and HOME Program were allocated to eligible projects. The City also estimated program income in the amount of $2,030 for the CDBG Program. Therefore, the total amount of CDBG and HOME funds the City allocated for projects and activities during the Program Year 2011 was $1,356,626. This represented a total of $927,743 in CDBG and $428,882 in HOME dollars.

The City allocated the majority of its CDBG and HOME funds for projects and activities classified as housing, public service, and public facilities. The details and specifics of the services, programs, and accomplishments, as well as an analysis of expenditures, are provided in this CAPER.

The following tables outline how the City allocated its CDBG and HOME funds during this reporting period.

CDBG PROGRAM PROJECTS (2011-2012)

Project	Award Amount
Bluffwalk Section 108	$301,859
City Administration	96,711
Lynchburg Redevelopment and Housing Authority (LRHA) Administration	38,932
LRHA Delivery-Acquisition	86,430
LRHA Delivery-Disposition	13,047
LRHA Spot Blight Program	98,500
Fifth Street Community Development Corporation (CDC)/City Improvements – Phase II	77,000
Tinbridge Hill Neighborhood Council	130,854
Miriam's House	22,102
The Gateway House, Inc.	25,000
United Way, Smart Beginnings	15,205
YWCA-Domestic Violence Prevention Center (DVPC)	22,103
Totals	**$927,743**

HOME PROGRAM PROJECTS (2011-2012)

Project	Award Amount
City Administration	$28,731
Greater Lynchburg Habitat for Humanity (GLHFH) Homebuyer Program	50,000
Lyn-CAG Community Housing Development Organization (CHDO)-Homebuyer Program	75,000
Lyn-CAG Substantial Rehabilitation Program	93,226
Lynchburg Neighborhood Development Foundation (LNDF) Hilltop Homes Rehabilitation	80,000
Lynchburg Neighborhood Development Foundation (LNDF) Homeownership Program	68,226
Lynchburg Neighborhood Development Foundation (LNDF) Single Family Development (CHDO)	33,699
Totals	**$428,882**

On October 8, 2012 a public notice was published in the *News and Advance* stating that a draft of the proposed Program Year 2011 Consolidated Annual Performance Report (CAPER) was available for public review for a 15-day public comment period. The advertisement stated that City Council would be conducting a public hearing on October 23, 2012 to receive public comments regarding the draft CAPER.

In addition to the 15-day public comment period and the public hearing held by City Council, copies of the draft CAPER were made available for public review at the following locations in and throughout the City:

- 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
- City website at www.lynchburgva.gov/grants

General Questions

1. **Assessment of the five-year goals and objectives:**

   a. **Describe the accomplishments in attaining the goals and objectives for the reporting period.**
   b. **Provide a breakdown of the CPD formula grant funds spent on grant activities for each goal and objective.**
   c. **If applicable, explain why progress was not made towards meeting the goals and objectives.**

Program Year 2 CAPER General Questions Response:

ASSESSMENT OF HOUSING GOALS AND PRIORTIES

This section of the CAPER examines the similarities and differences in the proposed and actual accomplishments of the goals identified within the 2010-2015 Consolidated Plan. These goals helped to form the priorities identified in the City's 2011 Consolidated Annual Action Plan and the strategies to be used or implemented in order to achieve the stated goals. To provide this comparison, the City has narrated the actual achievements for each program/activity in which funds were expended during the Program Year 2011, which is the second reporting period of the 2010-2015 Consolidated Plan.

PRIORITY #1: CREATE NEW HOMEOWNERSHIP OPPORTUNITIES FOR LOW-TO-MODERATE-INCOME FAMILIES

Goal 1: Increase the number of owner-occupied units.

To the degree that predominance of rental units in a neighborhood is seen as destabilizing, the City wants to provide incentives for qualified persons and low- and moderate-income to consider the benefits of homeownership, especially if it is more cost-effective than renting and if it builds wealth for the individual household. Several programs are supported by the City that incorporates these elements.

PRIORITY #2: REHABILITATION OF SUBSTANDARD HOUSING UNITS
PRIORITY #3: SUPPORT PROGRAMS THAT ASSIST LOW-TO-MODERATE INCOME PERSONS IN RETAINING THEIR HOMES

Goal 2: Rehabilitate substandard housing units through support of public and private programs. Emphasis is to be placed on programs which require an investment of funds and/or labor on the part of the owner, which are commensurate with the owner's resources. In addition, maintenance of homes will be enforced through applicable ordinances and building code requirements, and through owner initiatives to rehabilitate existing rental properties.

To achieve the objective of making all housing units safe, decent, and affordable it is necessary to extend assistance to private property owners, particularly low and moderate-income homeowners. These goals also provide the opportunity for the homeowner to have their homes rehabilitated and retain ownership.

Goal 3: Support programs that assist persons in retaining their homes in challenging economic times.

Another important aspect of improving and sustaining community livability and services is to build on the existing assets within the various neighborhoods.

The City is accomplishing this goal by investing in existing housing stock through renovations and rehabilitation of properties in the target neighborhoods. As a direct result of these improvements, the neighborhoods can retain and attract contributing residents thereby positively affecting the stability of the neighborhood and increasing property values. Specific housing characteristics of the target area support the need for rehabilitation and revitalization. The aging homes in these beautiful older neighborhoods can be modernized and revitalized through the investment of funds and targeted community development activities.

As the majority of the City's vacant and deteriorated housing sits in the target area, the City wishes to make its housing stock active and revive the neighborhoods, thereby increasing value and stability.

The City has made significant efforts in providing financial support for the rehabilitation of substandard housing units through the partnership with agencies and organizations such as Lynchburg Neighborhood Development Foundation (LNDF), Lynchburg Redevelopment and Housing Authority (LRHA), Greater Lynchburg Habitat for Humanity (GLHFH), Rebuilding Together Lynchburg, Lynchburg Covenant Fellowship, other agencies, and non-profit organizations. Some of the investments that have been made during this program year include the following:

HOME PROGRAM

Note: In addition to the CDBG Program the above goals and priorities are also related to the HOME Program. See HOME Program Narrative (Pages 40-46) for these accomplishments.

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

Lynchburg Community Action Group (Lyn-CAG)

Lyn-CAG through its Housing Rehabilitation Program expended funds in the amount of $19,269 to provide housing rehabilitation assistance to two (2) owner-occupied households. The property addresses are as follows:

1. 809 Centerdale Street
2. 1515 Monroe Street

This assistance was provided to two (2) African-Americans; and both were low-income persons who were within the low (50%) of the Area Median Income (AMI) level.

In addition to the CDBG and HOME funds expended for housing rehabilitation, Lyn-CAG received from other financial sources a total of $754,428 for other housing related programs. These funds were received from: Virginia Housing Development Authority (VHDA) $43,720; Department of Energy, Weatherization Assistance Program (WAP) $700,708; and Wells Fargo $10,000.

Rebuilding Together Lynchburg- Housing Rehabilitation

Rebuilding Together Lynchburg (RTL) is a part of a national organization called Rebuilding Together, with a local chapter in the City of Lynchburg and other neighboring and surrounding counties.

Since a disproportionate amount of the repairs are actually performed by volunteers, the organization receives grant funding and contributions for operational costs such as, cost of materials, executive director's salary, and cost of the labor for specialty laborers/contractors (i.e., plumbers, electrician, mechanical HVAC, etc.). Rebuilding Together Lynchburg is very active in providing repair assistance to low-to-moderate-income homeowners with a particular emphasis or concentration on the elderly and disabled.

During this reporting period, Rebuilding Together Lynchburg was allocated $20,000 to provide housing rehabilitations in the Tinbrdige Hill Neighborhood. Although no funds have been expended the Executive Director is in the process of identifying specific addresses to assist with these funds. Rebuilding Together received funds in the amount of $112,000 from other non-profits, foundations, corporations, and persons that enabled them to assist other low and very low-income homeowners with minor rehabilitation repairs.

In Program Year 2009 Rebuilding Together received $61,663 of American Recovery and Reinvestment Act (ARRA) funds through the City's CDBG Program. During Program Year 2011, $23,459 was expended and housing rehabilitation assistance was provided to thirteen (13) households. All of the ARRA funds have been expended and there have been forty-seven (47) homeowner housing rehabilitation projects completed with these funds. Of these households: thirteen (13) were White; thirty-four (34) were African-American; and all households were low (51-80%) or very low-income (below 50%) of the Median Family Income (MFI) level.

Lynchburg Redevelopment and Housing Authority (LRHA)

LRHA received $236,909 of Program Year 2011 CDBG funds to address slum and blighted properties within targeted areas and neighborhoods. The funds were allocated for the acquisition, disposition, and direct costs associated with deteriorated housing structures and/or vacant lots that impose a detrimental impact on surrounding properties and neighborhoods.

During this reporting period, LRHA expended $188,011 of Program Year 2011 and prior years' allocations for acquisitions, disposition and direct costs associated with the Spot Blight Program. Within this amount, LRHA expended $8,000 for the acquisition of 913 Second Street. In addition, the following properties were conveyed to LRHA at no cost: 920, 921, 922 Polk Street, 1008 Tenth Street, 1208 Eighth Street, and 611-613 Washington Street.

During this reporting period, LRHA continued to maintain its housing rehabilitation program in conjunction with the Spot Blight Program. The primary goal of this housing program is to encourage and increase the rehabilitation of vacant and deteriorating structures in the targeted neighborhoods. Participants, who submit an acceptable rehabilitation proposal to the Authority, must be willing to rehabilitate the

properties under the program terms and conditions. The major conditions besides the normal timeframes and specifications for construction are as follows:

(1) should the applicant who is doing the renovation desire to occupy the structure after renovations they must:
• verify that their income is at or below 80 % of the median income for the area; and agree to use the structure as their main place of residence for a period of not less than one year;
(2) should the applicant desire to rent the structure after rehabilitation they must:
• show proof that the renters income is at or below 80% of the median income for the area; and rent the structure for a period of not less than one year; or
(3) should the applicant desire to sell the property, the sale must benefit a family whose income is at or below 80 % of the median income for the area.

Currently, LRHA has ten (10) properties under rehabilitation agreements.

Lynchburg Redevelopment and Housing Authority (LRHA) – Rental Rehabilitation Program

In an effort to encourage owners of substandard rental properties to make improvements to their properties, LHRA provides financial assistance through a Rental Rehabilitation Grant Program. A portion of CDBG funds that the City allocates to LRHA annually are used to support this program. In order to participate in the program the properties must be located in the designated areas or boundaries within the City of Lynchburg.

Fifty percent (50%) of the total amount of the improvements, or a maximum of $5,000 whichever is less, is provided to the rental property owners on a matching basis only. The improvements generally include updating, replacement or conversion of heating and air systems, window and roof replacement, and other internal or external repairs. In accordance with the regulations, the improvements that are made by rental property owners, who are also participants in LRHA's Section 8 Program, are segregated to major systems replacement or repair.

LRHA had $30,098 remaining in previous years' allocations for the Rental Rehabilitation Program. During this reporting period, LRHA expended $9,021 of these funds for the rehabilitation of two (2) housing units: 1423 Pierce Street and 324 Willow Street. These units are occupied by low-to-moderate income persons.

PRIORITY #4: SUPPORT AFFORDABLE PERMANENT HOUSING INITIATIVES:

Goal 4: Support initiatives to increase permanent affordable rental and housing ownership for low-income households. In addition, the City supports assisting persons with disabilities, substance abuse or addiction, persons with AIDS, persons that are homeless, and elderly persons.

HOME PROGRAM

Note: This priority is related to the CDBG and HOME Program. See HOME Program Narrative (Pages 40-46) for the HOME Program accomplishments.

This priority allocation recognizes the need to increase the availability of affordable housing for renters and for homeowners, especially housing that meets the varied needs of the City's lower-income population. With a priority for decent and affordable rental housing for the very low-income, this goal expands the City's previous position on mixed use in its older neighborhoods.

The City will continue to support and partner with housing and public service providers to meet the needs of low-to-moderate-income persons, homeless persons and families, and persons with disabilities or other special needs. The City has approved CDBG and HOME funds (specifically for housing development or rehabilitation) that were used to address the need for permanent and/or long-term housing for the City's special needs population.

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

Miriam's House – Enhancing Special Needs Housing

Miriam's House is a long-term transitional housing program for women with or without children. It is not a shelter because it seeks to be preventative in the realm and quality of the environment that it provides for the children, and rehabilitative for the adults. The City approved and Miriam's House expended CDBG funding in the amount of $22,103 for Program Year 2011, which was used to support or supplement its operational costs related primarily to staff salaries for the counselors and other service providers. As in previous years, Miriam's House has methodically made housing, programs, and service provisions available for this special needs population.

During this reporting period, Miriam's House served 109 women. Of the women who received services: thirty-seven (37) were White; sixty-eight (68) were African-American; one (1) was American Indian or Alaska Native; three (3) were Hispanic; and all were extremely low-income persons.

City of Lynchburg, Lynchburg Neighborhood Development Foundation (LNDF) – Special Needs Housing

In addition to the CDBG funding, the City, as the recipient of Shelter Plus Care (S+C) grant, continues to work, in conjunction with LNDF, to achieve the overall goals and objective of the grant program. The S+C program promotes the achievement of self-sufficiency for formerly homeless persons with disabilities by providing permanent supportive housing. LNDF continued, in Program Year 2011, as the supportive services provider and was responsible for provision of the permanent housing or the Tenant Rental Assistance (TRA). The S+C grant previous reporting period was March 1, 2011 – February 28, 2012. During that period, LNDF provided TRA to twelve (12) participants, which averaged approximately $5,028 per month. The total annual amount of the supportive services match was $81,504.07.

Outlined below is a demographic breakdown of the S+C participants that received tenant rental assistance during the reporting period.

# OF SINGLES NOT IN FAMILIES	# OF ADULTS IN FAMILIES	#OF CHILDREN IN FAMILIES	# OF FAMILIES
4	8	15	8

The Gateway House, Inc.

The Gateway House, Inc.'s mission and purpose is to provide residential substance abuse recovery and other supportive services to homeless men seeking to rebuild their lives. The Gateway provides recovery in a safe, supportive, and accountable environment. The residents of The Gateway have access to meals and life-rebuilding programs and services which teach them to: identify needs for personal growth and health and address those needs, utilizing partnerships with other local agencies; establish a solid recovery by developing a strong support system, attending a minimum of 5 twelve-step meetings each week, and obtaining a twelve-step sponsor and home group; obtain employment; identify financial and legal obligations and begin paying them down; and begin saving toward obtaining permanent housing.

The Gateway Program's goal paralleled the commitment of the City to support initiatives that targeted the special needs population. For that, and other reasons, the City awarded The Gateway House, Inc. $25,000 in CDBG funds to help support the costs to operate (salaries and benefits of The Gateway's staff). All of the $25,000 allocation was expended during the program year.

The Gateway served a total of forty (40) men during this program year. Of these men: thirty-one (31) were White; nine (9) were African-American; and all were very low-income persons. Three (3) men graduated from the long term phase of the program.

Rush Lifetime Homes of Central Virginia

Rush Lifetime Homes, Inc. (Rush Homes) provides housing along with supportive services to people with disabilities who are experiencing homelessness in Central Virginia. The agency provides services necessary for eligible clients to achieve self-sufficiency. Such services include case management, education, employment assistance, child care, etc. Rush Homes has three (3) housing units in Lynchburg and two (2) in Madison Heights in which they provide case management to six (6) residents. Funds received to provide operational support for this program included $51,100 from the Department of Housing and Urban Development (HUD) and $9,537 in tenant rents. Rush Homes documented approximately 138 volunteer hours for this project this program year.

The racial data for the persons served included five (5) White persons and one (1) African American. All of the persons were extremely low-income persons.

YOUNG WOMEN'S CHRISTIAN ASSOCIATION (YWCA) OF CENTRAL VIRGINIA - TOWN CENTER RENOVATIONS

The YWCA Town Center is located within the Central Business District (Census Tract 5) and operates a Women's Residence Program for single women over 18. All women must work or have some form of income. Some residents are recently released from a substance abuse program; some come from prison; some have just come to Lynchburg for the first time; some can no longer live at home. The YWCA is seeing a great need for housing for women that are mentally challenged or suffer from mental disorders. The City's service population is reached through referrals

from United Way Information and Referral, social service agencies and organizations, emergency shelters, transitional living facilities, and through word of mouth. It is very gratifying when the YWCA Women's residence becomes a permanent home for women coming out of our Domestic Violence Prevention Center (DVPC) and/or Transitional Housing Program.

The YWCA Transitional Housing Program has eighteen beds that are set aside for Transitional Housing. Transitional Housing is defined as housing available to formerly homeless women. It is the step between a shelter and permanent housing. The YWCA Transitional Housing program serves women without children who are coming directly from an emergency shelter, a battered women's shelter, a mental health facility, a hospital, a correctional institution, evicted from their homes, kicked out of their homes by a parent, or kicked out from living with friends. In other words, they do not have a regular place to live. These women must demonstrate a willingness to develop a personal plan to move on to independent housing and independent living. Many women have benefited from this program and it is a goal for them to transition to permanent housing.

In Program Year 2010 the YWCA received $4,000 in CDBG funding for the repair and update of the lighting system within the gymnasium at the Town Center facility. During this reporting period, the gym renovation project was completed and the CDBG funds were expended. The YWCA served a total of twenty-seven (27) women; eight (8) were White and nineteen (19) were African American; and they all were extremely low income persons.

NON-HOUSING COMMUNITY DEVELOPMENT GOALS AND PRIORITIES

PRIORITY #5: ELIMINATE NEIGHBORHOOD BLIGHT AND BLIGHTING INFLUENCES

Goal 5: Eliminate neighborhood deterioration, blight, and blighting influences.

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

Lynchburg Redevelopment and Housing Authority (LRHA)

LRHA continues to work with the City's designated redevelopment and conservation areas and neighborhoods to eliminate blighted and deteriorated properties and other influences to achieve the goal and objectives of a healthy neighborhood initiative. The agency further promotes this initiative, and equally the goal of increased homeownership opportunities, by identifying and acquiring unimproved parcels and making gift conveyances to local non-profit housing agencies for the construction of first-time homebuyers units.

The City has had an ongoing funding commitment to LRHA for the support of such community development efforts and neighborhood revitalization activities as identified below. The support that the City provides to LRHA, and the other non-profit organizations previously narrated, positively contribute to:

- The rebuilding of predominately residential neighborhoods as well as areas that were historically active and flourishing commercial "hubs" of the community such as the Fifth Street Revitalization Corridor;
- Creating housing opportunities and supportive services and amenities for low

and low-to-moderate-income persons; and

- The rehabilitation and improvement of deteriorating housing stock, for both owner and tenant occupied, in order to increase their functional and economic lives.

Listed below is a breakdown of the LRHA programs/activities that received and expended CDBG funds from the City during this reporting period.

Program/Activity	Amount of Funds Allocated for PY 2011	Amount of Funds Expended PY 2011*
Spot Blight/Abatement/Demolition	$98,500	$29,369
LRHA-Rehab (DC)	-0-	5,668
LRHA-Disposition (DC)	-0-	12,575
LRHA – Acquisition (DC)	86,430	89,467
LRHA – Administration	38,932	35,781
LRHA – Rental Rehabilitation	-0-	9,021
LRHA – Property Repair & Maintenance (Disposition)	13,047	6,130
Total Allocated/Expended Amounts	**$236,909**	**$188,011**

*The total amount of expenditures this period was from Program Year 2011 allocations and previous years' grant allocations for rehabilitation, acquisition, and disposition delivery costs (DC). LRHA is proceeding with expending the remaining funds allocated from previous years and those allocated in Program Year 2011.

Also listed below are the properties (both vacant and with structures) that have been acquired and/or disposed of during this reporting period. These vacant parcels and structures have been acquired and/or disposed in order to assist in the implementation of the strategies that are necessary to accomplish many of the goals and priorities cited and addressed in this report.

REAL ESTATE ACQUIRED BY LRHA DURING PROGRAM YEAR 2011

1) 913 Second Street
2) 920, 921, 922 Polk Street
3) 1208 Eighth Street
4) 1008 Tenth Street
5) 611-613 Washington Street

REAL ESTATE DISPOSED BY LRHA DURING PROGRAM YEAR 2011

1) 2401 Poplar Street
2) 407 Pine Street
3) 302 Cabell Street
4) 1208 Eighth Street
5) 66 Monroe Jackson Street
6) 1816-1818 Vine Street
7) 719 Polk Street
8) 1801 Floyd Street
9) 611-613 Washington Street
10) 1012 Dearing Street

PRIORITY #6 NEIGHBORHOOD SUSTAINABILITY AND LIVABILITY

Goal #6: 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 persons and providing assistance to help homeowners keep their homes helps to strengthen neighborhoods.

City staff is continuing the development of 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.
-Deeming as a necessity public safety is 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. The following neighborhood activities are underway or have been completed for the accomplishments associated with this priority/goal.

In Program Year 2011 the City supported the various neighborhood associations by having staff attend some or all of the neighborhood meetings throughout the City, particularly in the targeted areas. Those targeted area neighborhood associations that met on a consistent basis included: Federal Hill, Fairview Heights, Dearington, Birchwood, Garland Hill, Dearing Street, and Diamond Hill.

Below are specific accomplishments for activities that were supported with the CDBG funds.

Tinbridge Hill Neighborhood

Within the 2010-2015 Consolidated Plan, 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 that was partially funded with CDBG funds, City funds, and private funds. In Program Year 2011 CDBG funds were allocated to the Tinbridge Hill neighborhood for a development plan and housing rehabilitations.

During this reporting period the Tinbridge Hill Neighborhood Council (THNC) met monthly and discussed various neighborhood concerns (i.e. crime, code violations), and events. The Friends of Tinbridge Hill met monthly to update each community partner on their respective neighborhood improvement efforts and to discuss the development of a sustainable neighborhood plan.

Lynchburg Community Action Group (Lyn-CAG) has been allocated $108,058 for the rehabilitation of two housing units in the Tinbrdige Hill Neighborhood. The rehabilitation work is underway and will be completed in Program Year 2012.

Rebuilding Together Lynchburg (RTL) has been allocated $20,000 to complete minor rehabilitations for homeowners within the Tinbridge Hill Neighborhood. RTL is in the process of identifying homes that need rehabilitation that will allow the homeowner to retain homeownership and sustain the neighborhood.

The Parks and Recreation Department was allocated $10,000 to develop a design plan for public access to the Blackwater Creek Trail in the Tinbridge Hill Neighborhood. The plan has been completed and the City's Engineering Department is currently working to obtain right of way easements for the trail access.

The Tinbridge Hill Neighborhood Council (THNC), Friends of Tinbridge Hill, Rebuilding Together Lynchburg, City staff, and volunteers conducted a Neighborhood Cleanup Day in April 2012. The cleanup consisted of the clearing of three public owned spaces in the neighborhood, trash pickup, and landscaping several of the public gardens throughout the neighborhood.

Fifth Street Master Plan - Infrastructure

The City of Lynchburg in partnership with the Fifth Street Community Development Corporation (CDC) is working to revitalize the Fifth Street Corridor by implementing the Fifth Street Corridor Plan. The plan was adopted by the City Council on May 23, 2006. The purpose of the Plan is to provide a vision and a blueprint for the revitalization of the Fifth Street corridor between Main Street and the Martin Luther King, Jr. Memorial Bridge. Fifth Street serves as a gateway to the City's Downtown and the College Hill, Garland Hill and Tinbridge Hill neighborhoods which are located within CDBG targeted census tracts.

Construction of the first phase of the Fifth Street improvements was completed in September 2009 and included a two block area fronting Fifth Street between Harrison and Jackson Streets. The project included the construction of an urban roundabout flanked by plaza areas at the intersection of Fifth and Federal Streets which is the center of the corridor. Streetscape improvements in the form of wider sidewalks, street trees, historic style lighting, and the placement underground or relocation of overhead utilities were completed as part of the project. Aging water and sewer lines were also replaced. On-street parking to benefit local businesses was also added throughout the length of the entire corridor where appropriate. Phase I was completed at a cost of $1.75 million which included $122,949 in CDBG funds.

Since completion of Phase I, benches, trash cans, bus shelters, and electrical service to the roundabout have been added to the Corridor. These additions were funded by $54,800 in American Recovery and Reinvestment Act (ARRA) Stimulus funding.

Phase II of the Fifth Street improvement project which will include the blocks from Harrison to Main Street started construction in September 2011 and is scheduled for completion in June 2013. The project includes the same streetscape amenities as constructed in Phase I, but includes more significant water and sewer line replacements funded by the City's water resources fund.

During this reporting period, CDBG funds in the amount of $100,000 were expended on the continued construction of the Phase II improvements. An additional $17,000 of CDBG funding will be used to purchase street benches and identity banners upon completion of the Phase II construction.

Lynchburg Neighborhood Development Foundation (LNDF) acquired 702/708 Fifth Street from the Lynchburg Redevelopment Housing Authority. The properties had been slated for demolition. City staff and the Fifth Street Community Development Corporation assisted LNDF with the stabilization of these properties. Through the partnership $60,000 of CDBG funds was expended to stabilize the buildings for future renovation and return to use. The stabilization of these buildings was crucial in the Fifth Street Area being placed on the State & National Register of Historic Places in February 2012.

Phase III of the Fifth Street Master plan will include the same streetscape amenities and utility improvements as Phases I & II and will include the blocks from Jackson to Taylor Street. Phase III will include a minimum of $100,000 CDBG funds and is anticipated to start construction during the fall of 2013.

Virginia University Building Renovations

Virginia University of Lynchburg was awarded $14,320 in Program Year 2010 CBDG funding for replacement of a roof on one of the University's recognized historic buildings, the Mary Jane Cachelin Science and Library Building. The building is 64 years old and has the original roof on it. The building has been recognized by the City as part of the Historic District Area of Virginia University of Lynchburg. In addition to MJC Center, also included in the historic district are Graham Hall, Humbles Hall, and the land associated with these campus buildings. These buildings are recognized by the Commonwealth of Virginia on the Virginia Landmark Register and are currently under review for inclusion in the National Register of Historic Places. The construction project consisted of the old roof being completely removed, disposed of, and the underlayment replaced and prepared.

During Program Year 2011 the University completed the replacement of the roof and the CDBG funds were expended. The renovation of this building directly benefitted 406 students at the University; consisting of 402 African Americans and four (4) white. All of these students were low-to-moderate income persons.

This project is located in Census Tract 19 within the Seminary Hill Neighborhood. With funding from the U. S. Department of Housing and Urban Development (HUD) the University recently completed the rehabilitation of eight (8) housing units and the new construction of one housing unit providing assistance to 23 residents within the neighborhood. This rehabilitation project enhanced the stability and appearance of the neighborhood and notably within two blocks of the University.

Below are the neighborhood projects and facilities that continue to support sustainability and livability within the CDBG-targeted areas.

Lynchburg Neighborhood Development Foundation (LNDF), in partnership with the Virginia Community Development Corporation (VCDC), engaged in a large-scale community development project within the Fifth Street Corridor known as the Pyramid Project. Fifth Street, a once thriving commercial center for the African-American community, has experienced a decline as a result of economic and social changes in the City. As a result of several years of work on the part of the City and area residents a plan for revitalization and redevelopment of Fifth Street, the Fifth Street Corridor Master Plan, was approved by City Council in 2006. LNDF has been working in the neighborhoods adjoining Fifth Street for several years.

LNDF acquired and renovated the CW Warthen Building (407 Federal St.) into a 22,000 square foot medical services facility, housing two tenants serving the needs of the medically-underserved and the low-to-moderate-income elderly of the region. The building has been placed on the state and national historic registers and qualified for Historic Preservation Tax Credits. The use and location of the project allows it to be eligible for another source of equity investment, New Market Tax Credits, a federal tax incentive for commercial development in distressed areas. The combination of these investment mechanisms and the participation of a national community development lender, Local Initiatives Support Coalition (LISC), allow LNDF to provide a high-quality space to tenants for a very affordable rent. The construction contractor was C.L. Lewis and incorporated many "green" elements in the renovation, including the use of solar power for certain energy components.

PACE (A Program of All-inclusive Care for the Elderly) is a medically-based model that permits elderly participants to continue living at home while receiving social, medical and rehabilitative services. PACE is a national program whose local agencies serve some of the most vulnerable patients in our system – the indigent, frail and elderly. The need for a program such as PACE was recognized several years ago and the Centra Board of Directors was the major program sponsor. PACE occupies half the Warthen Building.

Johnson Community Health Center (JHC) is a federally-qualified community health center, created in 1998, serving the region, especially targeted populations, such as minorities, the socially-economically disadvantaged, and the medically underserved. JHC has tripled its patient base since its inception in 1998 and provides excellent primary care to the residents of Lynchburg. The main facility of JHC is located very near Tinbridge Hill, a low-income, distressed neighborhood. JHC has other sites in the area providing specialized care, such as dental and obstetrics. Growth projections call for increased pediatric and women's health services. JHC occupies the other half of the Warthen Building.

The Pyramid Project was a leading force in the redevelopment of Fifth Street. The impact of this project has benefited the neighborhood in a variety of ways – the most important of which was to show the private sector that reinvestment in Fifth Street is good business. The project also improved conditions for the people living in the surrounding neighborhoods by bringing services and economic opportunities to this community. The benefits specific to this project included: preservation of a historic building next to Fifth Street; attracted private investment into Lynchburg; generated more activity – increased medical staff and patients; provided more medical services to area residents, especially low- and moderate-income; and supported and stimulated commercial and retail businesses along Fifth Street.

PRIORITY #7: SUPPORT ECONOMIC DEVELOPMENT

Goal 7: Support economic development efforts, which will expand job opportunities and support job retention for low- and moderate-income persons.

The City's goal is to encourage more commercial and industrial development in order to provide more jobs in the inner city. The City 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.

The City has two Enterprise Zones: Enterprise Zone Number 2 - Downtown and Enterprise Zone Number 46 – Lynchpin. Most of the downtown redevelopment and commercial and industrial development will increase the number of jobs and wages for low-to-moderate-income persons, decrease vacant and/or dilapidated non-revenue producing properties, increase business sales volume in the revitalized neighborhoods, and increase small business loans in targeted neighborhoods.

The City continues its implementation of the Downtown/Riverfront Master Plan adopted in March 2001. Sasaki & Associates and Economics Research Associates developed the twenty-year (20) plan encompassing a sixty-block (60) area.

Implementation continues to focus on four (4) areas: infrastructure/public space improvements, culture and entertainment, commercial development, and government projects. This Plan is supported by City Council's annual commitment of $.5 million in capital funds in Fiscal Year 2011 (Program Year 2011).

Housing is a critical component of the Downtown/Riverfront Master Plan and increases demand for retail and entertainment. Several new loft apartment housing projects have been built and others are in the planning phase. The ten (10) unit Parlor Lofts project, between Ninth and Tenth Streets on Main Street, has been completed and fully leased. At street level, a restaurant/convenience store has occupied the space. The developer has also acquired adjacent buildings and has completed twenty-six (26) additional loft apartments. In addition, the ground floor has been leased to retail tenants. In the same block, fourteen (14) loft apartments have been completed and leased over existing commercial space. Underway on Washington Street is a planned thirteen-unit (13) loft apartment complex. A number of other loft conversions are either underway or anticipated downtown. Cliffs Edge Lofts at 612 Commerce Street recently opened with more than 60 additional units. Cliffs Edge plan to construct a park adjoining the Blackwater Creek Trail. Once completed, the City will retain ownership and provide maintenance. Other private development includes The Academy of Fine Arts, which completed the construction of a fly tower valued at $2 Million. The Theatre's fund raising campaign members continue to approach local, regional and national supporters for their gifts. It also anticipates significant funding from historic and new market tax credits as the project moves forward. Upon completion, the Academy of Fine Arts will be a key component to the successful revitalization of Lynchburg's historic downtown, strengthening its business environment, and enhancing the quality of life for Central Virginians.

Public downtown and Riverfront redevelopment/infrastructure projects totaling $15.4 million that have been completed or are underway include: D Street Bridge Replacement (completed); Rivermont Bridge Renovations (nearly completed); Lower Bluff Walk-Phase I; Jefferson Street South; Kanawa Canal Bridge Improvements; Blackwater Trail Relocation to the North side of Riverfront Park and Parking Improvements; and Lower Bluff Walk – Phase II and III. Funds in the amount of $9.6 million were expended on these projects during this program year.

In the Consolidated Plan (2000-2005) the City guaranteed $3,200,000 in HUD Section 108 loan funds for the Bluffwalk Center project. The project has produced approximately $8,838,038 in Historic and New Market Tax Credit equity, most of which went directly into the Lynchburg economy in terms of construction jobs and

construction materials. As a result of these investments, 54.6 full-time equivalent jobs were made available to low-to-moderate-income persons within this project.

During this reporting period the hotel component of the Bluffwalk Center project has continued to experience financial difficulties. In August 2011, the City paid the $180,000 Section 108 principal payment loan obligation to HUD.

PRIORITY #8: SUPPORT OF PROGRAMS FOR THE HEALTHY DEVELOPMENT OF THE CITY'S AT-RISK YOUTH, ADULTS AND FAMILIES

Goal 8: 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.

As evidenced in identifying families with children, especially those of low-income having significant housing needs, the City also recognizes that support services to these families are needed in addition to housing resources. Therefore, significant resources are invested in the City's many neighborhood and community centers which are beginning to benefit from partnerships with private sector groups and organizations to maximize the public benefit.

In addition, the City will continue to support public service providers in order to meet the needs of the low-to-moderate income persons, persons 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 Department of Social Services and Juvenile Services, there are many nonprofit organizations that coordinate with the City to provide the services needed.

Programs/activities that received and expended CDBG funds from the City during this reporting period for this goal included the following:

Young Women's Christian Association (YWCA) – Domestic Violence Prevention Center (DVPC)

The 2011 CDBG funds ($22,103) allocated to the DVPC were expended to pay a portion of the DVPC Director's salary. The DVPC is an emergency shelter for abused women, men and children, who are in most cases, severely financially challenged.

The Center makes available to these women, men and children various programs and services such as intervention, court advocacy, counseling, food, and referral services. During the program year, the DVPC provided shelter and services to 134 families, which included 2,184 persons of various racial and ethnicity categories. The diversity included: Asian (10); White (1,428); and African-American (746). In addition to the shelter and services provided, the DVPC answered 6,284 hotline calls and provided 4,103 nights of shelter.

Smart Beginnings of Central Virginia – (Gus the Learning Bus)

Smart Beginnings of Central Virginia is a Coalition that supports quality early childhood initiatives in Central Virginia. The Coalition is made-up of community leaders from the business, government, education, health and human services agencies coordinated by the United Way of Central Virginia. The goal of the Coalition is to support kindergarten readiness within the City of Lynchburg Schools. The program consist of Gus the Learning Bus and Rex the Parent Resource Bus by bringing quality preschool experiences to low income neighborhoods. Gus is a mobile preschool classroom with a teacher and assistant teacher who provide instruction for the children and support information for the parents. Rex is a mobile library with materials for parents to use in their home.

In Program Year 2011 Gus the Learning Bus Program received CDBG funds in the amount of $15,205. The allocated funds were expended on books and supplies necessary to assist the program teacher in teaching and providing disadvantaged parents/families educational support materials to prepare their children for kindergarten. In addition, fuel and regular/needed maintenance and equipment for the bus were provided. This program served: seventy (70) youth; sixty-six (66) African-Americans and four (4) White, non-Hispanic.

Hunton-Randolph Community Center – (Youth Programs)

The Hunton-Randolph Center is a non-profit organization located at Twelfth and Taylor Streets. The organization was established to provide educational, enrichment, and recreational programs to families within the CDBG-targeted areas but particularly those living within Census Tracts 6 and 11.

In Program Year 2009 the Center received $25,000 in CDBG funds to provide direct costs associated with three of the family programs at the facility. These programs are: (1) College Focus to provide guidance for college entry after high school; (2) Heart Health Fitness will assist seniors in developing a more active lifestyle; and (3) Healthy Kicks After School Tutorial that will address anger management, bridging the achievement gap, childhood obesity, and healthy eating habits.

The Center did not expend any funds for this activity during this reporting period. Hunton Randolph Community Center was unable to provide the program support necessary to administer the above-referenced activities. Therefore, these funds will be reprogrammed in Program Year 2013 for other CDBG eligible activities.

(3) **Describe the manner in which the recipient would change its program as a result of its experiences.**

The City acknowledges the challenges of producing affordable housing options and providing programs and services to low-income communities and people. The City continues to review its approach to how we administer, evaluate, make decisions, and implement the CDBG and HOME programs. We intend to address this by redefining desired outcomes for all of our programs and strategically planning a path by which to achieve these outcomes.

The City annually reviews its subrecipient agreements to update any necessary regulation changes, revisits policies and procedures, provides additional oversight

and monitoring of agencies utilizing federal funds, and provides training for non-profits and entities applying for and receiving CDBG and HOME funds. The training provides a foundation for non-profits to operate within program guidelines and regulations, as they work for the greater good of the Lynchburg community. In addition to the training, recipients of federal funds are provided one-on-one technical assistance based upon their individual needs. City staff continues to take advantage of training opportunities to build internal capacity.

With these strategic and deliberate steps the City will continue to improve the quality of service delivery and housing in our community. However, as the housing market continues to decline with more foreclosures and increases in the cost of doing housing rehabilitation, the City will be challenged to come up with strategies to address these issues.

(4) Affirmatively Furthering Fair Housing:

a. Provide a summary of impediments to fair housing choice.

The City's Consolidated Plan contains a number of objectives that address housing goals for lower-income persons or people with incomes ranging from 30% to 80% of the area median income. Using CDBG, HOME, and Shelter Plus Care grant funds, the City continued to address the housing needs of this population during the program year.

In Program Year 2012 the City has allocated $30,000 to conduct an Analysis of Impediments to Fair Housing (AI). With new Census information and a community engagement program focused on housing it is the goal of the City to complete the update to the AI by June 2013. The AI will include and identify the actions taken to overcome effects of the impediments identified.

b. Identify actions taken to overcome effects of impediments identified.

As stated above, the City is working towards completing an updated Analysis of Impediments to Fair Housing. However, during this reporting period, the following actions were taken to further fair housing in our community:

- Fair Housing brochures were distributed to the public through the CDBG sub-recipients and to persons visiting City Hall, the public libraries, and the Community Development Office.
- The City is a member of 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.
- Lynchburg Redevelopment and Housing Authority (LRHA) posted in every building for which Section 8 occupants are located a Federal Fair Housing Poster. There is also a poster in each LRHA staff person's office located at 918 Commerce Street.
- 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 included solicitation of minority-owned and women-owned businesses.
- A public notice was published in April 2012 for "Fair Housing Month".
- All non-profits that receive CDBG and HOME funds have their own marketing policy that indicates recruitment and solicitation of minority-owned and women-

owned businesses where possible.

- City staff assisted 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 was distributed to contractors, as requested.

(5) Describe Other Actions in Strategic Plan or Action Plan taken to address obstacles to meeting underserved needs.

To assist in addressing the housing and community development needs of underserved citizens, the City of Lynchburg focused a significant amount of federal resources on rehabilitation and home buying activities. Several non-profit agencies were funded with CDBG and HOME funds to undertake rehabilitation and homeownership activities.

Financing availability continues to be one of the main obstacles in addressing underserved needs of the City's residents. With declining government program support, the private sector will have to play a key role in making up for this loss.

The City, particularly through its partnership with the local non-profits, has continued to promote the involvement of private citizens, banks, corporations, and others in community development activities. As more people become involved the proper and effective coordination of this involvement will become even more challenging.

The City of Lynchburg continues to support cooperative ventures, and to initiate cooperation where it is lacking. City Council exercised a coordinating role in its allocation of CDBG and HOME funds to sub-recipient organizations, and through the establishment of the Consolidated Plan. Other examples of coordination include the Community Code Compliance Team, where citizens and City staff meet in neighborhoods to discuss code violation issues and plan corrective actions to be taken to address the issues.

Shared responsibility also implies the open exchange of information and the combination of scarce resources. The City maintains a leadership role in this regard, while opening the process to all interested parties, including low- and moderate-income citizens.

The City continues to seek reduction in the number of households with incomes below the poverty line by 10% each year through long-term solutions such as education (including adult education and job skill training), economic development, and coordinated supportive services. These areas are traditionally within the local government's sphere of influence and the Lynchburg City Council has placed significant emphasis and funding in these areas through the allocation of CDBG and HOE Program funds.

City staff reviews the quarterly reports for each CDBG and HOME project that is funded to ensure that the City is meeting the goals and objectives stated in the Consolidated Plan. For projects that are not meeting the goals established in the Consolidated Plan and Annual Action Plan, City staff contacts the agency to discuss the project and the necessary action that will be needed to bring the project to a current status.

City staff reviews each CDBG and HOME project to ensure that funds are being expended in accordance with the program regulations and that the project funds are

being expended in a timely manner. If a project has not expended funds during the quarterly review, City staff contacts the agency to discuss the project status and the importance of expending the project funds in a timely manner.

For ongoing HOME rental projects City staff requires the agency responsible for the project to submit to the City an annual HUD HOME Monitoring Checklist, Project Compliance Report for Rental Housing, and Project Compliance Checklist. This information is reviewed for HOME Program compliance.

The City's CDBG and HOME funds are audited in conjunction with the City's annual audit. City Council reviews on an annual basis the remaining project funds and determines if funds will be retrieved from agencies and reprogrammed to other projects.

(6) Leveraging Resources

a. Identify progress in obtaining "other" public and private resources to address needs.

The utilization of CDBG, HOME, and other federal grant funds has had a substantial impact on the City's ability to leverage other resources to redevelop economically distressed neighborhoods and provide renewed opportunities for our residents. The Commonwealth of Virginia is a leader in the provision of affordable housing programs. The City of Lynchburg, particularly through the Economic Development Authority (EDA) offers various incentives at the local level, and a vast array of other public and private resources are available to address the needs of our community. The section below provides details of this leverage.

b. How Federal resources from HUD leveraged other public and private resources.

Public Resources:

The City of Lynchburg operates several programs and services which contribute to community revitalization. These include the following:

- The Code Compliance Division of the Community Development Department enforces ordinances regarding abandoned vehicles, illegal dumping, and weeds.

- The Buildings & Grounds Division of the Public Works Department coordinates the following programs:

  - Adopt a Flower Bed: Businesses purchase plants, which City employees plant and maintain. Currently there are about twenty flower beds, mostly along the highways.
  - Arbor Day: A day to celebrate and promote planting trees within the City .
  - Public Works Academy: Public Works has developed a Work Place Academy for challenged upper level alternative educational students to expose them to Public Works jobs as a career option.

- The Litter Control Program within the Public Works Department operates the Adopt a Street Program. Sixty (60) locations throughout the City, each at least one-half mile long, are cleaned by volunteers at least four times during the year.

- The Water Resources Department operates the Combined Sewer Overflow ("CSO") Program. The largest of all the City's capital improvement programs, this program separates the storm water and waste water system from the current - one system - into two systems. The project will take more than thirty (30) years and nearly $500 million to complete Thus far, the Program has spent $29 million of local funding (provided by sewer fees); $119 million in State funding (VCWRLF loans); $46 million in federal funding (grants); and $19 million in Federal Stimulus (ARRA) funding.

- The Inspections Division of the Community Development Department administers a complaint-based Property Maintenance (land and structure) or Code Compliance Program. Under this Program properties are cited for various violations of the City's Property Maintenance Code where owners are given certain deadlines for compliance. If compliance is not attained, the City takes the owner to Court for judgment and resolution of the violation(s).

- The City's Department of Social Services (DSS) manages nine (9) programs that coincide with CDBG-funded public service activities provided to nonprfits. Many of the non-profit agencies utilize the services provided by the City for their clients. They are listed as follows:

    - Child Care Services: Provided to enable low-income families (regardless of Temporary Assistance to Needy Families (TANF) status) to be employed or to prepare for employment.
    - Employment Services: Provided to TANF recipients to help secure employment, education, or training. Several services are offered.
    - Services to Adults: Services to the elderly and disabled, including emergency assistance with prescription medications, food, clothing, and shelter.
    - Energy Assistance Program: Programs to offset rising costs of heating (and, if available, cooling). Also provides assistance with heating equipment and fuel.
    - Supplemental Nutrition Assistance Program (SNAP): Supplements the food purchasing power for low-income households.
    - Medicaid Assistance Program (MEDICAID): Pays for medical, dental, pharmaceutical, and optometric care for recipients of public assistance and medically needy persons.
    - Temporary Assistance to Needy Families (TANF): Monthly assistance to needy families with children ages birth to 18 years.
    - Temporary Assistance to Needy Families - Unemployed Parent (TANF-UP): Monthly assistance to needy two-parent families with children children ages birth to 18 years when the primary wage-earner is unemployed.
    - Virginia Initiative for Employment not Welfare (VIEW): Clients are given up to two years of supportive services and an additional year of transitional services to obtain gainful employment. This program is required for all TANF recipients.

Other HUD grants used in the community are the Supportive Housing Program, Shelter Plus Care, housing opportnities for Persons with AIDS, and McKinney-Vento Homeless Assistance. McKinney-Vento Homeless Assistance funds are provided to Miriam's House, Lyn-CAG, LNDF, the Salvation Army, and YWCA.

Quasi-Public Resources:

The Homeless and Housing Coalition (HHC) is a group of service providers in the greater Lynchburg area presenting a continuum of care to the public. Many of these service providers are funded in whole or in part by federal grant money.

Through a series of meetings known as "Lynchburg is Listening: A Conversation on Housing" the City of Lynchburg engaged citizens and stakeholders on housing issues in the City. The City started the process to evaluate its current housing stock. Lynchburg contracted with HOME (Housing Opportunities Made Equal) to prepare a City-wide Housing Assessment to facilitate the stakeholders' housing conversations. The housing assessment covered demographics, housing characteristics, subsidized housing, homelessness, and a market analysis. Once completed, there were identified strategies including: (1) a leader of the housing efforts should be identified and a housing resources inventory is needed to help identify service gaps; (2) a high level of importance on youth development including housing education within the public school system and tracking the health of children relative to their living/housing conditions; (3) the importance of addressing blight and substandard housing conditions; and (4) more effort is needed to address special-needs population housing needs, such as encouraging universally designed housing.

In order for these strategies to take shape, a Housing Collaborative will be formed to initiate and facilitate the strategies. The Housing Collaborative, at a minimum, will include a housing partner representative, realtors, developers, bankers, and other engaged stakeholders, as well as City staff. The results of the community on housing conversations have allowed the City to set a path for the future of housing and the strategies that have been developed by the stakeholders reflect the housing needs of the City. To that end, the City feels that this is simply the beginning of many conversations needed on housing. The Housing Collaborative will be tasked with continuing the conversation and facilitating the updates in housing trends.

Private Resources:

The Salvation Army and Lynchburg Daily Bread are two places in the City where people from the greater Lynchburg area can come for a hot meal every day, with no questions asked. The Salvation Army offers breakfast and supper, whereas Lynchburg Daily Bread offers lunch. The Salvation Army has been serving Lynchburg and the surrounding counties of Campbell, Bedford, Amherst, Appomattox, and Nelson for over 100 years.

In addition, at The Salvation Army there is the Center of Hope facility which offers transitional shelter, emergency shelter services, and the community meals program. There are family suites available in the transitional shelter section.

The Salvation Army also houses a day care program on its campus. Salvation Army staff offer life skills and lay-counseling to needy persons and helps them to find employment and establish credit.

Lynchburg Daily Bread receives food from businesses, churches, persons, and the USDA. Any excess is shared with other non-profit organizations. When lunch is over, the facility is used as a day shelter for persons and families.

The Gateway House, Inc. is a program for homeless men recovering from substance abuse. The Gateway receives in-kind contributions, and donations from churches, community organizations, businesses, and persons. Volunteers live at the Gateway four nights per week to assist residents.

In Program Year 2011 the United Way of Central Virginia funded fifty-seven (57) programs for thirty (30) agencies in Central Virginia, including agencies who also receive HUD grant funds. Local foundations funding area non-profits include: the Greater Lynchburg Community Trust, the Centra Foundation, the Retail Merchants Foundation, the Easley Foundation, and the Plymale Foundation.

The Free Clinic of Central Virginia, a private, non-profit corporation, exists "to provide primary medical, nursing, dental, pharmaceutical, and educational services to those in Central Virginia who do not have the resources to obtain this basic health care." The Free Clinic screens clients and targets the underinsured and uninsured. Funding for the Free Clinic is provided by the United Way and charity events such as the Smith Mountain Lake Home Tour, the Downtown Lofts Tour, and the James River Basketball Tournament. The majority of the professionals and support staff provide their services free of charge, thus maximizing the impact of each dollar raised to support the Free Clinic.

Lynchburg Covenant Fellowship (LCF) began as an ecumenical ministry launched by The Church of the Covenant. It has grown over the past fifty-eight (58) years to become its own organization and has since created several other independent organizations, such as New Land Samaritan Inns. LCF has entities in the City of Lynchburg and in the counties of Amherst, Appomattox, and Bedford. It has worked successfully with the following entities: HUD (Section VIII Rental Assistance and Section 202), Lynchburg Health Department, Lynchburg DSS, Virginia Housing Development Authority, LRHA, YWCA, Central Virginia Community Services Board, Central Virginia Training Center, Lyn-CAG, LNDF, Rush Homes, private businesses, and agencies which have become independent of LCF. LCF owns and operates seven (7) housing complexes for impoverished persons, including Shalom Apartments.

Lyn-CAG "serves to effectively assist low-income families and persons in the Central Virginia Region 2000 community to move from economic and social dependency to self-sufficiency." Region 2000 encompasses the Cities of Lynchburg and Bedford and the counties of Amherst, Appomattox, Bedford, and Campbell. Lyn-CAG is a United Way agency and also receives funds from Section VIII, SHARE-HIP, and HOPWA. Lyn-CAG offers crisis intervention, shelters, housing, transportation, housing improvement, financial and educational training, and community reentry (for released inmates) services. The Housing Rehabilitation Program is funded by the CDBG Program. The Substantial Rehabilitation Program is funded by the HOME Program. Lyn-CAG is one of the City's two Community Housing Development Organizations (CHDOs) and rehabilitates and/or constructs homes for first-time home buyers.

c. How matching requirements were satisfied.

The HOME program requires that participating jurisdictions (PJs) provide match funds in amounts equal to no less than 25 % of the total HOME funds drawn down from the jurisdictions HOME program account for project costs. Allowable reductions are made for PJs that experience fiscal distress or major disasters in accordance with the Stafford Act.

Fiscal distress can be categorized by the following criteria: 1) the family poverty rate is 125% or more of the national poverty rate; and 2) the per-capita income is less than 75% of the national average. When a PJ meets one of these distress criteria, it is determined to be in fiscal distress and thereby receives a 50 % reduction of its match requirement. If a local jurisdiction satisfies both of the distress criteria, it is determined to be in severe fiscal distress and receives a 100 % reduction of its match requirement. The City does not meet the criteria to be classified as severely distressed but has been determined to be in fiscal distress and received the 50% reduction of its match requirement for Program Year 2011.

With respect to HOME funds, the City began the Program Year 2011 period with $1,543,530 in excess match carried over from the prior year. During Program Year 2011, the City accrued $318,717 in additional match credit from Greater Lynchburg Habitat for Humanity (GLHFH) HOME-assisted units. Based on the HOME Matching Liability Report (PR33) from the HUD Integrated Disbursement and Information System (IDIS), a total of $839,060 in HOME funds were disbursed requiring a match liability from July 1, 2011 to June 30, 2012, of which $104,882 was subject to the 12.5% match requirement applied to the City. A balance of $1,757,365 in excess match to carry over to Program Year 2012 remains available for future years.

Managing the Process

1. Describe actions taken during the last year to ensure compliance with program and comprehensive planning requirements.

Program Year 2 CAPER Managing the Process response:

The City of Lynchburg ensures compliance with program and local requirements by incorporating approved accounting procedures, providing internal and external audits, monitoring and following HUD regulations and requirements.

Citizens provide an additional layer of compliance monitoring through community input and the Citizen Participation Plan. Additionally, comprehensive planning with other governmental entities ensures continual adjustments to long-term statistics relative to housing, homeless and other special needs populations.

Citizen Participation

Program Year 2 CAPER Citizen Participation response:

1. Provide a summary of citizen comments.

On October 8, 2012 a public notice was published in the *News and Advance* stating that a draft of the proposed Program Year 2011 Consolidated Annual Performance

Report (CAPER) was available for public review for a 15-day public comment period. The advertisement stated that City Council would be conducting a public hearing on October 23, 2012 to receive public comments regarding the draft CAPER.

In addition to the 15-day public comment period and the public hearing held by City Council, copies of the draft CAPER were made available for public review at the following locations in and throughout the City:

- 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
- City website at www.lynchburgva.gov/grants

The draft report provided citizens with details concerning the federal funds made available to the City for furthering the objectives of the Consolidated Plan. The report also identified the total amount of funds available (including program income), the total amount of funds expended during the reporting period, and the geographic distribution of expenditure of funds within the various census tracts.

Any citizen comments received during the public comment period or at the City Council public hearing will be addressed in the final submission of the CAPER to HUD.

Citizen Comments – There were no citizen comments received neither during the public comment period nor at the City Council public hearing.

2. **In addition, the performance report provided to citizens must identify the Federal funds made available for furthering the objectives of the Consolidated Plan. For each formula grant program, the grantee shall identify the total amount of funds available (including estimated program income), the total amount of funds committed during the reporting period, the total amount expended during the reporting period, and the geographic distribution and location of expenditures. Jurisdictions are encouraged to include maps in describing the geographic distribution and location of investment (including areas of minority concentration). The geographic distribution and expenditure requirement may also be satisfied by specifying the census tracts where expenditures were concentrated.**

The goal of this report is to compare the anticipated benefits projected in the City's Annual and Five-Year Plans with the actual accomplishments achieved. This report also allows local citizens and elected officials, and representatives of HUD to evaluate the City's performance and assess its status in meeting the five-year goals established in the 2010-2015 Five-Year Consolidated Plan.

The CAPER reviews how the City of Lynchburg used federal funding provided by HUD to successfully implement programs and projects that address its community development objectives during Program Year 2011 (July 1, 2011 through June 30, 2012).

Within the City of Lynchburg's Five-Year Consolidated Plan, the City committed to the overarching goal of undertaking activities that would result in substantial public benefit through the revitalization of depressed areas, and in assistance to low- and moderate-income residents. These are the central city neighborhoods that surround

the downtown business district and are the seven contiguous census tracts that comprise the CDBG target area: Census Tracts 4, 5, 6, 7, 11, and 19. The Census Tract Map attached to this document (Appendix A - Map 1) depicts the boundaries of the CDBG target areas in the City. In addition, within the HOME Program, homebuyer assistance was provided to low-to-moderate income persons based on individual needs for affordable housing.

The majority of the CDBG and HOME funding this reporting period was allocated for activities classified as housing, public facilities, public service, and removal of blighted properties. Details of the services, programs, and accomplishments and an analysis of expenditures are provided throughout the CAPER and within the IDIS reports included with this CAPER. The Project Location Map (Appendix A - Map 2) depicts the locations of the funded projects.

Institutional Structure

1. **Describe actions taken during the last year to overcome gaps in institutional structures and enhance coordination.**

Program Year 2 CAPER Institutional Structure response:

To minimize gaps and to ensure coordination of the Federal CDBG and HOME funds, as well as the City's General Fund, these funds are overseen by several City committees, commissions, and City departments. The City Council, as the governing body of the City of Lynchburg, is responsible for all policy decisions and approves all City funding recommendations. Ultimately funding for housing and service providers is coordinated through the City Council.

Information of funding proposals and awards are advertised and distributed to non-profit entities and other interested organizations and City departments so that they are aware of available funding and funding awards. Applicants provide information on other funding sources for the project and for their organization.

The City's Community Development Advisory Committee (CDAC) reviews all funding requests and makes recommendations to the City Council on all activities proposed to be funded through the CDBG and HOME programs. The City Council makes the final funding decisions. The Grants Administration Office oversees the administration of the CDBG and HOME program and reviews the progress of sub-recipient grantees toward meeting their programmatic goals.

City of Lynchburg residents and other interested persons had several opportunities during the program year to comment and offer suggestions on funding through regular meetings and public hearings.

The Grants Administration Office is responsible for the preparation of the City's Consolidated Plan, Annual Action Plan and Consolidated Action Plan Performance and Evaluation Report. The Grants Administration Office also coordinates interdepartmental discussion regarding priorities and programs which arise from or affect the City's planning process and ensures that federally funded programs are addressing the City's priority needs in compliance with its Consolidated Plan.

Monitoring

Program Year 2 CAPER Monitoring Response:

1. Describe how and the frequency with which you monitored your activities.

The Grants Administration Office is responsible for monitoring programs that receive CDBG and HOME funds. A sub-recipient agreement is prepared for all agencies outside of the local government. This agreement contains the required HUD applicable statutory and regulatory requirements.

Monitoring of projects is done in several ways. First, sub-recipients are typically reimbursed for expenses, rather than provided funds up-front. The City requires receipts, time sheets, and other relevant documentation with the reimbursement request. Also, sub-recipients are required to submit quarterly performance reports, which are reviewed for consistency with the City's program and financial records.

During this reporting period, the City's policy was to conduct at least four sub-recipient on-site monitoring visits at least once per year. These monitoring visits were conducted by the Grants Administration and Financial Services Department staff. At the on-site monitoring visits for the housing and acquisition projects, a random selection of address files were reviewed for program compliance. For all other projects a visual inspection was made of the various accomplishments completed with program funds and a narrative submitted on the benefits for low and low-to-moderate-income persons. There is a monitoring checklist that is completed at the time of the review and then summarized. The financial reviews include a selection of reimbursements from the City. The reimbursements are traced through receipt and disbursement of funds. When all staff has completed their reviews the monitoring comments are compiled and a letter written to the agencies advising them of the results of the monitoring reviews and if any corrective action is needed. Technical assistance is provided as needed, or requested.

Because of staffing constraints, some activities were monitored remotely through quarterly performance reports and information provided with reimbursement requests.

2. Describe the results of your monitoring including any improvements.

The City conducted on-site monitoring visits at the following agencies for the Program Year 2011 CDBG and HOME funded projects:

1) Greater Lynchburg Habitat for Humanity;
2) Lynchburg Redevelopment and Housing Authority;
3) Lynchburg Community Action Group;
   Lynchburg Neighborhood Development Foundation; and
4) Miriam's House.

Overall, the agencies were operating their projects within the required CDBG and HOME Program regulations. The agencies' staffs were advised to contact the City Grants Administration staff at any time if technical assistance was needed.

3. Self Evaluation

a. Describe the effect programs have in solving neighborhood and community problems.

Using HUD funds, the City of Lynchburg continues to play a critical role in ensuring the sustainability and operation of activities and programs of significant benefit to our residents. The City has used CDBG funds to provide services to Lynchburg's most vulnerable populations, with programs that include facilities and services for the homeless, programs for at-risk youth, programs for persons experiencing domestic violence, and seniors. CDBG funds have also been used to improve parks, public facilities, and provide business and technical assistance for businesses located in low-income areas. HOME and CDBG funds have been used to improve substandard housing, provide assistance to purchase homes, and create new affordable housing. These activities directly enhanced the overall quality of life in the target areas.

b. Describe progress in meeting priority needs and specific objectives and help make community's vision of the future a reality.

The City of Lynchburg's Consolidated Plan contains ambitious goals to address community needs and improve the quality of life for its residents, especially low- and moderate-income residents. City staff regularly reviews the five-year goals and priority needs as defined in the City's 2010-2015 Consolidated Plan and recommends any modifications to programs based on those reviews. Any amendments to the Consolidated Plan are presented to the Community Development Advisory Committee for review. If approved by the Committee, amendments are submitted to the City Council for approval before submission to the HUD Richmond Office.

The City believes that it has effectively used its HUD funding to address as broad a range of community development objectives as possible. It plans to continue to support a wide range of programs and activities that will provide services, affordable housing and economic development opportunities for low-and moderate-income persons.

c. Describe how you provided decent housing and a suitable living environment and expanded economic opportunity principally for low-and moderate-income persons.

The City obligated all of its CDBG and HOME funds to specific programs, projects, and activities. Using the federal entitlements and program income Lynchburg funded: ten (10) housing projects this program year with CDBG and HOME funds. Of the HOME funds, two (2) HOME CHDO projects, Lynchburg Community Action Group and Housing 2000, Single Family Development, were funded during this reporting period.

The City maintained its effort in promoting the priority needs, goals, and objectives stated in its Annual Action Plan. The City did not make any changes to the program year objectives. It focused on addressing housing needs in the CDBG-targeted areas and City-wide. The City continued to evaluate ways to increase available resources, improve the strategic use of resources to leverage more non-profit and private sector activity, and increase activity that would eliminate major blighting influences that might impede the conservation and redevelopment of neighborhoods.

d. Indicate any activities falling behind schedule.

There are two CDBG activities behind schedule: Program Year 2010 Rebuilding Together Lynchburg Housing Rehabilitation Program and Program Year 2009 Rental Rehabilitation Program administered by the Lynchburg Redevelopment and Housing Authority (LRHA). City staff is closely monitoring those projects for completion.

In addition, Lynchburg did not carry out its overall compliance with CDBG-assisted activities in a timely manner in accordance with the statutory requirements of 24 CFR 570.902. The City did not meet the expenditure threshold of 1.5 times the entitlement amount for Program Year 2011. On May 2, 2012, when the 60-day test was conducted the amount of CDBG funds available but undisbursed by the U. S. Treasury totaled 1.75 times the City's Program Year 2011 entitlement amount. Since the day of the test to the end of Program Year 2011 the City expended $136,362 of the required $188,084. City staff is aware of this requirement and is closely monitoring the expenditures to ensure compliance in Program Year 2012.

e. Describe how activities and strategies made an impact on identified needs.

During the reporting period, CDBG and HOME funds made possible a number of activities to address the housing, economic, human and neighborhood development, and homeless services needs of the community. Under the General Questions Section (Pages 6-21) a partial list of the results achieved is provided in reaching over persons, families and households. The impact on their needs was achieved through activities and strategies focused on:
-- developing homeownership opportunities
-- eliminating blighting structures and conditions
-- repairing and rehabilitating owner-occupied housing
-- maintaining and operating shelters and services for the homeless
-- developing decent, affordable multi-unit rental housing
-- emergency, elderly and other special needs housing assistance
-- neighborhood facilities and infrastructure improvements
-- developing project experience for neighborhood organizations

f. Identify indicators that would best describe the results.

At the present time, the output indicator of over 1,582 people served and three (3) units of housing assistance (homeownership rehabilitation) provide reasonable indicators of the results achieved during the reporting period. For additional output indicators, see item 1.a. under the General Questions Section (Pages 6-21).

g. Identify barriers that had a negative impact on fulfilling the strategies and overall vision.

The overall economic climate and reduced funding allocations in the City's federal programs have provided barriers to the City's progress in fulfilling strategies and vision. The consistent reduction in federal funding directly impacts the ability of non-profit agencies to meet low-income, underserved populations in our community.

h. Identify whether major goals are on target and discuss reasons for those that are not on target.

Major housing and non-housing goals were on target during this program year.

i. Identify any adjustments or improvements to strategies and activities that might meet your needs more effectively.

Areas to expand and improve in Program Year 2012 include:

- City staff will monitor expenditures and actively work to improve the drawdown ratio to meet the timeliness requirements; Review policies, procedures, guidelines and other documents for the CDBG and HOME programs; and
- Provide training opportunities for staff and sub-recipients, as needed.

Lead-based Paint

1. Describe actions taken during the last year to evaluate and reduce lead-based paint hazards.

Program Year 2 CAPER Lead-based Paint response:

The U. S. Department of Housing and Urban Development (HUD) issued regulations regarding lead-based paint hazards in housing that is financially assisted by the Federal government or being sold by the government. The regulation "Requirements for Notification, Evaluation and Reduction of Lead-Based Paint Hazards in Federally Owned Residential Property and Housing Receiving Federal Assistance" took effect on September 15, 2000.

In Lynchburg, approximately 85% of the homes built prior to 1978 contain some lead. Children, particularly those under the age of six, are at risk of lead poisoning if living or repeatedly being in a housing unit containing lead-based paint. Research suggests that lead poisoning has societal costs that include, medical care, special education, behavioral problems, reduced long-term educational attainment, reduced long-term income attainment, increased criminal behavior, and increased hypertension in adolescents and adults.

In accordance with applicable requirements, lead-paint assessments, treatments and/or clearances are conducted on each structure built prior to 1978 in which CDBG and HOME funds are expended. City staff provides each subrecipient, through the written agreements, a copy of the lead-based paint regulations and forms that are to be completed according to the scope of work for the various activities.

To protect against this risk, on April 22, 2008, EPA issued a rule requiring the use of lead-safe practices and other actions aimed at preventing lead poisoning. Under the rule, beginning April 22, 2010, contractors performing renovation, repair and painting projects that disturb lead-based paint in homes, child care facilities, and schools built before 1978 must be certified and must follow specific work practices to prevent lead contamination.

HOUSING

Housing Needs

Program Year 2 CAPER Housing Needs response:

1. Describe Actions taken during the last year to foster and maintain affordable housing.

Preserving existing housing and promoting the production of new affordable housing is a primary mission of the City of Lynchburg. To that end, the City funded a number of programs aimed at addressing this issue. Agencies funded included Lynchburg Redevelopment and Housing Authority (LRHA), Lynchburg Community Action Group (Lyn-CAG), Lynchburg Neighborhood Development foundation (LNDF), Rebuilding Together Lynchburg, Rush Lifetime Homes, and Greater Lynchburg Habitat for Humanity (GLHFH.

A strong emphasis remains on citizen participation through public hearings, technical assistance, and public notices in the newspaper. City staff also works continuously with persons and agencies to assess housing needs, identify plans of action, and ensure that projects that are funded with federal funds meet those needs.

Specific Housing Objectives

1. **Evaluate progress in meeting specific objective of providing affordable housing, including the number of extremely low-income, low-income, and moderate-income renter and owner households comparing actual accomplishments with proposed goals during the reporting period.**

It is extremely difficult to commit to serving a specific number of households at given income levels, because these numbers tend to change due to the financial structure of a development or situation. Housing development is generally a multi-year process that is dependent on many funding sources and is often vulnerable to delays and cost increases. A housing development or project proposed to serve extremely low-income families is often not awarded the amount of subsidy needed to reach the targeted income scale. Also, this type of project may need to be restructured to serve higher income families because there is insufficient subsidy to make the rents or payments low enough to pay operating costs, mortgages, and other expenses.

Therefore, it becomes very difficult to commit to serving exact numbers of residents in certain income levels. To assist in mitigating this challenge, the City is completing subsidy layering and underwriting guidelines in place for applicable projects. The City is in the early stages of committing dedicated staff hours to define a specific housing strategy for the City.

In spite of the comments above, the City worked to provide affordable housing assistance to owners and renters at various income levels throughout the program year. The City allocated $128,058 in CDBG funding and $428,882 in HOME funds for projects and activities that will ultimately benefit primarily extremely low-income, low-income, and moderate-income renter and owner households.

Please see 1.a. under "HOME / American Dream Downpayment Initiative (ADDI)" (Pages 40-46) and I.b. under "Community Development" for detailed discussions of the projects involved and the income levels of beneficiaries (Pages 52-57).

2. Evaluate progress in providing affordable housing that meets the Section 215 definition of affordable housing for rental and owner households comparing actual accomplishments with proposed goals during the reporting period.

The Section 215 definition of affordable housing relates to units assisted with HOME funds. Please see 1.a. under "HOME / American Dream Downpayment Initiative (ADDI)" for detailed discussions of the projects involved and the income levels of beneficiaries (Pages 40-46).

3. Describe efforts to address "worst-case" housing needs and housing needs of persons with disabilities.

"Worst case" housing needs involved persons, often (but not exclusively) renters, with very low-incomes who spend more than half of their gross income on housing costs or who live in severely inadequate housing. The City's efforts to address this circumstance is through assistance for rehabilitation of owner/tenant-occupied housing, assistance to homebuyers, and assistance for the development of low-income rental housing. During the reporting period, owner/tenant-occupied rehabilitation activities were conducted by Lyn-CAG, Rebuilding Together Lynchburg, and LRHA through its Rental Rehabilitation Program. These activities assist with limited and minor repairs that often resolve substandard conditions. Homeownership assistance during the reporting period was conducted by LNDF and Habitat for Humanity. The homeownership activities, especially in the CDBG-targeted Census Tracts, were assisted through the acquisition of derelict structures by LRHA.

Suggesting to owners of substandard rental units to rehabilitate their property is never an easy matter. The City has a Rental Inspection Program which compels owners to make improvements to meet Code. However, because of the burdensome federal rules involved with the use of CDBG and HOME funds, owners of substandard rental property often choose not to avail themselves of assistance that may be available. Most progress that is made, therefore, is as a result of Code compliance due to rental inspections.

The City has made investments in larger developments of low-income rental housing.

With respect to addressing the housing needs of the disabled, during this reporting period Rush Lifetime Homes completed the development of 24 one-and two-bedroom apartment units known as Victoria Ridge. The property is located at 846 Victoria Avenue in the City of Lynchburg. All of the apartments are accessible to people with physical disabilities and 50% of the units conform to HUD's interpretation of the accessible design requirements of Section 504 of the Rehabilitation Act of 1973. The City contributed $183,533 in HOME Program funds to this project during Program Year 2010.

Rush Lifetime Homes is currently in the development stages of constructing another 28 housing units for the disabled. Program Year 2012 HOME Program funds have been allocated for this project.

Another project that has been completed during Program Year 2011 with HOME funds includes the Hilltop Homes project. Hilltop Homes is a scattered site, multi-family rental project started by LNDF in 2006 that will improve neighborhoods, provide quality affordable housing, and preserve existing housing stock in several downtown neighborhoods of Lynchburg. This is the third project of its type undertaken by LNDF – prior projects were College Hill Homes and Central City Homes that resulted in sixty-five (65) new affordable units for low-income households in several preserved buildings in the City.

Hilltop Homes received a reservation of Low-Income Housing Tax Credits (LIHTC) through Virginia Housing Development Authority's Preservation Pool. The project consists of thirteen (13) renovated buildings which will result in twenty-four (24) affordable, quality rental units in the downtown neighborhoods of Lynchburg. Construction types include renovation of older houses and adaptive re-use of single family homes into apartments, incorporating a number of sustainable development features.

In some cases, homeownership may be a feasible alternative to substandard rental housing, even for very-low-income families. In worst case situations, such families may be spending more for rent than may be arranged for homeownership. In such instances, a combination of downpayment and closing cost assistance from the City, a reduced purchase price (made possible by HOME development subsidies) and low-interest financing from such sources as VHDA SPARC funds, may be packaged and offer an appropriate path out of inadequate housing.

The City has enhanced its ability to address the housing needs of the disabled through policy and educational initiatives. These involve establishing a focus on the requirements of Section 504 of the Rehabilitation Act, the Americans with Disabilities Act and the Fair Housing Act as they pertain to the use of the City's CDBG and HOME funds by housing providers.

Public Housing Strategy

1. **Describe actions taken during the last year to improve public housing and resident initiatives.**

Program Year 2 CAPER Public Housing Strategy response:

The mission of the Lynchburg Redevelopment and Housing Authority (LRHA), as the Public Housing Authority (PHA) for the City is: "the Lynchburg Redevelopment and Housing Authority is dedicated to the improvement of the quality of life for all Lynchburg citizens by being a leader in community redevelopment, revitalizing neighborhoods and facilitating economic growth and development, by seeking and entering into partnerships with organizations and clients to achieve safe, decent and affordable housing, with an emphasis on homeownership, maintained in a manner that fosters pride and dignity."

The strategies stated in the Public Housing Assistance Annual Plan for Fiscal Year 2011 indicates that LRHA will continue to increase the awareness of the community of existing assistance programs, to attract more landlords to participate in the Section 8 program, and continue to work in partnership with other local housing providers such as Lyn-CAG, LNDF, Rush Lifetime Homes, and Greater Lynchburg Habitat for Humanity. An intensive effort with the marketing of available units

continues to be advertised on a monthly basis in the local newspaper. The overall performance was satisfactory.

Barriers to Affordable Housing

1. **Describe actions taken during the last year to eliminate barriers to affordable housing.**

Program Year 2 CAPER Barriers to Affordable Housing response:

A primary barrier to affordable housing in the target area is the very low property values that currently apply to lots in these census tracts. This is a large disincentive to development through renovation because the cost of repair typically exceeds the value of the renovated property. Therefore, only non-profit organizations that can access soft costs funds (i.e. finance and construction related costs) and grant funds are able to conduct rehabilitation projects in these areas. The for-profit developers are unable to conduct the extent of renovation necessary to make the houses in the target market amenable to modern housing demands. However, the City did allocate CDBG and HOME funds to non-profit entities to address the needs of extremely low and low-income families and persons. Agencies funded included the LNDF, Rebuilding Together Lynchburg, LRHA, Greater Lynchburg Habitat for Humanity, and Lyn-CAG.

Lynchburg is a City of relatively low housing costs. Therefore, average income and cost-of-living reflect these somewhat lower housing costs. Recently, there has been a resurgence of housing development, primarily in the outlying areas of the City. Development in the CDBG target areas remain limited to non-profit and subsidized activity. This is due in part to the very low property values in these census tracts and a greater value being placed on improvements to property than to the land itself. In the target areas, this high value on improvements, or buildings, had the effect of costing more than clearing land, and thereby, negating the opportunities of redevelopment. This is also a large disincentive to development through renovation because the cost of repair typically exceeds the value of the renovated property.

The usual barriers, zoning, building code, and density issues for the targeted census tracts have been interpreted to encourage appropriate development in these areas. This is especially true in the development by non-profit housing providers where the City has waived or offset utility and other fees for making the project more affordable for the very low and low-income residents.

Despite the cost-to-value disparity, there are several incentives that the City offers to private and corporate entities interested in development in the targeted census tracts. Businesses located in the enterprise zone benefit from tax exemptions on improvements and other tax incentives.

On occasion, the City will either waive or offset fees (e.g., utilities, and liens) in cases of non-profit housing providers developing affordable housing units in a manner consistent with the City's plans.

In order to assist in addressing barriers to affordable housing, City Council has taken the appropriate role of supporting cooperative ventures and to initiate cooperation where it is lacking. City Council has also exercised this coordinating role in its allocation of CDBG and HOME program funds to nonprofit organizations for housing

related projects. All of the homeownership programs funded with federal dollars include an educational component for potential homebuyers about mortgage financing, credit and budgeting issues, and the responsibilities of homeownership.

HOME/ American Dream Down Payment Initiative (ADDI)

Program Year 2 CAPER HOME/ADDI response:

1. **Assessment of Relationship of HOME Funds to Goals and Objectives**
   a. **Evaluate progress made toward meeting goals for providing affordable housing using HOME funds, including the number and types of households served.**

On January 25, 2011, City Council approved the goals for housing and non-housing development, which constitute the priority needs stated in the Plan for the reporting period of July 1, 2011 through June 30, 2012. These goals reflect the needs that historically have been the needs of the very low-, low-, and moderate-income persons living within the target census tracts and the City. Four (4) of those goals apply to the HOME Program.

PRIORITY #1: CREATE NEW HOMEOWNERSHIP OPPORTUNITIES FOR LOW-TO-MODERATE-INCOME FAMILIES
PRIORITY #2: REHABILITATION OF SUBSTANDARD HOUSING UNITS
PRIORITY #3: SUPPORT PROGRAMS THAT ASSIST LOW-TO-MODERATE INCOME PERSONS IN RETAINING THEIR HOMES

Goal 1: Increase the number of owner-occupied units.

To the degree that predominance of rental units in a neighborhood is seen as destabilizing, the City wants to provide incentives for qualified persons and low- and moderate-income to consider the benefits of homeownership, especially if it is more cost-effective than renting and if it builds wealth for the individual household. Several programs are supported by the City that incorporates these elements.

Greater Lynchburg Habitat for Humanity (GLHFH)

The GLHFH used HOME funds to provide assistance for down payment and closing costs to its program participants, and to finance some of the pre-construction costs associated with site development.

In Program Year 2011, GLHFH Humanity was allocated $50,000 of HOME Program funds to provide assistance to eligible first-time homebuyers. During this reporting period GLHFH utilized $65,000 of HOME funds for assistance to four (4) homebuyers with down payment and closing costs. Additionally, there was $222,966 in private funding used for the construction of these four (4) new housing units by Habitat for Humanity. Because of these new homeownership opportunities, the homeownership rate in the targeted neighborhoods was increased. These projects were located in Census Tracts 6 and 7. The beneficiaries included eleven (11) persons, all of which were African-Americans. One (1) were within the 31-50% median income level and three (3) was within the 51-80% median income level.

Lynchburg Neighborhood Development Foundation (LNDF) – Lynchburg Homeownership Program (LHP)

LNDF has been a long-time advocate and developer of affordable homeownership in the City of Lynchburg. In Program Year 2011, LNDF was allocated $68,226 in HOME funds to help financially facilitate its LHP.

During the 2011 Program Year the LHP provided down payment and principal write down assistance to three (3) homebuyers and expended $36,319 of these HOME funds. The assistance was provided to seven (7) persons who were African-American and two (2) were Asian and all were within the 60-80% Median Family Income (MFI) level.

In addition to the above HOME Program funds, LNDF received $40,000 from the State Department of Housing and Community Development (DHCD) and Wells Fargo Housing Foundation for down payment assistance to homebuyers.

Lynchburg Neighborhood Development Foundation (LNDF) – Housing 2000 Single-Family Development Program

During Program Year 2011 LNDF was allocated $33,700 for a single-family development project within Housing 2000, Inc., a Community Housing Development Organization (CHDO). LNDF completed the acquisition and rehabilitation of a housing unit located at 913 Westview Drive utilizing these CHDO funds. During this reporting period LNDF expended $33,699.80 of City HOME funds for the completion of this new construction project. In addition, $18,400 of Program Year 2008 allocation was utilized for down payment and principal write down assistance.

LNDF received an additional $17,195 from the State Department of Housing and Community Development (DHCD) for down payment assistance.

Lynchburg Neighborhood Development Foundation (LNDF) - Neighborhood Stabilization Program (NSP)/Homeownership Program

Neighborhood Stabilization Program (NSP) funds were awarded to LNDF in 2009 for $1,056,600 by the Virginia Department of Housing and Community Development (DHCD). The intent of the Program was to stabilize neighborhoods hurt from the foreclosure crisis in Virginia, by purchasing foreclosed and abandoned properties, rehabilitating them and reselling them to low moderate-and middle-income families.

LNDF and its partners in this Program have acquired and renovated for sale or rental thirteen (13) homes. The partnership consisted of the following four (4) non-profits housing developers and Region 2000 Local Government Council and the City of Lynchburg

Lynchburg Neighborhood Development Foundation
Greater Lynchburg Habitat for Humanity
Lynchburg Community Action Group
Rush Lifetime Homes

All properties have been sold or rented to low-to-moderate income households. City HOME funds contributed to the project with $180,000 for down payment assistance to the home buyers. There were two rental projects. One is owned by

Rush Homes and tenants are adults with disabilities. Another property is a partnership between a substance abuse counseling program, Substance Abuse and Recovery Alliance (SARAA) and LNDF in which supportive housing will be provided to eight (8) persons in recovery. This house will be occupied in the fall of 2012.

Revolving program funds may allow for a fourteenth (14) house. LNDF has until September, 2013 to complete the project.

Lynchburg Neighborhood Development Foundation (LNDF) – Tinbridge Hill Development Project

In Program year 2010 City HOME funds in the amount of $105,000 were allocated to LNDF for the Tinbrdige Hill Rehabilitation Project. LNDF expended $65,000 for the construction of a new housing unit located at 57 Jackson Street. This project was a continuation of LNDF's effort to increase homeownership opportunities in Tinbrdige Hill. This project offered the opportunity for LNDF to construct an energy-efficient and sustainable housing unit. The housing unit has been sold to an eligible low-to-moderate income family.

The remaining $40,000 of these allocated funds was reprogrammed into the LNDF Homeownership Program.

In addition, LNDF received $15,750 from the State Department of Housing and Community Development (DHCD) for down payment assistance.

Goal 2: Rehabilitate substandard housing units through support of public and private programs. Emphasis is to be placed on programs which require an investment of funds and/or labor on the part of the owner, which are commensurate with the owner's resources. In addition, maintenance of homes will be enforced through applicable ordinances and building code requirements, and through owner initiatives to rehabilitate existing rental properties.

Goal 3: Rehabilitate substandard housing units through support of public and private programs. Emphasis is to be placed on programs which require an investment of funds and/or labor on the part of the owner and which are commensurate with the owner's resources.

Note: These two goals are directly related, therefore, the accomplishments for them are combined.

Lynchburg Community Action Group (Lyn-CAG) - Substantial Rehabilitation Program

Lyn-CAG received $93,226 in HOME funds for the 2011 Program Year to finance its "Substantial Homeowner Rehabilitation Program". The Substantial Rehabilitation Program targets low-to-moderate-income homeowners who are in need of assistance to make extensive repairs and/or address significant building code related problems.

Through this program, Lyn-CAG expended HOME funds in the amount of $98,214 from prior program years for substantial rehabilitation assistance for four (4)

households. These properties were located at: 1021 Harrison Street, 190 Chambers Street, 1212 16th Street, and 801 Chickasaw Road.

Lynchburg Community Action Group (Lyn-CAG) - CHDO Homeownership Project

In Program Year 2011 Lynchburg Community Action Group (Lyn-CAG) was awarded $75,000 of Community Housing Development Organization (CHDO) funds. CHDO funds are specifically allocated to nonprofit agencies to acquire and rehabilitate or construct new affordable housing for low-to-moderate income persons.
In this reporting period, Lyn-CAG completed the rehabilitation of two housing units located at 604 Gum Street and 1810 Locust Street. Neighborhood Stabilization Program (NSP) funds were utilized for the purchase of these properties and City HOME CHDO funds were used to assist with the rehabilitation. A total of $100,168 of CHDO funds from years' allocations were expended for the rehabilitation of these two housing units. Both housing units have been purchased and occupied by low-income persons. These properties are located in the White Rock and Diamond Hill Neighborhoods. The rehabilitation of these two properties assisted with the stabilization of the neighborhoods, which was one of the goals of the Neighborhood Stabilization Program.

In addition, Lyn-CAG has completed a new construction project located at 210 C Street. As of the end of this reporting period, the acquisition, demolition and construction of this home costs $196,366. Due to the economics of the housing market when the construction was completed, Lyn-CAG has been unsuccessful in securing and qualifying an eligible home buyer. Lyn-CAG staff is aggressively continuing to market this housing unit for purchase or lease/purchase. Lyn-CAG anticipates that the sale of this property will occur in Program Year 2012.

Lynchburg Neighborhood Development Foundation (LNDF) – Development/Rehabilitation Program

During Program Year 2010 LNDF substantially completed the rehabilitation of the housing unit located at 704 Madison Street. In an effort to create and/or increase homeownership or owner-occupied housing units within the City, LNDF proposed to sell this home to a qualified, low income-eligible person. Due to the down turn of the housing market LNDF was unable to sell the property. Therefore, LNDF submitted a request to City staff to convert the housing unit from a homebuyer unit to a rental unit. This conversion has been completed and the rental unit has been occupied by a low-income family. LNDF expended $42,644 of HOME Program funds for the rehabilitation of this housing unit.

Lynchburg Neighborhood Development Foundation (LNDF) – Hilltop Homes

Hilltop Homes is a scattered site, multi-family rental project started by LNDF in 2006 to improve neighborhoods, provide quality affordable housing, and preserve existing housing stock in several downtown neighborhoods of Lynchburg. This was the third project of its type undertaken by LNDF – prior projects were College Hill Homes and Central City Homes that resulted in sixty-five (65) new affordable units for low-income households in several preserved buildings in the City.

The City HOME funds allocated in Program Years 2007 and 2008 and committed in Program year 2009 in the amount of $34,379 and $49,833, respectively, were

expended to assist with acquisition of the properties, soft costs, and stabilization costs for structures within the project. In Program Years 2010 and 2011 there was an additional $48,163 and $80,000 of City HOME funds provided to assist with rehabilitation and permanent financing for this project. This was a total of $212,375 of HOME Program funds expended for this project. The total cost of the project was approximately $5,411,638 with other sources of funding being provided by private loans, grants, low-income housing tax credits, and owner's cash contribution.

This rental housing project consisted of 12 three-bedroom units; 11 two-bedroom units; and one four-bedroom unit. There were three residents within the 0-30% of the AMI; 20 within the 30-50% AMI; and one within the 50-60% of the AMI. This project is complete and all of the housing units are occupied.

Lynchburg Covenant Fellowship (LCF)

Lynchburg Covenant Fellowship (LCF) located at 1301 Park Avenue completed a 74-unit affordable housing rehabilitation project for the elderly, disabled, and low-income multi-family housing units. Of the 74-units, four are low-income housing tax credit units and the other 70 units are low income tax credit and project based Section 8 assisted housing units and also meet the HOME Program affordability and rent restriction requirements.

LCF expended $40,273 of HOME Program funds and has designated one housing unit as a HOME-assisted unit. This is a three-bedroom unit, with a single parent and two children with a 0-30% of the Area Median Income AMI).

PRIORITY #4: SUPPORT AFFORDABLE PERMANENT HOUSING INITIATIVES:

Goal 4: Support initiatives to increase permanent affordable rental and housing ownership for low-income households. In addition, the City supports assisting persons with disabilities, substance abuse or addiction, persons with AIDS, persons that are homeless, and elderly persons.

Rush Lifetime Homes of Central Virginia – HOME CHDO

Rush Lifetime Homes, Inc. (Rush Homes), as a designated Community Housing Development Organization (CHDO), is a nonprofit organization providing accessible homes to persons with mental and/or physical disabilities in Central Virginia.

As a CHDO project, Rush Homes purchased the 3.078 acre tract at Spring Street and Victoria Avenue (840 Victoria Avenue) and has constructed 24 one and two bedroom apartment units known as Victoria Ridge. All of the apartments are accessible to people with physical disabilities and 50 percent of the units conform to HUD's interpretation of the accessible design requirements of Section 504 of the Rehabilitation Act of 1973.

HOME CHDO funds in the amount of $54,886 from Program Year 2008 and $128,647 in Program Year 2009 were allocated to this project and have been expended. The construction of this twenty four (24) unit project has been completed and all 24 rental housing units are occupied. The eleven (11) HOME-assisted units were occupied in October 2011.

2. **HOME Match Report**

   a. **Use HOME Match Report HUD-40107-A to report on match contributions for the period covered by the Consolidated Plan program year.**

The HOME Match Report (HUD Form 40107-A) is included in the CAPER as Appendix E.

3. **HOME MBE and WBE Report**
   a. **Use Part III of HUD Form 40107 to report contracts and subcontracts with Minority Business Enterprises (MBEs) and Women's Business Enterprises (WBEs).**

The HOME MBE and WBE Report (HUD Form 40107) is included in the CAPER as Appendix E.

4. **Assessments**
   a. **Detail results of on-site inspections of rental housing.**

In Program Year 2011 there were sixty-five (65) annual inspections completed for the Central City and College Hill rental units. In addition to these annual inspections, periodic monthly inspections are completed.

There were eleven (11) annual inspections completed for the Cornerstone rental units. In addition, there are regular inspections/visits conducted by supportive services and management of these units.

   b. **Describe the HOME jurisdiction's affirmative marketing actions.**

The City of Lynchburg encourages affirmative marketing and fair housing. All advertisements by the Grants Administration Office relative to affirmative marketing include the Fair Housing Logo. Posters are displayed in the Grants Administration Office and City Hall. Fair housing counseling is available and brochures on fair housing are available in the Grants Administration Office.

Additionally, from the Virginia Department of Minority Business Enterprise web site, a list of minority and women-owned businesses is available to sub-recipients and contractors for their use in soliciting participation.

LNDF, Lyn-CAG, Rush Homes, and Greater Lynchburg Habitat for Humanity follow a Marketing and Advertising Policy, established by each agency, for the housing programs that they administer.

   c. **Describe outreach to minority and women owned businesses.**

Programs and projects conducted or assisted by the City are expected to make a good faith effort to engage minority- and women-owned business enterprises when procuring construction-related and other services. To enhance the capacity to do so, the City has made efforts to update its listings of such vendors.

Where federal grants or monies are involved, it is the policy of the City through its agents and employees to comply with the requirements set forth - Standards Governing State and Local Grantee Procurement - of the U.S. Office of Management

and Budget Circular N. A-102, Uniform Administrative Requirements for Grants-in-Aid to State and Local Governments, as they pertain to small and minority business utilization.

LNDF, Lyn-CAG, Rush Homes, and Greater Lynchburg Habitat for Humanity employ a procurement policy that encourages the use of local minority contractors.

5. **Recapture Provisions**

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.

Homeless Needs

Program Year 2 CAPER Homeless Needs response:

1. Identify actions taken to address the needs of homeless persons.

The Housing and Homeless Coalition of Central Virginia (HHC-CVA) is a regional organization that serves as the lead entity for Supportive Housing Programs. The HHC-CVA currently has more than thirty-five (35) listed member organizations, agencies, persons, programs and businesses. The City is a member of the HHC-CVA.

Through the participation of its members, the Coalition can more effectively address the needs of homeless persons and families. Areas addressed include 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 Continuum of Care (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 persons. 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.

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 utilized $60,337 of its annual allocation for the Shelter Plus Care Program to provide rental assistance to twelve (12) homeless persons for permanent housing.

In addition, the following agencies received $269,122 of McKenny 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	HMIS	$ 21,357
Miriam's House	Supportive Housing	$ 87,252
Rush Lifetime Homes, Inc.	Rush Homes	$ 51,100
	Total:	**$ 269,122**

The point-in-time survey conducted in January 2012 identified 169 homeless households for a total of 214 persons; of these twenty-three (23) were chronically homeless persons in the Central Virginia area. There were twenty-two (22) veterans in emergency shelters, transitional housing, and safe havens. The HHC-

CVA has designated the creation of new permanent housing beds for chronically homeless persons as one of its strategic planning objectives.

The HHC-CVA provides a comprehensive response to the different needs of homeless persons 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.

2. Identify actions taken to help homeless persons make the transition to permanent housing and independent living.

Miriam's House and Lyn-CAG's Family Living Center strive to work closely with the emergency assistance programs offered at Interfaith Outreach Association, Salvation Army, and Lyn-CAG. Those programs have the ability to pay security deposits and the first month's rent for persons obtaining housing. Through this partnership, these agencies can assist residents moving out of transitional housing (TH) and into permanent housing (PH) or offer greater subsidy amounts. The Shelter/TL Directors met with local landlords of affordable housing to discuss ideas for transitioning persons from transitional housing (TH) to permanent housing (PH). Ideas included waiving security deposits or paying deposits in installments. Lastly, the Steering Committee reviews quarterly analysis of APR data from HMIS to determine which programs are experiencing low transition rates to PH and the reasons for these possible low rates. These reviews help in developing future strategies to increase transition rate percentages.

Miriam's House, a transitional housing program for women and children, has rearranged its rooms to allow for acceptance of larger families.

Rush Lifetime Homes, Inc., one of the City's two (2) CHDOs has a mission "to provide the opportunity for permanent, affordable homes to adults with low-incomes and significant mental and physical disabilities in Central Virginia." To that end, it has two (2) programs for independent living: Home of Your Own Program and Supportive Housing Program (SHP). The SHP is for persons with disabilities who are homeless. Services provided by SHP include case management, money management, property maintenance assistance, health care assistance, and transportation. Rush Homes' recent activities are in Lynchburg and nearby Madison Heights, within Amherst County. In Madison Heights, Rush Homes has renovated one three-bedroom home and a quadplex to create five (5) new units in "Mays Street Housing." Rush Homes receives HOME Program and SHP grant money, and is also funded through the Virginia Housing Development Authority (VHDA), Federal Home Loan Bank of Atlanta, private foundations, and fundraising.

Cornerstone is a project that is owned and managed by LNDF. Shelter Plus Care grant funds and McKinney-Vento assistance are part of this project. It is one of the first independent living arrangements for homeless persons, and receives applicants on a referral basis.

A Veterans Affairs Outpatient Clinic is able to meet the needs of homeless veterans in the area.

3. Identify new Federal resources obtained from Homeless SuperNOFA.

The Continuum of Care (CoC) is in a Hold Harmless Renewal status. New money is being channeled through McKinney-Vento Homeless Assistance.

Specific Homeless Prevention Elements

1. Identify actions taken to prevent homelessness.

Program Year 2 CAPER Specific Housing Prevention Elements response:

Lyn-CAG operates the Housing Rehabilitation Program and Substantial Rehabilitation Program, respectively funded by CDBG and HOME. Both programs assist homeowners by rehabilitating their homes and enabling them to retain homeownership.

When children are old enough to leave foster care, the Lynchburg Department of Social Services and other local CoC agencies observe the Virginia Department of Social Services mandate to move young people to permanent housing. Discharge planning includes assisting youth in securing employment and housing.

Centra Health social workers coordinate with CoC agencies to ensure safe and adequate placement of homeless, discharged patients. Mental health patients discharged through Community Services Boards and in conjunction with the State hospital system must have placement upon discharge; in rare cases, they are discharged into a McKinney-Vento funded Program.

The Virginia Department of Corrections mandates that juveniles only be discharged to authorized persons. Adults may only be discharged to a verifiable address. They are required to work with the Community Release Unit and the local probation officer for discharge. Local CoC agencies observe Commonwealth protocol.

2. Identify actions taken to help homeless persons make the transition to permanent housing and independent living

The ultimate objective of homeless assistance is to help homeless families and persons obtain permanent housing and self-sufficiency. In the next 12-months, Miriam's House (MH) and Lyn-CAG will continue to work closely with community agencies to rapidly move homeless persons and families into permanent housing. Both MH and Lyn-CAG will continue building relationships with local subsidized housing agencies as they have done in the past. In January 2012 there was a meeting coordinated by the Shelter/Transitional Living Directors with a panel of representatives from each of the major subsidized housing agencies. This panel presented to the Housing and Homeless Coalition (HHC) all of the subsidized housing options available in order to better educate case workers on eligibility and the application process. Participants in transitional housing will continue to receive weekly case management that will link them to resources that will empower them to live independently. These linkages will be to agencies in the areas of mental health, healthcare, financial assistance, education, employment, substance abuse, and children's services. In the long-term plan 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 persons who can successfully transition to permanent housing.

Emergency Shelter Grants (ESG)

Program Year 2 CAPER ESG response:

Not applicable to the City of Lynchburg.

1. **Identify actions to address emergency shelter and transitional housing needs of homeless persons and families (including significant subpopulations such as those living on the streets).**

2. **Assessment of Relationship of ESG Funds to Goals and Objectives**
   a. **Evaluate progress made in using ESG funds to address homeless and homeless prevention needs, goals, and specific objectives established in the Consolidated Plan.**
   b. **Detail how ESG projects are related to implementation of comprehensive homeless planning strategy, including the number and types of persons and persons in households served with ESG funds.**
3. **Matching Resources**
   a. **Provide specific sources and amounts of new funding used to meet match as required by 42 USC 11375(a)(1), including cash resources, grants, and staff salaries, as well as in-kind contributions such as the value of a building or lease, donated materials, or volunteer time.**
4. **State Method of Distribution**
   a. **States must describe their method of distribution and how it rated and selected its local government agencies and private non-profit organizations acting as sub-recipients.**
5. **Activity and Beneficiary Data**
   a. **Completion of attached Emergency Shelter Grant Program Performance Chart or other reports showing ESGP expenditures by type of activity. Also describe any problems in collecting, reporting, and evaluating the reliability of this information.**
   b. **Homeless Discharge Coordination**
      i. **As part of the government developing and implementing a homeless discharge coordination policy, ESG homeless prevention funds may be used to assist very-low-income persons and families at risk of becoming homeless after being released from publicly funded institutions such as health care facilities, foster care or other youth facilities, or corrections institutions or programs.**
   c. **Explain how your government is instituting a homeless discharge coordination policy, and how ESG homeless prevention funds are being used in this effort.**

Community Development

Program Year 1 CAPER Community Development response:

1. **Assessment of Relationship of CDBG Funds to Goals and Objectives**
   a. **Assess use of CDBG funds in relation to the priorities, needs, goals, and specific objectives in the Consolidated Plan, particularly the highest priority activities.**
   b. **Evaluate progress made toward meeting goals for providing affordable housing using CDBG funds, including the number and types of households served.**
   c. **Indicate the extent to which CDBG funds were used for activities that benefited extremely low-income, low-income, and moderate-income persons.**

COMMUNITY DEVELOPMENT

1. a, b, & c. ASSESSMENT OF CDBG FUNDS TO PRIORITIES, GOALS AND OBJECTIVES IDENTIFIED IN THE 2010-2015 CONSOLIDATED PLAN

The summary below depicts the City's progress in meeting its stated annual goals in relation to the five-year Consolidated Pan.

Housing Ownership, Rehabilitation and Rental

PROGRAM	FIVE-YEAR GOALS					ANNUAL ACTUAL ACCOMPLISHMENTS				
	2010-(FY11)	2011 (FY12)	2012 (FY13)	2013 (FY14)	2014 (FY15	2010 (FY11)	2011 (FY12)	2012 (FY13)	2013 (FY14)	2014 (FY15)
Homeownership-Owner-occupied (CHDO)	1	2	1	1	1	1	2			
Homeownership-Homebuyer	10	10	10	10	10	15	10			
Homeownership-Retention/ Housing Rehabilitation	5	5	5	5	30	48	20			
Rental Units	0	24	24	0	0	0	49			

The City's goal in the Consolidated Plan is to make every housing unit safe, decent, and affordable. Assistance programs also extend to eligible rental activities. Another goal and important aspect of improving and sustaining community livability and services is to build on the existing assets within the various neighborhoods through revitalization and rehabilitation efforts. The City's plans also include creating opportunities to make home ownership available to qualified persons and providing assistance to help homeowners keep their homes. This in turn will help strengthen neighborhoods.

A total of $195,094 in HOME funds was expended for Homeownership Homebuyer projects this program year by providing down payment assistance to ten (10) households. These funds were expended by LNDF and Greater Lynchburg Habitat for

Humanity. Additionally, Greater Lynchburg Habitat for Humanity utilized $222,966 in private funding for the construction of four (4) new housing units created within the Homeownership Homebuyer Program.

Of the twenty (20) housing units that were rehabilitated, there was $150,042 in CDBG, CDBG-R and HOME funds expended for these properties. These funds were expended by Lyn-CAG, LNDF, and Rebuilding Together Lynchburg. These rehabilitation efforts in our CDBG-targeted neighborhoods helped to increase the property values as well as improve the overall aesthetics of the neighborhoods.

Rebuilding Together received funds in the amount of $112,000 from other non-profits, foundations, corporations, and persons that enabled them to assist other low and very low-income persons within the CDBG targeted areas and the City of Lynchburg with minor rehabilitation repairs.

Support of Neighborhoods

PROGRAM	FIVE-YEAR GOALS					ANNUAL ACTUAL ACCOMPLISHMENTS				
	2010 (FY11)	2011 (FY12)	2012 (FY13)	2013 (FY14)	2014 (FY15)	2010 (FY11)	2011 (FY12)	2012 (FY13)	2013 (FY14)	2014 (FY15)
Neighborhood/ Community Meetings	5	5	5	5	5	96**	88**			
Infrastructure Improvements	1	1	1	1	1	1	1			

**Includes neighborhood meetings in Tinbrdige Hill, Federal Hill, Fairview Heights, Dearington, Birchwood, Garland Hill, Dearing Street, Diamond Hill, College Hill, Seminary Hill, Richland Hills, Three Fountains, Georgetown Forest, Fort Early, Walden Pond, Turtle Creek, Westover, Maple Ridge, Riverside Park, and VES/Hydro Street.

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. Each neighborhood needs an avenue to deal with its individual needs so that the community continues to be strengthened and protected.

During this reporting period, The Code Compliance Team and other neighborhood groups met and conducted four (4) "walk-throughs" in CDBG targeted areas to review housing and Code-related issues. These "walk-throughs" occurred in VES/Hydro Street, Fairview Avenue, Lynchburg College, College Hill and Denver Avenue Neighborhoods.

During this reporting period, the neighborhood associations met monthly and discussed their accomplishments and concerns related to issues within the neighborhood (i.e. crime, safety, aesthetics). City representatives from different departments attended these meetings and assisted the residents in resolving their

concerns. A total of eight-eight (88) neighborhood meetings were held in Tinbrdige Hill, Federal Hill, Fairview Heights, Dearington, Birchwood, Garland Hill, Dearing Street, Diamond Hill, College Hill, Seminary Hill, Richland Hills, Three Fountains, Georgetown Forest, Fort Early, Walden Pond, Turtle Creek, Westover, Maple Ridge, Riverside Park, and VES/Hydro Street.

Construction of the first phase of the Fifth Street improvements was completed in September 2009 and included a two block area fronting Fifth Street between Harrison and Jackson Streets. Phase I was completed at a cost of $1.75 million which included $122,949 in CDBG funds.

Since completion of Phase I, benches, trash cans, bus shelters, and electrical service to the roundabout have been added to the Corridor. These additions were funded by $54,800 in American Recovery and Reinvestment Act (ARRA) Stimulus funding.

Phase II of the Fifth Street improvement project which will include the blocks from Harrison to Main Street started construction in September 2011 and is scheduled for completion in June 2013. The project includes the same streetscape amenities as constructed in Phase I, but includes more significant water and sewer line replacements funded by the City's utilities fund. During this reporting period, $100,000 of CDBG funds were expended on the Phase II project. An additional $17,000 of CDBG funding will be used to purchase street benches and identity banners upon completion of the Phase II construction.

Lynchburg Neighborhood Development Foundation (LNDF) acquired 702/708 Fifth Street from the Lynchburg Redevelopment Housing Authority. The properties had been slated for demolition. City staff and the Fifth Street Community Development Corporation plan assisted LNDF with the stabilization of these properties. Through the partnership, during this reporting period, $60,000 of CDBG funds was used to stabilize the buildings for future renovation and return to use. The stabilization of these buildings was crucial in the Fifth Street Area being placed on the State & National Register of Historic Places in February 2012.

The Fifth Street Corridor is one of the major accesses to Downtown Lynchburg. It encompasses at least three (3) of the seven (7) "Hills" (College Hill, Garland Hill, and Tinbridge Hill), all of which are within the CDBG-targeted census tracts.

In addition to the Fifth Street infrastructure project, the City's Public Works Department utilized $628,492 in City funds during the reporting period of July 1, 2011 through June 30, 2012 on 46 projects located in low/mod areas. These projects included repairs to paving, handrails, sidewalk, guardrail and curb and gutter work.

Economic Development Efforts

PROGRAM	FIVE-YEAR GOALS					ANNUAL ACTUAL ACCOMPLISHMENTS				
	2010 (FY11)	2011 (FY12	2012 (FY13	2013 (FY14	2014 (FY15	2010 (FY11	2011 (FY12	2012 (FY13	2013 (FY14)	2014 (FY15)
Enterprise Zone	2	2	2	2	2	2	2			
Downtown Redevelopment Improvements	1	1	1	1	1	1	2			

The City's goal is to encourage more commercial and industrial development in order to provide more employment opportunities in the inner city.

The City has two Enterprise Zones: Enterprise Zone Number 2 - Downtown and Enterprise Zone Number 46 – Lynchpin. Downtown redevelopment and commercial development will increase the number of jobs and wages for low-to-moderate-income persons, decrease vacant and/or dilapidated non-revenue producing properties, increase business sales volume in the revitalized neighborhoods, and increase small business loans in targeted neighborhoods.

During Program year 2010 major renovations within the Downtown and surrounding area of the Enterprise Zone 2 totaled $5.6 million and included: Genworth building renovations; Lynchburg College new Doctor of Physical Therapy building; River Ridge Mall renovations; 908, 910 and 912 Main Street mixed use space (commercial and residential), eighteen (18) living spaces; mixed use project on Washington Street, fifteen (15) loft apartments; and the relocation of a new company, L&R Precision Machinery.

In Enterprise Zone 46 there was a total of $15.1 million expended and included: major renovations at J. Crew, which added 177 jobs; Babcock and Wilcox (B&W) renovated leased space in Lynchpin Industrial Park; Harris Corporation in Lynchpin installed a new communication tower; and the City opened a new Park, Ivy Creek, on land donated by the Economic Development Authority (EDA).

Public downtown and Riverfront redevelopment/infrastructure projects totaling $15.7 million that have been completed or are underway include: D Street Bridge Replacement (Completed); Blackwater Trail Relocation and Parking Improvements (Completed); Rivermont Bridge Renovations (nearly complete); Lower Bluff Walk-Phase I; Jefferson Street South; Kanawa Canal Bridge Improvements; and Lower Bluff Walk – Phase II and III. Funds in the amount of $7.2 million were expended on these projects during this program year.

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

PROGRAM	FIVE-YEAR GOALS					ANNUAL ACTUAL ACCOMPLISHMENTS				
	2010 (FY11)	2011 (FY12)	2012 (FY13)	2013 (FY14)	2014 (FY15)	2010 (FY11)	2011 (FY12)	2012 (FY13)	2013 (FY14)	2014 (FY15)
Housing for Homeless	2	2	2	2	2	2	2			
Public Service Providers (Youth Activities-Recreation and Education, Senior Program, Domestic Violence)	2	2	2	2	2	2	2			

The City continues to support public service providers in order to meet the needs of the low-to-moderate income persons, persons 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 Department of Social Services and Juvenile Services, there are many nonprofit organizations that coordinate with the City to provide the services needed.

The City provided Program Year 2011 CDBG funds in the amount of $84,411 for four (4) community non-profit organizations to provide various public service activities to the low-to-moderate-income citizens within the City. Of these funds allocated, two (2) agencies (Miriam's House and The Gateway House, Inc.) received Program Year 2011 CDBG funds in the amount of $47,103 to provide services to the homeless. Both agencies expended all of the funds allocated to assist homeless persons.

Residential Rental Property Inspections Program and Property Maintenance Inspections

PROGRAM		FIVE-YEAR GOALS				ANNUAL ACTUAL ACCOMPLISHMENTS				
	2010 (FY11)	2011 (FY12)	2012 (FY13)	2013 (FY14)	2014 (FY15)	2010 (FY11)	2011 (FY12)	2012 (FY13)	2013 (FY14)	2014 (FY15)
Rental Property Inspections	462	450	450	450	450	760	394			
Property Maintenance Inspections	2400	2300	2200	2100	2000	5,078	5,033			

The City continues to provide support for the Rental Inspection Program by reducing the number of rental properties that have code violations and are health, safety, and public welfare concerns. While there were no HUD funds specifically expended on the Residential Rental Inspection Program, the City utilized General Operating funds to continue the enforcement of Property Maintenance Code violations in the rental housing stock in the CDBG-targeted neighborhoods.

The Property Maintenance Code inspections that were completed during this reporting period include: pre-court inspections, court ordered inspections, initial inspections, and follow-up inspections. This Code enforcement effort provides a

reduction in blighted properties and makes rental properties safer, more decent, and affordable for low-to-moderate-income persons.

Demolition and Code Enforcement

PROGRAM	FIVE-YEAR GOALS					ANNUAL ACTUAL ACCOMPLISHMENTS				
	2010 (FY11)	2011 (FY12)	2012 (FY13)	2013 (FY14)	2014 (FY15)	2010 (FY11)	2011 (FY12)	2012 (FY13	2013 (FY14)	2014 (FY15)
Demolitions	2	2	2	2	2	3	2			
Weed Ordinance-Property Clearance	200	250	250	250	250	905***	896***			
Removal of Abandoned Vehicles	60	85	100	125	135					

***The Track IT Data System maintains the data for weed ordinance/property clearance and abandoned vehicles in one database; therefore, this data is being reported as a combined accomplishment.

The City's goal is to continue to eliminate neighborhood deterioration, blight, and blighting influences through staged redevelopment of public infrastructure, rehabilitation activities, code enforcement, or clearance where needed.

The City expended $7,441 in local funds for the demolition of two (2) structures in the CDBG-targeted neighborhoods. The addresses and costs associated with these demolitions are listed below:

Property Address	Demolition Cost
1. 1113 Knight Street	$ 3,700
2. 602 Smyth Street	3,741
	$ 7,441

The demolition and Code enforcement efforts reduced the number of derelict properties and further enhanced the living environment within the targeted neighborhoods.

2. Changes in Program Objectives

a. Identify the nature of and the reasons for any changes in program objectives and how the jurisdiction would change its program as a result of its experiences.

There were no changes in the City's program goals and objectives during the program year. Activities were consistent with the goals specified in the 2005-2010 Consolidated Plan.

3. Assessment of Efforts in Carrying Out Planned Actions

a. Indicate how grantee pursued all resources indicated in the Consolidated Plan.

The City pursued all resources available to the grantee. During this reporting period, the City of Lynchburg used two (2) HUD programs, the CDBG and HOME programs.

Funds received from a variety of federal, state, and local sources significantly leveraged Consolidated Plan grants. The CAPER section on leveraging provides an overview of the additional funds and in-kind contributions received by the City during the program year.

b. Indicate how grantee provided certifications of consistency in a fair and impartial manner.

The City of Lynchburg provided Certifications of Consistency with the Consolidated Plan to all agencies that met the test of consistency. Grant Administration staff reviews each project application and certify that the proposed activity is consistent with the City's Consolidated Plan. Certification requests are reviewed to determine that the project location is within the City's jurisdiction; that the project's scope of services is consistent with the City's Consolidated Plan priorities; and that the project's services are received primarily by City residents.

During the Program Year 2011, the City processed certifications in the areas of public housing, competitive homeless grant programs, and transitional housing providers.

c. Indicate how grantee did not hinder Consolidated Plan implementation by action or willful inaction.

The City did not knowingly hinder Consolidated Plan implementation by action or willful inaction, and affirmatively pursued the goals, priorities, and strategies outlined in the Consolidated Plan. The City adhered to all requirements and certifications contained within the grant agreement executed with HUD for the CDBG and HOME programs.

4. For Funds Not Used for National Objectives

a. Indicate how use of CDBG funds did not meet national objectives.

b. Indicate how did not comply with overall benefit certification.

CDBG and all federal funds were used only in connection with the three National Objectives set forth in the regulations governing the CDBG grant, and the City fully complied with the requirement to expend at least 70% of federal funds received to benefit low-to-moderate-income persons over a three-year period. The City, as in years past, exceeded this requirement during this program year as detailed in the PR 26 (Financial Summary) report. The City fully complied with the overall benefit certification during the reporting period.

5. Anti-displacement and Relocation – for activities that involve acquisition, rehabilitation or demolition of occupied real property

a. Describe steps actually taken to minimize the amount of displacement resulting from the CDBG-assisted activities.

b. Describe steps taken to identify households, businesses, farms or non-profit organizations who occupied properties subject to the Uniform Relocation Act or Section 104(d) of the Housing and Community Development Act of 1974, as amended, and whether or not they were displaced, and the nature of their needs and preferences.

c. Describe steps taken to ensure the timely issuance of information notices to displaced households, businesses, farms, or non-profit organizations.

The City has adopted and follows an Anti-Displacement and Relocation Policy as part of the Citizen Participation Plan. It is the policy of the City of Lynchburg to minimize the displacement of families and persons from their homes and neighborhoods as a result of activities assisted with funds provided under the HOME and CDBG programs.

There were no temporary or permanent displacements that occurred during the reporting period.

6. **Low/Mod Job Activities – for economic development activities undertaken where jobs were made available but not taken by low- or moderate-income persons**
   a. **Describe actions taken by grantee and businesses to ensure first consideration was or will be given to low/mod persons.**
   b. **List by job title of all the permanent jobs created/retained and those that were made available to low/mod persons.**
   c. **If any of jobs claimed as being available to low/mod persons require special skill, work experience, or education, provide a description of steps being taken or that will be taken to provide such skills, experience, or education.**

There were no economic development projects funded in this program period.

7. **Low/Mod Limited Clientele Activities – for activities not falling within one of the categories of presumed limited clientele low- and moderate-income benefit**
   a. **Describe how the nature, location, or other information demonstrates the activities benefit a limited clientele at least 51% of whom are low- and moderate-income.**

The City engaged in three (3) activities that benefited a limited clientele where at least 51% of whom are low-and moderate-income. Of these activities, many serve clientele that fall within the presumed low- and moderate-income categories that HUD defines as battered spouses, elderly persons, severely disabled, homeless, and/or illiterate.

8. **Program income received**
   a. **Detail the amount of program income reported that was returned to each individual revolving fund, e.g., housing rehabilitation, economic development, or other type of revolving fund.**

N/A

   b. **Detail the amount repaid on each float-funded activity.**

N/A

   c. **Detail all other loan repayments broken down by the categories of housing rehabilitation, economic development, or other.**

N/A

   d. **Detail the amount of income received from the sale of property by parcel.**

Lynchburg Redevelopment and Housing Authority disposed of the following properties:

Real Estate Disposed of Between July 1, 2011 - June 30, 2012			
Property	**Deed Date**	**Sold/Conveyed to**	**Amount Received**
2401 Poplar St.	6/28/2011	Lawrence Jackson	$ 1,000
407 Pine St.	8/15/2011	Benjamin Busby	$ 15.00
302 Cabell St.	8/25/2011	Chad Giles	$ 1.00
1208 Eighth St.	12/20/2011	Walter E. Dixon, Jr.	$ 1,600
66 Monroe St.	11/22/2011	Habitat for Humanity	$ 1.00
1816-1818 Vine St.	2/15/2012	Gregory Poloso	$ 500
719 Polk St.	2/15/2012	David & Montana Sickmen	$ 500
1801 Floyd St.	2/27/2012	Chester Jones	$ 3,500
611-613 Washington St.	4/4/2012	Amanda E. Tilley	$ 1,000
1012 Dearing St.	4/25/2012	S. Roskelly & E Beaumont	$ 1.00

9. **Prior period adjustments – where reimbursement was made this reporting period for expenditures (made in previous reporting periods) that have been disallowed, provide the following information:**
   a. **The activity name and number as shown in IDIS;**

      N/A

   b. **The program year(s) in which the expenditure(s) for the disallowed activity(ies) was reported;**
   c. **The amount returned to line-of-credit or program account; and**
   d. **Total amount to be reimbursed and the time period over which the reimbursement is to be made, if the reimbursement is made with multi-year payments.**

10. **Loans and other receivables**
   a. **List the principal balance for each float-funded activity outstanding as of the end of the reporting period and the date(s) by which the funds are expected to be received.** N/A

   b. **List the total number of other loans outstanding and the principal balance owed as of the end of the reporting period.**

      Bluffwalk - One loan with outstanding principal of $2,120,000 – Appendix G

   c. **List separately the total number of outstanding loans that are deferred or forgivable, the principal balance owed as of the end of the reporting period, and the terms of the deferral or forgiveness.** N/A
   d. **Detail the total number and amount of loans made with CDBG funds that have gone into default and for which the balance was forgiven or written off during the reporting period.** N/A

   e. **Provide a List of the parcels of property owned by the grantee or its sub-recipients that have been acquired or improved using CDBG funds and that are available for sale as of the end of the reporting period.**

      The Real Property Inventory is included as Appendix F in the CAPER report.

Lump sum agreements
   f. **Provide the name of the financial institution.**
   g. **Provide the date the funds were deposited.**
   h. **Provide the date the use of funds commenced.**
   i. **Provide the %age of funds disbursed within 180 days of deposit in the institution.**

N/A

Return of Funds: The City of Lynchburg returned a total of $18,506.50 to HUD. The breakdown is as follows:

(1) $600 was returned to the City by Lynchburg Redevelopment and Housing Authority (LRHA) as a result of the 2009 Consolidated Annual Performance Evaluation Report (CAPER) finding. The addresses of the properties are: 412 Norwood, 414-416 Norwood and 904 Cabell.
(2) $2000 was returned to the City by LRHA as a result of the 2009 CAPER finding. The addresses of the properties are: 412 Norwood, 414-416 Norwood, 821 Monroe and 904 Cabell.

(3) $2,333 was returned to the City by LRHA as a result of the 2009 CAPER finding. The addresses were: 812(A) Jackson Street, 1108 8th Street, 906 6th Street and 513 Dinwiddie Street.
(4) $13,573.50 was returned to the City by LRHA. $13,500 was originally for the condemnation of 516 Polk Street which did not happen. The funds were returned to the City. $73.50 was for legal fees for 1402 Fillmore Street after the property was conveyed to Hilltop Homes.

11. Housing Rehabilitation – for each type of rehabilitation program for which projects/units were reported as completed during the program year

a. Identify the type of program and number of projects/units completed for each program.
b. Provide the total CDBG funds involved in the program.
c. Detail other public and private funds involved in the project.

This information is included in Section 1 of this CAPER.

12. Neighborhood Revitalization Strategies – for grantees that have HUD-approved neighborhood revitalization strategies describe progress against benchmarks for the program year. For grantees with Federally-designated EZs or ECs that received HUD approval for a neighborhood revitalization strategy, reports that are required as part of the EZ/EC process shall suffice for purposes of reporting progress.

The City does not have an approved Neighborhood Revitalization Strategy.

Antipoverty Strategy

1. Describe actions taken during the last year to reduce the number of persons living below the poverty level.

Program Year 2 CAPER Anti-poverty Strategy response:

The City seeks to reduce the number of households with incomes below the poverty line this year by continuing with the long-term solutions such as education (including adult education and job skill training), economic development, and coordinated supportive services. These areas are traditionally within the local government's sphere of influence, and the Lynchburg City Council has placed significant emphasis and funding in these areas.

Non-homeless Special Needs

Program Year 2 CAPER Non-homeless Special Needs response:

1. **Identify actions taken to address special needs of persons that are not homeless but require supportive housing, (including persons with HIV/AIDS and their families).**

The facilities currently available for persons with supportive housing needs are limited to those offered by the ARC of Central Virginia, Central Virginia Community Services, Central Virginia Training Center, Rush Lifetime Homes, L'ARCHE Blue Ridge Mountains, Heart Haven, DePaul Family Services, Presbyterian Homes and Family Services, Lynchburg Covenant Fellowship (LCF), and selected housing facilities with units restricted for use by elderly or persons who are disabled. There are other for-profit companies that provide group homes, support services, and foster care for adults with mental retardation. Some of these include Laury Homes Residential Services, Lamano Agency, and Creative Family Solutions.

LCF manages 158 other units for low-income, disabled, and elderly households. LCF has helped Central Virginia Community Services develop 60 units for persons who have developmental disabilities in Lynchburg. Rush Lifetime Homes (RLH) currently owns twelve (12) homes that provide permanent housing for adults with significant mental and physical disabilities that prevent them from owning and maintaining their own home.

There are currently twelve (12) group homes in Lynchburg serving the elderly and frail elderly of the City and surrounding areas. These homes provide services ranging from minimal assisted living to full 24-hour medical care in a nursing home setting. The combined capacity of these homes is approximately 1,000 persons. There is supervised adult daycare available from the Adult Care Center of Central Virginia.

Specific HOPWA Objectives

Program Year 2 CAPER Specific HOPWA Objectives response:

The City of Lynchburg does not receive HOPWA funds.

1. **Overall Assessment of Relationship of HOPWA Funds to Goals and Objectives**
   Grantees should demonstrate through the CAPER and related IDIS reports the progress they are making at accomplishing identified goals and objectives with HOPWA funding. Grantees should demonstrate:
   a. **That progress is being made toward meeting the HOPWA goal for providing affordable housing using HOPWA funds and other resources for persons with HIV/AIDS and their families through a comprehensive community plan;**
   b. **That community-wide HIV/AIDS housing strategies are meeting HUD's national goal of increasing the availability of decent, safe, and affordable housing for low-income persons living with HIV/AIDS;**

c. **That community partnerships between State and local governments and community-based non-profits are creating models and innovative strategies to serve the housing and related supportive service needs of persons living with HIV/AIDS and their families;**
d. **That through community-wide strategies Federal, State, local, and other resources are matched with HOPWA funding to create comprehensive housing strategies;**
e. **That community strategies produce and support actual units of housing for persons living with HIV/AIDS; and finally,**
f. **That community strategies identify and supply related supportive services in conjunction with housing to ensure the needs of persons living with HIV/AIDS and their families are met.**

2. **This should be accomplished by providing an executive summary (1-5 pages) that includes:**
   a. **Grantee Narrative**
      i. **Grantee and Community Overview**
         (1) **A brief description of your organization, the area of service, the name of each project sponsor and a broad overview of the range/type of housing activities and related services**
         (2) **How grant management oversight of project sponsor activities is conducted and how project sponsors are selected**
         (3) **A description of the local jurisdiction, its need, and the estimated number of persons living with HIV/AIDS**
         (4) **A brief description of the planning and public consultations involved in the use of HOPWA funds including reference to any appropriate planning document or advisory body**
         (5) **What other resources were used in conjunction with HOPWA funded activities, including cash resources and in-kind contributions, such as the value of services or materials provided by volunteers or by other persons or organizations**
         (6) **Collaborative efforts with related programs including coordination and planning with clients, advocates, Ryan White CARE Act planning bodies, AIDS Drug Assistance Programs, homeless assistance programs, or other efforts that assist persons living with HIV/AIDS and their families.**

      ii. **Project Accomplishment Overview**
         (1) **A brief summary of all housing activities broken down by three types: emergency or short-term rent, mortgage or utility payments to prevent homelessness; rental assistance; facility based housing, including development cost, operating cost for those facilities and community residences**
         (2) **The number of units of housing which have been created through acquisition, rehabilitation, or new construction since 1993 with any HOPWA funds**
         (3) **A brief description of any unique supportive service or other service delivery models or efforts**
         (4) **Any other accomplishments recognized in your community due to the use of HOPWA funds, including any projects in developmental stages that are not operational.**

iii. **Barriers or Trends Overview**
   (1) **Describe any barriers encountered, actions in response to barriers, and recommendations for program improvement**
   (2) **Trends you expect your community to face in meeting the needs of persons with HIV/AIDS, and**
   (3) **Any other information you feel may be important as you look at providing services to persons with HIV/AIDS in the next 5-10 years**

b. **Accomplishment Data**
   i. **Completion of CAPER Performance Chart 1 of Actual Performance in the provision of housing (Table II-1 to be submitted with CAPER).**
   ii. **Completion of CAPER Performance Chart 2 of Comparison to Planned Housing Actions (Table II-2 to be submitted with CAPER).**

OTHER NARRATIVE

Include any CAPER information that was not covered by narratives in any other section.

Program Year 2 CAPER Other Narrative response:

INTEGRATED DISBURSEMENT AND INFORMATION SYSTEM (IDIS) REPORTS

The Integrated Disbursement Information System (IDIS) is sponsored by the Office of Community Planning and Development (CPD) within the U. S. Department of Housing and Urban Development (HUD). The reporting system allows grantees who receive formula grant programs, Community Development Block Grant (CDBG) and HOME Program, to provide HUD with performance results related to their Consolidated Plan and Annual Action Plans. The required IDIS Reports are being submitted along with the CAPER narrative to HUD in the final document.

A draft copy of the IDIS reports and appendices were available in the Grants Administration Office for review.