



Fifth Annual Action Plan for 2010-2015 Consolidated Plan

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

Narrative Responses

ACTION PLAN

Executive Summary

Mission: The mission of the City of Lynchburg's Consolidated Annual Action Plan for Program Year 2014 is to obtain the Community Development Block Grant (CDBG) and HOME Program funds that are fundamental to attaining the priorities and objectives identified in the 2010-2015 Consolidated Plan, thereby contributing to the health, welfare, safety, and future viability of the City, and specifically in the targeted low-to-moderate income areas and for low-to-moderate income persons.

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

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

The Plan describes the resources available, the programs and projects to be funded and the proposed accomplishments for Program Year 2014 (FY 2015).

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

- **Housing** - The housing programs are to provide decent housing which includes: assisting homeless persons in obtaining affordable housing; assisting persons at risk of becoming homeless; retaining the affordable housing stock; increasing the availability of affordable permanent housing in standard condition to low-income and moderate-income families, particularly to members of disadvantaged minorities without discrimination on the basis of race, color, religion, sex, national origin, familial status, or disability; increasing the supply of supportive housing which includes structural features and services to enable persons with special needs (including persons with HIV/AIDS) to live in dignity and independence; and providing affordable housing that is accessible to job opportunities.
- **Community Development** - The community development programs are to provide a suitable living environment which includes: improving the safety and livability of neighborhoods; eliminating blighting influences and the deterioration of property and facilities; increasing access to quality public and private facilities and services; reducing the isolation of income groups within areas through spatial deconcentration of housing opportunities for lower income persons and the revitalization of deteriorating neighborhoods; restoring and preserving properties of special historic, architectural, or aesthetic value; and conserving energy resources and use of renewable energy sources.
- **Economic Development** - The economic development programs are to expand economic opportunities which include: job creation and retention; establishment, stabilization and expansion of small businesses (including micro-businesses); the provision of public services concerned with employment; the provision of jobs to low-income persons living in areas affected by those programs and activities, or jobs resulting from carrying out activities under programs covered by the plan; availability of mortgage financing for low-income persons at reasonable rates using non-discriminatory lending practices; access to capital and credit for development activities that promote the long-term economic and social viability of the community; and empowerment and self-sufficiency for low-income persons to reduce generational poverty in federally assisted housing and public housing.

This Annual Action Plan corresponds to the City's next Fiscal Year (FY 2015), which begins July 1, 2014 and ends June 30, 2015. HUD will provide entitlement funds in the amount of \$671,454 in CDBG and \$340,925 in HOME Program funds. The primary Federal funding resources for the Program Year 2014 (FY 2015) are the following:

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

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

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

This year, the City will continue to make significant investments in our housing stock by way of the targeted neighborhood strategy, code enforcement compliance, removal of blighted properties, rental rehabilitation grants, public infrastructure, rehabilitation of public housing properties, homeowner and rental housing development/rehabilitation, direct homeownership assistance, and owner-occupied rehabilitation projects.

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

In accordance with the City's adopted Citizen Participation Plan below is a summary of the public meetings and public hearings that were held to allow citizens the opportunity to participate and comment on the development of the Annual Action Plan in conjunction with the goals and objectives established for the 2010-2015 Consolidated Plan and the Program Year 2014 (FY 2015) Annual Action Plan.

- On January 14, 2014 City Council conducted a public hearing to receive citizen comments regarding the goals for the development of the Program Year 2014 (FY 2015) Annual Action Plan and adopt a resolution approving the goals. A public notice advertisement was placed in *The News and Advance* on December 27, 2013 advising the public of this meeting. The notice was placed on the City's web site at www.lynchburgva.gov/grants and at various schools, neighborhood community centers, and public housing complexes. There were no public comments received at the public hearing or in writing to the Grants Administration office.

- During the period of January 24, 2014 through February 14, 2014 the acceptance of applications for CDBG and HOME program funds for the City's Program Year 2014 (FY 2015) was conducted. A public notice advertisement was placed in *The News and Advance* on January 24, 2014 advising the public of this meeting. The notice was placed on the City's web site at www.lynchburgva.gov/grants and at various schools, neighborhood community centers, and public housing complexes.

■ On March 4, 2014 the Community Development Advisory Committee (CDAC) conducted a public meeting for the purpose of reviewing submitted CDBG and HOME Program applications and formulating recommendations for consideration by City Council regarding the allocation of an estimated \$935,409 in CDBG funds and \$474,275 in HOME funds. These amounts included entitlement, reprogrammed and anticipated program income funds. A public notice advertisement was placed in *The News and Advance* on February 17, 2014 advising the public of this meeting. The notice was placed on the City's web site at www.lynchburgva.gov/grants and at various schools, neighborhood community centers, and public housing complexes.

■ On March 25, 2014 City Council conducted a public hearing regarding the CDAC Annual Action Plan recommended projects. A public notice was placed in *The News and Advance* on March 10, 2014 advising the public of this hearing. The advertisement for the Annual Action Plan included the projects recommended by CDAC at its March 4, 2014 meeting. The notice was placed on the City's web site at www.lynchburgva.gov/grants and at various schools, neighborhood community centers, and public housing complexes. The recommendations included the projects from previous years that were being reprogrammed into the Program Year 2014 (FY 2015) Annual Action Plan projects and the anticipated program income.

■ On April 8, 2014 City Council discussed the recommendations of CDAC and the comments made at the March 25, 2014 public hearing. Prior to City Council's discussion of the CDAC recommendations, City staff stated that the final Program Year 2014 entitlement amounts had been received from the U. S. Department of Housing and Urban Development (HUD). The CDBG entitlement funds were decreased by \$16,042 and the HOME entitlement funds were increased by \$29,130 from the Program Year 2013 entitlement amounts. CDAC recommended that if the CDBG funds were increased/decreased that the Tinbridge Hill Neighborhood Public Infrastructure project recommendation be adjusted accordingly. CDAC did not address the HOME Program if an adjustment was necessary. City staff recommended that the additional \$29,130 of HOME Program funds be allocated to the Lynchburg Redevelopment and Housing Authority (LRHA) Homeownership Development project. After review and discussion the final approval was given for the funding allocations for Program Year 2014 (FY 2015) as recommended by CDAC and City staff.

■ On April 26, 2014 a public notice was published in *The News and Advance* stating that a draft of the proposed Program Year 2014 (FY 2015) Annual Action Plan was available for public review for a 30-day public comment period, culminating with a public hearing scheduled for May 27, 2014 to receive comments regarding the draft Action Plan by City Council. The public comment period will begin on April 26, 2014 and will continue until May 27, 2014. The advertisement for the draft Annual Action Plan included how the proposed use of the \$1,564,522.74 in Community Development Block Grant (CDBG) and HOME Program entitlement funds, reprogrammed funds, and program income will be used for the Program Year 2014 (FY 2015). Public comments will be incorporated into this document at the conclusion of the public hearing.

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

- Community Development Department, Grants Administration Office, Second Floor, City Hall, 900 Church Street, Lynchburg, Virginia 24504

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

The City's past performance in the administration and implementation of the CDBG and HOME Program has met the intent of the federal legislation creating these programs. Through years of effective planning, partnership and monitoring, Lynchburg has facilitated affordability for decent housing, availability and accessibility to a suitable living environment, sustainability of a suitable living environment and accessibility to economic opportunities. The following is a summary of the City's past performance as reported to HUD in the Consolidated Annual Performance Report (CAPER) for overall performance in Program Year 2012 (FY 2013). The CAPER noted that the City's performance in Program Year 2012 (FY 2013) met or exceeded regulatory expectations in regard to the following:

CDBG Program

Timeliness Expenditure of Funds

-As of May 1, 2013 Lynchburg met its overall compliance for expenditures with CDBG-assisted activities in a timely manner and in accordance with the statutory requirements of 24 CFR 570.902. The expenditure threshold is 1.5 times the entitlement amount for the current program year. Lynchburg's ratio was 1.42% for Program Year 2012.

Serving low and moderate income persons

- Approximately 98.11% (\$565,768) of the amount subject to low/mod benefit was used for activities that benefited low-to-moderate (LMI) persons within the City, well above the minimum threshold of 70% set in 24 CFR 570.901 (a).

Mandated budget category caps

- Approximately 17.30% (\$641,543) of Lynchburg's CDBG allocation was spent on planning and administration, under the maximum of 20% allowed according to 24 CFR 570.206(g).

- There were no funds expended within Lynchburg's CDBG allocation for public service activities, therefore, the City was under the maximum of 15% mandated by 24CFR 570.201(e).

Home Program

- The Program Year 2012 HOME funds had commitments of 61.5% (\$175,000) and no disbursements at the time of submittal.

The CAPER provided a comprehensive account of how its Program Year 2012 (FY 2013) HUD funds were expended and what was accomplished. The City identified each goal as contained in the 2010-2015 Consolidated Plan and provided information on the amount of CDBG and/or HOME funds that were expended and what was accomplished for each corresponding activity.

For the Fifth Year (Program Year 2014/FY 2015) of the 2010-2015 Consolidated Plan the City will receive \$671,454 in CDBG entitlement funds. Along with these funds, reprogrammed funds in the amount of \$94,182.37, and program income in the amount of \$294,234.19, the following CDBG projects will be implemented:

CDBG Program

City Administration	\$ 90,000.00
Continuum of Care- Coordinated Assessment Intake Social Worker	24,585.00
Tinbridge Hill Neighborhood Infrastructure Improvements	425,891.56
Lynchburg Community Action Group (Lyn-CAG) Fair Housing Education Initiative	6,800.00
Lynchburg Redevelopment & Housing Authority (LRHA) Admin & Delivery Costs	123,636.00
LRHA Brookside 4 Unit ADA Compliant Renovation	180,000.00
LRHA Dearington Apartments Energy-Efficient Window Replacements	125,000.00
LRHA Dearington Apartments Community Room Rehabilitation	100,000.00
Total CDBG	\$1,075,912.56

For the Fifth Year (Program Year 2014/FY 2015) of the 2010-2015 Consolidated Plan the City will receive an estimated \$340,925 in HOME Program entitlement funds. Along with these funds and reprogrammed funds in the amount of \$163,727.18, the following HOME Program projects will be implemented:

HOME Program

City Administration	\$ 18,000.00
Lyn-CAG Substantial Rehabilitation	75,000.00
Lyn-CAG Homeownership Down Payment & Closing Cost / Education	60,000.00
Lyn-CAG First-time Homebuyer Community Housing Development Organization (CHDO)	45,000.00
Greater Lynchburg Habitat for Humanity- Homeownership Program	90,000.00
Rush Homes (CHDO)- Armstrong Place Rehabilitation	10,500.00
Lynchburg Covenant Foundation (LCF) Frank Roane Apartments	60,000.00
LRHA Homeownership Development	117,022.18
Total HOME	\$475,522.18

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

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

Citizen Participation

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

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

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

On January 14, 2014 City Council conducted a public hearing to receive citizen comments regarding the goals for the development of the Program Year 2014 (FY 2015) Annual Action Plan and adopt a resolution approving the goals. There were no public comments at this meeting. City Council approved the goals as presented.

The goals for the Program Year 2014 (FY 2015) Annual Action Plan is as follows:

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

Housing Goals

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

Non-Housing Goals

- Eliminate neighborhood deterioration, blight and blighting influences.
- Support the organized efforts in neighborhoods to leverage their resources to improve and sustain community livability and services.
- Support economic development efforts which will expand job opportunities and retention.

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

The acceptance and application process for CDBG and HOME program funds for Program Year 2014 (FY 2015) began on January 24, 2014 and ended on February 14, 2014. In accordance with the process outlined in the City's Citizen Participation Plan, a notice was published in *The News and Advance* on January 24, 2014, indicating the acceptance of applications for funding programs, projects and activities under the CDBG and HOME Programs. The advertisement indicated the expected amount of funding for both programs. This public advertisement notice was posted on the City's web site (www.lynchburgva.gov/grants), bulletin boards in City Hall, neighborhood community centers, the public libraries, and public housing complexes. City staff received seven (7) applications for CDBG funding and seven (7) applications for HOME funding.

CDAC conducted a public meeting on March 4, 2014 and received information from staff regarding the Annual Action Plan allocation of project funds. In accordance with the process outlined in the City's Citizen Participation Plan, a notice was published in *The News and Advance* on February 17, 2014 stating the purpose of this meeting was to review submitted CDBG and HOME Program applications and formulate recommendations for consideration by City Council regarding the allocation of entitlement and reprogrammable funds.

CDAC reviewed the applications, summary allocation worksheet, and the various requirements/regulations for the allocation of the CDBG and HOME Program funds. CDAC members discussed and developed their recommendations for CDBG and HOME Program projects for Program Year 2014 (FY 2015). CDAC made recommendations to City Council for projects that they concluded would be most beneficial to the low and moderate income persons within the targeted neighborhoods and within the broad national goals established by HUD of providing decent housing, a suitable living environment and expanding economic opportunities. (See Appendix A for a copy of the CDAC meeting minutes.)

CDAC and the public that were present were advised that City Council would hold a public hearing on March 25, 2014 on the project recommendations of the CDAC. In addition, a Timetable was provided that noted the remaining public meetings that would be held to complete the allocation process and submittal of the Annual Action Plan.

On March 25, 2014 City Council conducted a public hearing to allow citizen input regarding the CDAC Annual Action Plan recommended projects. A public notice advertisement was placed in *The News and Advance* on February 17, 2014 advising the public of this hearing.

At the public hearing six (6) persons spoke representing the various agencies that had submitted CDBG and HOME Program applications. The agencies that addressed City Council were: (1) Central Virginia Homeless and Housing Coalition; (2) Lynchburg Redevelopment and Housing Authority; (3) Greater Lynchburg Habitat for Humanity; (4) Lynchburg Community Action Group; (5) Lynchburg Covenant Fellowship (LCF); and (6) Rush Homes. Each of these agency representatives provided a brief overview of the benefits that the people they serve receive as a result of the use of the CDBG and HOME Program funds that are awarded to the represented agencies and asked that City Council support the CDAC funding recommendations.

On April 8, 2014 the recommendations of CDAC and the comments made at the March 25, 2014 public hearing was discussed at the City Council meeting. At this meeting,

and prior to City Council's discussion of the CDAC recommendations, City staff stated that the final Program Year 2014 entitlement amounts had been received from the U. S. Department of Housing and Urban Development (HUD). The CDBG entitlement funds were decreased by \$16,042 and the HOME entitlement funds were increased by \$29,130 from the Program Year 2013 entitlement amounts. CDAC recommended that if the CDBG funds were increased/decreased that the Tinbridge Hill Neighborhood Public Infrastructure project recommendation be adjusted accordingly. CDAC did not address the HOME Program if an adjustment was necessary. City staff recommended that the additional \$29,130 of HOME Program funds be allocated to the Lynchburg Redevelopment and Housing Authority (LRHA) Homeownership Development project. After review and discussion the final approval was given for the funding allocations for Program Year 2014 (FY 2015) as recommended by CDAC and City staff.

On April 26, 2014 a public notice was published in *The News and Advance* stating that a draft of the proposed Program Year 2014 (FY 2015) Annual Action Plan was available for public review for a 30-day public comment period, culminating with a public hearing scheduled for May 27, 2014 to receive comments regarding the draft Action Plan by City Council. The public comment period will begin on April 26, 2014 and will continue until May 27, 2014. The advertisement for the draft Annual Action Plan included how the proposed use of the \$1,564,522.74 in Community Development Block Grant (CDBG) and HOME Program entitlement funds, reprogrammed funds, and program income will be used for the Program Year 2014 (FY 2015). Public comments will be incorporated into this document at the conclusion of the public hearing.

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

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

Resources

City Resources

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

Federally-funded City Programs

Shelter Plus Care Program

The City of Lynchburg received \$320,700 in HUD funds in 2002 for the Shelter Plus Care (S+C) Program. This funding was provided for a five-year period. At the end of the five-year period, HUD granted a five-year extension to allow for additional housing units and the expenditure of the remainder of the original grant funds. Beginning in Fiscal Year 2010 HUD began awarding

City of Lynchburg, VA
2010-2015 Consolidated Plan
Program Year 2014 (FY 2015) Annual Action Plan

the S+C grants annually. For the Program Year 2014 (FY 2015) Annual Action Plan, there has been a one-year renewal grant that was issued in the amount of \$88,298.

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

Federal Housing Programs – Nonprofits Supportive Housing

The following agencies will receive \$207,243 Continuum of Care funds through the Supportive Housing Program:

Applicant	Project	Amount
Lynchburg Community Action Group	The Family Living Center	\$ 44,665
Miriam’s House	Homeless Management Information System (HMIS)	\$ 21,357
Miriam’s House	Rapid Re-housing	\$ 87,252
Rush Homes	Supportive Housing	\$ 53,969
	Total:	\$ 207,243

State Housing Programs

State program funds are funneled to the City through other non-profit organizations, which assist with homeownership and rehabilitation of homes for low-income residents. Lynchburg Community Action Group (Lyn-CAG) is a recipient of the State funds.

Affordable and Special Needs Housing (ASNH) Program: The Affordable Housing and Special Needs (ASNH) Housing Program fills gaps in financing the development of new and rehabilitated affordable and special needs housing for low-income persons in the State. Funds from this flexible source have been used by housing development agencies in the City. Specifically, Rush Homes received \$500,000 for the recently completed Victoria Ridge new construction project in which 24 units were produced for persons with disabilities. During Program Year 2014(FY 2015) Rush Homes will receive \$700,000 for the rehabilitation of the Armstrong Place Apartments producing 28 units of housing for persons with disabilities. Coupling these funds with other funds specifically directed to projects serving special needs populations has resulted in a significant increase in the number of accessible houses available in Lynchburg. Both of these projects have HOME Program entitlement funds as a financial subsidy.

**Private Equity Investment through Tax Credit Programs
Federal Low Income Housing Tax Credits (LIHTC)**

This source of financing for affordable housing development has been used in Lynchburg since the program’s inception in the mid-1980s. Five completed LIHTC projects include Victoria Ridge, Hilltop Homes, Lynchburg High Apartments, College Hill Homes and Central City Homes. These five projects provided 183 affordable rental units through new

construction, renovation and adaptive re-use of existing houses and buildings throughout Lynchburg's central city neighborhoods. In some cases, buildings were donated to the projects from LRHA, and the City invested HOME funds in each of these projects.

Currently there are three LIHTC projects underway and will be completed during Program Year 2014 (FY 2015). They are Armstrong Place Apartments, Shalom Apartments, and Frank Roane Apartments.

Armstrong Place will provide 28 apartments for people with special needs and low incomes, through historic rehabilitation (adaptive reuse) of Armstrong Elementary School (16 apartments) and new construction (12 apartments). In addition, Rush Homes, in partnership with the City of Lynchburg and with a separate construction contract from the apartments, will rehabilitate the gymnasium for use by the City for community activities. Funding sources include LIHTC, historic tax credits, Federal Home Loan Bank funds, local, private grants, Virginia Housing Development Authority (VHDA) low interest loan, and both Virginia Department of Housing and Community Development (VHCD) and City of Lynchburg HOME Program funds are committed to the development. The City's total HOME Program allocations for this project are \$185,500.

The Shalom Apartments were constructed in 1970 by a non-profit corporation formed by Lynchburg Covenant Fellowship (LCF). The community is comprised of 46 multi-family units for low and very low-income individuals and families. Currently this project is under complete renovation utilizing LIHTC and a VHDA mortgage upon completion of construction. Renovations began in late November 2013 and will be completed by July 2014.

The Frank Roane School owned by Lynchburg Covenant Fellowship, Inc. (LCF) was acquired in 1979 and subsequently converted it into 26 affordable apartments for the elderly in 1980. Since the conversion, no additional capital improvements have been done except for the roof replacement and the usual unit turn to prepare an apartment for a new resident. As a result, the building and apartments are in need of major renovation. LCF is applying for LIHTC, federal and state historic tax credits and will secure a mortgage from VHDA to finance the project. The renovation will include repointing of masonry, repairing siding on balconies and all deteriorated exterior trim, installing a new elevator, converting five apartments to comply with Section 504 of the Rehabilitation Act/Americans with Disabilities, installing a security system, reworking of all windows and installing energy efficient central heat and air conditioning, sprinkler system, generator, energy efficient kitchen appliances, cabinets, countertops, bathroom fixtures and flooring. Current residents will be temporarily relocated during the renovations. Upon award of tax credits, the project should begin the end of this year and be completed by mid-2015. City HOME Program funds in the amount of \$60,000 has been allocated for the rehabilitation.

Federal and State Historic Preservation Tax Credits

Lynchburg is a historic city and one that, over a century ago, was the second wealthiest city in the country on a per-capita basis. It was a port and distribution center on the James River and its leadership was comprised of wealthy merchants. Therefore, the housing stock, especially in the older City, is of varied historic design and architecture. Preserving these buildings has not always been a City priority; however, in recent years has taken on major significance. The Lynchburg Historical Foundation (LHF) is a non-profit organization that supports preservation efforts and works with local professionals and residents to maintain this important part of the City's history. LHF also works with other organizations such as Lynchburg College's Center for the History and Culture of Central Virginia to

City of Lynchburg, VA
2010-2015 Consolidated Plan
Program Year 2014 (FY 2015) Annual Action Plan

research and develop the record of Lynchburg's past. As revitalization of the City's downtown continues, the momentum and preservation will be a critical issue in terms of construction and in terms of funds. Many local residents, businesses, and non-profit organizations have begun to use the federal and state historic tax credits and enterprise zone tax credits. The amount of investment from the sale of these credits has increased substantially since the State credits have become effective.

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

New Market Tax Credits

The City has benefited from equity investment as the private sector has utilized this mechanism for some downtown projects and for projects included in the vision of the Fifth Street Master Plan. Specifically, the Bluffwalk project located in the Central Business District at the southern end of Downtown utilized New Market Tax Credits. The City continues to support the ongoing work of its partners to increase the private resources available to assist in implementing its plans.

Local Programs

City Code

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

Real estate tax relief is available to the elderly and persons with disabilities earning \$32,500 or less per year, with a net worth of \$60,000 or less excluding the fair market value of the dwelling in which they live.

The City may also exempt from real estate taxes for 15 years qualified properties in which the structure is 50 years of age or older and the improvements that are considered as substantial rehabilitation/renovation to the existing structure will increase the assessed value by 40 percent or more. For commercial or industrial real estate, the existing structure must be 25 years of age or older and the improvements to the existing structure will increase the assessed value by 60 percent or more. This tax exemption is for a period of five (5) years.

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

Code Compliance

The City Inspections and Code Compliance Division supports neighborhood revitalization by providing code enforcement of existing structures in need of repair, and the enforcement of the abandoned vehicle program, the weed enforcement/inmate labor program, and the illegal dumping program. The goals of the program include strengthening cooperation between residents, businesses, religious organizations, non-profit agencies, and City departments to improve the livability of neighborhoods. One example of this type of collaboration exists in the creation of the Community Code Compliance Team originally chartered by City Council in 1997 as the Code Enforcement Task Force. The Team's purpose is to "develop and implement a coordinated and focused long term strategy to improve living conditions through consistent code enforcement, thereby facilitating a positive impact on the quality of life in Lynchburg". The Team conducts neighborhood walk-throughs addressing a variety of concerns including illegal dumping, overgrown yards, abandoned or inoperative motor vehicles, Property Maintenance Code violations, infrastructure, and other issues. The Team conducts walk-through inspections in various City neighborhoods. The walk-throughs include representatives from the neighborhood, as well as City Council, Community Development, Billings and Collections, Fire Marshal, Public Services, Police, City Attorney's Office, Social Services, Commissioner of the Revenue, and the Lynchburg Redevelopment and Housing Authority.

The Team continues to seek new connections with the City's neighborhoods to promote, protect, and improve the health, safety and welfare of the citizens and the environment. This is accomplished by providing equitable, expeditious and effective Code compliance while establishing a working partnership with the City's neighborhoods.

Private Resources

Greater Lynchburg Habitat for Humanity provides new single-family housing for purchase by low- and moderate-income families. Habitat has constructed over 282 such houses to date using mostly private donations and significant support from churches and faith communities. The City continues to provide HOME Program funds to Habitat who serves the low- and very low-income population and provides the opportunity for them to purchase a home. The City continues to encourage Habitat to renovate historic homes in the targeted area. This preserves the fabric of the City's historic neighborhoods and prevents further deterioration and vacancy in these areas.

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

Public Resources

The U. S. Department of Housing and Urban Development (HUD) has provided to Lynchburg Redevelopment and Housing Authority's (LRHA) Housing Assistance Payments (HAP) a total of \$3,357,816 for Program Year 2014.

Annual Objectives

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

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

The City of Lynchburg will use an estimated \$846,235 of its CDBG allocation and \$486,652 of its HOME Program allocation to fund activities that benefit low-to-moderate income persons.

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

The Housing Objective category is:

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

The three Outcome categories for housing are:

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

The charts below illustrate the allocated priorities and objectives and outcomes the City plans to meet during the Program Year(PY) 2014 (FY 2015) Annual Action Plan to promote the development, sustainability and suitability of housing and fair housing within the community:

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

Housing Ownership and Rehabilitation

PROGRAM	ANNUAL ACTION PLAN GOALS-PY 2014 (FY 2015)
Homeownership-Owner-occupied (CHDO) (DH-1)	Lynchburg Community Action Group (Lyn-CAG) plans to acquire and rehabilitate one (1) housing structure for sale to a low-to-moderate income person through the use of Community Housing Development Organization (CHDO) HOME Program funds.
Homeownership-Homebuyer (DH-1)	Lyn-CAG plans to provide down payment assistance and Homeownership Education courses to ten (10) homebuyers; Greater Lynchburg Habitat for Humanity (GLHFH) plans to provide down payment assistance to six (6) homebuyers; Lynchburg Redevelopment and Housing Authority (LRHA) plans to develop three (3) accessible new construction homes for qualified public housing families .
Homeownership-Retention/Housing Rehabilitation (DH-2)	Lyn-CAG plans to rehabilitate six (6) housing units to allow the homeowners to retain their homes.

Rental Housing Rehabilitation (DH-1)	Rush Homes plans to develop 28 apartments for people with special needs and low-income; Lynchburg Covenant Fellowship (LCF) plans to rehabilitate 26 apartments for the elderly; LRHA plans to rehabilitate four (4) public housing units to full American with Disabilities Act (ADA) compliance; LRHA plans to remove 100 old substandard windows in one of its public housing complexes and replace them with new energy efficient windows.
Homeownership and Rental Housing (DH-1) & (DH-2) – Fair Housing Education	Lyn-CAG plans to provide fair housing outreach and education for persons to understand their rights and responsibilities under the Fair Housing Act and to address the impediments to fair housing choices as identified in the City's Analysis of Impediments to Fair Housing Choice (AI).

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

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

The two objective categories for Community Development are:

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

The three Outcome categories are:

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

The charts below illustrate the allocated priorities and objectives and outcomes the City plans to meet during the Program Year 2014 (FY 2015) Annual Action Plan to meet the community development needs of the citizens.

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

Support of Neighborhoods

PROGRAM	ANNUAL ACTION PLAN GOALS-PY 2014 (FY 2015)
Neighborhood/Community Meetings (SL-1)	Five (5) neighborhood walk-through meetings planned by Community Code Compliance Team
Infrastructure Improvements (SL-1) (Tinbridge Hill Neighborhood)	Tinbridge Hill Neighborhood Project – Public Infrastructure improvements
Public Facility Improvements (SL-1)	LRHA plans to rehabilitate the Community Room at the Dearington Public Housing complex to conform to ADA requirements and provide for proper access to the community room for all persons.

Economic Development Efforts

PROGRAM	ANNUAL ACTION PLAN GOALS-PY 2014 (FY 2015)
Enterprise Zone (EO-3) (Maintain current zone designations)	The City plans to maintain Zone #2 (includes CDBG Target Census Tract areas) and Zone #46 (Old Forest Road & Lakeside Drive area).
Downtown Redevelopment Improvements (EO-3) (Phase II & III – Lower Bluffwalk-Jefferson Street)	Continued infrastructure improvements to include the construction of a pedestrian-scaled street, ADA compliant walkway, and streetscape improvements.

Residential Rental Property Inspections Program and Property Maintenance Inspections

PROGRAM	ANNUAL ACTION PLAN GOALS-PY 2014 (FY 2015)
Rental Property Inspections (SL-3)	The Code Compliance Division of the Community Development Department plans on completing 450 rental property inspections
Property Maintenance Inspections (SL-3)	The Code Compliance Division of the Community Development Department plans on completing 2,000 property maintenance inspections

Code Enforcement

PROGRAM	ANNUAL ACTION PLAN GOALS-PY 2014 (FY 2015)
Weed Ordinance- Property Clearance (SL-3); Removal of Abandoned Vehicles (SL-3)	The Code Compliance Division of the Community Development Department plans to complete 338 complaint-based Neighborhood Services inspections which address weeds and abandoned vehicles

Public Service

PROGRAM	ANNUAL ACTION PLAN GOALS-PY 2014 (FY 2015)
Housing for Homeless (SL-1)	Provide funds for one (1) part-time staff person to support the Continuum of Care (CoC) Coordinated Homeless Intake and Access (CHIA) system.

DRAFT

Description of Activities

For the Fifth Year (Program Year 2014/FY 2015) of the 2010-2015 Consolidated Plan the City will receive \$671,454 in CDBG entitlement funds. Along with these funds, reprogrammed funds in the amount of \$94,182.37, and program income in the amount of \$294,234.19, the following CDBG projects will be implemented:

CDBG Program

City Administration	\$ 90,000.00
Continuum of Care- Coordinated Assessment Intake Social Worker	24,585.00
Tinbridge Hill Neighborhood Infrastructure Improvements	425,891.56
Lynchburg Community Action Group (Lyn-CAG) Fair Housing Education Initiative	6,800.00
Lynchburg Redevelopment & Housing Authority (LRHA) Admin & Delivery Costs	123,636.00
LRHA Brookside 4 Unit ADA Compliant Renovation	180,000.00
LRHA Dearington Apartments Energy-Efficient Window Replacements	125,000.00
LRHA Dearington Apartments Community Room Rehabilitation	100,000.00
Total CDBG	\$1,075,912.56

For the Fifth Year (Program Year 2014/FY 2015) of the 2010-2015 Consolidated Plan the City will receive an estimated \$340,925 in HOME Program entitlement funds. Along with these funds and reprogrammed funds in the amount of \$163,727.18, the following HOME Program projects will be implemented:

HOME Program

City Administration	\$ 18,000.00
Lyn-CAG Substantial Rehabilitation	75,000.00
Lyn-CAG Homeownership Down Payment & Closing Cost / Education	60,000.00
Lyn-CAG First-time Homebuyer Community Housing Development Organization (CHDO)	45,000.00
Greater Lynchburg Habitat for Humanity- Homeownership Program	90,000.00
Rush Homes (CHDO)- Armstrong Place Rehabilitation	10,500.00
Lynchburg Covenant Foundation (LCF) Frank Roane Apartments	60,000.00
LRHA Homeownership Development	117,022.18
Total HOME	\$475,522.18

Summary of Program Year 2014 (FY 2015) CDBG and HOME Activities

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

Community Development Block Grant (CDBG) Activities

The City of Lynchburg will have available \$1,035,739 in CDBG funds to support administrative and service delivery operations, housing, community development, and economic development, activities for sixteen (16) projects and activities.

Program Administration (City) - The City will use \$90,000 of its CDBG allocation for the payment of reasonable administrative charges related to the planning and execution of community development activities. The majority of these funds will be used to pay a percentage of the salary and benefits of Community Development staff dedicated to managing the CDBG Program.

Continuum of Care- Coordinated Assessment Intake Social Worker - The City has allocated \$24,585 for the continuation of funding a staff position for the Continuum of Care (CoC) Homeless Intake Coordinator project located within the Department of Human Services for the City. To achieve compliance with HUD regulations which require a coordinated intake process, the Lynchburg CoC has developed Coordinated Homeless Intake and Access (CHIA). The CoC has worked together to create a uniform intake tool in order to quickly assess individuals and families and insure that they are expeditiously placed in the most appropriate housing for their unique situation. The Homeless Intake Coordinator, a Family Services Specialist with Human Services, has been hired and trained.

CHIA's goals are to understand the client's need and eligibility for existing programs, to document the client's homeless and housing history and barriers, to identify needs through consistent use of a uniform assessment tool, and to capture data about area homelessness in order to better assess and provide for community needs. Gathering such data will also enable the Homeless Intake Coordinator to develop a housing plan for clients, check availability of beds in multiple shelters, and match the client need with existing bed space resulting in the right program for each individual client. Use of the Homeless Management Information System (HMIS) (data tracking and documentation system) will provide real-time knowledge of available beds, allow transfer of client information to the receiving program, provide enrollment status to the Homeless Intake Coordinator, and allow the Homeless Intake Coordinator to monitor the situation to insure the client is successfully enrolled into the selected program.

Tinbridge Hill Neighborhood Infrastructure Improvements – The City has allocated \$409,850 for the Tinbridge Hill Neighborhood Infrastructure Improvements project. Over the past 3 years, the Tinbridge Hill Neighborhood Council (THNC), in partnership with City staff, and supported by the Friends of Tinbridge Hill (FTH), have targeted the investment of CDBG funds into Tinbridge Hill to assist its residents and community stakeholders to develop a model for a sustainable neighborhood. This Sustainable Neighborhood Strategy uses the elements of Lynchburg's Sustainable City Initiative – Arts and Culture, Citizen Engagement and Social Capital, Economic Development, Infrastructure, Healthy and Active Living, Land Use, Lifelong Learning, Natural and Environmental Resources, Neighborhoods, Safe Community, Social Equity and Transportation – to identify the assets and opportunities in the neighborhood. The goal of this project is, using Tinbridge Hill as a model, to develop a strategy that can be used in other neighborhoods throughout the City.

Priorities for this year's CDBG funding consideration include select sidewalk improvements identified in the *Growing Tinbridge Hill Neighborhood Plan* to improve connectivity, infrastructure and safety of the neighborhood. Although the complete priority list identified in the plan includes improvements to Monroe Street, Hollins Street, 2nd Street, McIvor Street, Jackson Street, Garland Street, 4th Street and Floyd Street, the allocated funds will address specific identified streets based on project estimates and then prioritize the scope of the improvements for engineering design, available right-of-way, drainage and topography considerations, and potential efficiencies gained by working with other projects.

Lynchburg Community Action Group (Lyn-CAG) Fair Housing Education Initiative – The City has allocated \$6,800 to provide fair housing education and help targeted groups understand their rights and responsibilities under the Fair Housing Act. According to HUD, impediments to fair housing choices are any actions, omissions, or decisions taken because of race, color, religion, sex, disability, familial status, or national origin that restrict housing choices, or the availability of housing choices. To directly address the impediments outlined in the Analysis of Impediments for Fair Housing Choice (AI) for the City of Lynchburg, Lynchburg Community Action Group, Inc. will expend the CDBG funds to assist with the expansion of its current offerings of educational opportunities to a broad range of people in the housing industry, renters, homebuyers, real estate professionals, homeowners associations, property managers, Continuum of Care (CoC) members, community partners, institutions, and city and county employees who work with clients regarding housing needs and issues. Lyn-CAG's outreach and educational efforts will be to develop and distribute educational literature and resources that describe ways to prevent housing injustices and the applicable laws that protect against discrimination.

Lynchburg Redevelopment and Housing Authority (LRHA) – Administration & Direct Costs – The CDBG funds allocated in the amount of \$123,636 will enable the Authority staff to undertake various Community Development Block Grant-financed activities. These include activities which were funded in previous years as well as activities to be undertaken during the proposed Program Year 2014 (FY 2015). The Administrative Costs will cover payment of pro-rata share of salaries, benefits, travel, communications, etc., attributable to employees' duties for the CDBG activities as outlined in the Authority's annual administrative budget. The allocation for Direct Costs will provide: (1) oversight of the Authority's loan portfolio of amortized and deferred payment residential loans in the College Hill, Daniel's Hill, Diamond Hill, Garland Hill, Grace Street and White Rock neighborhoods; single-family and multi-family rental rehabilitation loans and grants; commercial loans secured by Urban Development Action Grant funds, as well as bond financed loans. Oversight involves the collection of delinquent accounts, monitoring insurance coverage, negotiation of payment plans and participating in foreclosures and deed acquisition in lieu of foreclosure; (2) monitoring the security and maintenance of properties which were acquired under the Spot Blight Program; (3) monitoring eight properties under continuing Rehabilitation Agreements; (4) acquiring property and coordinating work with appraisers and legal counsel under the Spot Blight Program; (5) disposal and clearance of improved and unimproved properties acquired under the Spot Blight Program; (6) identifying and monitoring blighted properties and the coordinating the required renovations with owners to remove the blight; (7) partnering in joint ventures with other local non-profit organizations; (8) determining best use options for the inventory of lots in LRHA inventory and building homes that create opportunities for disabled low to moderate public housing families; (9) monitoring the renovation of four units at Brookside under to meet ADA / 504 guidelines for disabled persons; (10) monitoring the removal of substandard windows and installing energy efficient windows at

Dearington Apartments, making utilities more affordable; and (11) monitoring the renovation of the Dearington Apartments Community Room to meet ADA / 504 guidelines for public buildings.

LRHA – Brookside 4 Unit ADA Compliant Renovation - The City has allocated \$180,000 to allow LRHA to convert four (4) existing units to full American with Disabilities Act (ADA) Section 504 of the Rehabilitation Act of 1973 compliance. During HUD REAC (Real Estate Assessment Center) on-site inspections and an FHEO (Fair Housing Equal Opportunity) on-site inspection, it was noted that HUD requires public housing authorities to provide 5% of their housing stock as ADA/504 accessible units. For LRHA, this means that 17 units should be accessible in order to provide low-moderate income families equal opportunity to the public housing program. This project is necessary to provide compliance with the requirements of ADA regulations for accessibility and assure that disabled families have equal opportunity to reside in public housing units.

These funds will be partnered with Public Housing Capital Fund monies to allow LRHA to convert four (4) existing units to full ADA/504 compliance. LRHA completed ADA/504 renovations to two (2) units in November 2013. When Brookside was built, there were no units built that meet today's requirements for accessibility. The units will be completely gutted and renovated to comply with these requirements.

LRHA – Dearington Apartments Energy-Efficient Window Replacements – The City has allocated \$125,000 of CDBG funds to remove old substandard windows currently installed in the Dearington Apartments and replace them with new Energy Star vinyl frame/sash, Low-E insulated glass with warm-edge spacer. The windows will be double-hung with tilt-in sashes and exterior screens. All windows in the 100 units at Dearington Apartments will be replaced. Due to the rising cost and the environmental restraints of producing energy, Federal regulations require all public housing agencies to develop and implement energy conservation measures. In April 2013, LRHA contracted with an independent consultant to conduct an energy audit in accordance with the methodology required by HUD. This energy audit evaluated the current energy consumption and conservation measures and identified available conservation opportunities.

LRHA – Dearington Apartments Community Room Rehabilitation – The City has allocated \$100,000 to complete all renovations needed to meet the requirements of the Americans with Disabilities Act for public buildings to provide access as required in the Uniform Federal Accessibility Standards (UFAS) at 24 CFR §8.32(a). LRHA will contract with an architect and builder to review all requirements of the regulations to assure compliance and provide proper access to this community building to all persons. The Community Room at Dearington Apartments provides a public meeting space for residents, organizations and LRHA to conduct meetings and activities that benefit the residents of LRHA. During HUD REAC (Real Estate Assessment Center) on-site inspections and an FHEO (Fair Housing Equal Opportunity) on-site inspection, this Community Room has been determined to not meet the current requirements of the Americans with Disabilities (ADA), Section 504 of the Rehabilitation Act of 1973 accessibility as required of all public access buildings. This results in a loss of points in the scoring system that HUD uses to determine the performance of the Housing Authority as well as FHEO findings of non-compliance. This project is necessary to provide compliance with the requirements of ADA regulations for accessibility and assure the facility can be approached, entered, and used by individuals with physical handicaps.

HOME ACTIVITIES

The City of Lynchburg will have available \$504,652 in HOME program funds to support housing activities during Program Year 2014 (FY 2015). Eight (8) projects have been allocated funding for HOME eligible activities. The City has designated 17% of the entitlement funds for two (2) Community Housing Development Organization (CHDO) projects.

Program Administration (City) - The City will use \$18,000 of its HOME Program allocation for the payment of reasonable administrative charges related to the planning and execution of HOME Program activities. The majority of these funds will be used to pay a percentage of the salary and benefits of Community Development staff dedicated to managing the HOME Program.

Lynchburg Community Action Group (Lyn-CAG) Rehabilitation Program -The \$75,000 in HOME funds will be used to assist with the rehabilitation of owner-occupied housing. Lyn-CAG projects that six (6) low-to-moderate income homeowners will be served with substantial rehabilitation funds from the HOME Program funds and the State Department of Housing and Community Development (DHCD). The Program activities provide selective rehabilitation services designed to remove health and safety hazards and code violations from the homes of low-income homeowners who live in the City and meet HUD income guidelines for the HOME Program.

(Lyn-CAG) –Homeownership Down-Payment & Closing Cost / Education – The City has allocated \$60,000 to Lyn-CAG to assist ten (10) first-time home buyers realize the American Dream. With the recent financial crisis in this Country, the obstacles for low- to moderate-income individuals to purchase a home has become a dream deferred. Mortgage regulations and new rules have made it next to impossible for this target population to purchase a home. Currently there are no Down Payment Assistance Programs in our area. In the past other nonprofit agencies offered down payment assistance to qualified buyers using local and state funds to offset the cost of purchasing a home. Lynchburg Community Action Group, Inc. is the only Certified HUD Housing counseling agency in Region 2000. With a staff of three (3) counselors having a combined 20 plus years of counseling experience, the Agency feels that it can best fill this gap that is needed in our area.

In addition to offering an average of \$5,000 per client to help with down payment of a home purchase, clients will receive homeownership education. Pre and Post purchase education will be part of the criteria to qualify for one of these grants. Studies have shown that clients who have that support on the front end and through the first years of owning a home are more successful in maintaining that ownership. Lynchburg Community Action Group's Housing Counseling Department offers a six (6) hour Virginia Housing Development Authority (VHDA) Certified Homebuyer course which covers the A B C's of owning a home. In addition to the six (6) hour course if a client needs credit repair or not quite ready to purchase, they can enter into the Home Buyer Program to spend up to 12 months working on cleaning up credit, starting a savings account to get them ready for purchase. Each counselor will assess the readiness of a potential buyer, work on a spending plan and review credit worthiness. There are several banks in the area which clients, once ready, can seek a loan to purchase a home. Several of the area banks, SunTrust, Wells Fargo, Citizens Bank currently work with staff to conduct Financial Literacy workshops for residents in Region 2000. Clients are free to choose which bank or credit union

they would like to work with. Most of the banks are familiar with the DPA (Down Payment Assistance) Program.

Lyn-CAG – First-time Homebuyer Community Housing Development Organization (CHDO)

- The \$45,000 in HOME Program funds will be used for labor/material and developer's fee to assist with the acquisition and rehabilitation of one housing structure for a low-to-moderate income family. The Home Program CHDO First Time Homebuyers Program provides for acquisition of vacant properties for rehabilitation or new construction to eligible first time homebuyers. Proceeds from the sale of properties are reinvested in housing program services that benefit eligible low-to-moderate income persons. Lien documents and recapture restriction agreements are required for each property.

Greater Lynchburg Habitat for Humanity (GLHFH) – Homeownership Program – The City has allocated \$90,000 in HOME Program funds to GLHFH for down payment assistance to low-income families. GLHFH plans to assist six (6) home buyers.

Greater Lynchburg Habitat for Humanity (GLHFH) develops homeownership opportunities for low-income families that would not qualify or be able to afford homeownership through conventional bank mortgages. GLHFH builds good quality, moderately appointed homes and sells them to qualified applicants. The target population for the program is families whose income falls in the range of 40% to 70% of HUD's median family income, adjusted for size of family. To qualify, families must demonstrate need (residing in poor, unsafe, unhealthy, and/or unaffordable housing); they must have the ability to pay a no-interest mortgage (must have a steady income and low debt to income ratio); and must be willing to partner with GLHFH (provide sweat equity, participate in training, and prepare for the responsibilities of homeownership).

GLHFH solicits funding, materials, and volunteer labor from the community and is thereby allowing the organization the ability to maintain low construction costs. GLHFH is therefore able to sell the home to the qualified family at cost and to offer a no-interest mortgage loan. Families have to provide 300 hours of labor, referred to as "sweat equity," to the project. The mortgagees must attend GLHFH's course designed to prepare them for homeownership. The series of classes provide education about financial literacy, budgeting, home maintenance, taxes and insurance, predatory lending, and loss mitigation options.

At mortgage closing, the family is required to pay a processing fee of \$1000 which is applied to the attorney's fee and recording costs. GLHFH will use HOME funds to provide down payment assistance which will reduce the principal balance so that the family can afford the monthly mortgage payments. GLHFH defines "payment affordability" as not more than 30% of monthly income.

Rush Homes (CHDO) – Armstrong Place Apartments – The City has allocated \$10,500 for continued rehabilitation costs associated with the development of the Armstrong Place Apartments.

Rush Lifetime Homes (Rush Homes), a certified CHDO, is developing Armstrong Place Apartments, 28 apartments for people with special needs and low incomes, through historic rehabilitation (adaptive reuse) of Armstrong Elementary School (16 apartments) and new construction (12 apartments), all at 1721 Monsview Place in Lynchburg. Fifty (50) percent of the

apartments will achieve accessibility per Section 504 of the Rehabilitation Act of 1973 requirements with the remainder at least easily adaptable for disabilities. In addition, Rush Homes is renovating the gymnasium and will make it available to the City's Department of Parks and Recreation and the Monsview/Bedford Avenue area community for community activities.

These funds will assist with the rehabilitation costs incurred due to vandalism in the Armstrong Elementary School during the term of the Rush Homes' contract with the City to purchase the property. Costs include those related to significant damage of at least 18 of the internal doors, door frames, hardware and several display cabinet doors in former classrooms as well as associated clean up. These items are necessary to the rehabilitation of the property because Armstrong Elementary School is listed on the Virginia Register of Historic Landmarks and the National Park Service National Register of Historic Places.

Lynchburg Covenant Fellowship (LCF) –Frank Roane Apartments – The City has allocated \$60,000 of HOME Program funds to assist with the renovation of the Frank Roane Apartments. This beautiful, historic building was built in 1899 and used as a high school and then as an elementary school. LCF purchased the school in 1979 and subsequently converted it into 26 apartments for elderly people age 62 and over. It is comprised of one-efficiency, 21-one bedroom apartments and four-two bedroom units. Frank Roane is a project-based Section 8 community in which the Department of Housing and Urban Development (HUD) provides rental subsidy to low-income elderly.

Since the conversion of the building from a school into apartments in 1980, no additional capital improvements have been done except for a roof replacement about eight years ago and unit turns when a resident moves out. The apartments currently have inefficient baseboard heat, no central air conditioning and extremely drafty old windows. The elevator which is essential for the residents living on the second and third floors is in dire need of replacing. Other than grab bars in some of the bathrooms, there are no apartments that meet the Section 504 of the Rehabilitation Act/Americans with Disabilities requirements. Five apartments will be converted to comply with Section 504 of the Rehabilitation Act requirements. These apartments will have wider doors, lower cabinets with work areas that allow a wheelchair to roll under, an accessible shower and bathroom.

Renovations will include installing energy efficient central heat and air conditioning, a sprinkler system, generator, cabinets, dishwashers, energy efficient refrigerators, stoves with fire suppression features, bathroom fixtures, flooring, apartment entry doors, repointing exterior masonry, repairing deteriorated siding and flashing, security system, a new elevator, painting and reworking old windows making them more energy efficient. LCF is applying for Low-Income Housing Tax Credits, federal and state historic tax credits and will secure a mortgage from the Virginia Housing Development Authority (VHDA) to finance the project.

LRHA Homeownership Development – The City has allocated \$146,152 of HOME Program funds to LRHA for the development of three (3) lots that will provide new ADA/504 accessible homes for disabled, low-to-moderate income public housing families. The Analysis of Impediments to Fair Housing Choice (AI) recently conducted by the City of Lynchburg found that the City has limited housing opportunities for disabled families. The Authority has a 5(h) Homeownership program that provides homeownership opportunities to public housing residents. In a partnership of HOME Program and the 5(h) Homeownership funds, the Authority will develop these ADA/504 accessible homes.

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

Geographic Distribution/Allocation Priorities

Geographic Distribution of Assistance

According to the 2012 American Community Survey (ACS) 5-year estimates, the population in Lynchburg is 75,657 and the Metropolitan Statistical Area (MSA) is 252,560. White citizens account for 65.0% of the City's population; African-American citizens account for 28.8%; 2.5% are Asian; 2.6% is made up of two or more races; and 1% identifies as some other race.

The median household income in 2012 was \$37,774 and the number of persons below poverty was 16.7% of the population. This compares to an income range of \$18,165-\$27,550 in the target census tracts. Incomes in these neighborhoods are significantly lower than incomes City-wide. A disproportionate number of non-whites live in the target market (62.8 %) while the City-wide non-white population is 33.1% of the population.

Minorities in Lynchburg tend to be concentrated in the older portion of the City that is identified as Census Tracts 4, 5, 6, 7, 11, and 19. Minority concentration is defined as a census tract with a minority population of greater than 40%. This area corresponds to the area where a majority of persons are low and moderate-income as defined by the United States Department of Housing and Urban Development (HUD) and are the Census Tracts in which the Community Development Block Grant (CDBG) and HOME Program funds are distributed in the Annual Action Plan. (See Appendix B– Targeted Census Tract Map and Project Location Map.)

Basis for Allocating Investments

The City of Lynchburg's Consolidated Action Plan draws attention to the housing needs and services in six contiguous census tracts that comprise the CDBG targeted area: Census Tracts 4, 5, 6, 7, 11, and 19 (Tracts 12 and 13 from Census 2000 were combined in Census 2010). This area comprises the central city neighborhoods of Lynchburg that surround the Downtown Central Business District. Demographics and surveys in these neighborhoods indicate that this is where the highest degree of housing problems exists, where the most blight is observed, and where most of the City's low- and low-to-moderate-income persons reside.

These targeted census tracts were selected for concentrated assistance because of their high levels of low-to-moderate income residents and because of their distinct need for housing revitalization and development/redevelopment due to long-term neglect.

The City continues to focus on increasing homeownership and neighborhood stability, through the construction and sale of new housing on formerly abandoned vacant lots, the rehabilitation and sale of vacant houses and through rehabilitation assistance to owner-occupied housing for low and moderate income households not only in the targeted census tracts but throughout the City.

The City, through the HOME Program, provides funds for down payment assistance and principal reduction assistance to ensure affordability to low-to-moderate income persons throughout the City.

The City plans to use the CDBG and HOME Program funds to address the housing needs of low and moderate-income households. The funds will be used to help low- and moderate-income homeowners through minor and substantial home renovations that would help to maintain safety and increase energy efficiency and functionality in older homes. This provision helps to fulfill the needs of not only the low- to moderate-income homeowner, but also the elderly homeowner, where, in both cases, homeowners often delay investing in necessary rehabilitation due to the expense involved in repairing or renovating their home.

In addition, the City has allocated funds to address impediments to fair housing as identified in the Analysis of Impediments to Fair Housing Choice. Specifically, funds have been designated to provide outreach and education to a broad range of people in the housing industry, renters, homebuyers, real estate professionals, homeowners associations, property managers, housing providers, community partners, institutions, and city employees who work with clients regarding housing needs and issues. The outreach and educational efforts will be to develop and distribute educational literature and resources that describe ways to prevent housing injustices and the applicable laws that protect against discrimination.

Annual Affordable Housing Goals

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

Increase the number of owner-occupied units

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

The 2012 ACS reported 54.4% of the City's occupied housing units were owner-occupied, compared with 45.6% rental units

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

In order to achieve long-term stability and investment in City neighborhoods, homebuyers must be encouraged to purchase in these areas. This will entail incremental strategies that include working with developers, banks, and others to take collaborative action to achieve the goal of improving and retaining owner-occupancy and

housing conditions for existing homeowners. With limited government resources, the City believes the participation of the private, for-profit sector is necessary, with government involvement limited to leveraging other resources with CDBG and HOME dollars for those low- and moderate-income households, which require more assistance in order to become owners.

Additional strategies include: (1) provide diverse housing choices; (2) support initiatives to increase permanent affordable rental and housing ownership opportunities; (3) Support programs that assist individuals in retaining their home in challenging economic times; and (4) rehabilitate substandard housing units.

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

The City should take an active role in encouraging the improvement of older housing within the City through loans, tax abatements and/or credits that make renovations more feasible. The housing stock in Lynchburg presents both challenges and opportunities to potential homebuyers. Over half of the City's single family dwellings are between 1,000 and 2,000 sq. ft. in size, and about 20 percent are less than 1,000 sq. ft. in size. The majority of homes less than 1,000 sq. ft. are found within the traditional neighborhoods mentioned above. Many potential homebuyers, especially families, are searching for homes with two full baths, large updated kitchens, and three bedrooms; criteria not easily found within the City's housing stock. To address this issue, the City should develop a program to encourage the renovation of outdated housing that reviews loan programs with lenders, works with builders and financial institutions in sponsoring workshops on modernizing and making appropriate upgrades and additions to homes to meet today's standards, and develops guides on the steps involved in renovation or rehabilitation efforts. Improving the process to clear property liens and establish clear title for older housing stock may accelerate improvements in housing conditions.

Another strategy is to extend some assistance programs to private landlords as well as homeowners. As business owners, these landlords are responsible for providing a quality product to the public, i.e. renting out only those properties which comply with the International Building Code. Landlords who do not correct Code violations within a 30-day time frame will be denied a Certificate of Occupancy for those units, and therefore, cannot legally rent them out. Potential loss of rental income provides a direct incentive for the landlord to correct the problems. The City is taking a proactive rather than a reactive approach to prevent the further decline of the targeted neighborhoods. The LRHA Rental Rehabilitation Program has received funding in the past and will continue the Program during this Annual Action Plan to address observed and eligible repairs according to this strategy.

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

The City of Lynchburg completed an Analysis of Impediments to Fair Housing Choice in 2014 to satisfy the requirements of the Housing and Community Development Act of 1974 and

HOME Investments Partnerships Program, as amended. The City will start to designate funding within the CDBG budget that directly focuses on Fair Housing (up to 1% of the CDBG budget). In particular, education, outreach, training, and enforcement are the vital elements to furthering Fair Housing within the City.

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

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

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

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

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

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

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

In Program Year 2014 (FY 2015) the City has allocated funds to Lynchburg Community Action Group (Lyn-CAG) to provide down payment assistance and homeownership counseling/education. In addition, Lyn-CAG, as a certified HUD housing counseling agency, will continue to partner with local area banks and provide various workshops on financial literacy. As a counseling agency, Lyn-CAG staff not only provides homebuyer classes, assist with the process of obtaining the financing necessary to purchase a home, but also provides guidance in maintaining that ownership once the purchase is complete.

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

The need for permanent housing for homeless, the disabled, and those with special needs is documented in the Central Virginia Continuum of Care. The scope of the Continuum is regional and therefore, the City's desire is to support permanent housing development throughout the Region 2000. All persons in the region should have housing choices and assistance available.

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

Promote programs that assist eligible individuals in retaining their homes.

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

in neighborhood affairs and include: the use of community development corporations, comprehensive community initiatives and community organizing strategies.

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

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

Non-homeless Special Needs

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

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

Numerous civic groups provide gifts of volunteer time and money to assist low-income persons. The YWCA-Downtown Branch offers transitional housing for battered women, along with permanent housing above their offices, located in downtown. The ARC of Central Virginia provides enhanced physical and occupational therapy, supported employment, communication facilitation, and nursing care to individuals with mental retardation. The Lynchburg Area Center for Independent Living, Inc. (LACIL) is a private non-profit, non-residential consumer driven organization that promotes the efforts of persons with disabilities to live independently in the community and supports the efforts of the community to be open and accessible to all citizens. The Central Virginia Area Agency on Aging (CVAAA) provides services such as meals, care coordination, homemaker, and assisted transportation for seniors in the greater Lynchburg area, in order to keep seniors independent in their own homes

For health and human services “2-1-1 Virginia” provides access to one of the largest databases of health and human services in the State of Virginia. United Way of Central Virginia is a sponsor service provider for the Lynchburg area. Nonprofit organizations and federal, state and

local government agencies are included in the database and access to services in Lynchburg and statewide are available. Referrals for health and human services include:

- **Basic human needs:** food banks, shelters, rent or utility assistance;
- **Physical and mental health resources:** Medicaid, Medicare, pre-natal care, children's health insurance programs, crisis intervention, support groups, counseling, alcohol and drug rehabilitation;
- **Work initiatives:** educational and vocational training programs, English as a second language classes, job training, General Educational Development (GED) preparation, financial and transportation assistance;
- **Support for seniors and those with medical, respite care, home health care, transportation and recreation disabilities:** Area Agencies on Aging, independent living centers, adult day care, meals at home, respite care, home health care, transportation and recreation;
- **Support for children, youth and families:** After-school programs, tutoring, mentorship programs, family resource centers, protective services, counseling, early childhood learning programs, child care referral centers, and recreation; and
- **Volunteering in your community:** Volunteer centers, mentorship opportunities, locations to donate food, clothing, furniture, computers and other items.

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

Public Housing

During the next year, Lynchburg Redevelopment and Housing Authority (LRHA) will be performing significant renovations on two community rooms and four one (1) bedroom public housing units in order to bring them into compliance with the American with Disabilities Act (ADA)/Section 504 requirements. These renovations will be funded from the Capital Funds Program (CFP) at LRHA and CDBG. Another significant renovation project to be started this year is the replacement of all windows and doors in the Dearington Apartment complex. The existing windows are very old, hard to find replacement parts for and not energy efficient. This project will also be funded from CFP and CDBG.

LRHA will also apply to convert 100 existing Moderate Rehabilitation project based vouchers to tenant protection vouchers which will allow the residents of a downtown building to locate housing in other areas of the City of Lynchburg. The owner of this downtown building has notified LRHA that they will cease operations at some point during the second half of 2014. LRHA and other community housing partners have begun determining needed and available resources for assisting the residents in the relocation efforts. Discussions with community housing partners will also include future housing needs and development of more accessible housing opportunities for the residents of Lynchburg and how to leverage funding to see these needs realized.

Utilizing the inventory of lots acquired with the CDBG Spot Blight funds in previous years, LRHA will revitalize the 5(h) Homeownership program started by LRHA in 1996. Several of the homes built and sold at this programs inception, have reached their loan maturity dates. The funds from the repayment of these loans will be used to partner with HOME Program funds awarded to LRHA by the City of Lynchburg to build at least three (3) new accessible homes that will be offered to eligible public housing residents. These residents will be required to complete homeownership training programs offered by other community housing partners. Upon successful completion of these programs, they will be offered the opportunity to purchase one of these new homes.

To further the partnership with the City and community housing partners, LRHA will participate in identifying opportunities to remove the impediments to fair housing within the City as identified in the Analysis of Impediments to Fair Housing Choice that was conducted by the City at the end of 2013.

Homeless and Special Needs

Most homelessness initiatives in the City are coordinated through the Central Virginia Continuum of Care (CoC), a recipient of funding through the U. S. Department of Housing and Urban Development's (HUD) Continuum of Care Supportive Housing Program and Shelter Plus Care. Also participating in the CoC are the counties of Amherst, Appomattox, Bedford, and Campbell.

The CoC is a regional organization comprised of agencies that serve as the lead entity for Supportive Housing Programs. The CoC currently has 26 member agencies.

The CoC has created a coordinated assessment process, Coordinated Homeless Intake and Access (CHIA), and is working with current providers to divert individuals from homelessness. The coordinator of CHIA is trained to divert households who seek assistance in an effort to decrease homelessness. The City has allocated CDBG funds to continue this activity during Program Year 2014 (FY 2015).

Recently the City of Lynchburg commissioned an analysis of fair housing in the area to update the Analysis of Impediments to Fair Housing Choice (AI). The findings revealed that affordable rental housing decreased in the past few years and that the rentals that were affordable were often located in certain neighborhoods rather than being distributed throughout the City. The CoC will make efforts this coming year to address these barriers to fair housing through recruitment of landlords to the Board of the CoC and to join as members of the CoC.

Sources of Funds

The homelessness initiatives in the City are coordinated through the CoC a recipient of funding through the Stewart B. McKinney programs (Supportive Housing Program and Shelter Plus Care). Recipients of these funds include: Miriam's House, Lynchburg Community Action Group, Lynchburg Neighborhood Development Foundation, Rush Homes and the City.

The City of Lynchburg utilizes its Shelter Plus Care annual renewal allocation to provide rental assistance to homeless persons that are transitioning to permanent housing.

During Program Year 2014 (FY 2015) the Virginia Department of Housing and Community Development (DHCD) will issue two year (July 1, 2014-June 30, 2016) grants to grantees as a result of a CoC-based application process. The Lynchburg CoC has requested \$549,387 through DHCD's Virginia Homeless Solutions Program (VHSP). The request included the following programs:

- Shelter operations at Lyn CAG's Hand Up Lodge and the YWCA's Domestic Violence Prevention Center.
- Rapid Re-housing which includes both Lyn-CAG and Miriam's House to facilitate rapid re-housing programs. The Rapid Re-housing Program provides rental assistance, utility deposits, moving expenses for relocation, housing stabilization financial assistance, services/case management, search and placement, and credit repair.
- Housing Prevention Program (HPP) funds were requested through Lyn-CAG to serve low income persons and families. These funds will be used to provide rent assistance/rent arrears, housing stabilization financial assistance, housing stabilization service/case management, housing search and placement, mediation and credit repair.
- The City's Department of Human Services requested Coordinated Homeless Intake and Access funds to expand staff support for the centralized intake system for the CoC.
- Lyn-CAG, as the lead agency for the CoC, requested funds for direct costs associated with administering the CoC operations.
- Lyn-CAG, City of Lynchburg Department of Human Services, and Miriam's House requested funds for oversight, licensing, and technical assistance.
- Administration funds are being requested from agencies seeking funding through VHSP to include: Lyn-CAG, Miriam's House, and the YWCA of Central Virginia.
- Lyn-CAG requested funds for the continued support of the HOPWA Program. HOPWA funds will be used for long-term rental assistance; short-term rental, mortgage and/or utility assistance; case management; HIV/AIDS testing; counseling; HIV/AIDS education; client education; tenant eligibility determination and intake; housing inspections for compliance with HUD's guidelines; emergency rental, mortgage and utility assistance; coordination of care with medical providers; performing home visits with clients; performing resource identification; developing housing plans; monitoring of program performance; providing bi-monthly or monthly client-directed support group meetings; providing access to the HOPWA Food Pantry; client needs identification, recommendations and referrals; and providing information on the rights of the disabled.

Homelessness

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

The priority needs for the homeless in Lynchburg are emergency housing, transitional housing, permanent support services, and rapid rehousing to move homeless persons and families safely out of the cycle of homelessness and back into self-sufficiency. The objective for homeless and

other special populations is to provide for the priority needs of the homeless with an emphasis on services that break the cycle of homelessness. During this Annual Action Plan, the specific CoC objectives to meet the homeless needs include the following:

- Objective 1: Create new permanent housing beds for chronically homeless Individuals;
- Objective 2: Increase percentage of homeless persons staying in permanent housing over 6 months to at least 77 percent;
- Objective 3: Increase percentage of homeless persons moving from transitional housing to permanent housing to at least 65 percent;
- Objective 4: Increase percentage of persons employed at program exit to at least 20 percent; and
- Objective 5: Decrease the number of homeless households with children.

Chronic Homelessness

All of the permanent supportive housing programs are implementing a new protocol in Program Year 2014 (FY 2015) to award priority to eligible chronically homeless persons when a unit becomes available and such persons apply for housing. During 2014, the permanent supportive housing programs will receive referrals through centralized intake. The coordinator of centralized intake will prioritize individuals who are chronically homeless for permanent supportive housing beds. Progress will be measured by tracking the number of chronically homeless individuals and families served.

Homelessness Prevention

The permanent supportive housing programs within the CoC presently meet the U. S. Department of Housing and Urban Development's (HUD's) goal of 80% for the objective of increasing housing stability. The programs will at least maintain and attempt to improve this performance by improving the quality of case management provided to each participant. The case managers of all permanent supportive housing programs will develop a housing stability plan with each participant to ensure stability is achieved. The case manager will develop a discharge plan with each participant exiting permanent supportive housing to ensure discharge to other more appropriate permanent housing. Additionally, the case managers will continue to strengthen the network of community support and resources available to the permanent housing participants.

Discharge Coordination Policies

In relation to youth aging out of foster care, patients released from medical facilities, patients released from mental health institutions, and prisoners released from correctional institutions, the CoC continues to work in cooperation with individuals from local law enforcement agencies, supportive service agencies, and other interested parties to coordinate discharge.

The following are supportive service agencies that coordinate discharge:

Foster Care (Youth Aging Out):

There is State mandated policy around discharge planning for foster children aging out of the foster care system but there is also best practices that are used to establish this community's discharge planning policy. The local Departments of Social Services meet with youth in foster care at least ninety days prior to discharge in order plan for the impending discharge. Family Partnership Meetings are held to develop a transitional plan with each youth that focuses on

City of Lynchburg, VA
2010-2015 Consolidated Plan
Program Year 2014 (FY 2015) Annual Action Plan

housing. The vast majority of youth leaving the foster care system return to their families of origin and many of them remain with their foster families despite being discharged from the system.

Health Care:

The CoC has guidelines in place in which it coordinates with CENTRA, the primary health care provider in the CoC area, adequate housing placement of those being released from the hospital system. This process strives to ensure that discharged persons are not released directly to the streets, emergency shelters, or other homeless assistance programs in the Region 2000 area. CENTRA's staff works closely with area housing agencies, providers, and organizations in the CoC to ensure safe and adequate placement of those being released from the hospital system. CENTRA coordinates with these agencies the appropriate release planning back to family, friends, or to private rental housing and service providers. In addition, in 2013 CENTRA completed a Community Health Needs Assessment (CHNA) for Lynchburg General Hospital, Virginia Baptist Hospital and CENTRA Specialty Hospital. For the CHNA the community is defined as the Greater Lynchburg community, which includes Lynchburg City, Town of Bedford, Bedford County, Campbell County, Amherst County, Appomattox County and Southern Nelson County in Central Virginia. The CHNA and the associated implementation plan may be viewed on the CENTRA website at www.centrahealth.com then click on the Wellness tab.

Mental Health:

The Commonwealth of Virginia mandates that person discharged from State institutions or systems of care have a plan for discharge that prevents the occurrence of homelessness. The policy states that patients cannot be discharged into homelessness including the streets, shelters, or other HUD McKinney-Vento funded programs. Horizon Behavioral Health is an active member of the CoC in this region. The CoC has provided ongoing training to its members with regards to accessing services from Horizon Behavioral Health. In addition, Horizon as a member of the CoC has received information about current and new referral options in the area through organization presentations and announcements.

Corrections:

CoC agencies coordinate with the Virginia Department of Corrections' protocols in place which are to specifically include housing needs in their discharge plans. At discharge, the inmate must have a verifiable address in order to be released and the Probation and Parole District office is directed to address this need and use available local resources to help with housing. Often, the discharged inmate will return to family or referred to VA CARES, a program for ex- offenders, that one of the CoC member agencies conducts which assists with housing and employment services. In conjunction with the Virginia Department of Corrections the local housing providers including: YWCA Domestic Violence Prevention Center; Lynchburg Community Action Group, (Rapid Rehousing and VA CARES); and the local departments of social services in the City of Lynchburg; Amherst County, Bedford County, and Campbell County coordinate to assist with the housing needs and a discharge plan for the inmates.

Barriers to Affordable Housing

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

The City's Analysis of Impediments to Fair Housing Choice (AI) indicated that the City had a few areas that could be barriers to affordable housing. The AI suggests that HOME Program funding, which is currently tied to those census tracts which qualify as Low-Moderate Income (LMI), be used throughout the City helping offer more opportunity across the City. More accessible units are needed in the City. The Lynchburg Redevelopment and Housing Authority (LRHA) has prioritized rental rehabilitation grants for those landlords willing to make accessibility upgrades to the unit. LRHA is also rehabilitating public housing units for accessibility improvement. The City's Zoning Ordinance which was adopted in 1978 promotes "suburban" style development, not conducive to affordable housing development. The City is currently undertaking a Zoning Ordinance overhaul in order to help better facilitate its goal of becoming a more sustainable City, as well as improve affordability options for housing.

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

Other Actions

Addressing Obstacles to Meeting Underserved Needs

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

Access to Public Transportation

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

DRAFT

COMMUNITY DEVELOPMENT

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

Eliminate neighborhood deterioration, blight, and blighting influences.

The City will continue its coordinated and aggressive code enforcement of dealing with weeds, abandoned motor vehicles, litter, and vacant buildings in an effort to improve the safety and appearance of neighborhoods, in which people live, work and play. The City will continue to use supervised inmate labor from the local jail to secure abandoned buildings against illegal entry, clean illegal dumpsites, and cut weeds on neglected properties. The Community Development staff will continue to involve the Police Department, Fire Marshall, and Lynchburg Redevelopment and Housing Authority (LRHA) in determining the priority for demolition of substandard housing. The above is part of the City's ongoing Code Compliance Program, and is a high priority activity that reports to City Council annually.

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

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

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

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

Neighborhoods are an important foundation for improving and sustaining community livability and services. Strong neighborhoods help to create more active and informed citizens, which in turn result in a stronger community. Within neighborhoods there are shared identities, issues, concerns, and interests. Each neighborhood has its own unique priorities and character. The neighborhoods within Lynchburg's Historic Districts are working to preserve historical aesthetics. 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 and each neighborhood needs an avenue to deal with their own needs so that the community continues to be strengthened and protected.

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

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

City staff is continuing its review and update its Sustainable Neighborhood Strategy regarding the sustainability of neighborhoods. Operating principles that are proposed to guide the City's work in neighborhoods include:

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

Proposed Goals that support the draft operating principles for neighborhoods include:

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

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

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

In Program Year 2011 and each succeeding year, The Tinbridge Hill Neighborhood Council (THNC), in partnership with the City of Lynchburg, and supported by the Friends of Tinbridge Hill (FTH) proposed a long-term, targeted investment of CDBG funds into Tinbridge Hill to assist its residents and community stakeholders accomplish its goals and develop a comprehensive

vision. The residents and Neighborhood Council have built strong and productive relationships with identified and proven achievements. THNC and FTH have successfully engaged a number of stakeholders including the Legacy Museum of African-American History, the Old City Cemetery, Johnson Health Center, Presbyterian Homes and Family Services, Habitat for Humanity, Saint John's Episcopal Church, Randolph College, Rebuilding Together Lynchburg and other organizations throughout the community for various neighborhood improvement efforts.

Tinbridge Hill Neighborhood Plan

In 2013, the City of Lynchburg launched a new initiative to prepare a Sustainable Neighborhood Plan for the area of Tinbridge Hill, in order to engage neighborhood residents and community leaders in a dialogue about the future of this historic area.

To complete the project, the City hired a consultant team, led by Clarion Associates from Chapel Hill, North Carolina, to gather information, identify neighborhood assets and needs, and develop a set of recommendations and priorities for action to help achieve community goals for the Tinbridge Hill area. The overall context for this initiative is the Sustainable Lynchburg Plan, which offers a framework for decision-making and action, including specific strategies for the Tinbridge Hill Neighborhood.

Through the initiative started in 2013, the City completed a neighborhood plan known as "Growing Tinbridge Hill." The Tinbridge Hill Neighborhood Council (THNC), in partnership with the City of Lynchburg, and supported by the Friends of Tinbridge Hill (FTH), proposed continued funding for a long-term, targeted investment of CDBG funds into Tinbridge Hill to assist its residents and community stakeholders in accomplishing their goals and implement the policies of the plan in order to become a sustainable neighborhood. "Growing Tinbridge Hill" is a model plan for developing sustainable neighborhoods within the City of Lynchburg. Housing, Infrastructure, Recreation and Safety are the essential elements of the plan. Developing leadership and a sense of ownership of the plan by the neighborhood are also vital to overcoming the obstacles that may be present when dealing with any of the essential elements. The Tinbridge Hill Neighborhood Council is the responsible entity for the implementation of the plan objectives and policies.

In Program Year 2014 (FY 2015) the City has allocated CDBG funds that will be used for infrastructure improvements within the Tinbridge Hill Neighborhood.

Fifth Street Community Development Corporation (CDC) -

The Fifth Street Master Plan was adopted by City Council on May 23, 2006. The Plan establishes the Vision for a rehabilitated and revitalized corridor that serves the needs of the surrounding neighborhoods. The 2010 Census indicates that 77% of the residents in the immediate study area are African American and indicated that 49% of the individuals have an annual income below \$15,000. The City has committed CDBG, and Capital funds to improve the streetscape over three phases. Phase I was completed in September 2009 and included the construction of water and sewer lines in addition to a modern urban roundabout and complimentary streetscape between Jackson & Harrison Streets. Phase II was completed in November 2013 and extended streetscape and utility improvements to Main Street.

Phase III would extend streetscape improvements south between Jackson and Taylor Streets and finish streetscape improvements as recommended in the Master Plan. Phase III is anticipated for construction in FY2016.

The Fifth Street Corridor is seeing considerable private development interest as a result of the streetscape improvements and the placement of the area on the State & National Register in February 2012. The Red Shoe Dance Academy located at 409 Fifth Street opened in the renovated Moser Furniture Building in 2012. The former Fisher Auto Parts Buildings located at 400-408 Fifth Street have been improved and the former Coiner Auto Parts Building at 500 Fifth Street is under new ownership and use. Buildings at 702 & 708 Fifth Street have been stabilized to prevent further deterioration. The convenience store at 521 Fifth Street is under new ownership and is undergoing renovations. The Economic Development Authority is currently working with a major national retailer concerning locating at Fifth & Federal Streets.

Support Economic Development efforts which will expand job opportunities and retention.

The City's goal is to incentivize and support commercial and industrial development in order to encourage economic growth, expand the tax base and increase job creation. We will use the following strategies: (1) aggressive, targeted downtown redevelopment and revitalization efforts focused on existing business support, new business attraction and residential, infrastructure and quality of life investments; (2) continue to offer the Local Enterprise Zone Redevelopment Grant which designed to support small business real property improvement 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) increase existing business and entrepreneurial participation in the Economic Development Authority's Revolving Loan Fund. The City will also support projects that recruit and train low-income persons and assist them in obtaining employment. The City will continue implementation of the downtown master plan for the redevelopment of downtown; (6) continue the James River Arts & Cultural Project Grant continues to generate activity, both economic and cultural.

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 services and programs needed by youth and community programs that impact youth and families, and development of prevention resources and programs.

Although no CDBG funds have been directly allocated to public service nonprofit agencies, the City will continue to support public service providers in order to meet the needs of low-to-moderate income persons, individuals with disabilities, substance abuse or addiction, persons with AIDS, persons that are homeless, and elderly persons. In addition to the services provided by the City's Social Services Department, there are many nonprofit organizations that coordinate with the City to provide the services needed.

PROGRAM SPECIFIC REQUIREMENTS

CDBG

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

The City expects to receive \$2,400.00 from Lynchburg Redevelopment and Housing Authority (LRHA) from an amortized loan described in a prior plan.

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

The City has made adjustments for additional program income received in the 2013 and 2012 plan years. The City has also received \$2,500.00 that will be included in the next plan year.

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

The City does not have any proceeds from a Section 108 loan guarantee to be used during this year.

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

The City does not have an urban renewal settlement.

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

The City has made adjustments for returned grant funds received in the 2013 plan year.

6. Income from float-funded activities.

The City does not have any float-funded activities.

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

The City does not have any urgent need activities.

HOME PROGRAM

HOME Assistance

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

Other Forms of Investment

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

Guidelines for Financing and Refinancing

Not applicable. During Program Year 2014 (FY 2015), the City of Lynchburg does not anticipate using HOME funds to finance or refinance existing debt secured by multi-family housing that is being rehabilitated with HOME funds.

Recapture Provisions for Homebuyer and Homeownership Activities

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

The HOME affordability periods are as follows:

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

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

In accordance with HOME CPD 12-003 Notice “Guidance on Resale and Recapture Provision Requirements under the HOME Program” the City has submitted to the HUD Richmond Field Office the “Recapture Restriction Agreement” used by the City for homebuyer projects. This document includes the basic requirements for recapture provisions in HOME Investment Partnerships (HOME) program homebuyer projects. The document was reviewed by the HUD Richmond Field Office staff and was found to be acceptable for compliance with §92.254(a) (5) of the HOME Program regulations.

Tenant-based Rental Assistance

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

HOME Affirmative Marketing

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

HOME Minority Outreach Program

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

HOME Matching Requirements

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

HOPWA

The City of Lynchburg does not receive Housing Opportunities for Persons with AIDS (HOPWA) funds. A local nonprofit, Lynchburg Community Action Group, Inc. (Lyn-CAG) does receive funds from the Virginia Department of Housing and Community Development (DHCD) to administer this program. Lyn-CAG's HOPWA Program is the only program of its kind in Central Virginia and coordinates its services with not only local hospitals, but with the Medical College of Virginia (MCV) and University of Virginia (UVA) in Richmond and Charlottesville, respectively. Tenants have to reside in the catchment area which includes the City of Lynchburg and the Towns of Amherst, Appomattox, Bedford and the Counties of Campbell, Prince Edward and Charlotte. The Program partners with the local physicians' internal medicine practice specializing in HIV/Aids treatment located in Lynchburg and provide a support group that is attended by not only its eligible clients, but others not eligible for financial assistance, but needing support. Lyn-CAG was the first agency to offer services to those with HIV/Aids. Lyn-CAG fills a gap that otherwise would go unfilled. With stable housing, nutritious meals and consistent medical treatment, the HIV/Aids population is living longer and in some cases is almost finding remission. Without the HOPWA Program in Central Virginia, many more HIV/Aids clients would be homeless, lack treatment, and ultimately face death on a fast-track basis.

EMERGENCY SOLUTIONS GRANTS (ESG)

The city is The Emergency Solutions Grant (ESG) Program is authorized by the McKinney-Vento Homeless Assistance Act funded through the U.S. Department of Housing and Urban Development (HUD). This federally funded program is administered through HUD by a formula allocation to ESG entitlement localities and states.

The Virginia Department of Housing and Community Development (DHCD) is responsible for administering the state ESG allocation for Virginia. Lyn-CAG is a recipient of the ESG funds in Lynchburg. These funds provide for shelter operations at the Hands Up Lodge. In addition there are funds allocated through the Rapid Re-housing Program which provides for pay rent and utility arrears for homeless male headed households. The goals of the State ESG Program are:

- To reduce the number of individuals/households who become homeless;
- To shorten the length of time an individual or household is homeless; and
- To reduce the number of individuals/households that return to homelessness.

OTHER NARRATIVES AND ATTACHMENTS

Available Resources - The Table below reflects the CDBG and HOME financial resources available during Program Year 2014 (FY 2015).

Program	FY 2014 Federal Funding
Community Development Block Grant Program (CDBG) Entitlement	\$671,454.00
Prior Year Funds Available for Reprogramming:	
<i>Bluffwalk (Interest Payment 2013-2014)</i>	49,738.00
<i>LRHA Rental Rehab (2012-2013)</i>	30,000.00
<i>Tinbridge Hill Admin (2013-2014)</i>	8,500.00
<i>LRHA Minor Property Repairs (2010-2011)</i>	5,000.00
<i>Lyn-CAG Housing Improvement (2010-2011)</i>	944.37
Total Amount of Funds to Reprogram:	<u>94,182.37</u>
Returned Funds from LRHA	<u>3,000.00</u>
Program Income 2013-2014	<u>291,234.19</u>
Total CDBG Funds	<u>\$1,059,870.56</u>
HOME Program-Entitlement	\$340,925.00
Prior Year Funds Available for Reprogramming:	
<i>LNDF Homeownership (2011-2012)</i>	32,056.58
<i>LNDF Homeownership (2012-2013)</i>	14,999.60
<i>LNDF Single Family Development (2012-2013)</i>	65,424.00
<i>LNDF Single Family Development (2013-2014)</i>	50,000.00
Total Amount of Funds to Reprogram:	<u>162,480.18</u>
Program Income 2013-2014	<u>1,247.00</u>
Total HOME Funds	<u>504,652.18</u>
Total Federal Resources	<u>\$1,564,522.74</u>

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

At least seventy percent (70%) of the CDBG funds will be used for activities that benefit persons of low- and moderate income or that live in a low- and moderate income area. The activities include housing rehabilitation, targeted neighborhood revitalization, acquisition, and slums and blight. The project detail sheets identify the location of each project, which includes the CDBG-targeted areas (Census Tracts 4, 5, 6, 7, 11, and 19).

Lead-based Paint 91.205 (e)

Paint hazards are given high priority and addressed in all residential rehabilitation projects undertaken with federal funds as mandated by HUD and the Environmental Protection Agency (EPA). Paint hazard evaluations, testing, risk assessments, safe work practices, clearance, and resident notifications will continue to be performed as part of the housing rehabilitation programs.

Fair Housing

Funding was allocated in the FY 2013 CDBG projects for the City to update the Analysis to the Impediments to Fair Housing Choice (AI). The AI was completed in January 2014 and included an analysis of public and private sector policies, programs and statutes which impact the development, financing, regulation and siting of housing in the City. The City has identified within the AI: (a) impediments to fair housing choice; and (b) recommended strategies that would eliminate the impediments to housing choice.

In the attached charts are the impediments that were identified and the proposed action steps. Over the next five years the City will seek to implement the action steps to enhance and/or eliminate the identified impediments to housing choice. The action steps that will be reviewed and implemented during Program Year 2014 (FY 2015) have been identified.

Section 108 Loan Guarantee

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

Project Description:

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

Current Status:

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

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

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

Total Amount of CDBG Funds Provided to Project for Repayment: \$1,430,364

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

The number of jobs made available to low and moderate-income recipients was actually 90 through full-time and part-time positions. However, the number of Full Time Equivalent (FTE) jobs made available to low and moderate-income recipients was 54.6. The projected amount for the Bluffwalk Center Project was 61. The number of jobs made available to low income recipients was determined by comparing the annual salaries to 50% of the median income for Lynchburg per the 2000 census. The number of jobs made available to moderate income recipients was determined by comparing the annual salaries to 80% of the median income for Lynchburg per the 2000 census.